

GORENJSKA BANKA GROUP

DISCLOSURE OF ADDITIONAL INFORMATION FOR 2025

May 5, 2026

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Introduction

In line with Article 13(1) of CRR Regulation (*Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012*), we are hereby publishing the disclosures of additional information (hereinafter: Disclosures) of the Gorenjska banka Group (hereinafter: Group).

Legal bases for mandatory disclosures:

- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012,
- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 regarding the leverage ratio, the net stable funding ratio, the requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012,
- Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the production floor,
- Commission Implementing Regulation (EU) No. 2021/637 of 15 March 2021 laying down the implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.
- Implementing Regulation (EU) 2021/763 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to supervisory reporting and public disclosure of minimum requirements for own funds and eligible liabilities
- Opinion of the European Banking Authority on the application of the provisions relating to disclosures on ESG risks (5.8.2025)

Gorenjska banka d.d., Kranj (LEI code 5493000UPYR7EEHN2R94) is a major EU subsidiary of the parent institution AIKGROUP (CY) Limited, Cyprus. As a major subsidiary, it is also obligated to disclose information from Articles 437, 438, 440, 442, 450, 449a, 451, 451a and 453 of the CRR Regulation on a sub-consolidated basis. The Bank prepared disclosures on a sub-consolidated basis for the first time for 2021, as it has been defined as a systemically important bank since 30 September 2021 in accordance with the decision of the Bank of Slovenia.

As of April 2, 2025, the name of the parent institution Agri Europe Cyprus Limited changed to AIKGROUP (CY) Limited.

The following companies are included in the consolidation for regulatory purposes (prudential consolidation on a sub-consolidated basis):

- Gorenjska banka d.d., Kranj, as the parent company,
- GB Leasing d.o.o., Ljubljana, Slovenia, as a subsidiary, 100% owned by Gorenjska banka d.d. Kranj

The following companies are included in the consolidation for financial purposes:

- Gorenjska banka d.d., Kranj, as the parent company,
- GB Leasing d.o.o., Ljubljana, Slovenia, as a subsidiary,
- Imobilia – GBK d.o.o., Kranj,
- Filira, poslovne storitve, d.o.o., Ljubljana.

The disclosures of the Group, which include Gorenjska banka d.d., Kranj and GB Leasing d.o.o., Ljubljana, are compliant with the requirements of part VIII of the CRR and the requirements of the appropriate technical standards and guidelines regarding the disclosures in part VIII of the CRR Regulation. To ensure compliance with the requirements of part VIII of the CRR Regulation, the disclosures policy has been adopted on 22. November 2022, and is applied for disclosures on a sub-consolidated basis.

The Group assessed the need to disclose information more than once a year and found that annual disclosure is suitable. Disclosures for the years 2025, 2024, 2023, 2022 and 2021 are published on the website <https://www.gbkr.si/>.

Disclosures that are an integral part of the revised Annual Report and required by the CRR Regulation are not included again.

The Group has no collateral obtained from taking possession and from recovery processes, therefore it does not disclose information as defined on the EU CQ7 template. The Group is not a financial conglomerate and therefore it does not disclose information defined in the EU INS template. There were no paid special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) and no remunerations of EUR 1 million or more in the Group, which is why it does not disclose information defined in the EU REM4 template.

The ratio between the gross book value of loans and other financial assets that fall under Article 47a(3) of the CRR Regulation, and the total gross book value of loans and other financial assets that fall under Article 47a(1) of the CRR Regulation, is less than 5% (share of nonperforming exposures), which is why the Group does not disclose information defined in templates EU CR2a, EU CQ2, EU CQ6, and EU CQ8.

Disclosures were reviewed by the Internal Audit Division and approved by the management board of Gorenjska banka d.d., Kranj. Following the confirmation by the Management Board, the Bank's Supervisory Board and Risk Committee get familiarised with and confirmed the disclosures.

All these amounts are in thousand EUR, unless stated otherwise. A zero value means that the amount is more than EUR 0 and less than EUR 500. Any data discrepancies are due to the rounding off of values.

Rows and columns with non-relevant zeroes are not shown. The numbering of rows or columns does therefore not change and it is harmonised with the templates from the CRR Regulation. Any other waivers of disclosures are listed under each template.

1. Own Funds

(Article 437 of the CRR Regulation)

1.1. Composition of Regulatory Own Funds

The basis for the calculation of the capital on a sub-consolidated basis is the statements of the Group (Gorenjska banka d.d., Kranj and GB leasing d.o.o., Ljubljana), which were made by considering the consolidation for regulatory purposes. The capital of the Group is comprised of elements of the total capital, additionally reduced by deductibles and credit rating filters. In accordance with the regulatory requirements, the Group and the Bank must maintain the common equity tier 1 capital ratio of 4.5%, the tier 1 capital ratio of 6% and the total capital ratio of 8%.

Based on resolution adopted by the general meeting of Gorenjska banka d.d., Kranj, in March 2026, the Group's regulatory capital has increased by EUR 12,978 thousand as of 31 December 2025. The increase refers to the redistribution of the retained earnings into retained earnings from previous years, available for unlimited and immediate use to cover risks and losses, as soon as they occur. With this resolution, the payment of dividends in the amount of EUR 29,525 thousand was accepted to the owner from profits that are not available for unlimited and immediate use to cover risks. Information in this document is disclosed based on the Group's capital in the amount of EUR 332,737 thousand, while in the Annual Report of Gorenjska banka d.d., Kranj, and the Gorenjska banka Kranj Group, information is disclosed based on the Group's capital in the amount of EUR 319,759 thousand.

The EU CC1 template below shows the structure of the regulatory capital as of 31 December 2025. Column (b) shows the source of amounts related to the EU CC2 template, column (c).

		(a)	(b)
		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	36,211	21 + 22
	of which: ordinary shares	16,188	21
2	Retained earnings	79,989	29
3	Accumulated other comprehensive income (and other reserves)	179,638	25 + 26
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	12,978	31
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	308,816	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(129)	0.1% from 2 + 3
8	Intangible assets (net of related tax liability) (negative amount)	(5,481)	7
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(3,940)	9
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(26,007)	27
27a	Other regulatory adjustments	(12)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(35,569)	
29	Common Equity Tier 1 (CET1) capital	273,246	
Additional Tier 1 (AT1) capital: instruments			
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
45	Tier 1 capital (T1 = CET1 + AT1)	273,246	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	59,491	15
51	Tier 2 (T2) capital before regulatory adjustments	59,491	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	59,491	
59	Total capital (TC = T1 + T2)	332,737	
60	Total Risk exposure amount	1,845,654	
Capital ratios and requirements including buffers (%)			
61	Common Equity Tier 1 capital	14.80%	
62	Tier 1 capital	14.80%	
63	Total capital	18.03%	
64	Institution CET1 overall capital requirements	9.48%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.93%	
67	of which: systemic risk buffer requirement	0.14%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.41%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	6.93%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	24,311	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,678	5
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	331	

The applicable upper limits regarding the inclusion of provisions in the additional capital and capital instruments for which gradual eliminations are used are irrelevant for the Group, thereby rows 76-85 are not displayed.

1.2. Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The **EU CC2** template below shows the harmonisation of the regulatory capital with the statement of financial position in the audited financial statements. Column (a) shows the audited Group statement of financial position as of 31 December 2025, and column (b) shows the statement of financial position for regulatory purposes. The elements of the statement of financial position are expanded to the level of fragmentation required due to the reference to the EU CC1 template, column (b).

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		31 December 2025	31 December 2025	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash, cash balances at central banks and other demand deposits at banks	386.584	386.584	
2	Non-trading financial assets mandatorily at fair value through profit or loss	7.648	7.648	part of 7
3	Financial assets measured at fair value through other comprehensive income	119.136	119.136	part of 7
4	Financial assets measured at amortised cost	2.165.626	2.165.618	
5	Investments in subsidiaries	-	4.678	73
6	Tangible assets	63.497	62.793	
7	Intangible assets	5.481	5.481	8
8	Tax assets	5.206	5.195	
9	- Deferred tax assets that rely on future profitability	3.940	3.940	10
10	- Other tax assets	1.266	1.255	
11	Other assets	7.045	7.034	
12	Non-current assets classified as held for sale	4.517	928	
13	Total assets	2.764.741	2.765.096	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
14	Financial liabilities measured at amortised cost	2.434.695	2.435.386	
15	- Subordinated loans	59.491	59.491	46
16	- Other financial liabilities measured at amortised cost	2.375.205	2.375.895	
17	Provisions	4.963	4.963	
18	Tax liabilities	86	86	
19	Other liabilities	11.968	11.879	
20	Total liabilities	2.451.712	2.452.313	
Shareholders' Equity				
21	Paid-up capital	16.188	16.188	1
22	Share premium	20.023	20.023	1
23	Accumulated other comprehensive income	2.436	2.436	
24	- Actuarial gains on defined benefit pension plans	247	247	
25	- Other accumulated other comprehensive income	2.189	2.189	3
26	Reserves from profit	177.448	177.436	3
27	Treasury shares	(26.007)	(26.007)	16
28	Retained earnings (including income from the current year)	122.940	122.706	
29	- Retained earnings from previous years, available for unlimited and immediate use to cover risks	79.989	79.989	2
30	- Retained earnings from previous years, not available for unlimited and immediate use to cover risks	29.973	29.739	
31	- Net profit for the financial year, available for unlimited and immediate use to cover risks	12.978	12.978	EU-5a
32	Total shareholders' equity	313.029	312.782	

1.3. Main Features of Regulatory Own Funds Instruments and Eligible Liabilities Instruments

Among the instruments of common equity capital, the Group includes common shares that meet the terms and conditions from Article 28 of the CRR Regulation. The **EU CCA** template below shows the main characteristics of the common equity tier 1 capital instruments.

		a
1	Issuer	Gorenjska banka d. d., Kranj
2	Unique identifier (ISIN Code)	SI0021109630
2a	Public or private placement	Public placement
3	Governing law(s) of the instrument	Slovenian legislation
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
<i>Regulatory treatment</i>		
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A
5	Post-transitional CRR rules	Common Equity Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Subconsolidated
7	Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 Capital; article 26(3) CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 16 million
9	Nominal amount of instrument	41.73 EUR
EU-9a	Issue price	41.73 EUR
EU-9b	Redemption price	N/A
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	23 May 2000
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating dividend
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	Yes
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

N/A – not applicable

Additional capital instruments refer to a subordinated bond with ISIN code XS3200137803, issued by Gorenjska banka on 16 October 2025 in a nominal amount of EUR 60.0 million, with a maturity date of 16 October 2035 and the option of early call on the fifth anniversary of the bond's issuance date. The principal will bear interest at a fixed interest rate of 6.75% per annum for the first five years, and after five years the interest rate will be re-determined based on market conditions at that time. The bond is listed on the MTF market of the Luxembourg Stock Exchange. The subordinated bond has the characteristics of additional capital instruments referred to in

point (a) of the first paragraph of Article 62 of the CRR Regulation. In the event of the borrower's insolvency, the instrument is repaid after the repayment of any receivables from the eligible liabilities instruments.

Based on the ECB's permission to include the issued subordinated bond in the bank's capital and the ECB's permission to early repay subordinated loans in the total amount of EUR 50.0 million with the associated interest, the bank repaid both subordinated loans on 29 October 2025. The table below shows the balance of subordinated liabilities that were repaid early as of 29 October 2025:

Issuer	Date of conclusion	Due date	Principal amount	Interest rate	Interest rate type
AIK BANKA AD	12.02.2020	28.02.2030	20,000	5.00%	fixed
AIK BANKA AD	5.12.2022	14.12.2032	30,000	9.00%	fixed

1.4. Main characteristics of regulatory capital and MREL of eligible liabilities

The Bank Recovery and Resolution Directive (BRRD) requires banks in EU Member States to maintain minimum requirements for capital and eligible liabilities (MREL).

Based on the provisions of Commission Implementing Regulation (EU) 2021/763, the Bank discloses information on regulatory capital and MREL of eligible liabilities based on the EU TLAC1, EU KM2 and EU TLAC3b templates.

In 2025, the bank received the Order on 23 January 2025 setting the minimum requirement for capital and eligible liabilities - MREL requirement. The bank must meet the MREL requirement on a consolidated basis at the level of the group under resolution (the group consolidation includes the companies – Gorenjska banka d. d., Kranj and GB Leasing d. o. o., Ljubljana). The MREL requirement is 19.73% of the total risk exposure amount (TREA) + the combined buffer requirement (CBR), which at the end of 2025 amounted to 3.57% of TREA, and 5.24% of the total exposure measure (TEM). The MREL requirement must be met at all times from the date of receipt of the requirement.

EU TLAC1 template – MREL composition

		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities and adjustments		
1	Common Equity Tier 1 capital (CET1)	273,246
6	Tier 2 capital (T2)	59,491
11	Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	332,737
Own funds and eligible liabilities: Non-regulatory capital elements		
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	118,600
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
23	Total risk exposure amount (TREA)	1,845,654
24	Total exposure measure (TEM)	3,011,531
Ratio of own funds and eligible liabilities		
25	Own funds and eligible liabilities as a percentage of TREA	24.45%
EU-25a	Of which own funds and subordinated liabilities	18.03%
26	Own funds and eligible liabilities as a percentage of TEM	14.99%
EU-26a	Of which own funds and subordinated liabilities	11.05%

The **EU KM2** template shows the Group's information on key MREL metrics as of 31.12.2025, required under Article 447(h) of the CRR Regulation and Article 45i(3)(a) and (c) of the BRRD Directive.

