

**Sparkasse Bank AD Skopje**

**Consolidated Financial Statements**

**Year Ended December 31, 2025**

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# Independent Auditor's Report

To the Supervisory Board and Shareholders of Sparkasse Banka AD Skopje:

## Report on the audit of the consolidated financial statements

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sparkasse Banka AD Skopje (the "Bank") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with the regulations of the National Bank of the Republic of North Macedonia relevant for the preparation of financial statements of banks in the Republic of North Macedonia.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of changes in equity and reserves for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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Original report is signed in Macedonian language

This version of our report is a translation from the original, which was prepared in Macedonian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

## **Basis for opinion**

We conducted our audit in accordance with Standards on Auditing as published in Official Gazette of Republic of North Macedonia (273/2024) (SAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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

## **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as published in Official Gazette of Republic of North Macedonia (273/2024) (Code of Ethics) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Code of Ethics.

## **Reporting on other information**

Management is responsible for the other information. The other information comprises the consolidated annual report and consolidated annual accounts prepared in accordance with the requirement of the article 384 of the Law on Trade Companies but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information including consolidated annual report and consolidated annual accounts and we do not express any form of assurance conclusion thereon, except to the extent explicitly stated in this report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated annual report and consolidated annual accounts. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the regulations of the National Bank of the Republic of North Macedonia relevant for the preparation of financial statements of banks in the Republic of North Macedonia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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# Report on other legal and regulatory requirements

## Opinion on the consolidated annual report

The Management of the Company is also responsible for preparing the consolidated annual report on the operations of the Bank for the year 2025 in accordance with Article 384 of the Law on Trade Companies. Our responsibility is to express an opinion on the consistency of the consolidated annual report with the historical financial information disclosed in the consolidated annual accounts and the audited consolidated financial statements of the Company as at and for the year ended 31 December 2025, in accordance with the requirements of Article 34, paragraph 1, item (d) of the Audit Law.

In our opinion, the historical financial information disclosed in the consolidated annual report of the Bank as at and for the year ended 31 December 2025 is consistent, in all material respects, with the information disclosed in the consolidated annual accounts and the audited consolidated financial statements of the Bank as at and for the year ended 31 December 2025.

Dragan Davitkov

General Manager

Dragan Davitkov

Certified Auditor

PricewaterhouseCoopers Revizija DOO

3, Mirche Acev Str. , Grand Business Center 8th floor,

Skopje, Republic of North Macedonia,

23 April 2026

### Original report is signed in Macedonian language

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**Consolidated Income Statement**  
**For the period from January 1, 2025 to December 31, 2025**

	Note	In thousands in denars	
		Current year 2025	Previous year 2024
Interest income		4.369.268	4.130.578
Interest expense		(1.410.497)	(1.360.611)
<b>Net interest income/(expenses)</b>	<b>6</b>	<b>2.958.771</b>	<b>2.769.967</b>
Fee and commission income		1.353.754	1.321.255
Fee and commission expense		(538.050)	(568.727)
<b>Net fee and commission income/(expenses)</b>	<b>7</b>	<b>815.704</b>	<b>752.528</b>
Trading income, net	8	-	-
Net income from other financial instruments carried at fair value	9	-	-
Foreign exchange gains/(losses), net	10	340.289	318.593
Other operating income	11	226.286	70.351
Share of profit of associates	24	69.802	56.193
Impairment losses of financial assets and special reserve for off-balance exposure, net	12	(309.530)	(94.487)
Impairment losses of non-financial assets, net	13	(45.120)	(15.147)
Personnel expenses	14	(876.837)	(827.291)
Depreciation and amortization	15	(280.256)	(202.364)
Other operating expenses	16	(786.945)	(743.586)
Share of loss of associates	24	-	-
<b>Profit before tax</b>		<b>2.112.164</b>	<b>2.084.757</b>
Income tax expense	17	(285.893)	(292.537)
<b>Profit for the year</b>		<b>1.826.271</b>	<b>1.792.220</b>
Profit/(Loss) on financial assets and liabilities held for sale		-	-
<b>Profit/(loss) for the year</b>		<b>1.826.271</b>	<b>1.792.220</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Group		-	-
Non-controlling interest		-	-
<b>Earnings per share</b>	41		
Basic (in Denars)		872	855
Diluted (in Denars)		872	855

The accompanying notes are integral part of these consolidated financial statements.

The consolidated financial statements are approved by the Supervisory Board on April 22, 2026.

Signed on behalf of Sparkasse Bank AD Skopje:

**Sanel Kusturica**

President of the  
Management Board

**Nina Nedanoska**

Deputy President of  
the Management  
Board

**Zlatica Civkaroski**

Member of the  
Management Board

**Aleksandar  
Djordjevic**

Member of the  
Management Board

**Milka Rataikoska  
Joleska**

Head of Finance  
Directorate/Certified  
Accountant – license  
number 0109038

**Consolidated Statement of Comprehensive Income  
For the period from January 1, 2025 to December 31, 2025**

**Profit/(loss) for the year**  
**Other gains/(losses) for the period, not recognized in the consolidated Income statement (before tax)**  
 Revaluation reserve of assets available for sale  
 - unrealized net- changes in fair value of assets available for sale  
 - realized net gains/(losses) from equity instruments available for sale, reclassified in Other reserves  
 Change in credit risk of the Group, for financial liabilities at fair value  
 Income tax for other gains/(losses) not recognized in consolidated the Income statement  
**Total other gains/(losses) for the period, not recognized in the consolidated Income statement**

**Other gains/(losses) in the period that are or can be reclassified in the consolidated Income statement (before tax)**  
 Revaluation reserve for debt instruments available for sale  
 - unrealized net-changes in fair value of debt instruments available for sale  
 - realized net-changes in fair value of debt instruments available for sale, reclassified in the consolidated Income Statement  
 - additional impairment of debt instruments available for sale  
 - release of impairment of debt instruments available for sale  
 Revaluation reserve of foreclosed assets  
 - revaluation reserve at the date of foreclosure  
 - decrease of revaluation reserve, reclassified in the consolidated Income Statement  
 Reserve for instruments for hedging cash flow risk  
 - unrealized net changes in fair value of instruments for hedging cash flow risk  
 - realized net gains/(losses) from instruments for hedging cash flow risk, reclassified in the consolidated Income statement  
 Reserve for instruments for hedging net-investment in international operations risk  
 Foreign exchange reserve of investment in operations abroad  
 Share in other gains/(losses) of associates not recognized in the income statement  
 Other gains/(losses) not recognized in the consolidated Income statement  
 Income tax on other gains/(losses) that are or can be reclassified in the consolidated Income statement  
**Total other gains/(losses) in the period that are or can be reclassified in the consolidated income statement**  
**Total other gains/(losses) in the period**  
**Total comprehensive income for the year**

**Total comprehensive income for the year, attributable to:**  
 owners of the Group  
 non-controlling interest

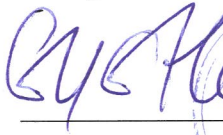
Note	In thousands in denars	
	Current year 2025	Previous year 2024
	<b>1.826.271</b>	<b>1.792.220</b>
	-	-
	-	-
	-	-
	-	-
17	-	-
	-	-
	-	-
	-	-
	95.924	161.743
	-	-
	366	915
	-	-
	(5.467)	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	(9.084)	(16.270)
	-	-
	<b>81.739</b>	<b>146.388</b>
	<b>81.739</b>	<b>146.388</b>
	<b>1.908.010</b>	<b>1.938.608</b>
	-	-
	-	-

The accompanying notes are integral part of these consolidated financial statements.

Signed on behalf of Sparkasse Bank AD Skopje:

**Sanel Kusturica**

President of the Management Board



**Nina Nedanoska**

Deputy President of the Management Board



**Zlatica Civkaroski**

Member of the Management Board



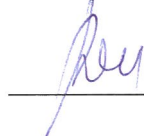
**Aleksandar Djordjevic**

Member of the Management Board



**Milka Rataikoska Joleska**

Head of Finance Directorate/Certified Accountant – license number 0109038



**Consolidated Balance Sheet**  
For the period from January 1, 2025 to December 31, 2025

	Note	In thousands in denars	
		Current year 2025	Previous year 2024
<b>ASSETS</b>			
Cash and cash equivalents	18	25.614.203	24.729.404
Held-for-trading assets	19	-	-
Financial assets at fair value through profit or loss upon initial recognition	20	-	-
Derivative assets held for risk management	21	-	-
Loans and advances to banks	22.1	1.395	1.839
Loans and advances to other customers	22.2	78.763.136	69.495.552
Investments in securities	23	10.705.016	9.962.348
Investments in associates	24	328.088	300.431
Income tax receivable (current)	30.1	-	-
Other receivables	25	1.017.382	953.505
Assets pledged as collateral	26	-	-
Foreclosed assets	27	-	60.588
Intangible assets	28	415.701	352.506
Property and equipment	29	1.251.089	964.350
Deferred tax assets	30.2	-	-
Non-current assets held-for-sale and disposal group	31	-	-
<b>Total assets</b>		<b>118.096.010</b>	<b>106.820.523</b>
<b>LIABILITIES</b>			
Trading liabilities	32	-	-
Financial liabilities at fair value through profit or loss upon initial recognition	33	-	-
Derivative liabilities held for risk management	21	-	-
Due to banks	34.1	9.187.124	7.594.935
Due to other customers	34.2	78.597.889	72.063.504
Debt instruments issued	35	-	-
Borrowings	36	10.594.873	9.621.940
Subordinated debt	37	2.242.379	1.931.362
Special reserve and provisions	38	370.112	372.550
Income tax payable (current)	30.1	175.011	158.378
Deferred tax liabilities	30.2	9.090	6
Other liabilities	39	602.657	668.984
Liabilities related to disposal group	31	-	-
<b>Total liabilities</b>		<b>101.779.135</b>	<b>92.411.659</b>
<b>EQUITY AND RESERVES</b>			
Subscribed capital	40	5.594.758	5.594.758
Share premium		666.348	666.348
Treasury shares		-	-
Other equity instruments		-	-
Revaluation reserves		81.681	(58)
Other reserves		559.476	559.476
Retained earnings /(Accumulated loss)		9.414.612	7.588.340
<b>Total equity attributable to the shareholders</b>		<b>16.316.875</b>	<b>14.408.864</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>16.316.875</b>	<b>14.408.864</b>
<b>Total liabilities, equity and reserves</b>		<b>118.096.010</b>	<b>106.820.523</b>
Contingent liabilities	42	38.104.457	36.176.084
Contingent assets	42	-	-

The accompanying notes are integral part of these consolidated financial statements.  
Signed on behalf of Sparkasse Bank AD Skopje:

**Sanel Kusturica**

President of the  
Management Board



**Nina Nedanoska**

Deputy President of  
the Management  
Board



**Zlatica Civkaroski**

Member of the  
Management Board



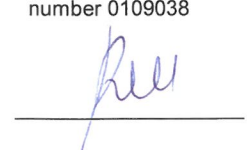
**Aleksandar  
Djordjevic**

Member of the  
Management Board



**Milka Rataikoska  
Joleska**

Head of Finance  
Directorate/Certified  
Accountant – license  
number 0109038



**Consolidated Statement of Changes in Equity and Reserves  
For the period from January 1, 2025 to December 31, 2025**

	Equity				Revalued reserves						Other reserves				Retained earnings		Total equity and reserves	Non-controling interests	Total equity and reserves		
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revalued reserves for assets available for sale	Revalued reserves for foreclosed assets	Reserves for risk mitigation	Foreign exchange reserves on investments in foreign operations	Other revalued reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders	(Accumulated loss)	Total equity and reserves attributable to the shareholders of the Group					
As of January 1, 2024 (previous year)	5,594,758	666,348	-	-	(249,356)	102,910	-	-	-	502,197	-	-	-	5,853,400	-	12,470,257	-	12,470,257	-	12,470,257	
Adjustments to the opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As of January 1, 2024 (previous year), adjusted	5,594,758	666,348	-	-	(249,356)	102,910	-	-	-	502,197	-	-	-	5,853,400	-	12,470,257	-	12,470,257	-	12,470,257	
Comprehensive income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gains/(losses) not recognized in the consolidated income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- unrealized changes in fair value, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- realized changes in fair value, net, transferred to income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- additional impairment of debt instruments available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- release of impairment of debt instruments available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- unrealized changes in fair value, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- realized changes in fair value, net, transferred to Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of instruments for hedging cash flow risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of instruments for hedging net-investments in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/(losses) of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets/(liabilities) recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in credit risk of the Group for financial liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gains/(losses) not recognized in the consolidated income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve for funds taken for uncollected receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve for deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition of equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total unrealized gains/(losses) recognized directly in equity and reserves</b>	-	-	-	-	<b>146,388</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>146,388</b>
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	<b>146,388</b>	-	-	-	-	-	-	-	-	<b>1,792,220</b>	-	-	-	-	-	-	<b>1,938,608</b>

The accompanying notes are integral part of these consolidated financial statements.

**Consolidated Statement of Changes in Equity and Reserves (continued)**  
**For the period from January 1, 2025 to December 31, 2025**

	Equity				Revalued reserves							Other reserves			Retained earnings		Total equity and reserves attributable to the shareholders of the Group	Non-controlling interests <sup>†</sup>	Total equity and reserves	
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revalued reserves for assets available for sale	Revalued reserves for foreclosed assets	Reserves for risk mitigation	Foreign exchange reserves on investments in foreign operations	Other revalued reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders	(Accumulated loss)					
<i>In thousands denars</i>																				
Transactions with the shareholders, recognized directly in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share issued in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other changes in equity and reserves - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation for investment investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transactions with shareholders, recognized directly in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of December 31, 2024 (previous year)/ January 1, 2025 (current year)	5.594.758	666.348	-	-	(102.968)	102.910	-	-	57.279	-	-	-	-	(57.279)	-	-	-	-	14.408.864	
Adjustments to the opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As of December 31, 2024 (previous year)/ January 1, 2025 (current year)	5.594.758	666.348	-	-	(102.968)	102.910	-	-	559.476	-	-	-	-	7.588.340	-	-	-	-	14.408.864	

The accompanying notes are integral part of these consolidated financial statements.

**Consolidated Statement of Changes in Equity and Reserves (continued)**  
**For the period from January 1, 2025 to December 31, 2025**

	Equity			Revalued reserves						Other reserves			Retained earnings		Total equity and reserves attributable to the shareholders of the Group	Non-controlling interest*	Total equity and reserves	
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revalued reserves for assets available for sale	Revalued reserves for foreclosed assets	Reserves for risk mitigation	Foreign exchange reserves on investments in foreign operations	Other revalued reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders				(Accumulated loss)
<i>In thousands denars</i>																		
<b>Total comprehensive income (loss) for the year</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	1,826,271	-	1,826,271	-	1,826,271
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gains/(losses) not recognized in the consolidated income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- unrealized changes in fair value, net	-	-	-	-	95,924	-	-	-	-	-	-	-	-	-	-	95,924	-	95,924
- realized changes in fair value, net, transferred to Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- additional impairment of debt instruments available for sale	-	-	-	-	-	-	-	-	-	366	-	-	-	-	-	366	-	366
- release of impairment of debt instruments available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- unrealized changes in fair value, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- realized changes in fair value, net, transferred to Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of instruments for hedging cash flow risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of instruments for hedging net-investments in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains/(losses) of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets/(liabilities) recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in credit risk of the Group for financial liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gains/(losses) not recognized in the Consolidated income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve for funds taken for uncollected receivables	-	-	-	-	-	(5,467)	-	-	-	-	-	-	-	-	-	(5,467)	-	(5,467)
Revaluation reserve for deferred tax liabilities	-	-	-	-	(9,084)	-	-	-	-	-	-	-	-	-	-	(9,084)	-	(9,084)
Derecognition of equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total unrealized gains/(losses) recognized directly in equity and reserves</b>	-	-	-	-	<b>87,206</b>	<b>(5,467)</b>	-	-	-	-	-	-	-	-	-	<b>81,739</b>	-	<b>81,739</b>
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	<b>87,206</b>	<b>(5,467)</b>	-	-	-	-	-	-	-	<b>1,826,271</b>	-	<b>1,908,010</b>	-	<b>1,908,010</b>

The accompanying notes are integral part of these consolidated financial statements.

**Consolidated Statement of Changes in Equity and Reserves (continued)**  
**For the period from January 1, 2025 to December 31, 2025**

	Equity				Revalued reserves					Other reserves			Retained earnings		Total equity and reserves attributable to the shareholders of the Group	Non-controlling interests*	Total equity and reserves	
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revalued reserves for assets available for sale	Revalued reserves for foreclosed assets	Reserves for risk mitigation	Foreign exchange reserves on investments in foreign operations	Other revalued reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders				
<i>In thousands denars</i>																		
Transactions with the shareholders, recognized directly in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issued in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation for investment investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders, recognized directly in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AS of December 31, 2025 (current year)	5.594.758	666.348	-	-	(15.762)	97.443	-	-	-	559.476	-	-	-	9.414.612	-	16.316.875	-	16.316.875

The accompanying notes are integral part of these consolidated financial statements

Signed on behalf of Sparkasse Bank AD Skopje:

**Sanel Kusturica**  
 President of the Management Board

**Aleksandar Djordjevic**  
 Member of the Management Board

**Zlatica Civkaroski**  
 Member of the Management Board

**Nina Nedanoska**  
 Deputy President of the Management Board

**Milka Rataikoska Joleska**  
 Head of Finance Directorate/Certified Accountant – license number 0109038

**Consolidated Statement of Cash Flows**  
**For the period from January 1, 2025 to December 31, 2025**

	Note	In thousands denars	
		Current year 2025	Previous year 2024
<b>Cash flow from operating activities</b>			
Profit before taxation		2.112.164	2.084.757
Adjustment for:		-	-
Non-controlling interest, included in consolidated Income statement		-	-
Depreciation of:		-	-
Intangible assets	15	120.653	105.285
Property and equipment	15	159.603	97.079
Capital gain from:			
Sale of intangible assets		(905)	(3.422)
Sale of property and equipment		(2.736)	-
Sale of foreclosed assets		-	-
Capital loss from:			
Sale of intangible assets		-	-
Sale of property and equipment		-	-
Sale of foreclosed assets		-	-
Interest income	6	(4.369.268)	(4.130.578)
Interest expense	6	1.410.497	1.360.611
Net trading income		-	-
Impairment losses of financial assets and special reserve for off-balance exposure, net		-	-
Additional impairment losses	12	3.994.676	4.126.071
Release of impairment losses	12	(3.685.146)	(4.031.584)
Impairment losses of non-financial assets, net			
Additional impairment losses	13	45.120	15.147
Release of impairment losses		-	-
Provisions:			
Additional provisions	38	365.356	8.980
Release of provisions	38	(366.603)	(39)
Dividend income	11	(49.839)	-
Share of profit /(loss) of associates		-	56.193
Other adjustments		(13.334)	(103.466)
Interest received		4.243.556	4.056.897
Interest paid		(1.276.209)	(1.147.981)
<b>Profit from operations before changes in operating assets:</b>		<b>2.687.585</b>	<b>2.493.950</b>
<i>(Increase)/decrease of operating assets:</i>			
Trading assets		-	-
Derivative assets held for risk management		-	-
Loans and advances to banks		475	137
Loans and advances to other customers		(9.202.174)	(5.212.546)
Assets pledged as collateral			
Foreclosed assets		(60.588)	(15.147)
Obligatory deposit in foreign currency		(3.032.687)	(82.506)
Obligatory deposit held with NBRM according to special regulations			
Other receivables		(63.877)	(215.563)
Deferred tax assets		-	-
Non-current assets held-for-sale and disposal group		-	-
<i>Increase/(decrease) in operating liabilities:</i>			
Trading liabilities		-	-
Derivative liabilities held for risk management		-	-
Due to banks		1.477.197	409.173
Due to other customers		6.410.078	11.201.633
Other liabilities		(66.327)	4.111
Liabilities directly related to group of assets for disposal		-	-
<b>Net cash flow from operating activities before taxation</b>		<b>(1.850.318)</b>	<b>8.583.242</b>
(Paid)/received income tax		(302.526)	(391.278)
<b>Net cash flow from operating activities</b>		<b>(2.152.844)</b>	<b>8.191.964</b>

The accompanying notes are integral part of these consolidated financial statement