		Minimum requirement for own funds and eligible liabilities (MREL)
		31.12.2025
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	451,337
EU-1a	Of which own funds and subordinated liabilities	332,737
2	Total risk exposure amount of the resolution group (TREA)	1,845,654
3	Own funds and eligible liabilities as a percentage of the TREA	24.45%
EU-3a	Of which own funds and subordinated liabilities	18.03%
4	Total exposure measure (TEM) of the resolution group	3,011,531
5	Own funds and eligible liabilities as percentage of the TEM	14.99%
EU-5a	Of which own funds or subordinated liabilities	11.05%
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	23.30%
EU-9	MREL expressed as a percentage of the TEM	5.24%

The **EU TLAC3b** template shows the ranking of regulatory capital and MREL eligible liabilities according to the order of repayment in the hierarchy of creditors of the entity under resolution.

		Insolvency ranking										Sum 1 to 10
		1	2	3	4	5	6	7	8	9	10	
		(most junior)									(most senior)	
1	Description of insolvency rank	Claims arising from equity instruments, including claims arising from instruments issued by the bank and qualifying as Common Equity Tier 1 instruments of the bank	Subordinated claims that, based on a contractual arrangement between the parties, are repaid after full repayment of claims that rank lower in the event of a bank's forced winding-up proceedings	Unsecured claims arising from debt instruments that meet all of the following conditions*:	Unsecured claims other than debt instruments referred to in the above point	Deposits with the bank that are not considered eligible deposits (non-eligible deposits), including**:	Other eligible applications not covered by the above or below points (large companies):	Eligible deposits of investors who are natural persons or legal entities that meet the criteria for micro, small and medium-sized enterprises as defined in the law governing companies, in amounts exceeding guaranteed deposits	Claims whose original maturity is less than seven days and whose holder is**:	Guaranteed deposits	Priority claims	
5	Own funds and liabilities potentially eligible for meeting MREL	273,168	59,491	100,000	-	18,600	-	-	-	-	-	451,259
6	of which residual maturity ≥ 1 year < 2 years	-	-	100,000	-	13,400	-	-	-	-	-	113,400
7	of which residual maturity ≥ 2 year < 5 years	-	-	-	-	5,200	-	-	-	-	-	5,200
8	of which residual maturity ≥ 5 years < 10 years	-	59,491	-	-	-	-	-	-	-	-	59,491
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	273,168	-	-	-	-	-	-	-	-	-	273,168

* their original contractual maturity is at least one year; they do not have embedded features of derivative financial instruments and are not themselves derivative financial instruments; the relevant contractual documentation or prospectus relating to their issue expressly states that, in the event of the compulsory winding-up of the bank, claims arising from these instruments are repaid in priority to lower-ranking and subordinated claims referred to in the previous point; their original contractual maturity is at least one year; they do not have embedded features of derivative financial instruments and are not themselves derivative financial instruments

**deposits of banks and investment companies and other financial institutions that they have invested in their own name and for their own account; deposits of insurance companies, reinsurance companies and insurance holding companies; deposits of collective investment undertakings for investment in transferable securities, including closed-end investment undertakings; deposits of pension funds and pension companies; deposits of states and central banks and deposits of entities that are direct or indirect users of the state budget; deposits of local communities and deposits of direct and indirect users of the budget of local communities

***an institution that is not part of a group or; a payment or settlement system or an operator or participant of such a system, if the claims are the result of the participation of the resolution entity in a payment or settlement system and the rules on the finality of settlement of orders in the event of insolvency or other winding-up proceedings of a member apply to settlement in the system in accordance with the law governing payment systems and services or the law governing the market in financial instruments

2. Capital requirements and risk-weighted exposure amounts

(Article 438 of the CRR Regulation)

2.1. Overview of Total Risk Exposure Amounts

The Group uses the standardised approach to calculate tier 1 capital requirements for credit and market risks, and the simple approach to calculate the tier 1 capital requirement for operational risks.

The capital requirement for each risk is 8% of the total exposure to each risk.

The **EU OV1** template below shows the amounts of the total exposure to risk and the total capital requirements under various risk categories. Columns (a) and (b) show the total exposures to risks as of 31 December 2025 and 31 December 2024, and column (c) shows the total capital requirements under individual risk types as of 31 December 2025, calculated in line with Article 92 of the CRR Regulation.

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31 December 2025	31 December 2024	31 December 2025
1	Credit risk (excluding CCR)	1,724,034	1,498,686	137,923
2	of which the standardised approach	1,724,034	1,498,686	137,923
6	Counterparty credit risk - CCR	-	-	-
15	Settlement risk	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
23	Operational risk	121,621	191,017	9,730
EU 23a	of which basic indicator approach	-	191,017	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	12,524	7,226	1,002
29	Total	1,845,654	1,689,703	147,652

2.2. Key metrics

The **EU KM1** template below shows the key matrixes relating to the disclosures of capital requirements.

		a	e
		31 December 2025	31 December 2024
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	273,246	262,604
2	Tier 1 capital	273,246	262,604
3	Total capital	332,737	312,604
	Risk-weighted exposure amounts		
4	Total risk exposure amount	1,689,703	1,590,659
4a	Total risk exposure pre-floor	1,845,654	-
	Capital ratios (as a percentage of risk-weighted exposure amount) (%)		
5	Common Equity Tier 1 ratio (%)	14.80%	15.54%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.80%	-
6	Tier 1 ratio (%)	14.80%	15.54%
6b	Tier 1 ratio considering unfloored TREA (%)	14.80%	-
7	Total capital ratio (%)	18.03%	18.50%
7b	Total capital ratio considering unfloored TREA (%)	18.03%	-
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.50%	2.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.41	1.41
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.88	1.88
EU 7g	Total SREP own funds requirements (%)	10.50%	10.50%

2.3. Insurance Participations

The Group has a capital investment at an insurance company. The capital instrument is not deducted from the capital in line with Article 49 of the CRR Regulation. The risk weight is 100%. The **EU INS1** template below discloses the value of exposures from participation in insurance companies as of 31 December 2025.

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings, or insurance holding company not deducted from own funds	-	-

2.4. Internal Capital Adequacy Assessment Process Information (EU OVC)

2.4.1 Approach to Assessing the Adequacy of the Internal Capital of the Group

The Internal Capital Adequacy Assessment Process for the Group is thus far prepared only for the Bank, which represents the predominant part of the Group's risks.

The Bank carries out the process of evaluating the internal capital adequacy in line with the ICAAP and ILAAP policy and the Capital Management Policy, which is based on the Business Strategy of the Bank and the Risk Management Strategy and Policy.

Within the calculation of the first pillar capital requirements, the Bank calculates its capital requirements for the credit, market and operational risks. The Bank has established the internal capital adequacy assessment process (ICAAP), in the framework of which it pursues the recommendations of the regulator and good banking practices in this area.

The Bank assesses the significance of each risk type by using quantitative and qualitative criteria for determining materially significant risks. The Group only defines stress tests for risks that are identified as significant and material for the Group.

In its calculation of the internal capital, the Group separately discusses the following risk types:

- credit risk,
- interest rate risk,
- liquidity risk,
- market risks,
- operational risk,
- other risks.

Within individual risks, the bank also considers subcategories of these risks.

As part of the ICAAP, the bank assesses internal capital requirements for credit risk using an internal model based on an approximation of the IRB approach for RWA calculation. Capital requirements for operational risk are determined in accordance with the regulatory BIA approach and the internal model. For all other risks, the bank primarily relies on internal models developed at the AIK Group level.

When defining risk types for which the Group, within the second pillar, calculates the capital demands, the Bank takes as its basis the above-mentioned ICAAP cornerstones - the strategies, the risk appetite and the risk profile.

2.4.2 The Result of the Institution's Internal Capital Adequacy Assessment Process of the Group (Upon Demand from the Relevant Competent Authority)

The Group is not bound to disclose the results of the internal capital adequacy assessment process.

3. Countercyclical Capital Buffer

(Article 440 of the CRR Regulation)

European legislation establishes a system for the use of capital buffers, which represent an additional requirement for determining the required amount of capital. In addition to the requirements from the first and second Basel pillars, the Group must also meet the capital buffer requirements with its common equity tier capital. Failure to comply with the requirements regarding capital buffers results in restrictions in distributing the operating result, with the purpose of strengthening the Group's capital base.

3.1. Geographical Distribution of Credit Exposures Relevant for the Calculation of the Countercyclical Buffer

The **EU CCyB1** template below shows the geographical spread of the general credit exposure of the Group for calculating the countercyclical capital buffer as of 31 December 2025. The countercyclical buffer rate of 0% (column (m)) is also considered for countries in which the competent authority failed to determine its rate.

		a	g	k	l	m
		General credit exposures	Own fund requirements	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the SA approach	Relevant credit risk exposures - Credit risk			
010	Breakdown by country:					
010.1	Slovenia	2,314,181	114,770	1,434,623	84.47	1.00
010.2	Serbia	80,650	5,141	64,266	3.78	0.00
010.3	Croatia	58,183	4,310	53,874	3.17	1.50
010.4	Italy	29,425	2,202	27,524	1.62	0.00
010.5	Austria	28,363	2,232	27,896	1.64	0.00
010.6	Luxembourg	23,246	1,816	22,700	1.34	0.50
010.7	Germany	14,450	1,063	13,291	0.78	0.75
010.8	Bosnia and Herzegovina	12,955	861	10,756	0.63	0.00
010.9	Czech Republic	9,085	684	8,549	0.50	1.25
010.10	Hungary	7,446	583	7,284	0.43	1.00
010.11	Poland	4,864	358	4,470	0.26	1.00
010.12	France	3,870	240	2,994	0.18	1.00
010.13	Netherlands	3,763	218	2,728	0.16	2.00
010.14	Spain	3,322	266	3,322	0.20	0.50
010.15	Switzerland	2,230	177	2,216	0.13	0.00
010.16	Slovakia	2,214	166	2,073	0.12	1.50
010.17	United States	1,765	138	1,724	0.10	0.00
010.18	Sweden	1,751	128	1,606	0.09	2.00
010.19	United Kingdom	1,447	100	1,245	0.07	2.00
010.20	Romania	1,189	95	1,187	0.07	1.00
010.70	Other countries	4,831	331	8,179		
020	Total	2,277,323	117,552	1,469,397		

Row 70 includes 49 countries with exposure below EUR 1 million. The Group has no credit exposure for market risks and exposures in securitisation, therefore columns b, c, d, e, f, h, i, and j are irrelevant.

3.2. Amount of Institution-specific Countercyclical Capital buffer

The level of each institution's own countercyclical capital buffer is calculated as a weighted average of the countercyclical buffer rates which are used in countries in which appropriate credit exposures of institutions are present, from rows 010.1 to 010.69 of the (m) column of the **EU CCyB1** template. The weight used for the countercyclical buffer rate in each country is the share of capital requirements in the common capital requirements and is reported in column (l) of the **EU CCyB1** template.

The **EU CCyB2** template below shows the requirement calculation for each institution's own countercyclical capital buffer of the Group as of 31 December 2025.

		a
1	Total risk exposure amount	1,845,654
2	Institution specific countercyclical capital buffer rate (%)	0.93
3	Institution specific countercyclical capital buffer requirement (1*2)	17,165

4. Exposure to Credit Risk and Impairment risk

(Article 442 of the CRR Regulation)

4.1. Additional Disclosure Related to the Credit Quality of Assets (EU CRB)

4.1.1. The Definition of 'Past-due' and 'Impaired' Exposures used for Accounting Purposes

The Group uses the same definitions when determining default status for regulatory purposes, as well as for the accounting recognition of credit impaired assets, which are included in Stage 3.

All past-due exposures are defined as non-performing exposures and are accounted for in Stage 3. Unpaid exposures are classified as all exposures where:

- a. the debtor is more than 90 days past due with the payment of any significant credit obligation,
- b. there is a low probability that the debtor will settle his credit obligations in full, without the Group using measures such as collateral encashment for repayment.

The Group considers all active balance sheet and off-balance sheet items in which the counterparty has not settled its contractual obligations on time and within the contractually agreed scope as significant credit obligations in arrears, and amount to at least 100 euros and at least 1% of the total exposure of the transaction.

In the case of exposure to natural persons, the Group applies the definition of non-payment from the above two points at the level of individual credit obligations (transaction level), and in the case of exposure to a legal entity, the overall exposure to the debtor.

4.1.2. The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this

The Group had a total of EUR 3,535 thousand in exposures that were matured for over 90 days as of 31 December 2025, which were considered as stage 3, but since they were over insured, no impairments had been allocated.

4.1.3. Description of methods used for determining general and specific credit risk adjustments

Pursuant to the IFRS 9, the Bank had the 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 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 analyses made on the basis of past information, experiences and expert credit assessments and forward-looking information.

The process and rules of classification are regularly monitored. The key criteria for classification derive from the applicable regulatory requirements and 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 the second step, the bank checks whether the financial asset has defaulted or has a certain credit rating of D or E (delay of more than 90 days at the client level or whether criteria for a lower probability of payment (so-called UTP) or other indicators of default are present (e.g. bankruptcy, disputed claim, etc.). In this case, the asset is assigned to stage 3. In step 3, three criteria for increased credit risk are checked (30 days past due, restructuring, watchlist inclusion), whereby the fulfilment of any of them implies the classification of the asset in stage 2. In step 4, it is checked whether an asset belongs to a low credit risk category and meets the conditions for classification in 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 in 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 Bank classifies all exposures at the client level that exceed EUR 200,000 and that are defined as unlikely to pay as individually impaired. It also classifies the following as individually impaired:

- POCI exposures,
- modified exposures, when the UTP criteria is met,
- leasing exposures after the withdrawal of the subject of the lease, and
- partly written-off exposures.

For all exposures classified as individually impaired, the required impairments or provisions are assessed individually in accordance with the definitions listed in the Methodology for the formation of individual impairments.

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 transaction and available information about them.

When calculating the values of credit risk parameters, the Bank includes information that derives from previous credit risk matrices in the past 8 years and forward-looking expectations and available information, such as macroeconomic scenarios involving major credit risk factors.