**Consolidated Statement of Cash Flows (continued)**  
**For the period from January 1, 2025 to December 31, 2025**

Note	In thousands denars	
	Current year 2025	Previous year 2024
<b>Cash flow from investing activities</b>		
(Investments in securities)	(3.317.800)	(4.910.608)
Inflows from sale of investment in securities	2.611.319	3.181.769
(Outflows from investment in subsidiaries and associates)	-	-
Inflows from disposal of investment in subsidiaries and associates	-	-
(Purchase of intangible assets)	(191.004)	(112.530)
Inflows from sale of intangible assets	-	-
(Purchase of property and equipment)	(440.292)	(145.067)
Inflows from sale of property and equipment	2.010	3.531
(Outflows from non-current assets held-for-sale)	-	-
Inflows from non-current assets held-for-sale	-	-
(Other outflows from investing activity)	49.839	-
Other inflows from investing activity	-	-
<b>Net cash flow from investing activities</b>	<b>(1.285.928)</b>	<b>(1.982.906)</b>
<b>Cash flow from financing activities</b>		
(Repayment of debt securities issued)	-	-
Issued debt securities	-	-
(Repayment of borrowings)	(2.751.911)	(2.128.459)
Increase of borrowings	3.745.421	1.665.234
(Repayment of issued subordinated debts)	-	-
Issued subordinated debts	307.475	(491.960)
Inflows from issued shares/equity instruments during the period	-	-
(Purchase of treasury shares)	-	-
Disposal of treasury shares	-	-
(Dividends paid)	-	-
(Other financing outflows)	-	-
Other financing inflows from financing	-	-
<b>Net cash flow from financing activities</b>	<b>1.300.985</b>	<b>(955.185)</b>
Effect from allowance for impairment of cash and cash equivalents	3.527	(3.174)
Effect from foreign exchange differences of cash and cash equivalents	-	-
<b>Net increase of cash and cash equivalents</b>	<b>(2.134.260)</b>	<b>5.250.699</b>
Cash and cash equivalents as of 1 January	19.439.848	14.189.149
<b>Cash and cash equivalents as of December 31</b>	<b>17.305.588</b>	<b>19.439.848</b>

The accompanying notes are integral part of these consolidated financial statements

Signed on behalf of Sparkasse Bank AD Skopje:

**Sanel Kusturica**

President of the  
Management Board

**Nina Nedanoska**

Deputy President of  
the Management  
Board

**Zlatica Civkaroski**

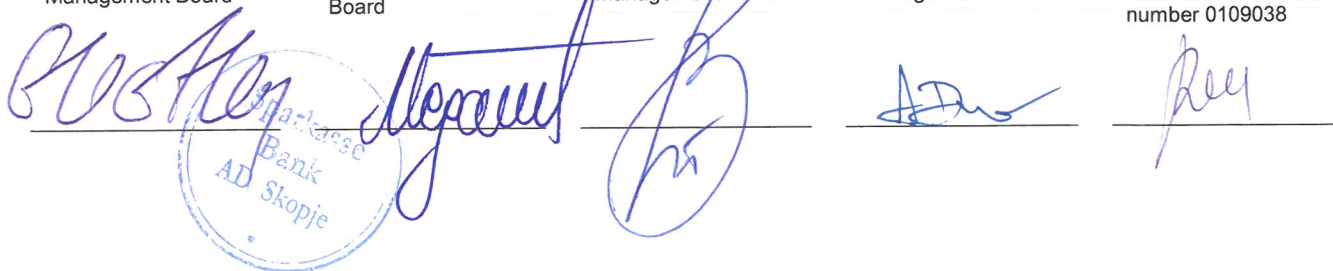
Member of the  
Management Board

**Aleksandar  
Djordjevic**

Member of the  
Management Board

**Milka Rataikoska  
Joleska**

Head of Finance  
Directorate/Certified  
Accountant – license  
number 0109038



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION**

**a) General Information**

Sparkasse Bank AD Skopje (hereinafter referred to as “the Group”) is a shareholding company established in the Republic of North Macedonia. The company is headquartered at st.Vasil Iljovski 14, Skopje, Republic of North Macedonia.

The Group is licensed by the National Bank of the Republic of North Macedonia for performing the following activities:

- Collecting deposits and other recurrent sources of funds;
- Lend in the country, including factoring and financing commercial transactions,
- Lend abroad, including factoring and financing commercial transactions;
- Issuance and administration of payment instruments (payment cards, cheques, traveler’s cheques, bills of exchange);
- Financial leasing;
- Foreign exchange operations;
- Domestic and international payment operations, including purchase/sale of foreign currency funds;
- Issuing payment guarantees, backing guarantees and other forms of security;
- Providing services of renting safe deposit boxes, depositories and depot;
- Trade in instruments at the money market;
- Foreign exchange operations (including commodities trading);
- Trading with securities;
- Trading with financial derivatives;
- Safeguarding of securities for clients;
- Giving advices to legal entities in relation to the structure of capital, business strategy or other related issues, or providing services related to merging or acquisition of legal entities;
- Sale of insurance policies;
- Intermediating in concluding agreements for loans and borrowings;
- Data collection and analysis of companies’ credit rating;
- Economic and financial consulting;
- Intermediating in selling insurance policies;
- Purchasing and selling, guaranteeing or placement of securities issuance;
- Rendering services of custody bank to investments and pension funds;
- Marketing and sale of capital-funded pension insurance.

The Group operates in the Republic of North Macedonia with a network of 35 branches. (2024:36 branches).

The Group is a member of Steiermärkische SPARKASSE headquartered in Graz, Austria, owing 96,55% (2024: 96,55%) of the Group’s capital. Indirect and ultimate owner of the Group is ERSTE Bank, Republic of Austria.

As of December 31, 2025 and 2024, the Group owns 49% of the voting shares of SPARKASSE LEASING DOO Skopje, as well as 100% of the shares of the company for construction, trade and services S-AMC 1 DOOEL Skopje, which until June 3, 2016 was previously owned by SPARKASSE LEASING DOO Skopje.

S-AMC 1 DOOEL Skopje is a company which operates with buying and selling of own real estate. It was initially founded on December 16, 2014 by SPARKASSE LEASING DOO Skopje with a special purpose of completion and sale of residential buildings, set as collateral by the legal entity to which the Group had dysfunctional claim.

The shares of the Bank are not listed on the Macedonian Stock Exchange, they are admitted to trading on the regular market on the Macedonian Stock Exchange and are traded in the sub-segment of joint stock companies with special reporting obligations, the ID quotation code is the following:

<u>Symbol</u>	<u>ISIN code</u>
INB (common shares)	MKINBA101012

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**a) General Information (continued)**

The audited financial statements were approved by the Supervisory Board of the Group on April 22, 2026.

**b) Basis of Preparation of the Consolidated Financial Statements**

**Standards and Interpretations effective in the current period for Consolidated Financial Statements**

The Group's consolidated financial statements were prepared in accordance with the by laws issued by the National Bank of the Republic of North Macedonia (hereinafter referred to as "the NBRNM"), and in accordance with the Decision on the Methodology for Recording and Valuation of Accounting Items and Preparation of Financial Statements (hereinafter referred to as "Methodology") (Official Gazette of the Republic of North Macedonia No 83/17 and 275/24) and the Decision on the Types and Contents of Banks' Financial Statements, and the notes to those statements (Official Gazette of the Republic of North Macedonia No 83/17, 149/18, 275/24) as prescribed by the NBRNM ("regulations by the National Bank of the Republic of North Macedonia relevant for the preparation of financial statements of banks in Republic of North Macedonia")

The Group's consolidated financial statements also comply with the Company Law (Official Gazette of the Republic of Macedonia No, 28/04, 84/05, 71/06, 25/07, 87/08, 42/10, 48/10, 24/11, 166/12, 70/13, 119/13, 120/13, 187/13, 38/2014, 41/2014, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18, 120/18 and 290/20 and Official Gazette of the Republic of North Macedonia No 215/2021 99/2022 и 272/2024), Banking Law (Official Gazette of the Republic of Macedonia No 67/07, 90/09, 67/10, 26/13, 15/15, 153/15, 190/16 and 7/19 and Official Gazette of the Republic of North Macedonia No. 101/19, 122/21, 125/21, 37/25.

The criteria for classification of active balance sheet and off-balance sheet items according to the degree of risk are defined in the Decision on the methodology for credit risk management. As of January 1, 2024, a new decision Official Gazette 57/23 and 27/24 are in force.

**Application of the principle of continuity in the preparation of financial statements**

The financial statements are prepared on the basis of the principle of continuity. In its assessment, the Group's management takes into account the Group's financial position, current intentions, profitability of the business as well as the availability of financial resources.

**Standards that have been published, but are not yet in force**

As of the date when these consolidated financial statements were approved for issue by the Group's Supervisory Board, there are no standards published by the NBRNM that are not yet applicable.

**Presentation of the consolidated financial statements**

The accompanying consolidated financial statements of the Group are presented in accordance with the format and content of the balance sheet templates published in the Decision on the types and content of banks' financial statements ("Official Gazette of the Republic of Macedonia" No. 83/17 and 149/18) and the Decision on the types and content of banks' financial statements ("Official Gazette of the Republic of North Macedonia" No. 275/24).

The Group's management estimates the impact of changes in IFRS and their interpretations on the consolidated financial statements, as well as the requirements for the format and content of certain balance sheet templates in accordance with the Decision, and the valuation of assets, liabilities, income, and expenses in accordance with the requirements of the Methodology.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**b) Basis of Preparation of the Consolidated Financial Statements (continued)**

**Presentation of the Consolidated financial statements**

These financial statements have been prepared in accordance with the historical cost principle, except for the valuation of investment in financial assets available for sale which have been stated at fair value, based on the assumption of the principle of continuity.

The presentation of the consolidated financial statements in accordance with the Decision on the Types and Contents of Banks' Financial Statements, and the notes to those statements, prescribed by NBRNM, requires the use of best estimates and reasonable assumptions by the Group's management, that affects the presented values of assets and liabilities, as well as revenues and expenses within the reporting period. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimation of the carrying amounts of assets and liabilities for which no other data is available. Actual results in subsequent period may differ from these estimates. The presented consolidated financial statements are expressed in thousands of Denars (MKD thousand). The Denar represents the functional and reporting currency of the Group for the purpose of reporting to NBRNM.

The Group has also prepared consolidated financial statements for the Group and its subsidiary ("Group"). In consolidated financial statements, the subsidiary is fully consolidated. Consolidated financial statements are available on the Group's website.

**Use of estimates and assumption**

The preparation of the consolidated financial statements pursuant to the Decision on the Methodology for Recording and Valuation of accounting Items and for Preparation of the Financial Statements and the Decision on the Types and Contents of Banks' Financial Statements, prescribed by NBRNM, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, contingent assets and contingent liabilities on the date of the financial statements and income and expenses during the reporting period. These estimates and assumption are based on the management's best knowledge of the current events and actions, and previous experience as well.

*Impairment losses on loans and advances*

The Group is considering a portfolio of loans and demands to assess the impairment on a monthly basis. In determining whether an impairment should be expressed in the single Income Statement, The Group is considering whether there is noticeable data suggesting that there is a measurable reduction in the estimated future cash flow from a loan portfolio before the reduction can be identified by an individual loan in that portfolio. This evidence may include notable data indicating that there is an unfavourable change in the payment of the Group's recipients, or in state or local economic conditions relating to non-compliance with the Group's asset obligations.

The Group estimates the level of credit risk losses on an individual basis for material receivables, and at the group level for the rest of the portfolio. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed on a continuous basis to reduce any differences between loss estimates and actual loss occurred.

An individual review is carried out for Group 3 assets that have been assessed as non-functional, based on information about significant financial problems faced by the client in connection with breach of contractual obligations, such as arrears in the settlement of obligations, restructured credit obligations, and the likelihood that the client will initiate bankruptcy proceedings. For the rest of the portfolio, group value adjustments are made that are not evaluated on an individual basis. The financial asset group determines whether the expected loss of the loan should be taken into account for 12 months or for the entire life of the loan. The calculation of expected credit loss is based on the probability of default and loss due to default, which is calculated using historical data and statistical modeling, as well as predicted macroeconomic parameters. The models used to estimate future risk parameters are validated on a regular annual basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**b) Basis of Preparation of the Consolidated Financial Statements (continued)**

**Use of estimates and assumption(continued)**

In November 2024, the Group implemented the Stage Overlay measure for credit exposures to legal entities – “Industry Stage Overlay,” which continued to be applied throughout 2025. The reason for introducing the “Industry Stage Overlay” is the result of future economic uncertainty and a potential recession stemming from the Ukrainian crisis, reduced demand in certain end industries, as well as structural cost burdens due to high energy and labor costs.

In accordance with the categorized risk profile of the industry activity and the applied criterion of a calculated probability of default in the first year higher than 250 basis points, the rule for “Industry Stage Overlay” is applied. Namely, according to the current assessment and categorization of the industry’s risk profile:

- A “high” risk profile, or
- A “medium” risk profile combined with the Group’s lending strategy for the industry being “hold” or “decrease,”

would be categorized for Stage Overlay only if the criterion of a probability of default in the first year exceeding 250 basis points is also met.

The Group used FLI (forward looking information) to measure Expected credit losses. The most important assumptions in the FLI (forward looking information) concept and which correlate with the level of Expected credit losses and their assigned average values are as follows for December 31, 2025.

Macro Variable	Scenario	Assigned weight	2026	2027	2028
GDP growth	Downside	23%	0,45	0,45	0,25
	Baseline	50%	3,20	3,20	3,00
	Upside	27%	5,48	5,48	5,28
Inflation rate	Downside	23%	5,75	5,85	5,55
	Baseline	50%	2,90	3,00	2,70
	Upside	27%	1,46	1,54	1,31
Unemployment rate	Downside	23%	12,11	11,81	11,41
	Baseline	50%	11,10	10,80	10,40
	Upside	27%	10,07	9,77	9,37

To include different macroeconomic scenarios, the Group uses three different scenarios (negative, baseline, positive). The baseline scenarios are derived from the IMF’s macroeconomic forecasting data. During 2025, the Group applied three scenarios for FLI (forward-looking information) in June, October, and November 2025.

*Off-Balance Sheet Records*

In the normal course of business, the Group enters into credit commitments recorded on off-balance sheet accounts, which primarily include financial guarantees and letters of credit. These financial liabilities are recorded in the Consolidated Balance Sheet when they can be recovered. Provision for impairment of off-balance contingent liabilities is presented within the “Impairment of Financial Assets” section within this Note and is presented as a liability in the Consolidated Balance Sheet.

*Fair Value of Financial Instruments*

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability under market conditions. Detailed information on the fair value of the financial instruments is given in Note 5.

The estimates and assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if it affects only that period, or in the period of estimation and future periods if the revised estimation affects both current and future periods.

Information regarding the significant areas of estimation uncertainty and critical judgments in applying the accounting policies with the most significant impact on the amounts disclosed in the financial statements are presented in Note 1 d) to the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**b) Basis of Preparation of the Consolidated Financial Statements (continued)**

**Use of estimates and assumption(continued)**

The Group's financial statements are prepared in accordance with the accounting policies disclosed in Note 1 c) to the consolidated financial statements.

The accounting policies presented below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

**Foreign Currency Transactions**

Transactions denominated in foreign currencies have been translated into Denars at exchange rates set by NBRNM at the dates of the transactions.

Assets and liabilities denominated in foreign currencies are denominated in Denars using the official exchange rates ruling as of the date of compilation of the single Balance Sheet, while all positive and negative exchange rate differences arising from the conversion of foreign currency amounts are included in the single Income Statement in the period in which they are incurred. The average exchange rates that were applied to show the positions of the single Balance Sheet denominated in foreign currency are the following:

	<u>31.12.2025</u>	<u>31.12.2024</u>
1 EUR	61,4950 MKD	61,4950 MKD
1 USD	52,3050 MKD	58,8807 MKD
1 CHF	66,1735 MKD	64,1775 MKD

**Offsetting**

Financial assets and liabilities are offset, and net amount is presented in the Consolidated Balance Sheet statement when the Group has a legal right to offset the recognized amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**Comparative Figures**

Where necessary, certain prior-year figures are reclassified to conform with changes to the current year's presentation for comparative purposes.

**c) Summary of Significant Accounting Policies**

**Interest Income and Expenses**

Interest income and expenses are recognized in the Consolidated Income Statement for all interest-bearing financial instruments on an accrual basis, measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

If, during the lifetime of the financial instrument, any significant changes in the contractual cash flow (except impairment) occur, but not leading to de-recognition of the financial asset (example: prolongation of contractual period of payment, change in interest rate etc.), and for which the Group has determined that the conditions for classification and measurement at amortized cost are still met, the

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Interest Income and Expenses (continued)**

Bank recalculates a new carrying amount of the changed asset, which is equal to the present value of future changes cash flows, discounted with the original effective interest rate.

The difference between the new and the old carrying amount is recognized as gain or loss in the Income statement in the position net interest income, as well as in the accumulated depreciation position within the balance sheet receivables.

**Fee and Commission Income**

Fee and commission income mainly consists of financial services provided by the Group and includes issuing letters of guarantee, letters of credit, payment operations in the country or abroad and other services. Fee and commission income is recorded on an accrual basis when the service has been provided.

**Dividend Income**

Dividends are recognized in the Consolidated statement of profit or loss when Bank's right to receive payment is established and inflow of economic benefits is probable.

**Net Trading Income**

Net trading income includes all realized and unrealized fair value changes during the subsequent measurement, profit or loss on disposals, dividends, interest income and interest expenses relating to trading assets and trading liabilities as well as trading derivatives.

Net trading income is measured at fair value changes of trading assets and trading liabilities, which is a difference between their carrying amount and fair value as of the Consolidated balance sheet date.

Net foreign exchange gains/(losses) are realized or unrealized exchange differences arising from:

- offsetting foreign currency transactions, cash and non-cash items, throughout the entire financial year, and
- converting cash items denominated in foreign currency on the Consolidated balance sheet date.

**Other Operating Income**

Other operating income consists of:

- gains from sale of available-for-sale financial assets;
- income from dividends of available-for-sale financial assets;
- gains from sale of property and equipment and intangible assets, which is the difference between sale inflows and their carrying amount on the disposal date;
- gains from collection of previously written-off loans and receivables;
- operating lease income;
- income from previous years;
- net release of provisions by type (for pension and other employees' benefits, potential liabilities of court proceedings and other provisions), and
- other income.

Income is recognized and measured by the relevant standard referred to the asset based on which the income is realized.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Impairment Losses / Impairment of Financial Assets**

Impairment losses are measured as the difference between the financial asset carrying amount and its recoverable amount, which is a present value of estimated future cash flows, discounted using the financial asset's original effective interest rate:

- loans and advances to banks and other clients;
- held-to-maturity financial assets; and
- available-for-sale financial assets

Impairment losses are recognized when there is an evidence that the financial asset carrying amount is higher than its estimated recoverable amount. Impairment losses are recorded in the Consolidated statement of profit or loss as allowance for impairment (impairment losses) of financial assets, on a net basis.

In the case where the causes for the impairment loss cease to exist, it is necessary to annul previously recognized impairment loss through the Consolidated income statement item "Net impairment loss of financial assets". Subsequent release of allowance for impairment of financial asset is recognized only for financial asset recorded at depreciated cost and available-for-sale debt instruments.

Subsequent releases of the impairment loss are not recognized for financial assets measured at cost and available-for-sale equity instruments as well.

Impairment allowance (impairment loss) is measured and recognized as follows:

- on individual base, for financial assets that are individually significant items/exposures;
- on group base, for a group of similar financial assets for which individual impairment loss may not be determined or has not been determined.

Impairment loss of non-financial assets is a difference between the carrying amount and recoverable amount of:

- property and equipment;
- intangible assets;
- foreclosed assets based on outstanding receivables;
- non-current assets held for sale and disposal group; and
- other assets.

The Group assesses, on each Consolidated Balance Sheet date, whether objective evidence exists that the non-financial asset or a group of non-financial assets is impaired.

Impairment loss is recognized once there is evidence that the carrying amount is higher than the estimated recoverable amount of the non-financial asset and it is recognized in the Consolidated Income Statement as net impairment loss of the non-financial assets.

When the causes for impairment loss have ceased, previously recognized loss through the Consolidated Income Statement item net impairment loss of non-financial assets, should be annulated, but only up to the amount of the previously recognized impairment loss. Subsequent release of the impairment loss is not recognized in the case of foreclosed assets.

**Expenses for Employees**

Expenses for employees include:

- short-term benefits for the employees (salaries, compulsory allowances for social and health insurance, personal tax, short-term paid leaves, bonuses and etc.);
- long-term benefits for the employees (jubilee rewards, pension benefits and etc.); and
- defined contribution plan (payment of contributions in special fund).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Expenses for Employees (continued)**

Short-term benefits are recognized at the period when they have been incurred and when obtaining the relevant service. Short-term benefits are measured at the undiscounted amount, which is expected to be paid off based on employment and is recognized in the Consolidated Income Statement as expenses. Long-term benefits are measured at the present value of the defined benefit liability on the Consolidated Balance Sheet date, reduced for the fair value of the planned assets on the Consolidated Balance Sheet date, which are to be paid directly. Each actuarial gain or loss is recognized in the Consolidated Income Statement in the period in which it was incurred.