By applying the Z-shift method, it includes the connection between the macroeconomic conditions in the country and the shares of defaults in the bank's credit portfolio in the calculations of credit risk parameters. For the purposes of calculating impairments under IFRS 9, the bank has defined various macroeconomic scenarios, each with its own GDP forecast, which are no longer derived from the same forecast and are no longer varied using the error distribution method. This change and adjustment of the scenario weights are part of the so-called "model adjustment" with the aim of better reflecting the current and future expected macroeconomic outlook.

The Bank applies the following probabilities of individual scenarios:

- realistic scenario: 60%,
- optimistic scenario: 10%,
- pessimistic scenario: 30%.

For the purpose of calculating risk provisions according to MSRP 9, the bank has defined various macroeconomic scenarios, each with its own GDP/inflation forecast. Aiming to exercise caution in forming risk provisions due to unpredictable future macroeconomic conditions and potential consequences that could affect the bank's portfolio, default probabilities for the entire portfolio were increased by 9% this year. This resulted in additional risk provisions amounting to EUR 1,199.02 thousand.

Scenarios for future values of real GDP growth in Slovenia are used for the portfolio of companies, sole proprietors, private individuals, banks, countries and government institutions. The Bank also assesses the probability of default for entities that fall within the low default share portfolio (banks, countries, government institutions).

When calculating loss, the Bank derives from the data on the share of losses from individual cases weighted by the exposure of an individual debtor during the transition to defaulters. Furthermore, the recommended LGD may be used in other segments when the Bank is unable to calculate the level of loss due to various substantiated reasons. For the following reason, the Bank applies the regulatory LGD in segments of the Central State level and Central Bank and Institutions.

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 in the period of three months before default. In exposures with no contractual future cash flows, the cash flow is deemed to be total repayment upon maturity. If an exposure has no due date, the due date is considered to be the period of one year, where the cash flow is deemed to be total repayment upon such a new due date. EAD takes into account off-balance-sheet exposure multiplied by CCF values, determined based on the internal methodology. When calculating the level of loss, the Bank is also considering the weighted values of appropriate collaterals, which it discounts and adequately allocates to individual transactions, and the discount factor is determined on the basis of the annual average interest rate of non-performing exposures weighted with the EAD share. The algorithm for classifying collaterals is described in the Methodology on the collateral types and valuations at GB d.d. To determine the value of the collaterals used in the leasing portfolio, the Bank uses the value drop curve.

All risk parameters are calculated once a year, or more frequently if the economic forecasts change substantially compared to the previous forecasts; in such a case, the parameters are recalculated with respect to new forecasts.

The validation of all risk parameters is conducted once a year.

4.1.4. Risk weighted assets (RWA)

The Group uses a standardized approach when calculating capital requirements on credit risks. Credit risk mitigation techniques consider insurance, namely personal guarantees and property insurance. As of 31 December 2025, the bank considered government guarantees amounting to EUR 29,584 thousand and collateral with cash at the bank amounting to EUR 20,468 thousand. The Group does not use balance reconciliation. Exposures secured by cash treats as exposures secured by assets.

For the purpose of calculation of RWA, the Group assigns exposures secured by CRR eligible immovable property to category exposures secured by mortgages on immovable property and ADC exposures. In the case of exposures that are fully and completely secured by mortgages on residential real estate, a risk weight of 20% is used for the part of the exposure that does not exceed 55% of the market value of the relevant real estate. In the case of exposure fully and completely secured by mortgages on suitable commercial real estate, a risk weight of 60% is considered when calculating the RWA for the part of the credit that does not exceed 55% of the market value of the real estate. The eligibility of residential and commercial immovable property for inclusion in the RWA calculation is defined by the definitions of each property type in internal documents. Fulfilment of the conditions for inclusion among suitable real estate is carried out when the real estate is accepted for insurance, and monitoring is carried out throughout the duration of the insurance. To real estate property that is part of project financing and is intended for sale on the market, a weight of 150% is assigned when calculating RWA, or, if additional conditions are met, a more favorable 100% weight. The valuation of all properties is in line with international standards. The valuations for the properties are carried out by qualified and experienced external valuers, who also take into account the prudent conservative valuation criteria introduced by CRR3. The internal valuers also issue an opinion on the adequacy of the report when reviewing the external valuations. The immovable properties that the bank received as collateral are located in the territory of the Republic of Slovenia (88.5%), as well as abroad (11.5%), of which the majority is located in Serbia. On January 1, 2025, new rules for calculating credit risk came into force in accordance with the CRR3 regulation, which brings changes to the methodology for calculating capital requirements with respect to the 2024 financial year.

More information about the credit risk management system is described in the Annual Report.

4.1.5. The Definition of a Restructured Exposure

The definition of the restructured exposure which the Group uses for implementing Article 178(3)(d) of CRR, as defined in the EBA guidelines on default, in line with Article 178 of CRR, is the same as the definition of the restructured exposure defined as such in Article 47b(1) and (2) of CRR.

Thus, the following two conditions need to be met for the restructured financial asset:

- the debtor is in financial difficulties,
- the debtor was given a “waiver” to the initially agreed investment conditions.

The financial difficulties or the ability to pay debt must be assessed by the Bank on the level of the debtor and in the event of identified financial difficulties, the change of conditions of each investment means a restructured financial asset. Here, all interrelated companies in the group that is subject to the accounting consolidation are considered as debtors.

4.2. Performing and Non-performing Exposures and Related Provisions

The EU CR1 template below shows performing and non-performing exposures, accumulated impairments and provisions, accumulated negative fair value changes due to credit risk, accumulated partial write-offs, received collateralisations and financial guarantees as of 31 December 2025.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3					
005	Cash balances at central banks and other demand deposits	359,278	359,278	-	-	-	-	(14)	(14)	-	-	-	-	-	-	-
010	Loans and advances	1,913,710	1,676,445	237,265	47,596	-	47,596	(11,899)	(6,737)	(5,162)	(15,883)	-	(15,883)	(927)	1,306,218	21,465
020	Central banks	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	35,630	35,623	7	-	-	-	(233)	(233)	(0)	-	-	-	-	3,231	-
040	Credit institutions	11,274	11,274	-	-	-	-	(2)	(2)	-	-	-	-	-	914	-
050	Other financial corporations	40,062	40,017	46	24	-	24	(206)	(206)	(0)	(14)	-	(14)	-	11,997	10
060	Non-financial corporations	971,551	831,625	139,926	29,352	-	29,352	(7,691)	(4,699)	(2,991)	(6,951)	-	(6,951)	(847)	664,807	13,157
070	Of which SMEs	674,244	558,926	115,318	13,284	-	13,284	(6,129)	(3,659)	(2,470)	(3,539)	-	(3,539)	(847)	516,494	8,458
080	Households	855,191	757,905	97,286	18,220	-	18,220	(3,768)	(1,597)	(2,171)	(8,918)	-	(8,918)	(80)	625,270	8,297
090	Debt securities	317,822	315,290	2,532	4,942	-	4,942	(279)	(203)	(76)	(1,049)	-	(1,049)	-	12,565	-
110	General governments	291,386	291,386	-	-	-	-	(78)	(78)	-	-	-	-	-	-	-
120	Credit institutions	14,597	14,597	-	-	-	-	(2)	(2)	-	-	-	-	-	12,565	-
130	Other financial corporations	2,288	2,288	-	-	-	-	(113)	(113)	-	-	-	-	-	-	-
140	Non-financial corporations	9,551	7,020	2,532	4,942	-	4,942	(86)	(10)	(76)	(1,049)	-	(1,049)	-	-	-
150	Off-balance-sheet exposures	783,881	706,967	76,914	2,584	-	2,584	(1,843)	(1,664)	(180)	(631)	-	(631)	-	138,843	15
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	250	-
170	General governments	10,941	10,904	36	-	-	-	(6)	(6)	(0)	-	-	-	-	-	-
180	Credit institutions	2,961	2,961	-	-	-	-	(0)	(0)	-	-	-	-	-	914	-
190	Other financial corporations	8,340	8,340	-	1	-	1	(23)	(23)	-	(0)	-	(0)	-	35	-
200	Non-financial corporations	682,337	631,437	50,899	2,567	-	2,567	(1,779)	(1,613)	(165)	(626)	-	(626)	-	128,773	15
210	Households	79,302	53,324	25,978	17	-	17	(35)	(21)	(15)	(4)	-	(4)	-	9,120	0
220	Total	3,374,692	3,057,981	316,711	55,122	-	55,122	(10,335)	(5,276)	(5,058)	(16,301)	-	(16,301)	(927)	1,457,626	21,480

4.3. Maturity of Exposures

The **EU CR1-A** template below shows the value of balance and off-balance exposures as of 31 December 2025, reduced for impairments or provisions and without considering impacts from credit insurances after the remaining maturity. Exposures that are being paid in instalments are classified into the maturity bucket which corresponds to the last instalment.

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	180,077	759,489	839,179	938,766	-	2,717,512
2	Debt securities	-	62,406	208,262	51,141	-	321,809
3	Total	180,077	821,895	1,047,441	989,907	-	3,039,321

4.4. Credit Quality of Forborne Exposures

The **EU CQ1** template below shows performing and non-performing restructured exposures, accumulated impairments and provisions, accumulated negative fair value changes due to credit risk, received collateralisations and financial guarantees for restructured exposures as of 31 December 2025.

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures		
			Of which defaulted	Of which impaired					
010	Loans and advances	19.125	1.582	1.582	1.582	(571)	(336)	13.771	1.133
060	<i>Non-financial corporations</i>	18.482	1.263	1.263	1.263	(566)	(234)	12.969	928
070	<i>Households</i>	643	319	319	319	(5)	(102)	802	205
100	Total	19.125	1.582	1.582	1.582	(571)	(336)	13.771	1.133

4.5. Credit Quality of Performing and Non-performing Exposures by Past Due Days

The **EU CQ3** template below shows performing and non-performing exposures by individual maturity bucket as of 31 December 2025. For the maturity allocation in the table below, maturity of each contract is taken into account.

	a	b	c	d	e	f	g	h	i	j	k	l	
	Gross carrying amount/nominal amount												
	Performing exposures			Non-performing exposures									
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
005	Cash balances at central banks and other demand deposits	359,278	359,278	-	-	-	-	-	-	-	-	-	
010	Loans and advances	1,913,710	1,855,036	58,675	47,596	32,667	2,783	3,639	6,111	2,303	14	78	47,596
020	<i>Central banks</i>	3	3	-	-	-	-	-	-	-	-	-	-
030	<i>General governments</i>	35,630	35,629	0	-	-	-	-	-	-	-	-	-
040	<i>Credit institutions</i>	11,274	11,274	0	-	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	40,062	40,062	0	24	24	-	-	-	-	-	-	24
060	<i>Non-financial corporations</i>	971,551	929,484	42,067	29,352	22,013	868	1,201	3,927	1,342	2	-	29,352
070	<i>Of which SMEs</i>	674,244	632,177	42,067	13,284	5,945	868	1,201	3,927	1,342	2	-	13,284
080	<i>Households</i>	855,191	838,584	16,607	18,220	10,630	1,915	2,438	2,185	961	13	78	18,220
090	Debt securities	317,822	317,822	-	4,942	4,942	-	-	-	-	-	-	4,942
110	<i>General governments</i>	291,386	291,386	-	-	-	-	-	-	-	-	-	-
120	<i>Credit institutions</i>	14,597	14,597	-	-	-	-	-	-	-	-	-	-
130	<i>Other financial corporations</i>	2,288	2,288	-	-	-	-	-	-	-	-	-	-
140	<i>Non-financial corporations</i>	9,551	9,551	-	4,942	4,942	-	-	-	-	-	-	4,942
150	Off-balance-sheet exposures	783,881			2,584								2,584
170	<i>General governments</i>	10,941			-								-
180	<i>Credit institutions</i>	2,961			-								-
190	<i>Other financial corporations</i>	8,340			1								1
200	<i>Non-financial corporations</i>	682,337			2,567								2,567
210	<i>Households</i>	79,302			17								17
220	Total	3,374,692	2,532,136	58,675	55,122	37,609	2,783	3,639	6,111	2,303	14	78	55,122

4.6. Quality of Non-performing Exposures by Geography

The EU CQ4 template below shows non-performing balance and off-balance exposures by country on the basis of the head office of the direct counterparty as of 31 December 2025.

	a	b	c	d	e	f
	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given
		Of which non-performing	Of which defaulted	Of which subject to impairment		
010	On-balance-sheet exposures	2.284.070	47.596	47.596	2.284.070	(29.110)
020	<i>Slovenia</i>	1.874.105	51.473	51.473	1.874.105	(26.254)
030	<i>Serbia</i>	89.379	280	280	89.379	(819)
040	<i>Croatia</i>	57.520	58	58	57.520	(1.025)
050	<i>Italy</i>	28.290	0	0	28.290	(133)
060	<i>Austria</i>	24.546	0	0	24.546	(9)
070	<i>France</i>	23.961	-	-	23.961	(15)
080	<i>Luxembourg</i>	23.200	-	-	23.200	(146)
090	<i>Belgium</i>	14.092	-	-	14.092	(4)
100	<i>Ireland</i>	13.264	-	-	13.264	(3)
110	<i>Germany</i>	12.637	-	-	12.637	(157)
120	<i>Poland</i>	12.580	-	-	12.580	(10)
130	<i>Spain</i>	12.090	-	-	12.090	(10)
140	<i>Portugal</i>	10.663	-	-	10.663	(5)
150	<i>Slovakia</i>	9.898	5	5	9.898	(32)
160	<i>Bosnia and Herzegovina</i>	9.510	633	633	9.510	(395)
170	<i>Netherlands</i>	8.666	-	-	8.666	(5)
180	<i>Lithuania</i>	8.118	-	-	8.118	(2)
190	<i>Latvia</i>	8.012	-	-	8.012	(4)
200	<i>Finland</i>	7.816	-	-	7.816	(2)
210	<i>Romania</i>	6.224	-	-	6.224	(6)
220	<i>Czech Republic</i>	5.330	-	-	5.330	(5)
230	<i>Hungary</i>	5.204	-	-	5.204	(15)
240	<i>United Kingdom</i>	4.642	-	-	4.642	(1)
250	<i>Macedonia</i>	3.757	27	27	3.757	(15)
260	<i>Estonia</i>	2.989	-	-	2.989	(1)
270	<i>United States</i>	2.840	-	-	2.840	(7)
280	<i>Switzerland</i>	1.047	10	10	1.047	(6)
720	<i>Other countries</i>	3.689	51	51	3.689	(25)
730	Off-balance-sheet exposures	786.465	2.584	2.584		2.474
740	<i>Slovenia</i>	658.093	2.584	2.584		2.178
750	<i>Italy</i>	30.626	-	-		23
760	<i>Germany</i>	19.663	-	-		17
770	<i>Bosnia and Herzegovina</i>	17.360	0	0		151
780	<i>Croatia</i>	15.291	-	-		48
790	<i>Czech Republic</i>	9.420	-	-		17
800	<i>Poland</i>	6.159	-	-		5
810	<i>Hungary</i>	5.646	-	-		7
820	<i>France</i>	3.743	-	-		2
830	<i>Austria</i>	3.341	-	-		3
840	<i>Spain</i>	3.115	-	-		1
850	<i>Switzerland</i>	2.979	-	-		6
860	<i>Sweden</i>	2.600	-	-		3
870	<i>United Kingdom</i>	2.270	-	-		3
880	<i>Netherlands</i>	1.884	-	-		9
890	<i>United States</i>	1.035	-	-		1
1190	<i>Other countries</i>	3.241	-	-		1
1020	Total	3.070.536	50.180	50.180	2.284.070	(29.110)

Row 720 includes 43 countries with exposure below EUR 1 million. Row 1190 includes 29 countries with exposure below EUR 1 million.

The Group's non-performing exposures do not include exposures measured at fair value, which is why the template above does not disclose column (g) with accumulated negative changes of fair value due to credit risk in non-performing exposures.

4.7. Credit Quality of Loans and Advances to Non-financial Corporations by Industry

The **EU CQ5** template below shows loans and other financial assets for non-financial companies by industry as of 31 December 2025.

		a	b	c	d	e
			Gross carrying amount		Of which subject to impairment	Accumulated impairment
			Of which non-performing	Of which defaulted		
010	Agriculture, forestry and fishing	1,922	21	21	1,922	(17)
020	Mining and quarrying	3,189	-	-	3,189	(43)
030	Manufacturing	277,865	13,690	13,690	277,865	(5,022)
040	Electricity, gas, steam and air conditioning supply	13,732	2,953	2,953	13,732	(359)
050	Water supply	13,395	100	100	13,395	(147)
060	Construction	83,215	2,066	2,066	83,215	(1,057)
070	Wholesale and retail trade	173,194	1,585	1,585	173,194	(1,971)
080	Transport and storage	45,006	1,567	1,567	45,006	(771)
090	Accommodation and food service activities	76,449	436	436	76,449	(966)
100	Information and communication	25,378	206	206	25,378	(162)
110	Financial and insurance activities	3,824	12	12	3,824	(180)
120	Real estate activities	159,071	158	158	159,071	(1,302)
130	Professional, scientific and technical activities	68,444	6,101	6,101	68,444	(1,749)
140	Administrative and support service activities	26,262	333	333	26,262	(487)
150	Public administration and defence, compulsory social security	97	-	-	97	(1)
160	Education	2,849	42	42	2,849	(68)
170	Human health services and social work activities	8,278	33	33	8,278	(27)
180	Arts, entertainment and recreation	9,883	-	-	9,883	(226)
190	Other services	8,849	51	51	8,849	(88)
200	Total	1,000,903	29,352	29,352	1,000,903	(14,642)

The Group's non-performing exposures do not include exposures measured at fair value, which is why the template above does not disclose column (f) with accumulated negative changes of fair value due to credit risk in non-performing exposures.

5. Remuneration policy

(Article 450 of the CRR Regulation)

Detailed disclosures in relation to the Remuneration Policy will be disclosed in the additional document, which will be published on the Bank's website.

5.1. Main elements and implementation of the remuneration policy

5.1.1. Information relating to the bodies that oversee remuneration

Remuneration management is based on adopted Remuneration Policy, which applies to the entire Gorenjska banka Group. The professional departments of the bank, the Management Board, the Remuneration Committee of the Supervisory Board and the Supervisory Board itself are involved in the management and oversight of the implementation of the Remuneration Policy.

In 2025, the Remuneration Committee of the Bank held 4 regular sessions and one correspondence meeting. The members of the Remuneration Committee on 31.12.2025:

- Jurij Bajec, president,
- Aleksandra Babić, member
- Ana Živanović, member.

The Bank performs remuneration of employees in accordance with the remuneration policy, which also establishes remuneration schemes for identified staff.

The remuneration Policy applies to all employees in the Gorenjska banka group including subsidiaries. It defines the framework of all the remunerations, also for identified staff - employees who may, in the scope of their powers or work tasks and activities, have a significant impact on the risk profile of the Bank, or whose professional activity has a significant influence on the profile of the Bank. The policy also determines this category in accordance with the qualitative and quantitative measures.

In accordance with the criteria, the banking group classifies the bank's management body, senior management of the bank, management of internal control system functions, directors of subsidiary companies and individual professional positions as employees performing work of a special nature.

5.1.2. Information relating to the design and structure of the remuneration system for identified staff

The variable remuneration policy is determined in such a way that it is compatible with effective and wise risk management and does not encourage risk-taking that surpasses the level that is acceptable for the bank, that it is in accordance with the business strategy, long-term goals and interests of the bank, and that it predicts the measures to prevent conflicts of interest. The Remuneration Policy is transparent, known in advance and appropriately documented. The purpose of this Policy is to outline the remuneration principles, to ensure that remuneration practices for the Bank and its subsidiaries, its staff members and other stakeholders. This Policy is a central element for the implementation of the remuneration systems within the Bank.

Based on the upgraded transparency and risk management performance assessment procedures, new short-term remuneration schemes and a framework for setting performance targets on which remuneration is based have been established for identified staff.

The annual incentive plan is based on the performance evaluation of:

- the institution,
- the function or area for which the individual is responsible, and
- individual performance.

The evaluation takes into account both quantitative and qualitative criteria, along with weightings that emphasize the importance of specific objectives. At the same time, the job evaluation system was updated, which also has an impact on the new remuneration schemes.

The objectives of this Policy are, among others, to:

- Ensure that the remuneration across the GB Group is in line with the applicable regulations on remuneration.
- Set out the principles governing the Bank remuneration system and to build an overall framework on remuneration.

- Align the remuneration systems within the Bank with the objectives set out in the business and risk strategy of the Bank.
- Bring consistency, transparency, and equity to pay principles that will increase trust and staff's engagement.
- Set out remuneration system that promote motivation and achieving the best possible business results with appropriate risk management.
- Provide an environment that encourage innovation and extraordinary performance.
- Attract, retain, and motivate highly skilled individuals in a competitive international market.
- Provide an effective framework for performance measurement, risk adjustment and the linkages of performance to reward.
- Align the financial wellbeing of staff members with the economic interest of shareholder.
- Ensures that the levels of remuneration are directly linked to results and desired behaviours.

In line with EBA/GL/2021/05, the management body (on a group and on a local level) is responsible for setting, approving, and overseeing the implementation of a sound remuneration policies that are in line with the remuneration principles set out in Articles 92 to 95 of Directive 2013/36/EU and in the EBA/GL/2021/04.

Key properties:

- The remuneration policy clearly distinguishes between the criteria for determining fixed remuneration and variable remuneration,
- Variable remunerations are only paid or become payable if they are sustainable in terms of the Bank's financial state, and if they are justified by the success of the bank, the organisational unit and the individual,
- With this policy, the bank has established internal rules on the system of reducing the variable remuneration or clawback,
- Any payment to an individual connected to the early termination of their employment contract reflects the performance of that individual in a certain period and cannot reward them for poor performance or any violations within the bank.
- The amount of fixed remuneration must be sufficiently high in order to ensure that the reduction of the variable remuneration down to zero would be possible.
- The staff who are performing control functions are independent from the organisational units they are monitoring and have appropriate authorisations and receive remunerations based on achieving objectives related to their functions, independently of the success of the business areas they are monitoring.
- maximum ratio of 1 (fixed remuneration) to 1 (variable remuneration),
- If awarded variable remuneration component exceeds EUR 50.000 gross or represents more than one third of the respective identified staff's total annual remuneration, the part of total variable remuneration determined is paid by deferral.
- In awarding variable remuneration to identified staff, the need to preserve or rebuild a strong capital base, any impact of external or internal stakeholders, and recommendations and guidance from the regulator are duly considered. In line with the foregoing, appropriate prudence to adopt sound decisions on the award and pay-out of variable remuneration to identified staff is applied.
- Variable remunerations, including the deferred part, are only paid or are payable when the financial situation of each subsidiary and their exposure to risk is on an acceptable and sustainable level, and when such a pay-out is justified based on the operating results of each subsidiary, organisational unit and individual in each time period (which is used as the criterion for the performance evaluation, e.g. calendar year, etc.).
- To ensure long-term success, the Bank may defer payment of a certain part of the variable remunerations. The deferred part of the variable remuneration does not bear interest during the deferral period.
- The Bank may cancel a part of or the entire deferred variable remuneration or demand the return of already paid variable remuneration if, on the basis of circumstances, it finds out that the actions, waivers thereof or decisions of an employee have led to significant losses in the Bank.

Stakeholders:

The Management Board assesses and approves this Policy. In addition, this Policy is part of the audit plan for regular review of the compliance with the regulation, other group policies, procedures, and internal rules and for examination and evaluation of the adequacy and effectiveness of the Policy.

The BoD, the Remuneration and the Risk Committees work closely together and ensure that the remuneration policy is consistent with and promotes sound and effective risk management.

The Supervisory Board is responsible for:

- Adopting and maintaining the remuneration policy of the Bank.
- Overseeing its implementation to ensure it is fully operational as intended.
- Approving any subsequent material exemptions made for individual identified staff members and changes to the remuneration policy and carefully considering and monitoring their effects.
- Ensuring that the Bank's remuneration policies and practices are appropriately implemented and aligned with the Bank's overall corporate governance framework, corporate and risk culture, risk appetite and related governance processes.
- Determining and overseeing the remuneration of the members of MB.
- Considering the findings of the compliance function during the approval, review, procedures, and oversight of the remuneration policy.

The Human Resource's function is responsible for:

- Participating in and informing on the drawing up and the evaluation of the remuneration policy for the Bank, including the remuneration structure, the aspect of gender neutrality, remuneration levels and incentive schemes, in a way that would not only attract and retain the staff the Bank needs but also ensure that the remuneration policy is aligned with the Bank's risk profile.

The risk management function is responsible for:

- Assisting with and informing on the definition of suitable risk-adjusted performance measures (including ex ante and ex post adjustments).
- Assessing how the variable remuneration structure affects the risk profile and culture of the Bank,
- Validating and assessing risk adjustment data.

Risk management function is to be invited to attend the meetings of the Remuneration Committee on this matter.

The compliance function is responsible for:

- Analysing the remuneration policy from the Compliance perspective.
- Reporting on all identified compliance risks and issues of non-compliance to the Management Board and Supervisory Board.

The internal audit function is responsible for:

- Carrying out an independent review of the design, implementation, and effects of the Bank's remuneration policies on its risk profile and the way these effects are managed in line with the guidelines provided in the regulation.

5.1.3. Description of the ways in which current and future risks are taken into account in the remuneration processes

In cases when the Bank or its subsidiary does not achieve the determined level of capital or capital adequacy in accordance with the law that governs the business of banks and the implementing regulations, or if the risks that the Bank or its subsidiary is exposed to have been raised in opposition to the risk appetite, the variable remuneration is not determined and is not paid out. The Bank establishes the compliance of risk-taking with the expressed risk appetite by achieving the indicators defined in the Risk Appetite Statement, which is monitored and presented in the Risk Management Report and is dealt with quarterly by the Supervisory Board.

The Supervisory Board may decide not to determine and pay out the variable remuneration should the Bank suffer losses in its current business due to the determination and payment of the variable remuneration, or it may define a proportionally smaller amount of variable remunerations in line with the commercial and financial plan of the Bank, or the planned items for the variable part of the remunerations.

5.1.4. The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD

The variable remuneration does not exceed 100 percent of the fixed remuneration.

The variable part of the remuneration has to reflect the sustainable and risk-based success that is higher than the average expected success, reflected in the fixed part of the remuneration.

5.1.5. Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration

The variable remuneration is determined on the basis of the performance assessment on three segments, namely:

- the performance assessment of achieving the business results of the Bank or its subsidiary as a whole,
- the performance assessment of an individual,
- the performance assessment of their organisational unit or area for which they are responsible.

Criteria for the determination and payment of variable remuneration on Bank's, organizational unit, and individual staff member's level, are related to the level of accomplishment of pre-set goals within the performance period. Variable remuneration component is performance based, but can be awarded on different basis, e.g., monthly performance-based pay, project bonuses, and similar.

Regardless of the basis for awarding variable remuneration component, the criteria for awarding (i.e., key performance indicators) shall be defined and duly documented for each type of the variable remuneration component. Key performance indicators shall be set as measurable objectives, to ensure objectivity of evaluation of staff's performance.

5.1.6. Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance

If awarded variable remuneration component exceeds EUR 50.000 gross or represents more than one third of the respective identified staff's total annual remuneration, the part of total variable remuneration determined is paid by deferral of which half of the amount is paid in cash and other half in financial instrument. The terms and conditions of the financial instrument for the payment of the variable remuneration are an integral part of this Policy. Even former employees are entitled to the payment of the deferred variable remuneration.

The bank may defer the payment of the deferred variable remuneration from the previous paragraph if it does not achieve the business performance criteria as a whole, which is decided by the Supervisory Board.