**Amortization of Intangible Assets**

Amortization of intangible assets is distributed on systematic base in the time of the best respective life assessment. The Group assesses whether the useful life of the intangible asset is finite or indefinite and, if finite, then the length of the application is its respective useful life.

The calculation of amortization begins when the asset is available for use and ceases when the assets is classified as held-for-sale or is derecognized. Amortization continues to be calculated for intangible assets placed out of use. The Group will amortize all intangible assets individually, classifying the assets with equivalent useful life and amortization method in amortization groups.

Amortization rates are determined in a way that the value of intangible assets is allocated to costs in the estimated period of their usefulness.

Amortization is calculated by straight-line method, and the amortization expense for each period is recognized as cost in the Consolidated Income Statement item "Depreciation and amortization". The estimated useful life of intangible assets is as follows:

- Intangible assets (software and license): 4 years.

The amortization period (residual value and useful life of the asset) and the amortization method is revised at the end of each financial year and if a change is determined it should be recorded as a change of accounting assessment, prospectively in the current and future periods.

**Depreciation of Tangible Assets**

Depreciation of tangible assets is distributed on systematic base during the best estimate of their useful life. The Group assesses whether the useful life of the tangible asset is definite or indefinite and if definite, the length of usage represents its useful life. The calculation of depreciation begins when the asset is available for use and ends when the asset has been classified as held for sale and is derecognized. Depreciation continues to be calculated for tangible assets placed out of use. The Group will depreciate all tangible assets individually, classifying the assets with equivalent useful life and depreciation method in depreciation groups.

Land has indefinite useful life and is not depreciated, Works of art are not depreciated.

Depreciation rates are determined so that the value of tangible assets is allocated to costs in the estimated period of their usefulness.

Depreciation is calculated according to the straight-line method, and the depreciation expense for each period is recognized as cost in the Consolidated Income Statement item "Depreciation". Estimated useful life of tangible assets is as follows:

- Buildings: 20-40 years
- Transport vehicles: 4 years
- Furniture and other equipment: 4-10 years

The depreciation period (residual value and useful life of the asset) and the depreciation method is revised at the end of each financial year and if a change is determined it should be recorded as a change of accounting estimation, prospectively in the current and future periods.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

1. **INTRODUCTION (continued)**
- c) **Summary of Material Accounting Policies (continued)**

**Other Operating Expenses**

The group of other operating expenses includes: administrative expenses, loss from sales of financial assets available-for-sale, loss from disposal of property and equipment, loss from disposal of intangible assets, expenses for special reserve and provisions on net base and other expenses that may not be categorized in a specific item.

Other operating expenses are recognized based on the matching principle.

Other operating expenses are recognized and recorded based on the actually incurred expenses presented in credible accounting documents (invoices, agreements, calculations).

**Financial Assets**

In compliance with the new Methodology for recording and valuation of the accounting items and for preparation of the financial statements, the Group classifies its financial instruments in the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The Group classifies its investments at initial recognition, based on the Group's business model for managing financial assets and the characteristics of the contractual cash flows of the assets.

*Financial assets measured at amortized cost*

In this category, the Group classifies the financial assets which are held with intention to collect contractual cash flows and the criteria for only collection of principal and interest (SPPI) is met. The Group's loan portfolio meets the criteria for measurement at amortized cost.

Loans and advances are initially measured at fair value, increased for any transactional cost directly connected to acquisition or issuance of the financial asset. Loans and advances are initially recognized at cost only when becoming contractual party of the financial instrument. After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. Any gain or loss occurred at subsequent measurement is recognized in profit or loss only when the asset is impaired or derecognized, as well as through the process of amortization.

This category also includes cash, trade receivables, lease receivables, fee and commission receivables and all other financial assets which are treated as credit risk exposure in accordance with the Decision for credit risk management and for which the SPPI criteria is not applicable. For these assets the SPPI criteria is not mandatory.

*Financial assets measured at fair value through other comprehensive income*

The Group classifies in this category those financial assets which are held for collection and/or sale for liquidity management, maintaining certain interest yield, maturity matching of financial assets with maturity of financial liabilities (funding) etc. and which meet the SPPI criteria.

Acquisitions and sales of financial assets are recognized at the transaction date i.e. the date at which the Group has the obligation to buy or sale the asset. Subsequently, after initial recognition financial assets available for sale are measured at fair value without reducing the transactional costs that may occur at sale or disposal. Gains or losses that occur from changes in fair value are recognized directly in equity, until the moment of de-recognition or in case of impairment, in which accumulated gains or losses previously recognized in equity, are now recognized as current gains or losses. However, the interest income calculated by using the effective interest rate method, positive or negative foreign exchange differences, as well as dividends are recognized in Income statement for the current period.

*Financial assets measured at fair value through profit or loss*

In order to classify its instruments in this category the Group needs to manage these assets through active and frequent trading with purpose of gaining from change in fair value, realization of the fair value and having decision making process based on their fair value. The category includes: trading assets,

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Financial Assets (continued)**

derivatives held for risk hedging, financial assets at fair value through profit or loss designated upon initial recognition. The Group does not hold such type of financial instruments. Quantitative information on the classification of the Group's financial instruments is given in Note 1.

**Impairment of Financial Assets**

The Group assesses, on a continuous basis, the expected credit loss (ECL) for debt instruments and loans to customers, measured at AC and FVOCI, and for the exposures arising from loan commitments and financial guarantee contracts (off balance sheet exposures), as well as lease receivables, trade receivables and any other receivables subject to credit risk exposure as defined in the Decision for credit risk management.

The measurement of ECL reflects the following principles: measurement and recognition of expected credit loss for the lifetime of the financial asset and/or off-balance sheet credit exposure; should reflect expectations for credit quality, deterioration and improvement during the entire lifetime of the asset; should react to information on changes in credit quality of the financial asset and/or off-balance sheet credit exposure, in such manner that in case of information for expected significant deterioration of credit quality, it shall be shifted to riskier category.

Financial assets with low credit risk (Stage 1) are those which fulfill following criteria:

- have low risk of default
- the debtor is assessed on short-term as capable for settlement of its obligations
- bank's expectations on long-term are positive regarding the negative changes in economic and business conditions may, but insignificantly reduce the capability to fulfill his obligations.

Stage 2 is characterized by assets with significant deterioration of the credit quality after initial recognition, but still there is no objective evidence for default.

Stage 3 is intended for those financial assets to which one or more objective evidence for impairment exists. Objective evidence for impairment is:

- significant financial difficulties of debtor or issuer of the debt instrument
- Failure to fulfill the contract terms and conditions, such as: significant delay of payment or missing payment;
- Creditors have approved certain facilitating terms due to the worsen financial condition;
- Possibility of opening bankruptcy or other type of financial reorganization of the debtor;
- non-existence (lack) of active market for the financial asset due to financial difficulties of the issuer;
- buy or issuance of financial asset at significant discount due to occurred credit losses

The Group assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant as well as individually or collectively for financial assets which are not individually significant.

If the Group determines that no objective evidence exists for impairment of individually assessed financial asset, whether significant or not, it shall include that asset in the group of financial assets with similar credit risk characteristics and collectively assess the impairment.

Impairment loss of functional accounts receivable is the amount determined as a difference between the book value of the financial asset and the present value of the expected future cash flows.

The present value of functional accounts receivable is obtained by discounting expected future cash flows of those accounts receivable applying the initial effective interest rate determined based on the contract.

The special reserve for functional off-balance sheet positions on individual base is equal to the present value of the expected future cash flows based on the Group's payments of the potential obligations and collection from the client, discounted under current market price of the risk-free securities issued in same

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Impairment of Financial Assets (continued)**

currency and maturity term as those of the expected payment or collection, or unless such price exists, current market price of risk-free securities is taken with closest maturity term to that of the expected payment.

If the loan or asset held to maturity has flexible interest rate, measurement rate of any impairment loss is effective interest rate determined under the contract, valid on the present value determination date of the expected cash flows.

The calculation of the present value of expected future cash flows of the financial asset secured by collateral is expressed by the cash flows that may arise from the realization of the collateral reduced for the costs of acquiring and selling the collateral, only if the conditions from the Credit Risk Management Decision that refer to the collateral are met.

For the purpose of group assessment of impairment loss, the financial assets are classified on the grounds of similar credit risk characteristics (i.e. based on the Group's policy on financial assets classification, taking into consideration the type of asset, industrial and geographic locations, type of collateral, the status of overdue period and other relevant factors).

These characteristics are relevant for the assessment of the future cash flows for the given group, as they are indicators of debtors' ability to service their debt in accordance with the agreed terms and conditions.

*Restructuring of Receivables*

Restructuring of receivables means establishing credit exposure by the Group to substitute one or more existing receivables or to modify the existing credit exposure, with changes in the contractual terms and conditions as a result of the client's deteriorated financial state, which, among others, includes:

- Extending the maturity period;
- Reducing the interest rate;
- Reducing the amount of receivable (principal and/or due interest and commission) through write-off;
- Capitalization of Interest;
- Consolidation of more than one receivable in one by changing the contract terms and conditions; or
- Other similar activities.

Interest capitalization is converting the interest receivable into a principal receivable.

When restructuring a receivable, the Group is obliged to observe the credit exposure classification criteria occurred as a result of the restructuring.

The net effect of a restructuring receivable must not lead to increase of the Group financial result, other than in cases of reducing the credit exposure as a result of collection. Within a six-month period after the restructuring, the Group must not record income based on impairment release/special reserve, which is not a result of collection of the credit exposure.

As exemption, the Group may determine a better risk category and/or calculate lower impairment risk/special reserve amount, only if the credit exposure occurred as a result of restructuring is secured by first-class collateral.

The Group may capitalize the interest only if it is a part of restructured receivable.

The Group is obliged to make an analysis of the causes for restructuring for each restructured receivable.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Impairment of Financial Assets (continued)**

*Writing-off of Receivables*

When a loan becomes non-performing, it is written off against the relevant provision for impairment. Such loans are written off after all necessary procedures have been completed and loss amount determined.

The Group may perform partial or full write-off of receivables in which case the written-off receivable should be transferred to a special off-balance sheet account and the Group should keep special records for it for a period of at least ten years.

The Group is obligated to write off credit exposure if one year is passed from the date when the Group had recognized impairment or special reserve of 100%.

Subsequent reimbursements of previously written-off amounts reduce the provision for loan impairment in favor of current gains. If subsequently the impairment loss amount is decreased, and this decrease can objectively be related to an event that occurred following the recognition of the impairment (such as improvement in the debtor's credit rating), the previously recognized impairment loss is reduced by adjusting the provision account. The reduction amount is recognized in the current gains. Impairment for investments in equity instruments is not being calculated.

**Intangible Assets**

Intangible assets acquired by the Group are initially recognized at cost, and subsequently are measured at cost less accumulated amortization and accumulated losses due to impairment.

*Computer Software*

Expenses related to upgrade or maintenance of computer software programs are recognized as such in the period they are incurred. Expenses directly related to distinguishable and unique software products controlled by the Group, which are likely to create economic benefits, which will exceed the expenses one year later, are recognized as intangible assets.

All other expenses are recognized in the Consolidated Income Statement in the period they are incurred. Upgrade expenses incurred for computer software recognized as assets are amortized by applying the straight-line method within a period of four years.

*Other Intangible Assets*

Expenses for acquiring rights and licenses are capitalized and amortized by applying the straight-line method within a period of four years.

**Property and Equipment**

Property includes land and buildings. Property and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss. The cost value includes expenses directly related to the acquisition of the assets.

Subsequent costs are included in the asset book value or are recognized as a Consolidated asset as appropriate, as long as there is a probability of inflow of future economic benefits for the Group related to the item and when its purchase value can be measured reasonably. All other regular maintenances and repairs are recorded as expense in the Consolidated Income Statement during the financial period in which they are incurred.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Income Statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****1. INTRODUCTION (continued)****c) Summary of Material Accounting Policies (continued)****Right of use assets**

For right-of-use assets (leased assets), in accordance with the Methodology for recording and valuing accounting items and for preparing the financial statements, reporting is performed within the position "Property and Equipment," and banks treat them as property and equipment, regardless of the fact that the chart of accounts for banks prescribes an account for them within the group of accounts for intangible assets.

Right-of-use assets are initially recognized at their acquisition cost on the commencement date of the lease, which is equal to the initial value of the lease liabilities, increased by lease payments made before or on the commencement date of the lease and any directly attributable costs of the lease agreement. Subsequently, right-of-use assets are measured at their initial carrying amount, reduced by accumulated depreciation and impairment, and adjusted for certain remeasurements of the lease liability. The assets are depreciated in accordance with the usual depreciation policy applied to other property, equipment, and intangible assets, and depreciation is recognized as an expense in the income statement

**Accounting policy applied prior to 1 January 2025**

The accounting policy for operating leases applied by the Group for the period ended 31 December 2024 is as follows:

**Operating leases**

Leases in which substantially all risks and rewards incidental to ownership of an asset are not transferred to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized as expenses in the Statement of Profit or Loss on a straight-line basis over the lease term.

**Impairment of Non-Financial Assets**

The Group's management regularly assesses the carrying amount of non-current assets and intangible assets. If there is any indication that such assets are impaired, the recoverable amount of the asset is calculated to determine the impairment. In cases where the asset carrying amount is higher than its estimated recoverable amount, it is immediately written off against its recoverable amount. The recoverable amount is the higher of the asset's net selling price, or its value in use.

**Foreclosed Assets**

Foreclosed assets include land, buildings, equipment and other valuables acquired through foreclosure proceedings in full or partial recovery of a related loan.

Foreclosed assets are recognized when the legal rights for asset's ownership are given to the Group or the following criteria are met: the loan or other receivable is legally considered as collected when the asset pledged as collateral is foreclosed so that the loan/receivable de-recognition criteria are satisfied; all foreclosed asset's rights and risks are assigned to the Group; foreclosed asset will provide future economic benefits for the Group and its cost value can be reliably measured.

Initially, these assets are measured at the initial carrying amount i.e. the lower of cost of the loan (book value) before the impairment on the date of foreclosure i.e. the value of the foreclosed asset referred to in the legal act passed by the authority in the foreclosure proceeding, which represents the legal basis for acquiring the ownership rights and the appraised fair value less estimated cost to sell (notary fees, taxes, etc) which will be borne by the Group.

The Group is obliged to appraise the fair value of the foreclosed asset on the foreclosure date and to recognize an allowance for impairment in the Consolidated balance sheet by at least 20% of the initial carrying amount of the foreclosed asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Foreclosed Assets (continued)**

In case where the allowance for impairment/special reserve is higher than the impairment recorded as of the foreclosure date, the Group shall recognize the difference as a revaluation reserve, which is a part of the Group's additional capital.

If the previously impaired certain receivable is collected by securities or shares than the allowance for impairment (impairment loss) shall be released through Consolidated statement of profit or loss.

The part of receivable which is not collected by the foreclosed asset, could be written-off.

Foreclosed assets (other than acquired securities and shares) are subsequently measured at the lower of carrying amount and fair value less costs to sell. At least once in a period of twelve-months, the Group is obliged to appraise the fair value and recognize an impairment loss in the Consolidated income statement equal to at least the higher between: 1) negative difference between the appraised value and the carrying amount of the foreclosed asset; and 2) 20% of the carrying amount of the foreclosed asset.

In the period between two appraisals of the foreclosed assets' market value, the Group recognizes an additional amount of impairment loss in the Consolidated income statement equal to the negative difference between the net book value and the amount of the announced reduced selling price of the foreclosed asset.

If the Group fails to sell the foreclosed asset until the date on which the Decision on the Accounting and Regulatory Treatment of Foreclosed Assets" become effective ("Official Gazette of RNM No, 50/13 26/17"), the Group is obliged to reduce its carrying amount to zero at the end of the fifth year.

The Group derecognizes the foreclosed asset and the amount of impairment recorded in the balance sheet when the asset is sold, permanently called in or in case it is reallocated into fixed asset in favor of the Group. Depending on the sales value of the foreclosed asset, the Group shall record a capital gain in the Consolidated Income Statement under the item "Other Operating Income" or capital loss in the Consolidated Income Statement under the item "Other Operating Expenses" for the difference between market value and net book value of the foreclosed asset.

The Group will derecognize the revaluation reserve on foreclosed asset by releasing the impairment loss on non-financial assets through the Consolidated Income Statement, as well as in case of excluding the revaluation reserve from the additional capital of the Group only for an amount that is equal to the amount of after-tax profit, for which Bank's General Meeting of Shareholders decided to allocate to the reserve requirement (reserve fund) or the retained earnings.

**Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents include balances with maturity up to three months as of the date of acquisition including cash in hand and balances with the NBRNM.

For the purpose of preparing the Consolidated Cash Flow Statement, the mandatory reserve requirement in foreign currency and the restricted deposits are excluded.

**Investment in Subsidiaries**

Subsidiaries are legal entities in which the Group, directly or indirectly has control, has the right of return of the investment and may use its controlling power to influence the amount of return on investment.

Investments in subsidiaries are recorded at their cost, less impairment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Investments in Associates**

An associate is an entity, in which the Group participates in the financial and operating policy decisions of the investee but is not controlled by the Group. Participation is a direct or indirect ownership of at least 20% of the total number of shares of other legal entities, unless significant influence is evidenced.

Investment in an associate in these Consolidated financial statements are initially recognized at cost less any impairment. The Investment in Associates is an equity investment in SPARKASE LISING DOO Skopje, with 49% of the voting shares and the right of profit distribution. The equity investment in the associated company was made in December 2016.

**Other Assets**

This group of assets includes: receivables from customers, prepaid expenses, receivables from employees, advance payments, assets for other purposes, receivables in and on behalf of others, fees and commissions receivables and other assets not presented in any other items of the assets in the Consolidated Balance Sheet.

Short-term receivables without indicated interest rate are usually measured at their initial invoiced amount, unless the imputed interest effect is significant.

Assets acquired without purchase shall be recognized under their fair value, unless the transaction is made on non-commercial base, or their fair value (supplied or provided) cannot be accurately measured. In that case, the assets are recognized under their purchase value.

Subsequently, the asset is measured at the lower of the carrying amount and the net realizable value. The net realizable value is equal to the estimated selling price less estimated costs of completion, repairs and estimated costs necessary to make the sale.

Future expenses that have been paid in advance are recognized as deferrals and they are calculated as expenses in the period they refer to based on a relevant accounting document. Such costs are the following: paid insurance premiums, rents, subscription for magazines and official gazettes etc.

Income related to the current accounting period that is due in a future period is recognizes as deferral. Such income is the accrued income not due yet, other than accrued interest income. In a future period when those deferrals are due, they are transferred in the accounts receivable. The Group classifies equity instruments as financial liabilities or capital instrument in accordance with the contractual terms of the instrument.

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**Employee Benefits**

The pension plan contributions for the employees are paid by the Group in accordance with the national legislation on social security. Salary-based contributions are paid to the State Pension Fund and the mandatory private pension funds. There is no additional liability related to these pension plans.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Employee Benefits (continued)**

In addition, all employers in the Republic of North Macedonia are obliged to pay to their employees a special minimum sum for retirement in an amount defined by laws, currently totaling to two average monthly salaries paid off in the Republic of North Macedonia. The Group calculates provision for employee benefits to allocate the expense through the relevant periods. In compliance with IAS 19, these benefits are determined as defined benefits for employees and the book value of the liabilities arising from employees' benefits is calculated at the end of the reporting period. The amount of these liabilities at the end of the reporting period is the discounted value of the future payments. Other long-term benefits for employees include jubilee awards. The Group does not operate with retirement plans or plans for other retirement benefits, so there are no pension liabilities. The Group is not obliged to provide additional compensation for current or previous employees.

**Income Tax**

The tax expense for the period comprises current and deferred tax. Current income tax is calculated and paid in accordance with the Macedonian Income Tax Law, according to which the Group calculated income tax for 2025 to the gross profit determined as a difference between the total income and total expenses determined pursuant to the accounting regulations and standards increased for non-deductible expenses defined by the Law. The income tax rate is 10% (2024: 10%).

**Global tax**

On 27.12.2024, the Assembly of the Republic of North Macedonia passed the Minimum Global Income Tax Bill and the same was published in the Official Gazette of the RSM No. 3/2025 of 03.01.2025. The Minimum Global Income Tax Act comes into effect on the date of publication – 03.01.2025 and applies to fiscal years commencing on 01.01.2024. The by-laws envisaged in the Law – the Rulebook on the Method of Calculation and Collection of the Additional Profit Tax – were adopted on 31 December 2025 (Official Gazette of the Republic of North Macedonia No. 270/2025). The Law ensures alignment with Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (CELEX number: 32022L2523).