The bank must defer the payment of the deferred variable remuneration component if it fails to achieve the required level of capital (i.e. ensure capital adequacy) in accordance with the law governing banking and its implementing regulations. In that case, payments are deferred until all the legal requirements are met.

There are no differences between employees or employee categories.

The bank may cancel a part of or the entire deferred variable remuneration, or demand the return of the variable remuneration if, on the basis of circumstances, it finds out:

- that the individual's actions or decisions have led to important losses for the bank, or
- that the individual does not meet the suitability standards when working in the Bank.
- based on reverse testing, once a year is determined, whether the criteria for the payment of the variable component of remuneration are met.

In the case of the following circumstances:

- signs of severe careless treatment and mistakes due to violations of external and internal regulations that led to significant losses for the institution,
- considerable decline in the business of an organisational unit or the Bank as a whole, reflected in the performance indicators,
- improper risk management in a specific area or individual organisational unit, and non-compliance with the adopted values and rules, reflected in the decline of the risk profile of the Bank and not just in the excess of the reference values of the risk appetite indicators,
- request to increase the capital demands due to an increased risk in association with a specific activity or organisational unit,
- regulatory sanctions as a consequence of the improper treatment of employees.

The Supervisory Board needs to decide on the reduction, cancellation or return of the variable component of remuneration. The decision-making bases are prepared by the organisational units which are responsible for the personnel area, financial controlling, risk management, and compliance of operations. The Risk Management function assesses how the structure of the variable remunerations affects the risk profile and risk assuming culture of the institution, and at the same time assesses and confirms the data on adjustment due to risks. The Compliance function analyses how the remuneration policy affects compliance with legislation, regulation, as well as internal policies and rules, and must report any compliance risks found from previous paragraphs of this section. Findings are disclosed in the material which is submitted to the Committee and the Supervisory Board.

5.1.7. The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit, as referred to in point (f) of Article 450(1) CRR

The variable part of remunerations refers to the payment which depends on the achieved results directly related to the achievement of the goals in Gorenjska banka 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 sustainable development of the Bank.

The criteria and performance assessment defined in this document are used to determine the variable remunerations at Gorenjska banka d.d., Kranj, as well as in all of its dependent companies.

The quantitative performance criteria that contribute to the total success of the Bank are as follows:

- return on capital,
- profit before tax,
- operating costs based on revenue,
- interest margin,
- risk cost,
- non-performing exposures based on the classified exposures.

The qualitative criteria are as follows:

- ensuring the development of human resources,
- timely implementation of recommendations of the Internal Audit,
- compliance with legislation and internal rules,
- strategic projects,
- initiatives for improving processes,
- performing in line with company values,
- operating in the framework of a socially responsible employer.

5.1.8. Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management

The total remunerations of the management body's members are disclosed by name and type of remuneration in the Annual Report of Gorenjska banka d.d., Kranj and the Gorenjska banka Kranj Group, chapter 6.4.

5.1.9. Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD, as referred to in point (k) of Article 450(1) CRR

The Bank does not use deviations as per Article 94(3) (b) of CRD.

5.1.10. The quantitative information on the remuneration of collective management body of institution, differentiating between executive and non-executive members, as referred to in Article 450(2) CRR

For 2025, the total remunerations of the management body's members are already disclosed by name and type of remuneration in the Annual Report of Gorenjska banka d.d., Kranj and the Gorenjska banka Kranj Group, chapter 6.4.

5.2. Remuneration Awarded for the Financial Year

The **EU REM1** template below shows the remunerations of the Group allocated for the 2025 financial year.

		a	b	c	d	
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	7	4	31	3
2		Total fixed remuneration	126	1,075	3,371	202
3		Of which: cash-based	122	952	3,199	195
7		Of which: other forms	4	122	172	7
9	Variable remuneration	Number of identified staff	7	4	31	3
10		Total variable remuneration	-	111	436	16
11		Of which: cash-based	-	111	436	16
12		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y	Of which: deferred	-	-	-	-	
17	Total remuneration (2 + 10)	126	1,185	3,807	219	

Variable remuneration includes the amounts of the actual allocation for 2025, which was carried out in the first quarter of 2026.

5.3. Special payments to staff of the Group whose professional activities have a material impact on institutions' risk profile (identified staff)

The **EU REM2** template below shows payments made to employees whose professional activities have a significant influence on the risk profile of the Group, which were awarded for previous performance evaluation periods.

		c
		Other senior management
	Severance payments awarded during the financial year	
6	Severance payments awarded during the financial year - Number of identified staffs	1
7	Severance payments awarded during the financial year - Total amount	44
8	Of which paid during the financial year	44
11	Of which highest payment that has been awarded to a single person	44

The templates above do not show columns (a) and (b) because employees in the management body and the supervisory function and management function did not receive any special payments in 2025. The same applies to column (d) because no other employees whose professional activities have a significant influence on the risk profile of the Group did not receive any special payments.

5.4. Deferred Remuneration

The **EU REM3** template below shows deferred remunerations of employees whose professional activities have a significant influence on the risk profile of the Group, which were awarded for previous performance evaluation periods.

		a	b	c	EU-g	EU-h
Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
7	MB Management function	85	17	68	17	8
8	Cash-based	42	8	34	8	0
11	Other instruments	42	8	34	8	8
25	Total amount	85	17	68	17	8

The template above does not show (d), (e) and (f) because deferred remunerations were not adjusted to the performance and subsequent implicit adjustments.

5.5. Information on Remuneration of Staff whose Professional Activities have a Material Impact on Institutions' risk profile (identified staff)

The **EU REM5** template below shows remunerations of employees whose professional activities have a significant influence on the risk profile of the Group, for the 2025 financial year.

		a	b	c	e	f	g	h	j
		Management body remuneration			Business areas				Total
		MB Supervisory function	MB Management function	Total MB	Retail banking	Asset management	Corporate functions	Independent internal control functions	
1	Total number of identified staff								45
2	Of which: members of the MB	7	4	11					
3	Of which: other senior management				14	2	10	5	
4	Of which: other identified staff				-	-	-	3	
5	Total remuneration of identified staff	126	1,185	1,311	1,839	258	1,182	747	
6	Of which: variable remuneration	-	111	111	232	22	127	71	
7	Of which: fixed remuneration	126	1,075	1,200	1,607	236	1,055	676	

The template above does not show column (d) because the Group is not active in investment banking. The same applies for column (i) because the Group has no other areas of operations.

6. Leverage

(Article 451 of the CRR Regulation)

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

6.1. Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures

The **EU LR1-LRSum** template below shows a summary of the harmonisation of accounting assets and the leverage ratio as of 31 December 2025.

		a
		Applicable amount
1	Total assets as per published financial statements	2,764,741
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	355
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	281,997
12	Other adjustments	(35,562)
13	Total exposure measure	3,011,531

6.2. Leverage Ratio Common Disclosure

Rows from 1 to EU27a in the **EU LR2-LRCom** template below show the disclosure for the financial leverage ratio as of 31 December 2025 and 31 December 2024.

		CRR leverage ratio exposures	
		a	b
		31 December 2025	31 December 2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	2,765,096	2,533,343
6	(Asset amounts deducted in determining Tier 1 capital)	(35,562)	(31,000)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	2,729,534	2,502,343
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	786,465	684,769
20	(Adjustments for conversion to credit equivalent amounts)	(504,469)	(503,253)
22	Off-balance sheet exposures	281,997	181,516
Capital and total exposure measure			
23	Tier 1 capital	273,246	262,604
24	Total exposure measure	3,011,531	2,683,858
Leverage ratio			
25	Leverage ratio (%)	9.07%	9.78
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.07%	9.78
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9.07%	9.78
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00
27	Leverage ratio buffer requirement (%)	0.00%	0.00
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00

Rows 30 to 31a of the **EU LR2-LRCom** template below show the arithmetic mean value of the total exposure and leverage ratio for 2025 and 2024.

		CRR leverage ratio exposures	
		a	b
		2025	2024
Disclosure of mean values			
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2,897,188	2,603,909
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2,897,188	2,603,909
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) (%)	9.17%	9.59
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) (%)	9.17%	9.59

6.3. Split-up of on balance Sheet Exposures

The **EU LR3-LRSpl** template below shows the exposure of the leverage ratio as of 31 December 2025.

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2,765,096
EU-3	Banking book exposures, of which:	2,765,096
EU-5	Exposures treated as sovereigns	384,071
EU-7	Institutions	34,270
EU-8	Secured by mortgages of immovable properties	691,371
EU-9	Retail exposures	799,729
EU-10	Corporates	330,749
EU-11	Exposures in default	36,638
EU-12	Other exposures (e.g. equity and other non-credit obligation assets)	488,266

6.4. Leverage Ratio Qualitative Information (EU LRA)

6.4.1. Description of the Processes used to manage the Risk of Excessive Leverage

The Group regularly monitors the leverage ratio value. Its monitoring has been defined in the Recovery Plan of AikGroup Cyprus Limited. The ratio's value is reported to the Supervisory Board, the Management Board, and the Assets and Liabilities Management Committee.

The Group defined the green, amber and red leverage ratio threshold values in the Recovery Plan, and the notifications system in the event that these values are exceeded.

6.4.2. Description of the Factors that had an Impact on the Leverage Ratio during the Period to which the Disclosed Leverage Ratio Refers

The Group's calculation of the leverage ratio considered the appropriate measure of exposure and the tier 1 capital amount. The ratio has decreased by 0.71 percentage points in 2025, which was mostly due to higher exposure measure (12.21%) and due to increased mean value of tier 1 capital (4.05%) especially due to the deferred profits from previous years

7. Liquidity Requirements

(Article 451a of the CRR regulation)

7.1. Qualitative Information on Liquidity Risk Management (EU LIQA)

7.1.1. Strategies and Processes in the Management of the Liquidity Risk, Including Policies on Diversification in the Sources and Tenor of Planned Funding

Liquidity risk is considered as one of the most important risks that needs to be managed carefully. The liquidity risk management of the Group is defined as the ability to achieve cash flows and meeting obligations without suffering any losses in the Group which are not in line with its risk appetite. Sufficient liquidity depends on the ability of the Group to efficiently generate the expected and unexpected cash flows, and to meet the collateral needs without a negative impact on the current operations and financial position of the Group.

Liquidity risk is linked to the risk of financing liquidity (in terms of liabilities) and market liquidity risk (liquidity reserves in terms of assets). On the liabilities side, liquidity risk may lead to losses if the Group is unable to settle all of its obligations or if it cannot secure sufficient assets for the settlement of its obligations, and is therefore forced to obtain the required assets for a price which is significantly higher than the regular price. On the assets side, liquidity risk is linked to the market value of liquidity reserves, and occurs in the event of a significant reduction of the market value of each financial instrument, and may lead to insufficient liquidity reserves to cover the liquidity needs of the Bank.

The Group has defined key risk factors and certain limit system frameworks. It has established the model for calculating liquidity risk, stress scenarios for resilience tests, as well as the financing plan to be used in extraordinary circumstances, and a sufficient liquidity buffer level. The Group has a clearly defined and measurable tolerance for managing liquidity risk and financing risk, which was formed on the basis of the Group Framework on Liquidity Risk Management and Liquidity Stress Testing and Liquidity Risk Management Policy. The Group defines tolerance to liquidity risk with the following key indicators: LCR, NSFR, survival horizon LTD (gross) and with following additional structural liquidity indicators: concentrations by depositors (top1, top10 and top 30), the ratio of encumbered assets in all assets, the share of deposits non-banking sector in all liabilities and the share of sight deposits in all sources of financing. In addition to monitoring and fulfilling monthly indicators, the Group daily monitors and measures daily LCR, NSFR, and monitors daily liquidity or secondary liquidity. In addition to daily monitoring, the Group also prepares a weekly liquidity report, covering sight deposits, term deposits, payment transactions, collateral assets, the TOP 10 depositors, deposit spreads, and the maturity ladder of cash flows. The Group's goal is to meet regulatory liquidity requirements as well as internally determined limits at all times, which has prescribed in the Risk Appetite Statement (RAS). Tolerance to liquidity risk is low and stable.

LCR has been defined to ensure that the Group has the available assets to bridge its short-term liquidity fluctuations. The Group must have a certain amount of highly liquid assets (cash or appropriate securities), which must be equal to or higher than the potential net cash outflow in the period of 30 days. In line with the regulations, amount of more than 100% is prescribed.

NSFR has been defined for the Banks to maintain a stable financing profile regarding the structure of assets and off-balance activities. An appropriate financing structure reduces the likelihood that fluctuations in regular financing sources would endanger the liquidity position of the Group, in the sense of increasing the risk for its ruin, and which would potentially lead to more widespread systemic stress.

Detailed rules, limits, guidelines, and powers regarding risk management are defined in internal acts and policies, Strategy and in Risk Appetite Statement (RAS). Regardless of the local directions, the Group must abide by the uniform key directions regarding risks on the level of the AIK Group.

In terms of assuming and managing liquidity risk, the Group has established rules and a certain system of responsibilities in the following documents:

- Framework on Risk Appetite,
- Risk Management Strategy,
- Risk Appetite Statement (RAS),
- Liquidity Risk Management Policy,
- Module on regulatory liquidity ratios,

- Module on liquidity buffer and stress scenarios,
- Liquidity gap generation module,
- Group Framework on Liquidity Risk Management and Liquidity Stress Testing,
- Group Liquidity Contingency Plan Framework,
- Capital Management Policy,
- Group Framework on ICAAP and ILAAP,
- Group Procedure on ILAAP,
- Group Policy on Stress Test,
- Rules of procedure of the Balance Management Committee,
- Rules of procedure of the CRO Forum,
- Rules of Procedure of the Liquidity Committee.

The main aims concerning risk appetite are disclosed in the Risk Appetite Statement (RAS), which is integral part of the annual report of GBKR.

7.1.2. Structure and Organisation of the Liquidity Risk Management Function (Authority, Statute, Other Arrangements)

The aim of the Group is to establish balance in managing the relationship between risk and profitability, in order to ensure long-term and sustainable growth and an adequate return on capital. The Group achieves this goal by comprehensively including the risk management function in its everyday business activities and strategic planning, and by consistently realising its business strategy within the defined risk appetite.