This law applies to constituent entities that are members of a group of multinational companies (hereinafter referred to as: "MNC group") or of a large domestic group whose annual income in the consolidated financial statements of the ultimate parent company in at least two of the four fiscal years immediately preceding the fiscal year under review amounts to EUR 750 million or more.

The minimum effective taxation of the profits of these entities shall be provided by applying the rules for the payment of additional tax, determined under the provisions of this Act, as follows:  
 (a) a rule for determining a qualified domestic surcharge, according to which additional tax is calculated and paid on the excess profits of all constituent entities subject to a low tax rate located in the Republic of North Macedonia;

(b) the profit inclusion rule, whereby the parent company of an MNC group or a large domestic group calculates and pays its assigned share of the additional tax in respect of the group's constituent entities subject to a low tax rate;

(c) the less-taxed profit rule, according to which a constituent entity of an MNC group is subject to an additional tax equal to its share of the additional tax that was not levied on the basis of the profit inclusion rule for constituent entities of the group subject to a low tax rate.

The less-taxed profit rules apply for fiscal years beginning on January 1, 2025.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Global tax (continued)**

A consolidated application for information on additional tax as well as an application for domestic supplemental tax shall be submitted no later than 15 months after the end of the last day of the fiscal year by electronic data transmission. A consolidated application for payment of additional tax shall be filed within 30 days after the deadline for filing a consolidated application for information on additional tax as well as an application for domestic supplemental tax.

In the calculated income tax for 2025, an amount of MKD 75.091 thousand of qualified domestic additional tax is included in accordance with the Minimum Global Income Tax Act. (2024: 81.647).

**Financial Liabilities**

Financial liabilities are classified in accordance with the substance of the contractual arrangement. Financial liabilities are classified as deposits from banks, financial institutions and customers, loans payable, other payables, subordinated liabilities and securities issued.

Deposits, loan payables, subordinated liabilities and securities issued are major sources for financing the Group's activities. The Group initially recognizes the deposits, loans payables, subordinated liabilities and securities issued on the date of their occurrence.

The deposits, loan payables, subordinated liabilities and securities issued are initially measured at their cost value increased for the transaction costs, and they are subsequently measured at amortized cost by using the effective interest rate method.

Amortized cost of the financial liability is the amount at which it is initially recognized, less repayments of the principal, decreased or increased for the accumulated depreciation of each difference between the initial amount and the amount at maturity.

**Other Liabilities**

The Other liabilities line item includes the following: MKD and foreign currency fees and commission liabilities, gross salary and other liabilities to employees, dividends, liabilities to customers, liabilities arising from given payment instrument, liabilities in and on behalf of others, received advances, non-matured calculated liabilities, deferred income and other liabilities that are not presented in any other liability item of the Consolidated Balance Sheet.

Other liabilities are recorded at their nominal value based on a relevant accounting document (invoice, agreement, calculation) in compliance with the Group regulations and decisions. Inflows from assets that are not recognized as income in the current period are deferred for a future period and recorded as accrued liabilities. When the income is earned then the accrued liability is debited, and the income is credited.

The expenses which can be certainly determined that refer to the current accounting period, and represent a liability in the future are recorded as accrued liabilities. When liabilities become due and payable, accrued liabilities are derecognized and liabilities are presented.

**Borrowings**

Borrowings are initially recognized at fair value, which means received inflows (fair value of received considerations) less transaction costs incurred. Borrowings are subsequently recorded at amortization cost.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Derecognition of Financial Liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

**Equity, Reserves and Dividend payments**

(a) Share capital

Share capital is the nominal value of shares issued (subscribed and paid-in capital).

(b) Share premium

Share premium is the difference between the nominal value and the realizable price of the shares.

(c) Share Issue Costs

The costs for issue of new shares, options or acquiring business are presented in the equity as a deduction, net of tax returns.

(d) Equity Shares

When the Group purchases its own equity, paid considerations are deducted from the total equity as equity shares, until they are sold. When such shares are subsequently sold, the received considerations are included in the equity.

(e) Reserves

Reserves consist of statutory reserves, allocated in accordance with the local regulations. The Group is obliged each year to allocate statutory reserve fund as a percentage from the net profit, which cannot be less than 5% of the profit until the reserve of the Group reaches an amount equal to one tenth of the capital. If the reserve generated in this way decreases, it has to be supplemented in the same manner. Until the legal reserve exceeds the minimum amount, it can only be used to cover losses. When the legal reserve exceeds the minimum level and after the recovery of all losses of annual financial statements, with a decision by the Shareholders Assembly, the excess can be used for distribution of dividend, if within that business year it had not reached the minimum amount prescribed by the Law or the Statute. The amount recorded in the reserve based on additional payments by the shareholders, cannot be used for dividend distribution.

(f) Revaluation reserves and other revaluation differences

These reserves comprise net cumulative change in the fair value of assets directly recognized in equity.

Gains and losses from change in the fair value of financial instruments available for sale are recorded in revaluation reserve (except for gains and losses from foreign-exchange differences, which are directly recognized in income statement). When the decreased value of the financial asset available for sale is recognized directly in revaluation reserve and when an objective evidence for impairment exists, the cumulative loss should be eliminated from equity and reserves and recognized in the income statement.

(g) Undistributed Profit

Undistributed profit includes retained earnings from current and past periods.

(h) Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as liabilities within the period when the Group's shareholders have approved them. Current year dividends declared following the Consolidated balance date are disclosed in the Subsequent Events Note (1e).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**c) Summary of Material Accounting Policies (continued)**

**Fiduciary Activities**

The Group usually acts as a creditor and has other fiduciary functions which results in safekeeping or placement of assets on behalf of individuals or other institutions. Those assets and the income resulting thereof are not included in these financial statements as they are not Bank's assets.

The Group undertakes liabilities during its business activities on the basis of credit placements recorded on the off-balance sheet accounts, which primarily include guarantees and letters of credit. These financial liabilities are recognized in the single Balance Sheet when they can be recovered. Impairment loss related to off-balance sheet contingent liabilities is stated under "impairment of financial assets" in this Note, and is included in the single Balance Sheet as a liability.

**d) Change in Accounting Policies, Accounting Estimates and Correction of Errors**

During 2025, the Group did not make any additional changes to its accounting estimates, nor did it record any correction of an error.

During 2025, the Group made changes to its accounting policies due to changes in the accounting treatment of leases, in accordance with the amendments to the Decision on the Methodology for Recording and Valuation of Accounting Items and for the Preparation of Financial Statements ("Official Gazette of the Republic of North Macedonia" No. 275/2024).

As of January 1, 2025, the application of International Financial Reporting Standard (IFRS) 16 "Leases" entered into force, in accordance with the amendments to the Decision on the Methodology for Recording and Valuation of Accounting items and for the Preparation of Financial Statements ("Official Gazette of the Republic of North Macedonia" No. 275/2024). According to this, banks that are users of leased assets, which in accordance with the provisions of the previous methodology were classified as operating leases, were obliged, upon the commencement of the application of the amendments to the Methodology, to re-evaluate all lease agreements as of December 31, 2024, and as of January 1, 2025, to classify and measure them in accordance with the provisions of this Decision. The Group reassessed all lease contracts, and the effect of applying the regulatory amendments to existing lease contracts as at 1 January 2025 was recognized in the opening statement of financial position as at 1 January 2025, without restatement of comparative information, in accordance with the provisions of the Methodology of the National Bank of the Republic of North Macedonia.

At the commencement date, the Group measures the lease liability at the present value of lease payments that are unpaid at that date, discounted using the interest rate implicit in the lease. When that rate cannot be readily determined, the Group applies its incremental borrowing rate.

The average incremental borrowing rate applied by the Bank in measuring the lease liability amounts to 4,77 %.

The change in accounting policy had an impact on the following items in the separate Statement of Financial Position as at 1 January 2025:

	<u>31 December 2024</u>	<u>Effect of applying IFRS 16</u>	<u>1 January, 2025</u>
<b>Assets</b>			
Property and equipment	964.350	100.691	1.065.041
<b>Liabilities</b>			
Other liabilities	668.984	100.691	769.675

**e) Compliance with Regulation**

The Group complies with the legal regulations, i.e, the Grouping Law (Official Gazette of the Republic of North Macedonia No 67/2007, 90/2009, 67/2010, 26/2013, 15/15, 153/15, 190/16, 7/19 and "Official Gazette of the Republic of North Macedonia" No. 101/19, 122/21, 125/21, 37/2025), as well as with all other bylaws governing its operations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**f) Risk Management Disclosures**

The nature and the Group's exposure to different types of risk, as well as the Group's objectives, policies and processes for risk management are disclosed in Note 2 and 3.

**g) Events After the Reporting Date**

These subsequent events, which provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the Consolidated financial statements. Those subsequent events that are not adjusting events, if material, are disclosed in certain notes.

**1.A Classification of financial assets and liabilities**

<i>In MKD thousand</i>	<b>At fair value through profit and loss</b>		<b>At fair value through comprehensive income</b>		<b>At Amortized Cost</b>	<b>Total</b>
	Held-for-trading	At fair value at initial recognition	Debt instruments	Equity instruments		
<b>2025 (current year)</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	-	-	25.614.203	25.614.203
Held-for-trading assets	-	-	-	-	-	-
Financial assets at fair value through profit or loss upon initial recognition	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	1.395	1.395
Loans and advances to other customers	-	-	-	-	78.763.137	78.763.137
Investments in securities	-	-	10.620.573	84.443	-	10.705.016
Other receivables	-	-	-	-	1.017.382	1.017.382
<b>Total Financial Assets</b>	-	-	<b>10.620.573</b>	<b>84.443</b>	<b>105.396.117</b>	<b>116.101.133</b>
<b>Financial liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss upon initial recognition	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Due to banks	-	-	-	-	9.187.124	9.187.124
Due to other customers	-	-	-	-	78.597.889	78.597.889
Debt instruments issued	-	-	-	-	-	-
Borrowings	-	-	-	-	10.594.873	10.594.873
Subordinated debt and hybrid instruments	-	-	-	-	2.242.379	2.242.379
Other liabilities	-	-	-	-	602.657	602.657
<b>Total financial liabilities</b>	-	-	-	-	<b>101.224.922</b>	<b>101.224.922</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**1. INTRODUCTION (continued)**

**1.A Classification of financial assets and liabilities (continued)**

<i>In MKD thousand</i>	At fair value through profit and loss		At fair value through comprehensive income		At Amortized Cost	Total
	Held-for-trading	At fair value at initial recognition	Debt instruments	Equity instruments		
<b>2024 (previous year)</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	-	-	24.729.404	24.729.404
Held-for-trading assets	-	-	-	-	-	-
Financial assets at fair value through profit or loss upon initial recognition	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	1.839	1.839
Loans and advances to other customers	-	-	-	-	69.495.552	69.495.552
Investments in securities	-	-	9.877.905	84.443	-	9.962.348
Other receivables	-	-	-	-	953.505	953.505
<b>Total Financial Assets</b>	-	-	<b>9.877.905</b>	<b>84.443</b>	<b>95.180.300</b>	<b>105.142.648</b>
<b>Financial liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss upon initial recognition	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Due to banks	-	-	-	-	7.594.935	7.594.935
Due to other customers	-	-	-	-	72.063.504	72.063.504
Debt instruments issued	-	-	-	-	-	-
Borrowings	-	-	-	-	9.621.940	9.621.940
Subordinated debt and hybrid instruments	-	-	-	-	1.931.362	1.931.362
Other liabilities	-	-	-	-	668.984	668.984
<b>Total financial liabilities</b>	-	-	-	-	<b>91.880.725</b>	<b>91.880.725</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT**

**Description of the Risk Management Systems of the Group**

Risk management operations are run by the three main pillars of risk management of the Group, under the competence of three Directorates, as follows: Credit Risk Management Directorate, Collection and Collateral Management Directorate and Strategic Risk Management Directorate.

Departments, units and teams within the mentioned risk management directorates are staffed with professional personnel contributing to adequate lending management process in terms of managing the risk of individual placements, implementing and managing the provisioning process, implementing and managing the liquidity risk, market risk, operational risk, managing the collection of non-performing loans and collateral.

In 2025, the focus of the risk management was put primarily on the credit risk management as the main risk exposure of the Group. Nevertheless, other risks such as the market risk, liquidity risk and operational risk were appropriately observed as well. During 2025, in compliance with the regulations, the Group was also monitoring the Internal Capital Adequacy Assessment Process (ICAAP).

**2.1 Credit Risk**

In order to monitor credit risk, the Group has established adequate organization of the lending process in terms of client segmentation, pouvoir decision-making process (loan authorizations, minimum standards and rules on financing retail and corporate loans; retail and corporate rating models, lending policy of the Group, collateral management and collection of non-performing loans).

The Strategic Risk Directorate has focused its risk management activities identifying, measuring and monitoring credit risk. Monitoring is performed by observing the Group loan portfolio quality and its divisional and geographic dispersion. This involves continuous monitoring of the credit exposure to single entities or a group of related entities and for that purpose on a monthly basis the Group performs a risk assessment of placements and classification according to the level of risk. This Directorate regularly fulfills the obligation to inform the Risk Management Committee, the Supervisory Board and other stakeholders and functions in the Group about the movement of the loan portfolio in terms of its risk.

The total assets of the Group exposed to credit risk include the loans and advances to customers, regular interest-based receivables, the Group's off-balance sheet credit exposure as well as other receivables which besides the Group capital investments in other companies, comprise of receivables from customers, commission and fee receivables and other receivables for which a credit risk is assessed by the Group.

**Description of the Level and Changes in the Value Adjustment and the Consolidated Special Provision**

The Group classifies each functional balance sheet and off-balance sheet item by the level of credit risk exposure in a manner and criteria in accordance with the IFRS 9 methodology, which is aligned with the requirements of the Decision on the Methodology for Credit Risk Management.

Credit risk exposure subject to classification by the Group covers functional balance sheet receivables based on: matured and not-matured loans, non-performing loans, deposits with banks and other financial institutions, interest-bearing receivables, non-performing interest, commission and fee receivables, other matured and non-performing receivables as well as other receivables exposing the Group to a credit risk.

The Group is not obliged to classify the credit risk exposure of the following functional balance sheet items: cash, Bank's accounts in the National Bank, intangible assets, property and equipment, natural resources, operational assets and inventories; Items exposing the Group to market and/or other type of risk, other than the credit risk – investments in securities and in other types of financial instruments held for trading, investments in securities and in other types of financial instruments measured at their fair value through the Consolidated income statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****2. RISK MANAGEMENT (continued)****2.1 Credit Risk (continued)****Description of the Level and Changes in the Value Adjustment and the Consolidated Special Provision (continued)**

When classifying the credit risk exposure, the Group considers the following criteria:

- client's creditworthiness;
- client's regular settling of its obligations;
- quality of the collateral,

The Credit Risk Exposure Classification complies with the Credit Risk Management Decision adopted by the NBRNM and the same for 2025 move within the following parameters:

- From 0% to 5% of the credit risk exposure classified in risk category A;
- Over 5% to 20% of the credit risk exposure classified in risk category B;
- Over 20% to 45% of the credit risk exposure classified in risk category V;
- Over 45% to 70% of the credit risk exposure classified in risk category G;
- Over 70% to 100% of the credit risk exposure classified in risk category D,

In 2025, the Group continued calculating credit risk provisions by applying the requirements of the Methodology, which assumes use of 1 year default rate for portfolio with lowest risk, and lifetime default rates in case of increased credit risk in loans. According this, the Group's portfolio is divided by risk groups: Stage 1, Stage 2 and Stage 3.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.1 Credit Risk (continued)**

**A. Analysis of Total Exposure to Credit Risk**

	Loans and advances to banks		Loans and advances to customers		Investments in financial assets available for sale		Investments in financial assets held to maturity		Cash and cash equivalents		Fees and commission receivables		Other receivables		Off-balance sheet exposures		Total		
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	
<i>In MKD thousand</i>																			
<b>Credit risk exposure classified in Stage 1</b>																			
Carrying amount, before impairment/special reserve (Impairment and special reserve)	1.397	1.841	67.427.027	58.495.209	10.710.304	9.967.578	-	-	19.625.808	19.619.061	40.577	44.757	708.207	688.316	11.510.646	10.688.309	110.023.996	99.505.071	
	(2)	(3)	(994.452)	(969.473)	(5.288)	(4.922)	-	-	(861)	(4.388)	(444)	(480)	(264)	(1.096)	(111.685)	(114.102)	(1.112.996)	(1.094.464)	
<b>Carrying amount, less the impairment and special reserve</b>	<b>1.395</b>	<b>1.838</b>	<b>66.432.575</b>	<b>57.525.736</b>	<b>10.705.016</b>	<b>9.962.656</b>	<b>-</b>	<b>-</b>	<b>19.624.947</b>	<b>19.614.673</b>	<b>40.133</b>	<b>44.277</b>	<b>707.943</b>	<b>687.220</b>	<b>11.398.961</b>	<b>10.574.207</b>	<b>108.910.970</b>	<b>98.410.607</b>	
<b>Credit risk exposure classified in Stage 2</b>																			
Carrying amount, before impairment/special reserve (Impairment and special reserve)	-	1	13.392.290	12.827.638	-	-	-	-	-	-	22.657	13.862	400	404	491.650	723.032	13.906.997	13.564.937	
	-	-	(1.302.833)	(1.201.518)	-	-	-	-	-	-	(3.381)	(3.381)	(39)	(56)	(37.101)	(45.459)	(1.343.354)	(1.250.414)	
<b>Carrying amount, less the impairment and special reserve</b>	<b>-</b>	<b>1</b>	<b>12.089.457</b>	<b>11.626.120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.276</b>	<b>10.481</b>	<b>361</b>	<b>348</b>	<b>454.549</b>	<b>677.573</b>	<b>12.563.643</b>	<b>12.314.523</b>	
<b>Credit risk exposure classified in Stage 3</b>																			
Carrying amount, before impairment/special reserve (Impairment and special reserve)	-	-	1.352.502	1.557.402	-	-	-	-	-	-	59.744	38.065	16.163	15.256	177.149	167.698	1.605.558	1.778.421	
	-	-	(1.111.396)	(1.213.706)	-	-	-	-	-	-	(55.388)	(36.216)	(16.111)	(15.208)	(152.748)	(154.353)	(1.335.643)	(1.419.483)	
<b>Carrying amount, less the impairment and special reserve</b>	<b>-</b>	<b>-</b>	<b>241.106</b>	<b>343.696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.356</b>	<b>1.849</b>	<b>52</b>	<b>48</b>	<b>24.401</b>	<b>13.345</b>	<b>269.915</b>	<b>358.938</b>	
<b>Total carrying amount of credit risk receivables before impairment and special reserve</b>	<b>1.397</b>	<b>1.842</b>	<b>82.171.817</b>	<b>72.880.249</b>	<b>10.710.304</b>	<b>9.967.578</b>	<b>-</b>	<b>-</b>	<b>19.625.808</b>	<b>19.619.061</b>	<b>122.978</b>	<b>96.684</b>	<b>724.770</b>	<b>703.976</b>	<b>12.179.445</b>	<b>11.579.039</b>	<b>125.536.519</b>	<b>114.848.429</b>	
<b>(Total impairment and special reserve)</b>	<b>(2)</b>	<b>(3)</b>	<b>(3.408.681)</b>	<b>(3.384.697)</b>	<b>(5.288)</b>	<b>(4.922)</b>	<b>-</b>	<b>-</b>	<b>(861)</b>	<b>(4.388)</b>	<b>(59.213)</b>	<b>(40.077)</b>	<b>(16.414)</b>	<b>(16.360)</b>	<b>(301.534)</b>	<b>(313.914)</b>	<b>(3.791.993)</b>	<b>(3.764.361)</b>	
<b>Total carrying amount of credit risk receivables, less the impairment and special reserve</b>	<b>1.395</b>	<b>1.839</b>	<b>78.763.136</b>	<b>69.495.552</b>	<b>10.705.016</b>	<b>9.962.656</b>	<b>-</b>	<b>-</b>	<b>19.624.947</b>	<b>19.614.673</b>	<b>63.765</b>	<b>56.607</b>	<b>708.356</b>	<b>687.616</b>	<b>11.877.911</b>	<b>11.265.125</b>	<b>121.744.526</b>	<b>111.084.068</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.1 Credit Risk (continued)**

**B. Value of Collateral (Fair Value) for Credit Risk Mitigation**

	Loans and advances to banks		Loans and advances to customers		Investments in financial assets available for sale		Investments in financial assets held to maturity		Cash and cash equivalents		Other receivables		Off-balance exposures		Total	
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024
<i>In MKD thousand</i>																
<i>Value of collateral of the credit exposure assessed for impairment on individual basis</i>																
First class collateral instruments																
cash deposits (in depot and/or limited on bank accounts)	-	-	42.623	178.690	-	-	-	-	-	-	60	206	500	20.578	43.183	199.474
government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
government unconditional guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
bank guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees from insurance companies and insurance policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate guarantees (except for banks and insurance companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees from individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage on real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
property for private use (flats, houses)	-	-	1.004.354	1.060.318	-	-	-	-	-	-	53.371	64.899	29.757	16.614	1.087.482	1.141.831
business facility	-	-	6.303.086	5.775.317	-	-	-	-	-	-	69.484	52.992	119.085	124.195	6.491.655	5.952.504
Pledge over movables	-	-	1.552.409	474.372	-	-	-	-	-	-	326	4.026	31.922	7.205	1.584.657	485.603
Other types of collateral	-	-	993.589	520.981	-	-	-	-	-	-	4.241	4.477	574	22.239	998.404	547.697
<b>Total value of collateral of credit exposure assessed for impairment on individual basis</b>	-	-	<b>9.896.061</b>	<b>8.009.678</b>	-	-	-	-	-	-	<b>127.482</b>	<b>126.600</b>	<b>181.838</b>	<b>190.831</b>	<b>10.205.381</b>	<b>8.327.109</b>
<i>Value of collateral of the credit exposure assessed for impairment on group basis</i>																
First class collateral instruments																
cash deposits (in depot and/or limited on bank accounts)	-	-	1.943.842	1.742.996	-	-	-	-	-	-	1.430	2.889	48.010	85.686	1.993.282	1.831.571
government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
government unconditional guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
bank guarantees	-	-	-	-	-	-	-	-	-	-	-	-	37.000	-	37.000	-
Guarantees from insurance companies and insurance policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate guarantees (except for banks and insurance companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees from individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage on real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
property for private use (flats, houses)	-	1	42.894.694	37.307.077	-	-	-	-	-	-	20.263	30.986	410.056	338.351	43.325.013	37.676.415
business facility	110	174	32.102.373	28.871.654	-	-	-	-	-	-	14.345	15.027	4.489.864	4.350.591	36.606.692	33.237.446
Pledge over movables	-	86	7.671.464	6.477.945	-	-	-	-	-	-	412	4.628	416.947	170.410	8.088.823	6.653.069
Other types of collateral	-	-	11.750.155	12.509.783	-	-	-	-	-	-	4.932	10.871	906.122	947.293	12.661.209	13.467.947
<b>Total value of collateral of credit exposure assessed for impairment on group basis</b>	<b>110</b>	<b>261</b>	<b>96.362.528</b>	<b>86.909.455</b>	-	-	-	-	-	-	<b>41.382</b>	<b>64.401</b>	<b>6.307.999</b>	<b>5.892.331</b>	<b>102.712.019</b>	<b>92.866.448</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.1 Credit Risk (continued)**

**C. Concentration of Credit Risk by Industry**

In MKD thousand	Loans and advances to banks		Loans and advances to customers		Investments in financial assets available for sale		Investments in financial assets held to maturity		Cash and cash equivalents		Fees and commission receivables		Other receivables		Off-balance exposures		Total		
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	
	Non-residents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture, hunting and forestry	-	2	463.047	510.921	-	-	-	-	-	-	232	173	-	-	1.897	21.151	465.176	532.247	
Ore and stone extraction	-	-	195.795	262.255	-	-	-	-	-	-	58	43	-	-	1.043	6.140	196.896	268.438	
Food industry	-	3	2.431.194	1.654.007	-	-	-	-	-	-	160	119	-	-	122.709	43.166	2.554.063	1.697.295	
Industry for clothing and footwear	-	-	849.883	658.641	-	-	-	-	-	-	94	155	-	-	156.655	93.000	1.006.632	751.796	
Chemical industry, production of construction materials, production and processing of fuels, pharmaceutical industry	-	-	1.142.660	860.206	-	-	-	-	-	-	152	67	-	-	149.008	109.864	1.291.820	970.137	
Production of metals, machines, tools and equipment	-	-	1.854.132	1.582.999	-	-	-	-	-	-	452	1.151	-	-	858.141	927.862	2.712.725	2.512.012	
Other processing industry	-	-	1.308.596	1.193.236	-	-	-	-	-	-	158	752	4	3	948.810	1.014.421	2.257.568	2.208.412	
Electricity supply, gas, steam and air conditioning	-	-	7.743.631	6.173.368	-	-	-	-	-	-	220	171	-	-	322.777	492.643	8.066.628	6.666.182	
Water supply, disposal of wastewater, waste management and remediation activities on the environment	-	-	308.307	226.427	-	-	-	-	-	-	547	48	-	-	7.447	15.287	316.301	241.762	
Construction	-	13	3.997.135	4.081.343	-	-	-	-	-	-	563	962	-	-	1.711.900	1.633.707	5.709.598	5.716.025	
Wholesale and retail trade; repair of motor vehicles and motorcycles, Transport and warehousing	5	14	13.373.002	12.251.517	-	-	-	-	-	-	1.744	1.944	44	40	3.994.862	3.701.095	17.369.657	15.954.610	
Hotels and restaurants	1	6	2.092.482	2.061.489	-	-	-	-	-	-	953	1.111	-	2	1.490.713	1.358.762	3.584.149	3.421.370	
Information and communications	-	-	1.577.147	976.879	-	-	-	-	-	-	354	244	-	-	33.116	9.836	1.610.617	986.959	
Finance and insurance activities	-	-	277.145	307.786	-	-	-	-	-	-	175	133	-	-	207.188	199.914	484.508	507.833	
Activities related to real estate	1.389	1.801	409.934	289.991	-	-	-	-	19.624.947	19.614.673	37.473	37.725	608.939	531.565	46.183	46.095	20.521.850	20.521.850	
Professional, scientific and technical activities	-	-	3.177.474	2.495.563	-	-	-	-	-	-	211	90	-	-	172.520	35.719	3.350.205	2.531.372	
Administrative and utility services	-	-	1.612.267	1.322.931	-	-	-	-	-	-	559	489	-	-	94.624	113.117	1.707.450	1.436.537	
Public administration and defense; mandatory social security	-	-	376.198	312.547	-	-	-	-	-	-	212	202	-	-	40.830	47.329	417.240	360.078	
Education	-	-	87.634	270	10.705.016	9.962.656	-	-	-	-	3	8	97.564	154.290	46	-	10.890.263	10.117.224	
Health care and social work	-	-	46.025	49.032	-	-	-	-	-	-	39	35	-	-	61.594	31.520	107.658	80.587	
Art, entertainment and recreation	-	-	404.812	360.535	-	-	-	-	-	-	41	27	-	-	10.370	37.374	415.223	397.936	
Other utility	-	-	47.153	42.784	-	-	-	-	-	-	148	97	-	-	194	47.301	43.075	43.075	
Private households with employed persons, household activities that produce goods and perform a diverse range of services for own needs	-	-	84.666	146.571	-	-	-	-	-	-	246	179	-	-	371	673	85.283	147.423	
Services of extraterritorial organizations and bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Individuals	-	-	34.896.992	31.674.254	-	-	-	-	-	-	17.059	10.660	1.805	1.715	1.445.107	1.326.256	36.360.963	33.012.885	
Individual merchants and individuals not regarded as merchants	-	-	5.825	-	-	-	-	-	-	-	1.912	22	-	1	-	-	7.737	23	
<b>Total</b>	<b>1.395</b>	<b>1.839</b>	<b>78.763.136</b>	<b>69.495.552</b>	<b>10.705.016</b>	<b>9.962.656</b>	-	-	<b>19.624.947</b>	<b>19.614.673</b>	<b>63.765</b>	<b>56.607</b>	<b>708.356</b>	<b>687.616</b>	<b>11.877.911</b>	<b>11.265.125</b>	<b>121.744.526</b>	<b>111.084.068</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.1 Credit Risk (continued)**

**D. Concentration of Credit Risk by Geographic Location**

	Loans and advances to banks		Loans and advances to customers		Investments in financial assets available for sale		Investments in financial assets held to maturity		Cash and cash equivalents		Fees and commission receivables		Other receivables		Off-balance exposures		Total		
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	
<i>In MKD thousand</i>																			
<b>Geographical location</b>																			
Republic of North Macedonia	1.395	1.839	78.762.978	69.495.263	9.499.218	8.840.548	-	-	15.212.402	12.125.965	63.748	56.597	708.356	687.616	11.840.763	11.228.107	116.088.860	102.435.935	
EU member countries	-	-	4	8	1.205.798	1.122.108	-	-	1.634.296	6.042.013	9	5	-	-	37.000	36.996	2.877.107	7.201.130	
Europe (other)	-	-	-	-	-	-	-	-	2.618.768	1.273.591	5	2	-	-	-	-	2.618.773	1.273.593	
ECD member countries (without European OECD member countries)	-	-	154	281	-	-	-	-	159.481	173.104	1	1	-	-	148	22	159.784	173.408	
(the exposure that represents more than 10% of total credit exposure)	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-	-	2	2	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1.395</b>	<b>1.839</b>	<b>78.763.136</b>	<b>69.495.552</b>	<b>10.705.016</b>	<b>9.962.656</b>	<b>-</b>	<b>-</b>	<b>19.624.947</b>	<b>19.614.673</b>	<b>63.765</b>	<b>56.607</b>	<b>708.356</b>	<b>687.616</b>	<b>11.877.911</b>	<b>11.265.125</b>	<b>121.744.526</b>	<b>111.084.068</b>	

Exposure to loans and receivables according to the geographical location of the debtors is 100% concentrated in the Republic of North Macedonia (2024: 100%),

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2025

**2. RISK MANAGEMENT (continued)**

**2.1 Credit Risk (continued)**

**E. Analysis of the credit risk of assets measured at fair value through profit and loss**

	Trading assets				Financial assets at fair value through profit or loss upon initial recognition								Total	
	Debt securities for trading		Equity securities for trading		Debt securities		Debt securities		Loans and advances to banks		Loans and advances to customers			
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024
<i>In MKD thousand</i>														
<b>Carrying amount of financial assets measured at fair value</b>														
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk category _____	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total carrying amount</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****2. RISK MANAGEMENT (continued)****2.2. Liquidity Risk**

Liquidity risk is a risk that the Group may be unable to provide sufficient monetary assets to settle its short-term liabilities when they come due, i.e. a risk that the necessary liquid assets will be provided at much higher cost.

**2.2.1. Liquidity Risk Management**

The main objective of the Group's liquidity management is to maintain adequate liquid assets, primarily cash and cash equivalents, to enable normal business operation of the Group. The matching and controlled mismatch of asset maturity and liability maturity is fundamental to the management of the Group.

The Group manages its liquidity risk through the constant monitoring of the maturity of its asset and liability components.

The Group actively monitors, manages and controls the liquidity risk exposure including management of assets and resources in accordance with the cash flows and their concentration for harmonization of cash inflows and outflows. Liquidity risk exposure is measured through externally and internally determined limits, i.e. the Group's compliance with them.

Besides external liquidity indicators, the Group calculates and monitors the internal liquidity indicators that are part of the liquidity management process and imply compliance with the Group Requirements and the Requirements of European Regulation (LCR, NSFR).

The new methodology from the NBRSM for liquidity risk management is in force from 01.01.2021.

As a part of the liquidity risk management process, the Group analyzes the level of concentration and participation of the 10 largest depositors in the average deposit base as well as their compliance with the internally established limits.

The Group continuously fulfilled the legal requirements related to mandatory reserve in MKD and foreign currencies fully complying with the legislation governing this area.

In the tables below, there is an analysis of the Group's assets and liabilities grouped by their maturity, or the remaining period from the reporting date to the contractual date. Reported amounts are reduced by the amounts of accumulated depreciation, impairment and allocated special reserve. There are indications of maturity non-compliance for the period from 1 to 12 months, and the reason for maturity non-compliance mostly refers to the off-balance sheet exposure. The main reason for this discrepancy is that short-term sources of funds have been engaged for loans with longer maturities. For the purposes of liquidity risk management, the Group prepares expected maturity structure in which an element of prediction is integrated and having in mind the experience from the previous years, it indicates a stable liquidity position.

A negative gap of up to 1 month is not a realistic liquidity situation, and arises from deposits from principals for which the contractual terms provide for early withdrawal at any time, as well as all deposits at sight without a defined term. The real maturity of these positions is higher and the Group monitors the stability of the deposit base of customers by monitoring the deposit rearrangement rate of the population as well as monitoring the movement of deposits by sight. The Group maintains an appropriate level of liquidity according to the actual expected maturity of the positions and the appropriate level of liquidity coverage rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.2 Liquidity Risk (continued)**

**Maturity of Financial Assets and Liabilities (Residual Maturity)**

Analysis by maturity of financial assets and liabilities (remaining maturity)

*In MKD thousand*

	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
<b>2025 (current year)</b>							
<b>Financial assets</b>							
Cash and cash equivalents	17.305.588	-	8.308.615	-	-	-	25.614.203
Trading assets	-	-	-	-	-	-	-
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-
Loans and advances to banks	1.395	-	-	-	-	-	1.395
Loans and advances to customers	2.246.672	5.402.556	21.170.484	8.393.917	25.100.815	16.448.692	78.763.136
Investments in securities	618.446	-	3.358.133	1.948.697	3.673.115	1.106.625	10.705.016
Investments in associates	328.088	-	-	-	-	-	328.088
Current income tax receivables	-	-	-	-	-	-	-
Other receivables	817.495	102.133	97.727	17	8	2	1.017.382
Assets pledged as collateral	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>21.317.684</b>	<b>5.504.689</b>	<b>32.934.959</b>	<b>10.342.631</b>	<b>28.773.938</b>	<b>17.555.319</b>	<b>116.429.220</b>
<b>Financial liabilities</b>							
Trading liabilities	-	-	-	-	-	-	-
Financial liabilities carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-
Due to banks	393.339	5.104.085	-	3.689.700	-	-	9.187.124
Due to other customers	54.351.904	611.293	8.667.712	14.786.130	168.082	12.768	78.597.889
Debt instruments issued	-	-	-	-	-	-	-
Borrowings	52.009	177.612	417.141	677.210	2.979.122	6.291.779	10.594.873
Subordinated debt	28.559	-	368.970	1.537.375	-	307.475	2.242.379
Current income tax liabilities	18.273	-	81.646	75.092	-	-	175.011
Deferred tax liabilities	9.090	-	-	-	-	-	9.090
Other liabilities	602.657	-	-	-	-	-	602.657
<b>Total financial liabilities</b>	<b>55.455.831</b>	<b>5.892.990</b>	<b>9.535.469</b>	<b>20.765.507</b>	<b>3.147.204</b>	<b>6.612.022</b>	<b>101.409.023</b>
<b>Off-balance items</b>							
Off-balance assets	-	-	-	-	-	-	-
Off-balance liabilities	37.380.819	-	-	-	-	-	37.380.819
<b>Net liquidity gap</b>	<b>(71.518.966)</b>	<b>(388.301)</b>	<b>23.399.490</b>	<b>(10.422.876)</b>	<b>25.626.734</b>	<b>10.943.297</b>	<b>(22.360.622)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.2 Liquidity Risk (continued)**

**Maturity of Financial Assets and Liabilities (Residual Maturity) (continued)**

Analysis by maturity of financial assets and liabilities (remaining maturity)

*In MKD thousand*

	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
<b>2024 (previous year)</b>							
<b>Financial assets</b>							
Cash and cash equivalents	19.439.848	1.054.161	3.828.742	-	-	-	24.322.751
Trading assets	-	-	-	-	-	-	-
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-
Loans and advances to banks	1.804	-	19	19	-	-	1.842
Loans and advances to customers	2.573.150	4.717.594	16.212.990	9.785.436	21.808.439	17.902.764	73.000.373
Investments in securities	908.101	548.239	1.437.342	3.147.425	3.521.602	399.751	9.962.460
Investments in associates	46.598	-	-	-	-	-	46.598
Current income tax receivables	-	-	-	-	-	-	-
Other receivables	725.249	104.896	89	154.521	9	-	984.764
Assets pledged as collateral	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>23.694.750</b>	<b>6.424.890</b>	<b>21.479.182</b>	<b>13.087.401</b>	<b>25.330.050</b>	<b>18.302.515</b>	<b>108.318.788</b>
<b>Financial liabilities</b>							
Trading liabilities	-	-	-	-	-	-	-
Financial liabilities carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-
Due to banks	2.183.375	-	2.767.275	2.644.285	-	-	7.594.935
Due to other customers	65.718.316	1.348.963	2.612.520	2.012.755	290.061	80.889	72.063.504
Debt instruments issued	-	-	-	-	-	-	-
Borrowings	87.325	-	1.003.201	832.486	2.668.166	5.030.762	9.621.940
Subordinated debt	25.017	-	-	368.970	1.537.375	-	1.931.362
Current income tax liabilities	-	-	158.378	-	-	-	158.378
Deferred tax liabilities	6	-	-	-	-	-	6
Other liabilities	668.984	-	-	-	-	-	668.984
<b>Total financial liabilities</b>	<b>68.683.023</b>	<b>1.348.963</b>	<b>6.541.374</b>	<b>5.858.496</b>	<b>4.495.602</b>	<b>5.111.651</b>	<b>92.039.109</b>
<b>Off-balance items</b>							
Off-balance assets	-	-	-	-	-	-	-
Off-balance liabilities	35.431.439	-	-	-	-	-	35.431.439
<b>Net liquidity gap</b>	<b>(80.419.712)</b>	<b>5.075.927</b>	<b>14.937.808</b>	<b>7.228.905</b>	<b>20.834.448</b>	<b>13.190.864</b>	<b>(19.151.761)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****2. RISK MANAGEMENT (continued)****2.3 Market Risk**

The Group is exposed to market risks. Market risks derive from the Group open position in relation to the effect of the market interest rate fluctuations, as well as in relation to the effect of the exchange rate fluctuations. The Group Management determines acceptable risk limits based on their daily monitoring.

For the purpose of interest rate risk monitoring, the Group has developed internal acts as an integral part of the market risk management process. In addition to internal documents, the interest rate risk analysis and duration of equity is performed at least on a quarterly basis. Main objective is to limit the potential loss due to fluctuations in market interest rate level, to maintain the level of profitability, operational stability, and the Group's equity market value.

Interest rate risk, as part of market risk, is an important part of the risk management process and it is under constant monitoring and control in order to be enabled an efficient management and the planned financial results to be achieved, as well as to increase the economic and the market value of the Group's assets and capital.

The Group manages active interest rate policy based on the Strategic Plan of the Group, as well on the competitive position as compared to the other banks in the market. Throughout the year, continuous analyses of the interest-bearing assets and liabilities are conducted; the level of sensitivity to interest rate fluctuations, average weighted active and passive interest rate, value of interest-bearing assets and liabilities with internal and external determination of the interest rates as well as other relevant indicators. Based on all those analyses, ALCO makes further decisions on interest rates fluctuations.

Currency risk management, which is also a part of the market risk management process, is achieved in conditions of stable MKD rate, or in conditions of continuous restrictive monetary policy at state level. The Group takes effective activities for adequate identification, measurement, monitoring and control of the currency risk exposure, which cover determination of currency risk sources, measurement methods, establishing limits and other control measures.