The provision of the appropriate scope of liquidity and managing liquidity reserves is performed in a decentralised manner, in line with the requirements of the local regulations and the applicable internal guidelines and policies within the Group, as well as on the level of the entire AIKGroup.

The Management Board defines the Group's risk appetite (Risk Management Strategy and Risk Appetite Statement (RAS)), and approves Group Framework on Liquidity Risk Management and Liquidity Stress Testing and the Liquidity Risk Management Policy which define the key principles of managing liquidity risk in the Group. It is also responsible for adopting decisions on liquidity management, usually through their membership in the Assets and Liabilities Committee and participation in their work. The Assets and Liabilities Committee regularly examines reports on the liquidity position based on the approved limits and goals. It controls financing and the liquidity position of the Group, and decides on the liquidity position and management on the level of the. Two committees are responsible for managing liquidity risk: The Assets and Liabilities Committee and CRO Forum of the Group level and GALSCO and GRISCO on the AIKGroup level. The Assets and Liabilities Committee adopts decisions on managing liquidity risk and provides directions, defines the criteria regarding the structure and revenue for ensuring the appropriate scope of liquid investments, establishes the internal control mechanisms in the area of managing liquidity risk, and analyses the findings of the audit in this area. CRO Forum is authorised to discuss materials and adopt decisions regarding the proposed resolutions relating to the risk profile management, monitoring of the regulatory frameworks, monitoring the internal acts and frameworks in managing risks, and the key strategic documents.

7.1.3. A Description of the Degree of Centralisation of Liquidity Management and Interaction Between the Group's Units

The Group's risk measurement and reporting is systematically relevant, and as such is included in the single supervisory mechanism (SSM), the control of which falls on the "Joint Supervisory Team" in the framework of the European Central Bank and the Bank of Slovenia. The Group and also AIKGroup operates in line with the provisions of the ECB, EBA and Basel regulations, and the best practices in banking methodologies.

In order to ensure a timely settlement of outstanding liabilities, under the conditions of normal operation as well as under an extreme liquidity situation, the Group actively monitors the daily liquidity position. The day-to-day management of liquidity risk includes the continuous intraday monitoring and supervision of liquidity, ensuring liquidity sources for meeting the intraday liquidity demands. Foreign exchange liquidity is also monitored daily, which is also planned on the basis of the annual or monthly liquidity plan. Consequently, all liquidity risk management processes are monitored at the Liquidity Committee's sessions. Daily, weekly and monthly reports and monitoring are discussed on a monthly basis by the Assets and Liabilities Committee, on a quarterly basis by the Risk Committee, and a monthly, weekly and daily reports are also sent to the AIKGroup.

7.1.4. Scope and Nature of Liquidity Risk Reporting and Measurement Systems

Risk reporting in the Group is performed in line with the directions on the level of the AIKGroup which, based on the content and frequency of reporting, considers the internal needs and the demands of the European Central Bank, Single Resolution Board and the Bank of Slovenia. Risk reporting is performed in the form of standardised reports that allow for a reasonable unification of the risk management policy with the methodologies for assessing and balancing exposures to risks, the established standardised structures of databases within a data warehouse, the comprehensive provision of the quality of data through established controls, and automated report drafts on the Group level, which also ensures their quality and reduces the possibility of error.

In addition to monthly, weekly and daily reporting and managing key matrices for liquidity risk, Group also measures and monitors the indicators of the recovery plan on a monthly basis, in addition to the key indicators, it also monitors unencumbered eligible assets for the ECB (HQLA), liquidity position (Counterbalancing capacity - CBC) and LCR forecast. In 2025, the liquidity indicators LCR, NSFR, LTD and survival horizon were above the defined RAS limit and also additional structural indicators. All indicators are regularly reported to the Assets and Liabilities Committee on a monthly basis, also in Committee on AIKGroup level for assets and liabilities (GALSCO).

For the purposes of monitoring and managing structural liquidity, the Group prepares a report on liquidity risk management, in which it shows the regulatory as well as the structural liquidity ratios, indicators of recovery plan, portfolio of securities, the liquidity gap and the scenario results of extraordinary liquidity conditions which consider a specific crisis of the Group, or a systemic crisis in the broader economic environment.

Cash flows for sight deposits are considered in liquidity gaps by individual time pockets according to using the Value at Risk (VaR) method based on the Monte Carlo model. The basis for calculating the stability of sight deposits using the value-at-risk (VaR) method is a 10-year time series of daily data on the state of sight deposits of retail and wholesale in domestic currency. Further, on a monthly basis, a daily growth rate calculation is prepared, which is calculated as a quotient between the daily increase and the balance from the previous day. The input data are the daily balances of sight deposits. The VaR value is calculated at level of confidence, namely at 99 and for 30 days. Calculations are performed on an annual basis. The unstable part of sight deposits determines the 30-day VaR at a 99% confidence level, the remaining part represents the stable part of sight deposits. Group then further divides the stable part of sight deposits into core and non-core. Group treats all unstable deposits as overnight deposits and consequently classifies them in the time bucket of the shortest maturity (O/N). Group also include all sight deposits of wholesale financial customers as an unstable part (in the bucket overnight). The remaining sight deposits, which are recognized as core deposits, are classified according to distribution from VAR method.

In 2025, when monitoring the balance sheet net cash flows, Group took into account off-balance sheet flows, as their exposure and the volatility of the share of utilization are quite high, which the Group verifies on a monthly basis by analysing loans utilization. Group prepares monthly data for the 2-year average utilization/unutilization of loans. It uses the following methodology to account for the undrawn part of the liquidity gap:

- If at reporting date the average utilization is <(below) 2-year average, then the additional share up to this average is proportionally distributed over time buckets of up to 1 year in the liquidity gap;
- If on the reporting date the utilization average is \geq (greater than or equal to) 2-year average, then the additional share of undrawn loans is not added in the liquidity gap.

In addition to taking into account the additional part of undrawn loans in the liquidity gap balance sheet items, the Group also takes into account other contingent liabilities based on the 1-year analysis of guarantees, which is already carried out in the LCR reporting framework. In the liquidity gap Group takes into account the 10% share of the off-balance sheet part and include it proportionally over time buckets of up to 1 year, also depending on the client type. After each annual analysis for payments and trade financing for LCR reporting, group applies to the liquidity gap the same percentage as for LCR reporting.

The Strategic Risk Management Division reports on liquidity risk in the following forms:

- daily reports LCR and NSFR to the AIKGroup,
- daily reports on Interbank and currency exposure (FX) to the AIKGroup,
- weekly reports on the liquidity evolution and the maturity ladder to the AIKGroup,
- monthly reports to the Assets and Liabilities Committee (calculations and monitoring of liquidity indicators, results of liquidity reserves, liquidity gaps, stability of sight deposits, concentration of deposits by depositors, results of regular liquidity stress tests, results of the securities portfolio by type, by credit rating, green bonds, etc.),
- monthly reports to the central bank (LCR indicator, ALM),
- quarterly reports to the central bank (NSFR indicator, SREP reporting),
- quarterly reports to the Risk Management Committee, the Management and the Supervisory Board,

- annual reports to the central bank (SREP reporting, ILAAP),
- annual liquidity exercise within the framework of the EBA and the SRB (5 consecutive days of reporting) – (to the AIKGroup, EBA, SRB).

7.1.5. Policies for Hedging and Mitigating the Liquidity Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges and Mitigants

The Group uses various techniques to reduce risks. These include the system of limits, the process of internal controls, and the establishment of restrictions for assuming risks, all in accordance with the defined risk appetite.

The Strategic Risk Management Division performs monthly liquidity stress tests in line with the three scenario types (market, idiosyncratic and combined). The group pays special attention to the combination of idiosyncratic and market scenarios, which includes two levels of aggravation (seriously harmful stress scenarios - adverse and extreme stress scenarios – extreme). On the basis of the stress tests, the minimum scope of unburdened liquidity reserves, which the Group must have to cover any unexpected expenditures, is determined. The Group maintains an appropriate level of liquidity reserves in cash, and other highly liquid and unburdened assets which are available in a relatively short time. Liquidity reserves can settle matured liabilities in a previously defined short period of stress liquidity conditions. The minimum scope is the amount of liquidity reserves which would allow survival in the event of strong stress in the period of 45 days (minimum) or three months (goal), and by considering the combined scenario. The Group disposed of an adequate volume and structure of liquidity reserves throughout 2025. After performing the stress tests, Group also performs a reverse test of indicators LCR, NSFR and LTD, which shows how long it takes for the indicators to fall below the regulatory limit.

7.1.6. An Outline of the Group's Contingency Funding Plans and Stress Testing

To manage liquidity, the Group, in addition to the daily, weekly and monthly monitoring processes, also prepares an annual Liquidity Contingency Plan (LCP), in case of any deficiencies, which focuses on the definition of possible measures for bridging any temporary and/or long-term liquidity disturbances. Early detection of a crisis situation is ensured by regular daily monitoring of the liquidity position and forecasting of the liquidity ratios. The annual review is performed by the Assets and Liabilities Committee and AIKGroup and is also included as an attachment in the annual Internal liquidity adequate assessment (ILAAP). Once a year, a dry run for the potential activation of the LCP is also conducted, which was last carried out in February 2025.

In addition to the annual review, the Group also prepares the Recovery Plan every year, which is prepared jointly on the level of the AIKGroup. The Recovery Plan of the AIKGroup contains all the possible measures, extraordinary circumstances, stress tests, required measures for the establishment of an appropriate position, and the required time schedule for establishing regular operations. In 2025 bank activated dry run for possible activation of recovery plan.

Stress testing of extraordinary situations represents an important part of risk management in the Group, because it draws attention to unexpected negative results. The aim of these tests is to detect the decline of the Bank's liquidity position in a timely manner, and to recognise the impact of negative potential extreme events on the liquidity ability of the Group.

The purpose of the liquidity buffer and the survival horizon is to provide Group with excess liquidity available in stressful situations so that it can operate without additional resources and meet its obligations on time. When determining the scope and composition of the liquidity buffer, the bank takes into account the degree of difficulty and characteristics of stress scenarios, the defined time period of extraordinary liquidity conditions (survival period), and the quality and characteristics of the liquid assets that make up the liquidity buffer.

The Group has a defined liquidity buffer scope and structure on the basis of stress scenarios which are based at least on a monthly time period of extraordinary liquidity conditions. Within this period, the Group provides a liquidity buffer in the form of cash, balance amount with central bank (without mandatory reserves) and highly unencumbered liquid assets, which are immediately available to cover outflows in stressful conditions during the 1-month survival period. The liquidity buffer for the remaining time period of less problematic liquidity conditions may include a broader set of liquidity assets, on the basis of which the Group is able to obtain liquidity in a short time span. The Group makes sure that the assets which make up the liquidity buffer are unburdened and available

at any given moment, including in extraordinary liquidity conditions, without legal or other legally binding or operating restrictions.

The Group has established scenarios which are based on different types of difficulties and different periods of emergency liquidity situation, and are divided into three categories:

- a) Scenario tailored to the own liquidity position (idiosyncratic scenario): which assumes a stress scenario stemming from internal situation resulting in (in particular) no rollover of unsecured wholesale funding and outflows of retail deposits due to the deterioration of Group's reputation.
- b) Scenario tailored to the market situation (market-wide scenario): which assumes a stress scenario stemming from external situation resulting in a decline in the liquidity value of liquid assets and deterioration in funding market conditions due to deteriorating liquidity conditions in the market.
- c) Scenario based on the combination of the idiosyncratic and the market scenario (combined): it covers both macroeconomic impacts and the deterioration of Group's reputation.

Below are emergency liquidity stress scenarios and their main assumptions:

- **For the idiosyncratic scenario** (adverse), there is no assumption of deposit extensions for credit institutions and other financial entities, and a 100% outflow is assumed. In the same scenario, the outflow percentages for non-operational deposits of non-financial companies and other entities double in the idiosyncratic case compared to the baseline scenario. For stable retail deposits, a 10 percentage points (hereinafter as p.p.) higher outflow is anticipated compared to the baseline scenario, while for other retail deposits, a 5 p.p. higher outflow is expected, and for operational deposits, a 20 p.p. higher outflow is projected. For sight deposits a 4 p.p. increase of outflows for retail customers is projected and for operational sight deposits a 14 p.p. increase of outflows is projected.
- **In the combined scenario** (adverse), assumptions from a more stressful scenario are used between the idiosyncratic and the overall market, indicating idiosyncratic stresses in these positions. For currency swaps (FX swaps), no new transactions are anticipated, resulting in a 100% outflow.

Cash flows – contractual maturities – (cash inflows) in the baseline and idiosyncratic (adverse) scenarios assume 100% inflows for all positions, given that idiosyncratic crises typically do not have a negative impact on the bank's clients. However, in the overall market (market-wide adverse) scenario, it assumes only 50% inflows. In the combined scenario, the worst inflow rate assumptions were used, meaning assumptions from the (adverse) overall market scenario were applied. For currency swaps and derivative financial instruments (cash inflows – contractual maturities), 100% inflow is assumed.

For counterbalancing capacity in idiosyncratic scenario (adverse) there is assumption of decrease only for level 2A, 2B and 3 assets, while in combined scenario (adverse) there is assumption of additional decrease of value for level 1 and 2A assets for 10 p.p., for level 2B and other tradable assets for 50 p.p., for other non-tradable for 70 p.p.

In stress scenarios, the Group employs the half-life stress function for deposits, as internal validation has indicated that this is a more stringent approach than linear and composite functions. The half-life stress function assumes that more deposits will be withdrawn in the short-term time buckets and that the outflow curve will be sharper compared to linear or composite stress functions.