The basic currency risk management instrument, open foreign currency position of the Group, is calculated on aggregate level as well as Consolidatedly by currencies and by monitoring their compliance with the externally and internally determined limits. The Group also assesses the potential maximal loss from currency risk by applying VaR - Value at Risk method according Group standards.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2025

**2. RISK MANAGEMENT (continued)**

**2.3. Market Risk (continued)**

**2.3.1. Sensitivity Analysis of Assets and Liabilities on the Change in Market Risk**

**A. Sensitivity Analysis on the Changes of Market Risk on Assets and Liabilities**

	<b>Profit/Loss</b>	<b>Own Funds</b>	<b>Risk weighted assets</b>	<b>Capital adequacy ratio</b>
	<i>In MKD thousand</i>	<i>In MKD thousand</i>	<i>In MKD thousand</i>	<i>in %</i>
<b>2025 (current year)</b>				
Amount before sensitivity analysis / stress-tests (as of December 31, 2025)	1.826.271	16.847.248	85.373.668	19,73%
<b>Effects from scenarios implementation</b>				
Currency risk (list Consolidatedly various scenarios, including the basic features of the scenario)				
<b><i>MKD to depreciate by 15%</i></b>	<b>1.836.489</b>	<b>16.857.466</b>	<b>95.043.984</b>	<b>17,74%</b>
<b><i>MKD to depreciate by 10%</i></b>	<b>1.833.087</b>	<b>16.854.060</b>	<b>91.928.264</b>	<b>18,33%</b>
<b><i>MKD to appreciate by 15%</i></b>	<b>1.816.053</b>	<b>16.837.030</b>	<b>76.349.667</b>	<b>22,05%</b>
<b><i>MKD to appreciate by 10%</i></b>	<b>1.819.459</b>	<b>16.840.436</b>	<b>79.465.387</b>	<b>21,19%</b>
Interest rate risk (list Consolidatedly the various scenarios, including the basic features of the scenario)				
<b><i>Interest rate of 300 basis points, which affect the withdrawal of 30% of deposits of physical and legal entities whose interest rate, is variable and adjustable,</i></b>	<b>1.609.669</b>	<b>16.630.646</b>	<b>85.589.410</b>	<b>19,43%</b>
Risk of change in market prices for investments in equity securities (list Consolidatedly the various scenarios, including the basic features of the scenario)				
<b><i>The investments in equity securities is insignificant in terms of total assets, and accordingly, the Group does not perform stress test</i></b>	<i>/</i>	<i>/</i>	<i>/</i>	<i>/</i>
Combined scenarios (list Consolidatedly the various scenarios, including the basic features of the scenario)				
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 10% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.669.618</b>	<b>16.690.595</b>	<b>91.764.800</b>	<b>18,19%</b>
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 30% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.601.365</b>	<b>16.622.342</b>	<b>91.696.547</b>	<b>18,13%</b>
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 50% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.533.113</b>	<b>16.554.090</b>	<b>91.628.294</b>	<b>18,07%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.1 Sensitivity Analysis of Assets and Liabilities on the Change in Market Risk (continued)**

**A. Sensitivity Analysis on the Changes of Market Risk on Assets and Liabilities (continued)**

	Profit/Loss	Own Funds	Risk weighted assets	Capital adequacy ratio
	<i>In MKD thousand</i>	<i>In MKD thousand</i>	<i>In MKD thousand</i>	<i>in %</i>
<b>2024 (previous year)</b>				
Amount before sensitivity analysis / stress-tests (as of December 31, 2024)	1.792.220	15.040.798	78.260.302	19,22%
Effects from scenarios implementation				
Currency risk (list Consolidatedly various scenarios, including the basic features of the scenario)				
<b><i>MKD to depreciate by 15%</i></b>	<b>1.874.689</b>	<b>15.123.267</b>	<b>86.303.246</b>	<b>17,52%</b>
<b><i>MKD to depreciate by 10%</i></b>	<b>1.847.200</b>	<b>15.095.778</b>	<b>83.654.977</b>	<b>18,05%</b>
<b><i>MKD to appreciate by 15%</i></b>	<b>1.709.751</b>	<b>14.958.329</b>	<b>70.413.632</b>	<b>21,24%</b>
<b><i>MKD to appreciate by 10%</i></b>	<b>1.737.240</b>	<b>14.985.818</b>	<b>73.061.901</b>	<b>20,51%</b>
Interest rate risk (list Consolidatedly the various scenarios, including the basic features of the scenario)				
<b><i>Interest rate of 300 basis points, which affect the withdrawal of 30% of deposits of physical and legal entities whose interest rate, is variable and adjustable,</i></b>	<b>1.646.467</b>	<b>14.895.045</b>	<b>77.838.075</b>	<b>19,14%</b>
<hr/>				
Risk of change in market prices for investments in equity securities (list Consolidatedly the various scenarios, including the basic features of the scenario)				
The investments in equity securities is insignificant in terms of total assets, and accordingly, the Group does not perform stress test	/	/	/	/
<hr/>				
Combined scenarios (list Consolidatedly the various scenarios, including the basic features of the scenario)				
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 10% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.605.876</b>	<b>14.854.454</b>	<b>83.413.653</b>	<b>17,81%</b>
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 30% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.476.303</b>	<b>14.724.881</b>	<b>83.284.080</b>	<b>17,68%</b>
<b><i>Combination of 10% MKD depreciation and an increase in the total amount of loans classified in risk categories V, G and D by 50% by transferring an equal amount of credits from categories A and B</i></b>	<b>1.346.729</b>	<b>14.595.307</b>	<b>83.154.507</b>	<b>17,55%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.1 Sensitivity Analysis of Assets and Liabilities on the Change in Market Risk (continued)**

**B. Analysis of Value Exposed to Market Risk in Trading Portfolio**

	Current year 2025				Previous year 2024			
	balance as of December 31	average value	highest value (maximum)	lowest value (minimum)	balance as of December 31	average value	highest value (maximum)	lowest value (minimum)
<i>In MKD thousand</i>								
Risk exposure value of interest-bearing instruments	-	-	-	-	-	-	-	-
Risk exposure value of foreign currency instruments	-	-	-	-	-	-	-	-
Risk exposure value of equity instruments	-	-	-	-	-	-	-	-
Variance (off-setting effect)	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.2. Sensitivity analysis of Changes in Interest Rates of Financial Assets and Liabilities (Excluding Trading Assets)**

**A. Interest Rate Sensitivity Analysis**

In the table below there is an overview of the Schedule "TWA" from the Guidelines for the implementation of the Decision for managing the interest rate risk in the Grouping book in accordance with the valid prescribed regulation of the NBRSM on December 31, 2025 and 2024.

	<i>In MKD thousand</i>	Currency	Current year 2025	Previous year 2024
1.1 Net weighed position for currency MKD (fixed + variable + administrative interest rate)		MKD	1.249.411	956.622
1.2 Net weighed position for currency EUR (fixed + variable + administrative interest rate)		EUR	681.162	611.583
1.3 Net weighed position for currency USD (fixed + variable + administrative interest rate)		USD	(270)	(632)
1.4 Net weighed position for other currencies (fixed + variable + administrative interest rate)		Other	(1.525)	(2.147)
1.5 Net weighed position for currency MKD cl EUR (fixed + variable + administrative interest rate)		MKD cl EUR	146.570	197.315
1.6 Net weighed position for currency MKD cl USD (fixed + variable + administrative interest rate)		MKD cl USD	(9.553)	(11.677)
<b>3. Total weighted amount – Change in the economic value of the Grouping portfolio (1,1 + 1,2 + 1,3 + 1,4 + 1,5 + 1,6)</b>			<b>2.065.795</b>	<b>1.751.064</b>
3. Own Funds			15.934.493	13.330.282
<b>4. Total weighted amount / own funds (2/3*100)</b>			<b>12,96%</b>	<b>13,14%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.2 Sensitivity analysis of Changes in Interest Rates of Financial Assets and Liabilities (Excluding Trading Assets) (continued)**

**Interest Rates gap analysis**

The Group is exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may decrease or create losses in the event of unexpected movements. Assets and liabilities management is performed based on Bank's sensitivity to changes in interest rates. The Group is always careful not to reduce the interest margin. However, the actual effect will depend on various factors, including economic stability, environment and inflation rate.

The table presents gap analysis of interest rates of financial assets and liabilities as at December 31, 2025 and 2024.

<i>In MKD thousand</i>	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total interest-bearing assets/liabilities
2025 (current year)							
<b>Financial assets</b>							
Cash and cash equivalents	8.711.450	-	-	-	-	-	8.711.450
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-
Loans and advances to other customers	25.905.430	4.135.260	17.987.474	7.844.374	12.670.123	12.994.757	81.537.418
Investments in securities	-	-	3.417.317	1.947.615	3.610.159	1.106.363	10.081.454
Other interest sensitive assets	-	-	-	-	-	-	-
<b>Total interest sensitive financial assets</b>	<b>34.616.880</b>	<b>4.135.260</b>	<b>21.404.791</b>	<b>9.791.989</b>	<b>16.280.282</b>	<b>14.101.120</b>	<b>100.330.322</b>
<b>Financial liabilities</b>							
Financial liabilities at fair value through Consolidated statement of profit or loss upon initial recognition	-	-	-	-	-	-	-
Due to banks	614.950	-	4.489.135	3.689.700	-	-	8.793.785
Due to other customers	5.782.593	8.438.448	18.449.198	1.192.157	1.393.309	167.019	35.422.724
Debt instruments issued	-	-	-	-	-	-	-
Borrowings	516.178	2.267.704	1.910.452	568.444	2.097.832	3.190.436	10.551.046
Subordinated debt and hybrid capital instruments	-	307.475	676.445	1.229.900	-	-	2.213.820
Other interest sensitive liabilities	-	-	-	-	-	-	-
Total interest sensitive financial assets	<b>6.913.721</b>	<b>11.013.627</b>	<b>25.525.230</b>	<b>6.680.201</b>	<b>3.491.141</b>	<b>3.357.455</b>	<b>56.981.375</b>
<b>Total interest sensitive financial assets</b>	<b>27.703.159</b>	<b>(6.878.367)</b>	<b>(4.120.439)</b>	<b>3.111.788</b>	<b>12.789.141</b>	<b>10.743.665</b>	<b>43.348.947</b>
Off balance sheet interest sensitive assets	-	-	-	-	-	-	-
Off balance sheet interest sensitive liabilities	-	-	-	-	-	-	-
<b>Net off-balance sheet gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net-gap</b>	<b>27.703.159</b>	<b>(6.878.367)</b>	<b>(4.120.439)</b>	<b>3.111.788</b>	<b>12.789.141</b>	<b>10.743.665</b>	<b>43.348.947</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.2 Sensitivity analysis of Changes in Interest Rates of Financial Assets and Liabilities (Excluding Trading Assets) (continued)**

**B. Interest Rates gap analysis (continued)**

<i>In MKD thousand</i>	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total interest-bearing assets/liabilities
<b>2024 (previous year)</b>							
<b>Financial assets</b>							
Cash and cash equivalents	15.123.608	-	-	-	-	-	15.123.608
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-
Loans and advances to other customers	19.522.977	4.010.530	17.494.707	6.438.331	10.432.792	11.245.998	69.145.335
Investments in securities	-	547.926	1.436.890	3.205.779	3.459.679	399.522	9.049.796
Other interest sensitive assets	-	-	-	-	-	-	-
<b>Total interest sensitive financial assets</b>	<b>34.646.585</b>	<b>4.558.456</b>	<b>18.931.597</b>	<b>9.644.110</b>	<b>13.892.471</b>	<b>11.645.520</b>	<b>93.318.739</b>
<b>Financial liabilities</b>							
Financial liabilities at fair value through Consolidated statement of profit or loss upon initial recognition	-	-	-	-	-	-	-
Due to banks	3.628.205	-	922.425	2.644.285	-	-	7.194.915
Due to other customers	1.593.602	3.597.934	13.282.865	8.848.032	1.593.765	160.735	29.076.933
Debt instruments issued	-	-	-	-	-	-	-
Borrowings	751.387	2.884.182	2.038.545	762.691	1.535.313	1.585.418	9.557.536
Subordinated debt and hybrid capital instruments	-	307.475	-	368.970	1.229.900	-	1.906.345
Other interest sensitive liabilities	-	-	-	-	-	-	-
<b>Total interest sensitive financial liabilities</b>	<b>5.973.194</b>	<b>6.789.591</b>	<b>16.243.835</b>	<b>12.623.978</b>	<b>4.358.978</b>	<b>1.746.153</b>	<b>47.735.729</b>
<b>Net balance sheet gap</b>	<b>28.673.391</b>	<b>(2.231.135)</b>	<b>2.687.762</b>	<b>(2.979.868)</b>	<b>9.533.493</b>	<b>9.899.367</b>	<b>45.583.010</b>
Off balance sheet interest sensitive assets	-	-	-	-	-	-	-
Off balance sheet interest sensitive liabilities	-	-	-	-	-	-	-
<b>Net off-balance sheet gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net-gap</b>	<b>28.673.391</b>	<b>(2.231.135)</b>	<b>2.687.762</b>	<b>(2.979.868)</b>	<b>9.533.493</b>	<b>9.899.367</b>	<b>45.583.010</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.3. Foreign Currency Risk**

Currency risk management, which is also part of the market risk management process, is achieved in conditions of stable exchange rate of Denar, in conditions of continuation of the restrictive monetary policy at the state level. The Group actively undertakes activities for adequate identification, measurement, monitoring and control of currency risk exposure, which include determining the sources of currency risk, methods of measuring it, establishing limits and other control mechanisms.

The basic instrument for currency risk management, the open foreign exchange position of the Group, is calculated on an aggregate level as well as Consolidatedly by currencies and their compliance with the externally and internally determined limits.

<i>In MKD thousand</i>	MKD	EUR	USD	specify Consolidatedly currencies more than 10% of total monetary assets / liabilities					Other Currencies	Total
<b>2025 (current year)</b>										
Monetary assets										
Cash and cash equivalents	9.372.247	11.887.188	2.958.896	-	-	-	-	-	1.395.872	25.614.203
Trading assets	-	-	-	-	-	-	-	-	-	-
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	1.395	-	-	-	-	-	-	-	-	1.395
Loans and advances to customers	45.694.433	33.064.772	3.931	-	-	-	-	-	-	78.763.136
Investments in securities	6.398.226	4.306.790	-	-	-	-	-	-	-	10.705.016
Investments in associates	328.088	-	-	-	-	-	-	-	-	328.088
Income tax receivable (current)	-	-	-	-	-	-	-	-	-	-
Other receivables	1.001.221	13.094	1.733	-	-	-	-	-	1.334	1.017.382
Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
<b>Total Monetary Assets</b>	<b>62.795.610</b>	<b>49.271.844</b>	<b>2.964.560</b>	-	-	-	-	-	<b>1.397.206</b>	<b>116.429.220</b>
<b>Monetary liabilities</b>										
Trading liabilities	-	-	-	-	-	-	-	-	-	-
Financial liabilities carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-	-
Due to banks	93.144	9.074.117	9.095	-	-	-	-	-	10.768	9.187.124
Due to other customers	43.902.388	30.644.609	2.708.750	-	-	-	-	-	1.342.142	78.597.889
Debt instruments issued	-	-	-	-	-	-	-	-	-	-
Borrowings	2.330.261	8.156.618	107.994	-	-	-	-	-	-	10.594.873
Subordinated debt	-	2.242.379	-	-	-	-	-	-	-	2.242.379
Income tax payable (current)	175.011	-	-	-	-	-	-	-	-	175.011
Deferred tax liabilities	9.090	-	-	-	-	-	-	-	-	9.090
Other liabilities	325.173	204.243	56.910	-	-	-	-	-	16.331	602.657
<b>Total monetary liabilities</b>	<b>46.835.067</b>	<b>50.321.966</b>	<b>2.882.749</b>	-	-	-	-	-	<b>1.369.241</b>	<b>101.409.023</b>
<b>Net foreign currency position</b>	<b>15.960.543</b>	<b>(1.050.122)</b>	<b>81.811</b>	-	-	-	-	-	<b>27.965</b>	<b>15.020.197</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.3 Market Risk (continued)**

**2.3.3 Foreign Currency Risk (continued)**

<i>In MKD thousand</i>	MKD	EUR	USD	specify Consolidatedly currencies more than 10% of total monetary assets / liabilities					Other Currencies	Total
<b>2024 (previous year)</b>										
Monetary assets										
Cash and cash equivalents	11.003.275	10.116.765	2.361.563	-	-	-	-	1.247.801	24.729.404	
Trading assets	-	-	-	-	-	-	-	-	-	
Financial assets carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-	-	-	
Derivative assets held for risk management	-	-	-	-	-	-	-	-	-	
Loans and advances to banks	1.839	-	-	-	-	-	-	-	1.839	
Loans and advances to customers	37.383.175	32.102.750	9.627	-	-	-	-	-	69.495.552	
Investments in securities	5.609.214	4.353.134	-	-	-	-	-	-	9.962.348	
Investments in associates	300.431	-	-	-	-	-	-	-	300.431	
Income tax receivable (current)	-	-	-	-	-	-	-	-	-	
Other receivables	930.937	19.359	1.843	-	-	-	-	1.366	953.505	
Assets pledged as collateral	-	-	-	-	-	-	-	-	-	
Deferred tax assets	-	-	-	-	-	-	-	-	-	
<b>Total Monetary Assets</b>	<b>55.228.871</b>	<b>46.592.008</b>	<b>2.373.033</b>	-	-	-	-	<b>1.249.167</b>	<b>105.443.079</b>	
<b>Monetary liabilities</b>										
Trading liabilities	-	-	-	-	-	-	-	-	-	
Financial liabilities carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-	-	-	-	-	-	
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-	
Due to banks	134.825	7.392.262	41.574	-	-	-	-	26.274	7.594.935	
Due to other customers	40.567.343	28.259.311	2.074.107	-	-	-	-	1.162.743	72.063.504	
Debt instruments issued	-	-	-	-	-	-	-	-	-	
Borrowings	119.208	9.376.040	126.692	-	-	-	-	-	9.621.940	
Subordinated debt	-	1.931.362	-	-	-	-	-	-	1.931.362	
Income tax payable (current)	158.378	-	-	-	-	-	-	-	158.378	
Deferred tax liabilities	6	-	-	-	-	-	-	-	6	
Other liabilities	385.402	142.803	100.649	-	-	-	-	40.130	668.984	
<b>Total monetary liabilities</b>	<b>41.365.162</b>	<b>47.101.778</b>	<b>2.343.022</b>	-	-	-	-	<b>1.229.147</b>	<b>92.039.109</b>	
<b>Net foreign currency position</b>	<b>13.863.709</b>	<b>(509.770)</b>	<b>30.011</b>	-	-	-	-	<b>20.020</b>	<b>13.403.970</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**2. RISK MANAGEMENT (continued)**

**2.4 Operational Risk**

Within its own internal acts, the Group defines operational risks as risks arising from deficiencies or mistakes in conducting internal processes, systems and personnel or from external events. Operational Risk includes the legal risk also, but does not include strategic risk and reputational risk. However, reputational risk is still considered in operational risk management due to its importance.

Operational risk management objective is to limit the number of potential losses and probability of their realization at a level that is acceptable for the Group from a financial point of view, as well as from the aspect of the Group's reputation. The Group accepts those operational risks which, if realized, will not have a significant effect on the Consolidated financial results i.e. they will not jeopardize the further operation of the Group. The policy and the acts arising from this objective have established consistent approach to the operational risk management.

In 2025, the Group applied Key Risk Indicators (KRI) to control and assess the level of operational risk as well as the Risk Control Self Assessment method for assessing key risks.

The Group makes estimation of the capital requirement to cover the operational risks by applying standardized approach under the local legislation.

**3. CAPITAL ADEQUACY**

**Capital Management**

Main objective of the Group is to maintain its equity capital at an optimum level, thus observing stipulated regulatory minimum requirement. The Group is obliged to constantly maintain the capital adequacy rate at a level not less than 8%.

According to the amendments of the Decision on methodology for capital adequacy as of 2017, the structure of own funds has changed, with greater emphasis on the regular core capital (improved quality), stricter requirements for the capital instruments in the primary and additional capital; an appropriate change in the minimum capital requirements in accordance with the new structure:

- Regular capital ratio - 4,5% (Common Equity Tier 1 Capital ratio);
- Core capital ratio - 6% (Tier 1 Capital ratio);
- Own funds ratio - 8%,

In addition, in accordance with the amendments to the Grouping Law from October 2016, NBRNM also introduced new bylaws for the purposes of alignment with the Basel Capital Accord Basel 3, as well as with the relevant European regulations. With the amendments banks are obliged to maintain an adequate amount of capital for covering the protective four layers of capital: protective layer for capital maintenance at the level of 2.5% of the risk weighted assets; counter-cyclic protective layer of capital in the amount up to 2.5% of the risk weighted assets or more, depending on other systemic factors / indicators; protective layer of capital for systemically significant banks in the range between 1% - 3.5% of the risk weighted assets; and a systemic protective layer of capital in the range between 1% - 3% of the risk weighted assets, The new regulation refers to the following:

- Decision on methodology for debt risk management;
- Decision on methodology for determining the maximum amount for distribution of the profit;
- Decision on the methodology for determining the rate of counter-cyclic protective layer of capital for exposures in the Republic of North Macedonia.
- Decision on methodology for identifying systemically significant banks;
- Decision on methodology for plan development for recovery of systemically significant banks;

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**3. CAPITAL ADEQUACY (continued)**

**Capital Management (continued)**

The Group was identified as a systemically significant bank by NBRNM and therefore is obliged to allocate a regular core capital of 2% of the risk-weighted assets. In addition, according to the supervisory assessment of the risk profile of the Group, the Group is obliged to allocate an additional capital allowance of 3,25%, which can be met with any quality of capital i.e. any component of the own funds. As of December 31, 2025, the minimum capital adequacy rate for the Group was 17.50% and by the end of 2024, the minimum rate was 17.00%.

The Group strives to reliably measure the current risk, to estimate the future risk and the need of own funds for maintaining an optimum capital adequacy level.

The Group has established a system for maintaining adequate level of own funds in relation to the risk-weighted assets and continuously maintains a high level of capital adequacy.

If asset risk increases, the Group may increase its own funds capital or take measures to reduce risk-weighted assets to maintain an optimal level of capital adequacy.

The Group's policy of reinvesting profits is an instrument for increasing its own funds.