A Group's resilience to a liquidity shock is measured by the maturity scale metric (C66), which supports the calculation of the net liquidity position on a daily basis, in overnight time buckets up to 12 months. The focus is on Group's ability to handle hypothetical idiosyncratic liquidity shocks (adverse, extreme) in which Bank faces increasing liquidity outflows. The methodology of the liquidity stress test model assumes different days of deposit outflows and across various customer segments.

When measuring the liquidity position in stressful situations and for the survival period, the Group pays attention to monitoring and measuring a combination of idiosyncratic and market-wide scenarios according to the degree of unfavorable deterioration (seriously unfavorable stress scenario).

At the end of 2025 amounted to a survival period of 154 days, which represented the fulfilment of the minimum and optimal range of survival.

Stress testing is also included in the ICAAP, ILAAP process, the resolution plan and the planning process, in order to assess the impact of unexpected stricter conditions in the macroeconomic environment on the capital adequacy or liquidity position of the Group. In addition, the stress test results are an important element in determining the risk appetite and other risk-related limits.

7.1.7. A Declaration on the Adequacy of Liquidity Risk Management Arrangements of the Group and a Concise Liquidity Risk Statement of the Group

GB Leasing, d.o.o., Ljubljana is a subsidiary which is 100% owned by Gorenjska banka, d.d., Kranj. It carries out non-financial maintenance services for Gorenjska banka d.d., Kranj in the area of the financial leasing of movables. It provides services of leasing vehicles and equipment as a secondary activity. Financial leasing that the leasing company provides for Gorenjska banka d.d., Kranj is wholly a part of Gorenjska banka d.d., Kranj's portfolio as an additional financial product. It is therefore unreasonable to define the declaration on the adequacy of risk management arrangements on the level of the Group, because their part is included in the very portfolio of Gorenjska banka d.d., Kranj. The content is already defined in the framework of the concise risk statement of the management body, disclosed in the Annual Report of Gorenjska banka d.d., Kranj for 2025. Due to the same reason as the predicted cash flows, the future liquidity position by considering the off-balance-sheet items, liquidity exposure and financing needs on the level of each legal entity, foreign subsidiary and subsidiary, with consideration given to the legal, regulatory and commercial restrictions in transferring liquidity, the balance and off-balance items are broken down into maturity buckets, and the consequent liquidity gaps are included in the Annual Report of Gorenjska banka d.d., Kranj for 2025, item 7.3. Liquidity risk.

7.2. Quantitative information of LCR (EU LIQB)

7.2.1. Explanations on the Main Drivers of LCR Results and the Evolution of the Contribution of Inputs to the LCR's Calculation over Time

The liquidity coverage ratio (LCR) relates to highly liquid assets (HQLA), comprised of cash or assets that may be converted to cash without the loss of value due to the fulfilment of liquidity needs under the liquidity stress scenario for 30 calendar days. LCR is meant to protect the Group from expenditures with the increased trust of borrowers, in order for it to rely more on capital than on debt. LCR also helps reduce mismatches of maturities by extending the maturity of liabilities and reducing the maturity of assets. The minimum regulatory liquidity coverage ratio is 100%, and the limit in the Risk Appetite Statement is defined at over 130%.

The Group preserves a highly liquid position, high above the defined limits for assuming risks. In the previous year (from 31 January 2025 to 31 December 2025), the LCR of the Group was between 170% and 280% (31 December 2025: 174,1%).

7.2.2. Explanations on the Changes in the LCR over Time

Throughout 2025, the LCR of the Group was above the regulatory and also above the internally defined LCR limit value. In the first half of 2025, it was between 216% and 280%, while in the second half of 2025 it was between 170% and 196%. The lowest was in September 2025 and the highest was in January 2025. The average ratio of liquidity coverage throughout the year 2025 was 213%. The most frequent impacts for the indicator's fluctuations in the period of 2025 included: fluctuations of sight deposits from financial and non-financial clients, decreased portfolio of securities, undrawn loans of Legal entities and borrowed funds from other banks over a 30-day period and additional new issue own bonds in 2025.

The liquidity buffer remains on a high level in the Group, and was between EUR 514 million and EUR 676 million last year (EUR 586 million as at 31 December 2025) and the average liquidity buffer in 2025 was EUR 588 million.

Net liquidity outflows were the highest in the amount of EUR 336 million and the lowest in the amount of EUR 219 million, and the average was EUR 281 million. In the first half of the year of 2025, the Group had relatively lower receivables from financial and non-financial customers, while liabilities increased monthly until end of 2025. Liquidity buffer was relatively stable in the first half of the year, but was lower in the second half of the year, which consequently resulted in a lower liquidity coverage ratio at the Group level at the end of 2025 compared to the end of 2024 by 77 p.p..

7.2.3. Explanations on the Actual Concentration of Funding Sources

In line with the Risk Appetite Statement, the liquidity risk tolerance is low and stable, therefore the aim of the financing strategy is to ensure sufficient, stable and diverse financing sources for a longer term, and compliance

with the respective regulatory frameworks. In line with the business model, the main source of financing of the Group are deposits from the non-banking sector, from which the highest share stems from retail and commercial. The Group considers the concentration of financing sources in the business strategy and thus takes care of the diversification of financing sources and prevents negative concentration impacts. The Group considers the concentration of financing sources and thus takes care of the good diversification of financing sources and prevents negative concentration impacts. A limit is defined for deposits from the non-banking sector as the main financing source, which prevents an excessive concentration of each client, Top10 or Top30 clients. Concentration of financing sources is discussed by the Assets and Liabilities Committee on a monthly basis. The Group-level concentration of the 30 largest deposit clients of the non-banking sector amounted to 11.8% of the total financing sources in 2025; 10 of the largest ones made 7.6% and the largest client had a 1.9% share compared to all the financing sources. Thus, these shares were below the set limits throughout the year.

7.2.4. High-level Description of the Composition of the Institution`s Liquidity Buffer

The liquidity buffer represents the most liquid assets available immediately and which may be used in the event of stress conditions within a short time span (within 1 month). It is comprised of cash, balance account at the central bank (without obligations of the mandatory reserve), and internally defined unburdened high-quality liquid assets (debt securities), which can be called on the basis of a repo process or by selling them without major losses in value. There are no legal, regulatory or operating restrictions in using these assets.

7.2.5. Derivative Exposures and Potential Collateral Calls

In 2025, the Group did not conclude any transactions with derivatives to support legal entities and financial institutions in managing financial exposures (operations) and to manage risks, e.g. interest rate risk and foreign exchange risk.

7.2.6. Currency Mismatch in the LCR

The Group is actively managing exposures from liquidity risk and the needs for international currencies in line with the Regulation of the European Central Bank. Because the main currency of the Group is the euro, the Group reports on the LCR in euros for all the currencies. In addition to reporting in all currencies, the Group also reports in the individual main currency, the euro. In other foreign currencies, the Group does not report on a sub-consolidated basis because the denomination of this currency does not exceed 5% of the total balance liabilities.

7.2.7. Other Items in the LCR Calculation that are not Captured in the LCR Disclosure Template but that the Group Considers Relevant for its Liquidity Profile

Group operations are mostly focused on retail and commercial operations. The balance of the Group does not include any complex products. The liquidity of the Group is stable, and the scope of unburdened liquidity reserves is sufficient or high. The liquidity position is solid and will remain at a high level, which is also reflected in liquidity planning and cash flow forecasts.

The Group does not consider debt securities of 2A and 2B asset levels in its liquidity buffer. Following the annual analysis and approval by the Assets and Liabilities Committee of the Bank, the Group decides on the inclusion of these assets in the liquidity buffer. Consequently, the Group assumes the conservative approach and in 2025 did not actually hold this type of securities in entire securities portfolio of the Group. The conservative approach is also considered in reporting about the obligations of payment guarantees, namely the 10% weighted value is considered in the final calculation of the LCR, even though it could have considered the 5% weighted value following the confirmation by the regulatory body. Retail deposits are included in full (irrespective of their residual maturity). In addition to the conservative approach on the liabilities side, the same principle is applied on the assets side. Within performing loans, the Group includes only those clients for whom it assesses a high probability of loan repayment (classified as A and B, with no days past due whatsoever).

7.3. Quantitative Information of LCR

The **EU LIQ1** template below shows the average of data at the end of the month in the period of 12 months prior to the end of every quarter in 2025.

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2025	30 September 2025	30 June 2025	31 March 2025
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					588,360	608,390	609,231	603,081
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:								
3	<i>Stable deposits</i>	1,557,474	1,542,032	1,523,105	1,506,071	109,546	105,997	101,813	97,829
4	<i>Less stable deposits</i>	1,191,420	1,205,350	1,220,072	1,235,484	59,571	60,267	61,004	61,774
5	Unsecured wholesale funding	366,054	336,683	303,033	270,587	49,975	45,729	40,809	36,055
7	<i>Non-operational deposits (all counterparties)</i>	422,984	402,229	378,638	370,012	179,569	168,216	155,062	153,020
8	<i>Unsecured debt</i>	422,984	401,998	378,406	369,780	179,569	167,984	154,830	152,788
10	Additional requirements	-	231	231	231	-	231	231	231
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	479,803	468,154	401,630	316,187	50,418	47,216	39,554	30,200
		705	-	-	-	705	-	-	-
13	<i>Credit and liquidity facilities</i>	479,098	468,154	401,630	316,187	49,713	47,216	39,554	30,200
14	Other contractual funding obligations	22,342	22,993	24,557	27,631	14,326	14,798	16,526	19,814
15	Other contingent funding obligations	272,664	258,802	231,049	198,530	19,151	18,364	16,177	13,539
16	TOTAL CASH OUTFLOWS					373,010	354,591	329,132	314,401
CASH – INFLOWS									
18	Inflows from fully performing exposures	123,604	119,884	115,773	109,891	87,862	84,784	82,080	77,275
19	Other cash inflows	3,826	4,156	4,930	4,926	3,826	4,156	4,930	4,926
20	TOTAL CASH INFLOWS	127,431	124,040	120,702	114,817	91,688	88,941	87,010	82,201
EU-20c	<i>Inflows subject to 75% cap</i>	127,431	124,040	120,702	114,817	91,688	88,941	87,010	82,201
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					588,360	608,390	609,231	603,081
22	TOTAL NET CASH OUTFLOWS					281,322	265,650	242,122	232,200
23	LIQUIDITY COVERAGE RATIO					209.14%	229.02%	251.62%	259.72%

7.4. Net Stable Funding Ratio

The **EU LIQ2** templates below show unweighted and weighted values by items of the available and required stable financing. Unweighted values are disclosed by the remaining maturities.

Values at the end of every quarter of 2025 are disclosed.

EU LIQ2 on 31 December 2025:

31.12.2025		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	282,809	-	-	59,491	329,322
2	Own funds	282,809	-	-	59,491	342,300
4	Retail deposits		1,434,477	111,653	43,382	1,493,786
5	Stable deposits		1,096,026	81,696	31,007	1,149,842
6	Less stable deposits		338,452	29,957	12,375	343,943
7	Wholesale funding:		568,527	53,619	151,840	420,529
9	Other wholesale funding		568,527	53,619	151,840	420,529
11	Other liabilities:	-	26,739	725	1,859	2,222
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		26,739	725	1,859	2,222
14	Total available stable funding (ASF)					2,258,836
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					22,166
17	Performing loans and securities:		260,349	131,070	1,598,492	1,485,273
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		52,641	2,391	17,490	23,950
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		200,792	84,080	1,308,164	1,423,443
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		9,312	1,177	50,987	180,341
22	Performing residential mortgages, of which:		64	17,121	250,649	0
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		64	8,381	211,898	0
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		6,852	27,478	22,189	37,880
26	Other assets:		111,596	636	42,571	78,686
32	Off-balance sheet items		293,228	160,669	211,983	40,468
33	Total required stable funding (RSF)					1,626,593
34	Net Stable Funding Ratio (%)					138.87%

EU LIQ2 on 30 September 2025:

30.9.2025		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	268,684	-	-	47,656	316,340
2	Own funds	268,684	-	-	47,656	316,340
4	Retail deposits		1,427,120	101,446	58,269	1,491,752
5	Stable deposits		1,077,086	78,391	44,005	1,141,708
6	Less stable deposits		350,034	23,055	14,264	350,044
7	Wholesale funding:		505,482	49,038	169,952	427,781
9	Other wholesale funding		505,482	49,038	169,952	427,781
11	Other liabilities:	-	24,623	628	1,533	1,847
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		24,623	628	1,533	1,847
14	Total available stable funding (ASF)					2,237,720
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					22,100
17	Performing loans and securities:		296,224	124,206	1,561,003	1,448,474
19	Performing securities financing Transactions with financial customer collateralised by other assets and loans and advances to financial institutions		94,369	12	20,229	29,672
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		198,070	91,888	1,260,745	1,379,386
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		7,479	714	67,557	189,262
22	Performing residential mortgages, of which:		11	8,098	252,289	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		11	8,098	211,075	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		3,773	24,208	27,740	39,415
26	Other assets:		75,584	575	63,120	86,133
32	Off-balance sheet items		279,782	195,876	210,185	39,568
33	Total required stable funding (RSF)					1,596,275
34	Net Stable Funding Ratio (%)					140.18

EU LIQ2 on 30 June 2025:

30.6.2025		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	267,258	-	-	48,664	315,922
2	Own funds	267,258	-	-	48,664	315,922
4	Retail deposits		1,400,039	108,114	59,764	1,474,506
5	Stable deposits		1,059,857	88,221	48,144	1,138,818
6	Less stable deposits		340,181	19,894	11,620	335,687
7	Wholesale funding:		511,865	46,477	152,329	416,588
9	Other wholesale funding		511,865	46,477	152,329	416,588
11	Other liabilities:	-	40,954	524	1,370	1,632
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		40,954	524	1,370	1,632
14	Total available stable funding (ASF)					2,208,648
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					19,728
17	Performing loans and securities:		261,776	133,584	1,449,844	1,367,585
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		43,539	20,034	16,553	30,924
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		218,184	87,533	1,175,053	1,300,288
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		8,294	460	44,133	163,892
22	Performing residential mortgages, of which:		54	77	232,506	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		54	77	201,174	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	25,940	25,732	36,374
26	Other assets:		79,989	1,080	64,001	89,781
32	Off-balance sheet items		248,580	200,495	197,803	37,365
33	Total required stable funding (RSF)					1,514,459
34	Net Stable Funding Ratio (%)					145.84

EU LIQ2 on 31 March 2025:

31.3.2025		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	267,575	-	-	49,660	317,235
2	Own funds	267,575	-	-	49,660	317,235
4	Retail deposits		1,335,664	126,018	61,651	1,432,549
5	Stable deposits		1,016,047	91,633	47,115	1,099,411
6	Less stable deposits		319,618	34,385	14,536	333,138
7	Wholesale funding:		451,962	21,904	209,162	421,516
9	Other wholesale funding		451,962	21,904	209,162	421,516
11	Other liabilities:	-	35,624	586	1,380	1,673
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		35,624	586	1,380	1,673
14	Total available stable funding (ASF)					2,172,973
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					12,261
17	Performing loans and securities:		145,042	-	-	1,392,533
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		21,060	-	-	29,369
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		100,733	-	-	1,109,526
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		654	-	-	37,561
22	Performing residential mortgages, of which:		49	-	-	218,365
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		49	-	-	186,170
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		23,200	-	-	35,274
26	Other assets:		35,135	-	-	77,754
32	Off-balance sheet items		170,854	-	-	34,177
33	Total required stable funding (RSF)					1,516,725
34	Net Stable Funding Ratio (%)					143.27

8. The Use of Credit Risk Mitigation Techniques

(Article 453 of the CRR Regulation)

8.1. A Description of the Core Features of the Policies and Processes for On- and Off-balance Sheet Netting and an Indication of the Extent to which Institutions Make Use of Balance Sheet Netting

Disclosure not relevant. The Group does not use balance reconciliation as a form of credit collateral.