The capital required to cover the risks is the sum of the capital required to cover the credit risk, the currency risk, the risk of change in commodity prices, the market risks and the operational risk. The Group is required to have an adequate level of capital required to cover all these risks.

In the risk management process, the Group introduces procedures and methodology for determining capital adequacy and calculates it on a quarterly basis. The Group performs a stress test of the capital adequacy where it checks whether the capital adequacy ratio maintains the prescribed level according to the legislation i.e. the set business policy of the Group and the recommendation from the regulator.

The capital adequacy as of December 31, 2025 and December 31, 2024 is shown in the tables below.

**Own Funds**

Under the current capital requirements set by the NBRNM, banks have to maintain a ratio of regulatory capital to risk weighted assets above a prescribed minimum level. Based on information provided internally to key management personnel, the amount of own funds is MKD 16.847.248 thousand as of 31 December 2025 (2024: MKD 15.040.798 thousand), regulatory Tier 1 capital amounts to MKD 16.028.381 thousand (2024: MKD 14.148.346 thousand) and the Bank have complied with all externally imposed capital requirements throughout 2025 and 2024.

The table below gives an overview of the Report on the own funds (Form "SS") prepared in accordance with the "Instructions for enforcing the Decision on the Methodology for determining the capital adequacy" in compliance with the applicable regulation prescribed by the NBRNM as of December 31, 2025 and 2024.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**3. CAPITAL ADEQUACY (continued)**

**Own Funds (continued)**

		<i>In MKD thousand</i>	
		current year 2025	previous year 2024
<b>1.</b>	<b>Own funds</b>	<b>16.847.248</b>	<b>15.040.798</b>
<b>2.</b>	<b>Tier 1 Capital</b>	<b>16.028.381</b>	<b>14.148.346</b>
<b>3.</b>	<b>Common Equity Tier 1 Capital (CET1)</b>	<b>16.028.381</b>	<b>14.148.346</b>
3.1.	Positions in CET1	16.037.471	14.148.352
3.1.1.	Capital instruments of CET1	5.594.758	5.594.758
3.1.2.	Premium on capital instruments of CET1	666.348	666.348
3.1.3.	Mandatory general reserve (general reserve fund)	559.476	559.476
3.1.4.	Retained unallocated earnings	7.332.744	5.596.538
3.1.5.	(-) Accumulated loss from previous years	-	-
3.1.6.	Current profit or year-end profit	1.798.663	1.736.206
3.1.7.	Comprehensive income or loss	85.482	(4.974)
3.2.	(-) Deductions of CET1	(9.090)	(6)
3.2.1.	(-) Loss at the end of the year or current loss	-	-
	(-) Intangible assets are assets associated with the Group's establishment, licenses, patents, concessions and trademarks (including the pre-agreements for their acquisition/use) and goodwill. The software support or software in development are not considered as intangible assets. Intangible assets are recorded at net amount i.e, less any accumulated amortization and any accumulated impairment losses;	-	-
3.2.2.	(-) Deferred tax assets that rely on future profitability of the Group	(9.090)	(6)
3.2.3.	(-) Investments in own capital instruments from CET1	-	-
3.2.4.1.	(-) Direct investments in own capital instruments from CET1	-	-
3.2.4.2.	(-) Indirect investments in own capital instruments from CET1	-	-
3.2.4.3.	(-) Synthetic investments in own capital instruments from CET1	-	-
3.2.4.4.	(-) Investments in own capital instruments from CET1 for which the Group has contractual obligation to buy	-	-
3.2.5.	(-) Direct, indirect and synthetic investments in capital instruments from CET1 of the companies from the financial sector, whereas those companies have investments in the Group	-	-
3.2.6.	(-) Direct, indirect and synthetic investments in capital instruments from CET1 of the companies from the financial sector in which the Group does not have significant investment	-	-
3.2.7.	(-) Direct, indirect and synthetic investments in capital instruments from CET1 of the companies from the financial sector in which the Group has significant investment	-	-
3.2.8.	(-) Amount of deductions from AT1 which exceeds the total amount of AT1	-	-
3.2.9.	(-) Amount of exceeding the limits on investments in non-financial institutions	-	-
3.2.10.	(-) tax costs	-	-
3.2.11.	(-) Difference between the necessary and the actual allowance for impairment provision/special reserve	-	-
3.3.	Regulatory adjustments from CET1	-	-
3.3.1.	(-) Increase of CET1 that arises from the position of securitization	-	-
3.3.2.	(-) Gains or (+) losses from covering risk arising from the cash flow	-	-
3.3.3.	(-) Gains or (+) losses from liabilities of the Group measured at fair value	-	-
3.3.4.	(-) Gains or (+) losses related with liabilities based on derivatives measured at fair value	-	-
3.4.	Positions as a result of consolidation	-	-
3.4.1.	Non-controlling (minority) participation that is recognized in CET1 on consolidated basis	-	-
3.4.2.	Other	-	-
3.5.	Other positions from CET1	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**3. CAPITAL ADEQUACY (continued)**  
**Own Funds (continued)**

		<i>In MKD thousand</i>	
		current year 2025	previous year 2024
4.	<b>Additional Tier 1 Capital (AT1)</b>	-	-
4.1.	Position of AT1	-	-
4.1.1.	Capital instruments of AT1	-	-
4.1.2.	Premium on capital instruments of AT1	-	-
4.2.	(-) Deduction of AT1	-	-
4.2.1.	(-) Investments in own capital instruments from AT1	-	-
4.2.1.1.	(-) Direct investments in own capital instruments from AT1	-	-
4.2.1.2.	(-) Indirect investments in own capital instruments from AT1	-	-
4.2.1.3.	(-) Synthetic investments in own capital instruments from AT1	-	-
4.2.1.4.	(-) Investments in own capital instruments from AT1 for which the Group has contractual obligation to buy	-	-
4.2.2.	(-) Direct, indirect and synthetic investments in capital instruments from AT1 of the companies from the financial sector, whereas those companies have investments in the Group	-	-
4.2.3.	(-) Direct, indirect and synthetic investments in capital instruments from AT1 of the companies from the financial sector in which the Group does not have significant investment	-	-
4.2.4.	(-) Direct, indirect and synthetic investments in capital instruments from AT1 of the companies from the financial sector in which the Group has significant investment	-	-
4.2.5.	(-) Amount of deductions from T2 which exceeds the total amount of T2	-	-
4.2.6.	(-) Tax costs	-	-
4.3.	Regulatory adjustments from AT1	-	-
4.3.1.	(-) Increase of AT1 that arises from the positions of securitization	-	-
4.3.2.	(-) Gains or (+) losses from covering risk arising from the cash flow	-	-
4.3.3.	(-) Gains or (+) losses from liabilities of the Group measured at fair value	-	-
4.3.4.	(-) Gains or (+) losses related with liabilities based on derivatives measured at fair value	-	-
4.4.	Positions as a result of consolidation	-	-
4.4.1.	Acceptable additional tier 1 capital that is recognized in AT1 on consolidated basis	-	-
4.4.2.	Other	-	-
4.5.	Other position from AT1	-	-
5.	<b>Tier 2 Capital (T2)</b>	<b>818.867</b>	<b>892.452</b>
5.1.	Position of T2	<b>818.867</b>	<b>892.452</b>
5.1.1.	Capital instruments of T2	-	-
5.1.2.	Subordinated loans	<b>818.867</b>	<b>892.452</b>
5.1.3.	Premium on capital instruments of T2	-	-
5.2.	(-) Deductions of T2	-	-
5.2.1.	(-) Investments in own capital instruments from T2	-	-
5.2.1.1.	(-) Direct investments in own capital instruments from T2	-	-
5.2.1.2.	(-) Indirect investments in own capital instruments from T2	-	-
5.2.1.3.	(-) Synthetic investments in own capital instruments from T2	-	-
5.2.1.4.	(-) Investments in own capital instruments from T2 for which the Group has contractual obligation to buy	-	-
5.2.2.	(-) Direct, indirect and synthetic investments in capital instruments from T2 of the companies from the financial sector, whereas those companies have investments in the Group	-	-
5.2.3.	(-) Direct, indirect and synthetic investments in capital instruments from T2 of the companies from the financial sector in which the Group does not have significant investment	-	-
5.2.4.	(-) Direct, indirect and synthetic investments in capital instruments from T2 of the companies from the financial sector in which the Group has significant investment	-	-
5.3.	Regulatory adjustments from T2	-	-
5.3.1.	(-) Increase of T2 that arises from the positions of securitization	-	-
5.3.2.	(-) Gains or (+) losses from covering risk arising from the cash flow	-	-
5.3.3.	(-) Gains or (+) losses from liabilities of the Group measured at fair value	-	-
5.3.4.	(-) Gains or (+) losses related with liabilities based on derivatives measured at fair value	-	-
5.4.	Positions as a result of consolidation	-	-
5.4.1.	Acceptable additional tier 1 capital that is recognized in T2 on consolidated basis	-	-
5.4.2.	Other	-	-
5.5.	Other position from T2	-	-

**3. CAPITAL ADEQUACY (continued)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**Capital Adequacy Ratio**

The table below gives an overview of the Report on the capital adequacy ratio (Form AK) prepared in accordance with the "Instructions for enforcing the Decision on the Methodology for determining the capital adequacy" in compliance with the applicable regulation prescribed by the NBRSM as of December 31, 2025 and 2024

		<i>In MKD thousand</i>	
		current year 2025	previous year 2024
<b>I</b>	<b>CREDIT RISK-WEIGHTED ASSETS</b>		
1	Credit risk-weighted assets under the standardized approach	78.185.462	71.287.221
2	Capital requirement for credit risk	6.254.837	5.702.978
<b>II</b>	<b>CURRENCY RISK-WEIGHTED ASSETS</b>		
3	Aggregate foreign exchange position	110.083	550.073
4	Net-position in gold	-	-
5	Capital requirement for currency risk	-	44.006
6	Currency risk-weighted assets	-	550.073
<b>III</b>	<b>OPERATIONAL RISK-WEIGHTED ASSETS</b>		
7	Capital requirement for operational risk under the basic indicator approach	575.056	513.841
8	Capital requirement for operational risk under the standardized approach	-	-
9	Operational risk-weighted assets	7.188.206	6.423.008
<b>IV</b>	<b>OTHER RISK-WEIGHTED ASSETS</b>		
10	Capital requirement for commodity risks	-	-
11	Capital requirement for market risks (11.1+11.2+11.3)	-	-
11.1	Capital requirement for position risk (11.1.1+11.1.2+11.1.3+11.1.4)	-	-
11.1.1	Capital requirement for specific risk of investments in debt instruments	-	-
11.1.2	Capital requirement for general risk of investments in debt instruments	-	-
11.1.3	Capital requirement for specific risk of investments in equities	-	-
11.1.4	Capital requirement for general risk of investments in equities	-	-
11.2	Capital requirement for exceeding of exposure limits	-	-
11.3	Capital requirement for market risks arising from option positions	-	-
12	Capital requirement for settlement/delivery risk	-	-
13	Capital requirement for counterparty risk	-	-
14	Capital requirement for other risks (10+11+12+13)	-	-
15	Other risk-weighted assets	-	-
<b>V</b>	<b>RISK-WEIGHTED ASSETS</b>	<b>85.373.668</b>	<b>78.260.302</b>
16	Capital requirement for risks	6.829.893	6.260.825
<b>VI</b>	<b>OWN FUNDS</b>	<b>16.847.248</b>	<b>15.040.798</b>
<b>VII</b>	<b>CREDIT RISK-WEIGHTED ASSETS (VI/IV)</b>	<b>19,73%</b>	<b>19,22%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****4. SEGMENT REPORTING**

Segment reporting is carried out by the Group's operating segments.

Operating segment is a component of the activities of the Group for which the following conditions have been fulfilled:

- Performs activities as a result based on which incomes are generated and expenditures arise;
- Reviews from the Group's Supervisory Board, in order to assess the accomplishments and decision making for future business activities of the segment; and
- Financial information for the segment is available.

The Group primary business segments are as follows:

- Retail operation (retail banking and sole traders) – granted loans, letters of guarantee and letters of credit, services related to payment operations, credit cards, current and term deposits, and etc.
- Corporate banking (operations with non-financial and financial companies) – granted loans, letters of guarantee and letters of credit, current and time deposits, payment operations, derivatives, and etc.

Secondary geographic segments are the following:

- Member countries of the European Union.
- Other European countries, outside the EU.
- Countries outside Europe, members of the Organization for Economic Cooperation and Development (OECD); and other countries

The following table shows the Consolidated Balance Sheet and Consolidated Income Statement by individual business segments identifying income/expenses among the segments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**4. SEGMENT REPORTING (continued)**

**A. Operating Segments**

<i>In MKD thousand</i>	Operating Segments				All other insignificant operating segments	Unallocated	Total
	Retail banking	Corporate banking	Investment banking	Government			
<b>2025 (current year)</b>							
Net Interest income/(expense)	1.324.540	1.190.369	-	443.862	-	-	2.958.771
Net Income/(expenses) from fees and commission	382.358	432.977	-	369	-	-	815.704
Net Income from trading	-	-	-	-	-	-	-
Net Income from other financial instruments carried at their fair value	-	-	-	-	-	-	-
Other operating income	177.957	695.915	-	2.924	-	(310.221)	566.575
Income realized between segments	-	-	-	-	-	-	-
<b>Total Income per segment</b>	<b>1.884.855</b>	<b>2.319.261</b>		<b>447.155</b>		<b>(310.221)</b>	<b>4.341.050</b>
Allowance for impairment of financial assets, net	-	(309.150)	-	(380)	-	-	(309.530)
Impairment loss of non-financial assets, net	-	(45.120)	-	-	-	-	(45.120)
Amortization and depreciation	-	-	-	-	-	(280.256)	(280.256)
Restructuring costs	-	-	-	-	-	-	-
Cost for investment in property and equipment	-	-	-	-	-	-	-
Other expenses	(611.530)	(265.337)	-	-	-	(786.915)	(1.663.782)
<b>Total Expenses per segment</b>	<b>(611.530)</b>	<b>(619.607)</b>		<b>(380)</b>		<b>(1.067.171)</b>	<b>(2.298.688)</b>
Financial result per segment	1.273.325	1.699.654	-	446.775	-	(1.307.590)	2.112.164
Income Tax	-	-	-	-	-	(285.893)	(285.893)
<b>Profit/(loss) for the financial year</b>	<b>1.273.325</b>	<b>1.699.654</b>		<b>446.775</b>		<b>(1.593.483)</b>	<b>1.826.271</b>
Total assets per segment	34.950.959	47.787.403	-	14.618.279	-	-	97.356.641
Unallocated assets per segment	-	-	-	-	-	20.739.369	20.739.369
<b>Total assets</b>	<b>34.950.959</b>	<b>47.787.403</b>		<b>14.618.279</b>		<b>20.739.369</b>	<b>118.096.010</b>
Total liabilities per segment	40.086.170	61.063.839	-	22.113	-	-	101.172.122
Unallocated liabilities per segment	-	-	-	-	-	607.013	607.013
<b>Total liabilities</b>	<b>40.086.170</b>	<b>61.063.839</b>		<b>22.113</b>		<b>607.013</b>	<b>101.779.135</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**4. SEGMENT REPORTING (continued)**

**A. Operating Segments (continued)**

	Operating Segments				All other insignificant operating segments	Unallocated	Total
	Retail banking	Corporate banking	Investment banking	Government			
<i>In MKD thousand</i>							
<b>2024 (previous year)</b>							
Net Interest income/(expense)	1.366.746	1.105.919	-	297.302	-	-	2.769.967
Net Income/(expenses) from fees and commission	306.754	445.252	-	522	-	-	752.528
Net Income from trading	-	-	-	-	-	-	-
Net Income from other financial instruments carried at their fair value	-	-	-	-	-	-	-
Other operating income	(59.649)	735.064	-	2.533	-	(289.004)	388.944
Income realized between segments	-	-	-	-	-	-	-
<b>Total Income per segment</b>	<b>1.613.851</b>	<b>2.286.235</b>	<b>-</b>	<b>300.357</b>	<b>-</b>	<b>(289.004)</b>	<b>3.911.439</b>
Allowance for impairment of financial assets, net	-	(93.516)	-	(971)	-	-	(94.487)
Impairment loss of non-financial assets, net	-	(15.147)	-	-	-	-	(15.147)
Amortization and depreciation	-	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	(202.364)	(202.364)
Cost for investment in property and equipment	-	-	-	-	-	-	-
Other expenses	(583.489)	(243.938)	-	-	-	(743.450)	(1.570.877)
<b>Total Expenses per segment</b>	<b>(583.489)</b>	<b>(352.601)</b>	<b>-</b>	<b>(971)</b>	<b>-</b>	<b>(945.814)</b>	<b>(1.882.875)</b>
Financial result per segment	1.030.362	1.933.634	-	299.386	-	(1.178.625)	2.084.757
<b>Income Tax Profit/(loss) for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(292.537)</b>	<b>(292.537)</b>
	<b>1.030.362</b>	<b>1.933.634</b>	<b>-</b>	<b>299.386</b>	<b>-</b>	<b>(1.471.162)</b>	<b>1.792.220</b>
Total assets per segment	31.737.247	42.034.618	-	15.933.865	-	-	89.705.730
Unallocated assets per segment	-	-	-	-	-	17.114.793	17.114.793
<b>Total assets</b>	<b>31.737.247</b>	<b>42.034.618</b>	<b>-</b>	<b>15.933.865</b>	<b>-</b>	<b>17.114.793</b>	<b>106.820.523</b>
Total liabilities per segment	36.370.400	55.417.425	-	26.995	-	-	91.814.820
Unallocated liabilities per segment	-	-	-	-	-	596.839	596.839
<b>Total liabilities</b>	<b>36.370.400</b>	<b>55.417.425</b>	<b>-</b>	<b>26.995</b>	<b>-</b>	<b>596.839</b>	<b>92.411.659</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**4. SEGMENT REPORTING (continued)**

**B. Concentration of Total Income and Expense by Significant Client**

<i>In MKD thousand</i>	Operating Segments				All other insignificant operating segments	Unallocated	Total
	Retail banking	Corporate banking	Investment banking	Government			
<b>2025 (current year)</b>							
Client 1							
income	-	585.895	-	-	-	-	585.895
(expenses)	-	(463.458)	-	-	-	-	(463.458)
Client 2							
income	-	-	-	-	-	-	-
(expenses)	-	-	-	-	-	-	-
Client 3							
income	-	-	-	-	-	-	-
(expenses)	-	-	-	-	-	-	-
<b>Total per segment</b>	-	<b>122.437</b>	-	-	-	-	<b>122.437</b>
<b>2024 (previous year)</b>							
Client 1							
income	-	708.694	-	-	-	-	708.694
(expenses)	-	(491.419)	-	-	-	-	(491.419)
Client 2							
income	-	-	-	-	-	-	-
(expenses)	-	-	-	-	-	-	-
Client 3							
income	-	-	-	-	-	-	-
(expenses)	-	-	-	-	-	-	-
<b>Total per segment</b>	-	<b>217.275</b>	-	-	-	-	<b>217.275</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**4. SEGMENT REPORTING (continued)**

**C. Geographical Location**

	Republic of North Macedonia	EU member states	Europe - other	OECD member states (without EU countries members of OECD)	Other (list Consolidatedly significant geographical segments)				Unallocated	Total
<i>In MKD thousand</i>										
<b>2025 (current year)</b>										
Total income	5.570.944	691.495	27.158	-	-	-	-	-	-	6.289.597
Total assets	101.378.757	14.098.486	2.618.767	-	-	-	-	-	-	118.096.010
<b>2024 (previous year)</b>										
Total income	5.046.790	765.001	28.942	44	-	-	-	-	-	5.840.777
Total assets	93.216.675	12.330.257	1.273.591	-	-	-	-	-	-	106.820.523

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Fair value represents the amount at which an asset could be replaced, or a liability settled on regular, market conditions. Fair value is based on the Management assessment depending on the type of assets and liabilities.

The table below summarizes the carrying amount and the fair value of financial assets and liabilities that are not presented in the Consolidated Balance Sheet by their fair value.