8.2. The Core Features of Policies and Processes for Eligible Collateral Evaluation and Management

The umbrella document that regulates collateral in the Group is the Methodology on the Types and Valuation of Collateral at Gorenjska banka d.d., Kranj, which presents all the appropriate forms of securing loans and basic policies that have to be taken into account when concluding and monitoring collateral.

The reduction of the credit risk includes the establishment of measures, rules and processes which relate to the adoption, reduction, dispersion, transfer, and avoidance of risk.

The Group adopts various types of collateral for securing exposures as the secondary source of repayment in the event of a default. A definition is given to every type of collateral whether they can be seen as a factor to reduce risks. Collateral must meet the legal and regulatory demands in order to be accepted as a risk-reducing factor.

The value of collateral should be monitored more frequently in the event of significant changes on the market, and whenever there is available information indicating a significant decline in the value of the collateral.

8.3. A Description of the Main Types of Collateral Taken by the Group to Mitigate Credit Risk

The Group pursues the goal in which investments are insured with appropriate insurance. Pledge on immovable property is the most common form of collateral for investments of legal entities and natural persons with a long-term exposure to the Group.

The main types of collateral taken by the Group are:

- residential and commercial real estates,
- movables,
- assignment of receivables,
- bank deposits,
- securities and business shares,
- bank or other guarantees,
- insurance at an insurance company,
- guarantees and approaches to debt,
- bills of exchange,
- pledged business interests.

Funded credit protection is a technique for reducing credit risk, whereby the Group may call in on the pledged property in the event of a default.

Unfunded credit protection is a technique of credit risk mitigation for when liabilities are not paid, and the Group calls on the third party in the process to make the payment.

Collateral is usually assessed in the investment approval process. Special attention is given to check whether all the necessary conditions for the establishment of the collateral and their enforceability are met, should a default occur on the side of the borrower.

8.4. The Main Types of Guarantors used for the Purposes of Reducing Capital Requirements

Guarantees or unfunded credit protection is a type of credit risk mitigation where a third person undertakes to pay the owed amount in the event of a default by the primary obligor (borrower).

The most important types of suitable guarantors:

- central level units of the state and central bank,
- institutions.

Institutions that the Group takes into account as guarantors when recognising unfunded credit protections to calculate the capital requirement for credit risk have no credit assessment comparable to ECAI (and non-EU

countries whose regulations are in line with the EU regulations), but exposures are assigned a weight of 0% due to the country where the institutions are located.

For the purposes of recognizing unfunded credit protection in the calculation of capital requirements for credit risk, the Group uses a substitution approach, whereby the risk weight of the protection provider is attributed to the protected exposure. The Group recognizes only those guaranties and guarantors that meet the conditions and eligibility criteria set out in the CRR.

8.5. Information about Market or Credit Risk Concentrations within the Credit Mitigation Taken

The Group avoids the concentration risk regarding collateral by diversifying its portfolio in terms of the volume, segment of clients, geographical region, etc.

In the event of insurance with securities, the Group is subject to market risk, or more accurately, to the risk of price changes of securities on the capital markets. In the event of collateral in the form of surety and guarantees, there is a credit risk of the collateral provider, therefore the Group includes the amount of the surety received in the guarantor's upper limit of borrowing. Due to the high real estate prices, the risk arising from the real estate market is also increasing.

When approving investments, the counterparty risk in the transaction and the assessment of the client's free cash flow are of primary importance, and collateral is only a secondary source for paying the obligations. Collateral has an important role in the event of impairment of the client's creditworthiness. To avoid the effect of risks that are the result of individual forms of collateral, the Group has prescribed minimum ratios between the value of the collateral and the investment.

The collateral is exclusively a mechanism of credit protection, established in order to protect the Group from irregular payments from the borrower, and reduce losses in the event of material deterioration of the risk profile or default of the borrower.

Special attention must be given to collateralisation of existing loans during a period of the borrower's financial crisis. Collateral established during such a period must be defensible and enforceable according to the respective local legal provisions in the event of subsequent insolvency.

In order to form individual impairments, the Bank considers the market values of real estate collateral (with applied Haircuts - yearly back tested).

The table below shows the fair value of received collateral. It takes into account appropriate forms of collateral that the Group uses to manage credit risks and are taken into account as appropriate also in the calculation of impairments. It includes the collateral received for balance sheet receivables and assumed liabilities. Inadequate collateral and securities investment collateral are not included.

	31 December 2025
Immovable property	1,546,337
Movable property	568,613
Deposits	22,096
Securities and business shares	-
Insurance companies	121,292
Assigned claims	46,098
Government/state guarantees	32,255
Other insurances	89,808
Total	2,426,499

8.6. The Use of Credit Risk Mitigation Techniques

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

- bank deposits at the bank, or cash-like instruments the bank holds (it takes into account deposits maturity which equals or exceeds the maturity of the credit exposure),
- debt securities issued by central government or central banks (that have a credit assessment from a suitable ECAI with a credit quality step of at least 4),
- debt securities issued by institutions (that have a credit assessment from a suitable ECAI with a credit quality step of at least 3),

- debt securities issued by other entities (that have a credit assessment from a suitable ECAI with a credit quality step of at least 3).
- debt securities issued with a short-term credit assessment from a suitable ECAI (with a credit quality step of at least 3),
- equities or main index convertible bonds.

8.7. Credit Risk Exposure and Credit Risk Mitigation Effects

The **EU CR4** template below shows the coverage of exposure before and after using the credit conversion factors (CCF) and techniques for reducing credit risk (CRM) and the amount and frequency of risk-weighted assets (RWA).

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	292,028	1,105	351,846	1,744	8,468	2.39
2	Non-central government public sector entities	32,225	9,919	32,225	4,058	8,800	24.25
EU 2a	Regional government or local authorities	28,910	5,184	28,910	2,074	6,197	20.00
EU 2b	Public sector entities	3,315	4,736	3,315	1,984	2,603	49.13
4	Institutions	45,260	2,911	34,270	475	8,270	23.80
6	Corporates	344,291	393,248	330,749	131,584	433,545	93.77
6,1	Of which: Specialised Lending	6,701	-	6,548	-	6,080	92.85
7	Subordinated debt exposures and equity	33,071	-	33,071	-	43,154	130.49
8	Retail	802,252	211,133	799,729	74,105	605,856	69.33
9	Secured by mortgages on immovable property and ADC exposures	723,843	163,671	691,371	65,418	497,010	65.67
9,1	Secured by mortgages on residential immovable property - non IPRE	256,948	9,914	255,502	4,107	80,416	30.98
9,2	Secured by mortgages on residential immovable property - IPRE	10,886	-	10,182	-	2,391	23.49
9,3	Secured by mortgages on commercial immovable property - non IPRE	291,208	48,001	268,099	19,008	201,069	70.03
9,4	Secured by mortgages on commercial immovable property - IPRE	64,366	6,527	58,329	2,611	43,386	71.19
9,5	Acquisition, Development and Construction (ADC)	100,435	99,230	99,259	39,692	169,748	122.16
10	Exposures in default	36,931	1,954	36,638	770	43,820	117.14
EU 10b	Collective investment undertakings	10,695	-	10,695	-	5,095	47.64
EU 10c	Other items	435,079	50	435,079	20	70,016	16.09
12	Total	2,755,675	783,992	2,755,675	278,173	1,724,034	56.83

8.8. Exposure Value Covered by Eligible Financial Collateral

The **EU CR3** template below shows the coverage of loans, other financial assets and debt securities with an appropriate credit insurance.

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
		a	b	c	d	e
1	Loans and advances	965,106	1,327,683	1,270,176	57,507	35,156
2	Debt securities	310,199	12,565	-	12,565	
3	Total	1,275,305	1,340,248	1,270,176	70,071	35,156
4	<i>Of which non-performing exposures</i>	31,073	21,465	19,007	2,458	1,412
EU-5	<i>Of which defaulted</i>	31,073	21,465			

9. Exposure to interest rate risk on positions not included in the trading book

(Article 448 of the CRR)

9.1. Description of how the institution defines IRRBB for the purposes of risk control and risk measurement

The Group monitors and manages its exposure to interest rate risk in line with its risk appetite framework and risk appetite statement, which in the area of interest rate risk management is based on the recommendations of the European Central Bank, the Basel Committee on Banking Supervision, and the European Banking Authority.

Interest rate risk comprises all on-balance sheet and off-balance sheet assets and liabilities in the banking book. For the purpose of interest rate risk management, EUR is the only material currency.

9.2. Description of how the institution defines IRRBB for the purposes of risk control and risk measurement

Interest rate risk arising from non-trading activities is the risk affecting the institution's earnings and economic value as a result of adverse movements in interest rates that impact interest rate-sensitive instruments.

The measurement system, based on the IRRBB gap report, includes all on-balance sheet and off-balance sheet items that are sensitive to interest rates, i.e. all positions whose market or present value depends on market interest rates. Tier 2 capital instruments are included as interest rate-sensitive instruments until their maturity or call date.

For the purpose of gap calculation, interest rate-sensitive banking book items are allocated to the relevant time bands according to their residual maturity and repricing dates as of the reporting reference date.

IRRBB analysis is performed for all currencies in the portfolio; however, the Group actively manages only the material currency EUR, which is also the only currency included in regulatory reporting.

The Group focuses on the following interest rate risk analyses:

- Impact on earnings, where the primary focus is on the impact of interest rate changes on short-term earnings. This approach is short-term in nature (up to 1 year).
- Impact on net present value, where the primary focus is on the impact of interest rate changes on the net present value of all future cash flows of the Bank.

9.3. Frequency of calculation of the institution's IRRBB measures and description of the specific measures used to assess sensitivity to IRRBB

The Group calculates its exposure to interest rate risk on a regular monthly basis and additionally in the event of significant changes in factors that materially affect the level of interest rate risk.

The results are reported in the monthly risk report, presented to the monthly Asset and Liability Management Committee (ALCO), the monthly CRO forum, and to the Supervisory Board as part of regular reporting.

The Group uses the following measures to assess interest rate risk:

- Economic value measure (EVE), and
- Change in net interest income (NII).

9.4. Description of interest rate stress scenarios used by the institution to evaluate changes in economic value and net interest income (where applicable)

The Group regularly measures its exposure to interest rate risk in the banking book under standardized scenarios of shifts in the level and slope of the interest rate curve.

The use of stress scenarios and interest rate shock scenarios is an integral part of banking book interest rate risk management within the Group. The Group prepares interest rate shock scenarios that consider both parallel and non-parallel shifts for EVE and NII across all currencies material to the Group and the parent Group.

9.5. Description of key modelling and parameter assumptions that differ from those used for disclosure in template EU IRRBB1 (where applicable)

The key behavioural modelling assumptions and parameters used for internal measurement are the same as those applied for regulatory reporting of exposures in template IRRBB1.

9.6. Detailed description of how the institution hedges its IRRBB and the associated accounting treatment (where applicable)

The Group manages interest rate risk and stabilises the interest margin primarily through its pricing policy and internal funds transfer pricing policy.

9.7. Description of key modelling and parameter assumptions used for IRRBB measures in template EU IRRBB1 (where applicable)

Among the key assumptions, the Group includes the methodology for the allocation of sight deposits. The Group has developed an internal classification model based on Monte Carlo simulations of daily balance changes over a significant historical period.

In addition, the Group models behavioural options, including early withdrawals of term deposits and early loan repayments. For issued securities, a most-likely scenario approach is applied.

For off-balance sheet items, the Bank uses a methodology that adjusts expected cash flows based on historical utilisation rates of off-balance sheet products.

9.8. Disclosure of the average and longest repricing maturity of maturing deposits

The average maturity of the stable portion of sight deposits is 3.76 years. The longest maturity applied in the allocation of the stable portion of sight deposits is 25 years.

Template **EU IRRBB1** - Interest rate risks of non-trading book activities

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	-22,030		818	
2	Parallel down	-7,799		-1,636	
3	Steeper	-22,973			
4	Flattener	13,076			
5	Short rates up	-18,970			
6	Short rates down	3,325			