**A. Fair Value of Financial Assets and Financial Liabilities**

<i>In MKD thousand</i>	current year 2025		previous year 2024	
	carrying amount	fair value	carrying amount	fair value
<b>Financial assets</b>				
Cash and cash equivalents	25.614.203	25.614.203	24.729.404	24.729.404
Trading assets	-	-	-	-
Financial assets carried at fair value through Consolidated statement of profit or loss upon initial recognition	-	-	-	-
Derivative assets held for risk management	-	-	-	-
Loans and advances to banks	1.395	1.395	1.839	1.839
Loans and advances to customers	78.763.136	78.763.136	69.495.552	69.495.552
Investments in securities	10.705.016	10.705.016	9.962.348	9.962.348
Investments in associates	328.088	328.088	300.431	300.431
Income tax receivable (current)	-	-	-	-
Other receivables	1.017.382	1.017.382	953.505	953.505
Assets pledged as collateral	-	-	-	-
Deferred tax assets	-	-	-	-
<b>Financial liabilities</b>				
Trading liabilities	-	-	-	-
Financial liabilities carried at a fair value through Consolidated statement of profit and loss at initial recognition	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Due to banks	9.187.124	9.187.124	7.594.935	7.594.935
Due to other customers	78.597.889	78.597.889	72.063.504	72.063.504
Debt securities issued	-	-	-	-
Borrowings	10.594.873	10.594.873	9.621.940	9.621.940
Subordinated debt	2.242.379	2.242.379	1.931.362	1.931.362
Income tax payable (current)	175.011	175.011	158.378	158.378
Deferred tax liabilities	9.090	9.090	6	6
Other liabilities	602.657	602.657	668.984	668.984

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**A. Fair Value of Financial Assets and Financial Liabilities**

*a) Cash and cash equivalents*

The carrying amount of cash and cash equivalents equals their fair values as they include cash and nostro accounts representing unrestricted demand deposits and placements with NBRNM, which mature in short periods.

*b) Loans and advances to banks*

Loans and advances to banks include interbank placements. The fair value of the placements and the so-called "overnight" deposits is equivalent to their carrying amount due to their short-term maturity.

*c) Loans and advances to other customers*

Loans and advances to customers are carried at amortized cost less impairment. The major part of the loans and advances to customers have variable interest rate. Their fair value is approximately equal to their carrying amount.

*d) Investments in Held-to-maturity securities*

Held-to-maturity securities are measured at fair value. Their fair value is based on market prices or on brokers'/dealers' listing prices. If such information is unavailable, their fair value is estimated by using market prices for listing securities with similar nature in relation to loan, maturity and earnings.

*e) Other financial assets*

The fair value of monetary assets comprising cash and cash equivalents, due to their short-term maturity, is considered to be approximately equal to their carrying amount.

*f) Other receivables*

Taking into consideration their short-term maturity, the carrying amount of the other receivables is equivalent to their fair value.

*g) Deposits and loan payables*

Assessed fair value of sight deposits, including interest-free bearing deposits, is the amount repayable at sight.

The fair value of time deposits at variable interest rates is their recorded value on the Consolidated balance sheet date.

The carrying amount of loan payables does not significantly differ from their fair value, mainly due to the variable interest rates and their adjustments.

*h) Other liabilities*

Taking into consideration their short-term maturity, the carrying amount of other liabilities is equivalent to their fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**B. Levels of Fair Value of Financial Assets and Liabilities, Measured at Fair Value**

**B.1 Levels of Fair Value of Financial Assets and Liabilities, Measured at Fair Value**

<i>In MKD thousand</i>	Note	Level 1	Level 2	Level 3	Total
<b>December 31, 2025 (current year)</b>					
<b>Financial assets measured at fair value</b>					
Held-for-trading assets	19	-	-	-	-
Financial assets at fair value through profit or loss at initial recognition	20	-	-	-	-
Derivative assets held for risk management	21	-	-	-	-
Investments in available-for-sale securities	23.1	3.706.116	6.914.457	84.443	10.705.016
<b>Total</b>		<b>3.706.116</b>	<b>6.914.457</b>	<b>84.443</b>	<b>10.705.016</b>
<b>Financial liabilities measured at fair value</b>					
Trading liabilities	32	-	-	-	-
Financial liabilities at fair value through Consolidated statement of profit or loss upon initial recognition	33	-	-	-	-
Derivative liabilities held for risk management	21	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>December 31, 2024 (previous year)</b>					
<b>Financial assets measured at fair value</b>					
Held-for-trading assets	19	-	-	-	-
Financial assets at fair value through Consolidated statement of profit or loss upon initial recognition	20	-	-	-	-
Derivative assets held for risk management	21	-	-	-	-
Investments in available-for-sale securities	23.1	3.706.446	6.171.459	84.443	9.962.348
<b>Total</b>		<b>3.706.446</b>	<b>6.171.459</b>	<b>84.443</b>	<b>9.962.348</b>
<b>Financial liabilities measured at fair value</b>					
Trading liabilities	32	-	-	-	-
Financial liabilities at fair value through Consolidated statement of profit or loss upon initial recognition	33	-	-	-	-
Derivative liabilities held for risk management	21	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)****B. Levels of Fair Value of Financial Assets and Liabilities, Measured at Fair Value (continued)****B.1 Levels of Fair Value of Financial Assets and Liabilities, Measured at Fair Value (continued)**

The Group classifies all financial assets and liabilities in line with the hierarchy of valuation techniques and information whether the necessary valuation inputs are publicly available or not. The fair value hierarchy includes the following levels:

- Level 1 - Fair value is determined directly with reference to quoted market prices of the financial instruments in active markets. Level 1 includes government bonds issued by the Republic of Austria;
- Level 2 - fair value is determined by applying valuation techniques that include active markets inputs (the inputs can be directly or indirectly confirmed and followed in the active markets such as quoted market prices of similar financial instruments, or all significant inputs in the model determining fair value may be verified and followed in the active market). In 2025 there is no transfer from Level 2 to Level 1 of equity instrument (2024: none);
- Level 3 - fair value is determined by applying valuation techniques containing inputs that cannot be directly or indirectly verified and followed in active markets, i.e. based on valuation techniques mainly containing information on the risks of the financial instruments. In 2025 there is no transfer from Level 3 to Level 1 of equity instrument (2024: none);

Note 5 B.1 presents quantitative information on financial assets and liabilities classification by hierarchy level.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**B. Levels of Fair Value of Financial Assets and Liabilities, Measured at Fair Value (continued)**

**B.2 Transfers between Levels 1 and 2 of Fair Values**

<i>In MKD thousand</i>	current year 2025		previous year 2024	
	transfers from level 1 to level 2	transfers from level 2 to level 1	transfers from level 1 to level 2	transfers from level 2 to level 1
<b>Financial assets measured at fair value</b>				
Held-for-trading assets	-	-	-	-
Financial assets at fair value through profit or loss at initial recognition	-	-	-	-
Derivative assets held for risk management	-	-	-	-
Investments in available-for-sale securities	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Financial liabilities carried at fair value</b>				
Trading liabilities	-	-	-	-
Financial liabilities at fair value through profit or loss at initial recognition	-	-	-	-
Financial liabilities at fair value	-	-	-	-
<b>Total</b>	-	-	-	-

**B.3 Reconciliation of the Movements in Fair Values Measured at Level 3 during the Year**

<i>In MKD thousand</i>	Held-for-trading assets	Financial assets at fair value through profit or loss upon initial recognition	Investments in available-for-sale securities	Total assets	Trading liabilities	Financial liabilities at fair value through profit or loss upon initial recognition	Total liabilities
<b>As of January 1, 2024 (previous year)</b>			84.443	84.443			
Gains/(losses) recognized in:	-	-	-	-	-	-	-
- Consolidated Income statement	-	-	-	-	-	-	-
- Other comprehensive income in the period not recognized in Consolidated Income statement	-	-	-	-	-	-	-
Purchase of financial instruments in the period	-	-	-	-	-	-	-
Disposals of financial instruments in the period	-	-	-	-	-	-	-
Issued financial instruments in the period	-	-	-	-	-	-	-
Paid financial instruments in the period	-	-	-	-	-	-	-
Reclassified financial instruments to/(from) Level 3	-	-	-	-	-	-	-
Reclassified in loans and advances	-	-	-	-	-	-	-
As of December 31, 2024 (previous year)	-	-	-	-	-	-	--
Total gains/(losses) recognized in Consolidated income statement for the assets and liabilities outstanding as of December 31, 2024 (previous year)	-	-	84.443	84.443	-	-	-
<b>As of January 1, 2025 (current year)</b>			84.443	84.443			
Gains/(losses) recognized in:	-	-	-	-	-	-	-
- Consolidated Income statement	-	-	-	-	-	-	-
- Other comprehensive income in the period not recognized in Consolidated Income statement	-	-	-	-	-	-	-
Purchase of financial instruments in the period	-	-	-	-	-	-	-
Disposals of financial instruments in the period	-	-	-	-	-	-	-
Issued financial instruments in the period	-	-	-	-	-	-	-
Paid financial instruments in the period	-	-	-	-	-	-	-
Reclassified financial instruments to/(from) Level 3	-	-	-	-	-	-	-
Reclassified in loans and advances	-	-	-	-	-	-	-
As of December 31, 2025 (current year)	-	-	-	-	-	-	--
<b>Total gains/(losses) recognized in Consolidated income statement for the assets and liabilities outstanding as of December 31, 2025 (current year)</b>	-	-	84.443	84.443	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**6. NET INTEREST INCOME/(EXPENSES)**

Interest income and expenses are recognized in the Consolidated Income Statement for all interest-bearing financial assets and liabilities by applying the effective interest rate. Interest income and expense structure according to the type of financial instruments is as follows:

**A. Structure of Interest Income and Expense according to the Type of Financial Instrument**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b>Interest income</b>		
Cash and cash equivalents	227.895	226.651
Financial assets at a fair value through Consolidated Income Statement at initial recognition	-	-
Derivative assets held for risk management	-	-
Loans and advances to banks	943	35.005
Loans and advances to customers	3.726.032	3.483.268
Investments in securities	338.100	297.674
Other receivables	-	-
(Allowance for impairment of Interest Income, net)	(9.721)	(13.121)
Collected interest previously written off	86.019	101.101
<b>Total interest income</b>	<b>4.369.268</b>	<b>4.130.578</b>
<b>Interest expense</b>		
Financial liabilities at a fair value through Consolidated Income Statement at initial recognition	-	-
Derivative liabilities held for risk management	-	-
Due to banks	-	-
Due to other customers	1.056.109	910.741
Debt instruments issued	-	-
Borrowings	228.449	306.327
Subordinated debt	125.641	143.167
Other liabilities	298	376
<b>Total interest expense</b>	<b>1.410.497</b>	<b>1.360.611</b>
<b>Net interest income/(expenses)</b>	<b>2.958.771</b>	<b>2.769.967</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**6. NET INTEREST INCOME/(EXPENSES) (continued)**

**B. Sector Analysis of Interest Income and Expense according to Sector**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b>Interest income</b>		
Non-financial companies	1.651.925	1.650.554
Government	432.253	289.617
Not for profit institutions that serve to household	11.196	4.006
Banks	228.837	261.656
Other financial institutions (non-banks)	19.737	20.744
Households	1.805.600	1.725.616
Non-residents	143.422	90.405
(Impairment of Interest Income, net)	(9.721)	(13.121)
Collected interest, previously written off	86.019	101.101
<b>Total interest income</b>	<b>4.369.268</b>	<b>4.130.578</b>
<b>Interest expense</b>		
Non-financial companies	196.914	143.091
Government	1.896	371
Not for profit institutions that serve to household	2.959	3.998
Banks	26.852	22.260
Other financial institutions (non-banks)	91.857	69.863
Households	502.305	378.432
Non-residents	587.714	742.596
<b>Total interest expense</b>	<b>1.410.497</b>	<b>1.360.611</b>
<b>Net interest income/(expense)</b>	<b>2.958.771</b>	<b>2.769.967</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. NET FEES AND COMMISSION INCOME**

Fees and commission income are recorded on an accrual basis, when the service has been provided.

**A. Structure of Fee and Commission Income and Expense According to the Type of Financial Activity**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Fee and commission income		
Loans	174.764	149.779
Payment operations		
domestic	408.181	343.412
international	182.821	182.056
Credit card transactions	469.631	531.514
Letter of credit and guarantees	65.116	66.500
Brokerage operations	12.239	12.110
Asset management	-	-
Fiduciary activities	7.476	6.585
Issuing securities	-	-
Other	33.526	29.299
<b>Total fee and commission income</b>	<b>1.353.754</b>	<b>1.321.255</b>
Fee and commission expense		
Loans	-	-
Payment operations		
domestic	82.086	84.455
international	45.699	42.321
Credit card transactions	365.999	404.140
Letter of credit and guarantees	17.271	10.921
Brokerage operations	2.005	3.099
Asset management	-	-
Fiduciary activities	4.461	3.491
Issuing securities	-	-
Other	20.529	20.300
<b>Total fee and commission expense</b>	<b>538.050</b>	<b>568.727</b>
<b>Net fee and commission income/(expense)</b>	<b>815.704</b>	<b>752.528</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. NET FEE AND COMMISSION INCOME (continued)**

**B. Sector Analysis of Fee and Commission Income and Expense**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b>Fee and commission income</b>		
Non-financial companies	615.466	590.272
Government	369	522
Not for profit institutions that serve to household	7.366	4.971
Banks	62.660	118.654
Other financial institutions (non-banks)	91.889	83.622
Households	379.115	304.300
Non-residents	196.889	218.914
<b>Total fee and commission income</b>	<b>1.353.754</b>	<b>1.321.255</b>
<b>Fee and commission expense</b>		
Non-financial companies	10.103	9.360
Government	-	-
Not for profit institutions that serve to household	-	-
Banks	102.774	156.753
Other financial institutions (non-banks)	31.923	30.787
Households	393.250	371.827
<b>Total fee and commission expense</b>	<b>538.050</b>	<b>568.727</b>
<b>Net fee and commission income/(expense)</b>	<b>815.704</b>	<b>752.528</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**8. TRADING INCOME, NET**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Trading assets		
Profit/(loss) from fair value changes on debt securities, net		
realized	-	-
unrealized	-	-
Profit/(loss) from fair value changes of owned instruments, net		
realized	-	-
unrealized	-	-
Income from dividends from trading assets	-	-
Income from interest of trading assets	-	-
Trading liabilities		
Profit/(loss) from fair value changes on debt securities, net		
realized	-	-
unrealized	-	-
Profit/(loss) from fair value changes of trading deposits, net		
realized	-	-
unrealized	-	-
Profit/(loss) from fair value changes of other financial liabilities for trading, net		
realized	-	-
unrealized	-	-
Interest expense of financial liabilities held for trading		
Profit/(loss) from fair value change of derivatives held for trade, net		
realized	-	-
unrealized	-	-
<b>Net income from trading</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. NET INCOME FROM OTHER FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<i>Financial assets at fair value through Consolidated Income Statement at initial recognition</i>		
Profit/(loss) from fair value changes on debt securities, net		
realized	-	-
unrealized	-	-
Profit/(loss) from fair value changes of owned instruments, net		
realized	-	-
unrealized	-	-
Income from dividends from financial assets at fair value through Consolidated Income statement	-	-
Profit/(loss) from changes in fair value of loans and receivables at fair value through Consolidated Income statement, net		
realized	-	-
unrealized	-	-
<i>Financial liabilities at fair value through Consolidated Income statement at initial recognition</i>		
Profit/(loss) from fair value changes on debt securities, net		
realized	-	-
unrealized	-	-
Profit/(loss) from the changes in fair value of deposits at fair value through Consolidated Income statement, net		
realized	-	-
unrealized	-	-
Profit/(loss) from the changes in fair value of borrowings at fair value through Consolidated Income statement, net		
realized	-	-
unrealized	-	-
Profit/ (loss) from the changes in fair value of other financial liabilities at fair value through profit and loss,		
realized	-	-
unrealized	-	-
Profit/(loss) from fair value change of derivatives held for risk management at the fair value through Consolidated Income statement, net		
realized	-	-
unrealized	-	-
<b>Net income from other financial instruments at fair value</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**10. FOREIGN EXCHANGE GAINS/ (LOSSES), NET**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Realized foreign exchange gains/(losses), net	211.058	399.819
Unrealized foreign exchange gains/(losses), net	129.231	(81.226)
Foreign exchange differences of allowance for impairment of financial assets, net	2.842	2.021
Other foreign exchange differences, net	126.389	(83.247)
<b>Net foreign exchange gains/(losses)</b>	<b>340.289</b>	<b>318.593</b>

Net income and expenses from foreign exchange differences include realized and unrealized foreign exchange differences arising from:

- settlement of transactions in foreign currency (monetary and non-monetary) throughout the financial year,
- denominating the monetary items in foreign currency in Denars at the Consolidated Balance Sheet date.

**11. OTHER OPERATING INCOME**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Gains from sale of available-for-sale assets	-	-
Dividends from equity instruments available-for-sale	49.839	-
Net income from investment in subsidiaries and associates	-	-
Capital gain from the sale of:		
Property and equipment	905	3.422
Intangible assets	-	-
Foreclosed assets	2.736	-
Non-current assets held-for-sale and group for disposal	-	-
Income from rent	4.132	3.888
Income from litigations	-	-
Collected receivables previously written off	146.967	52.017
Release from the special reserve and provisions for:		
Contingent commitments based on litigations	-	-
Pensions and other employee benefits	-	-
Restructuring	-	-
Adverse contracts	-	-
Other provisions	-	-
Other (specify revenues that represent more than 10% of total other operating income)	21.707	11.024
<u>Income from insurance claims</u>	-	-
<b>Total other operating income</b>	<b>226.286</b>	<b>70.351</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**12. IMPAIRMENT LOSSES OF FINANCIAL ASSETS, NET**

<i>In MKD thousand</i>	Loans and advances to banks	Loans and advances to other customers	Investment in financial assets available-for-sale	Investment in financial assets held-to-maturity	Cash and cash equivalents	Fees and commission received	Other receivables	Total impairment of financial assets	Special reserve for off-balance exposure	Total
<b>2025 (current year)</b>										
<b><i>Impairment and special reserve</i></b>										
Additional impairment and special reserve	5	3.589.854	1.589	-	6.376	-	42.860	3.640.684	353.992	3.994.676
(Release of impairment and special reserve)	(6)	(3.288.543)	(1.223)	-	(9.903)	-	(18.868)	(3.318.543)	(366.603)	(3.685.146)
<b>Total impairment of financial assets and special reserve for off-balance exposure, net</b>	<b>(1)</b>	<b>301.311</b>	<b>366</b>	<b>-</b>	<b>(3.527)</b>	<b>-</b>	<b>23.992</b>	<b>322.141</b>	<b>(12.611)</b>	<b>309.530</b>
<b>2024 (previous year)</b>										
<b><i>Impairment and special reserve</i></b>										
Additional impairment and special reserve	2.067	3.673.185	20.358	-	12.063	-	45.770	3.753.443	372.628	4.126.071
(Release of impairment and special reserve)	(2.756)	(3.562.434)	(19.443)	-	(8.889)	-	(30.590)	(3.624.112)	(407.472)	(4.031.584)
<b>Total impairment of financial assets and special reserve for off-balance exposure, net</b>	<b>(689)</b>	<b>110.751</b>	<b>915</b>	<b>-</b>	<b>3.174</b>	<b>-</b>	<b>15.180</b>	<b>129.331</b>	<b>(34.844)</b>	<b>94.487</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**13. IMPAIRMENT LOSSES OF FINANCIAL ASSETS, NET**

<i>In MKD thousand</i>	Property and equipment	Intangible assets	Foreclosed assets	Non-current assets held-for-sale and group for disposal	Other non-financial assets	Non-controlling interest *	Total
<b>2025 (current year)</b>							
Additional impairment losses	-	-	57.743	-	-	-	<b>57.743</b>
(Release of impairment losses)	(7.156)	-	(5.467)	-	-	-	(12.623)
<b>Total impairment losses of non-financial assets, net</b>	<b>(7.156)</b>	-	<b>52.276</b>	-	-	-	<b>45.120</b>
<b>2024 (previous year)</b>							
Additional impairment losses	-	-	15.147	-	-	-	<b>15.147</b>
(Release of impairment losses)	-	-	-	-	-	-	-
<b>Total impairment losses of non-financial assets, net</b>	-	-	<b>15.147</b>	-	-	-	<b>15.147</b>

*\* for consolidated financial statements only*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. PERSONNEL EXPENSES**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b>Short term employee benefits</b>		
Salaries	518.599	473.069
Mandatory contribution for social and health insurance	202.073	184.829
Short-term paid leave of absence	3.891	3.751
Expenses for temporary employment	20.252	27.280
Share in profit and remuneration	44.728	56.375
Non-monetary benefits	-	-
	<b>789.543</b>	<b>745.304</b>
<b>Benefits after termination of employment</b>		
Contribution to pension plans for defined contributions	-	-
Retirement benefits	-	-
Increasing of the obligation for retirement benefits	-	-
Increasing of the obligation for other long-term benefits	10.045	8.861
Other benefits after termination of employment	-	-
	<b>10.045</b>	<b>8.861</b>
<b>Benefits due to termination of employment</b>		
Equity settled share-based payments	-	-
Cash settled share-based payments	-	-
Other (list Consolidatedly staff costs representing more than 10% of total staff costs)	77.249	73.126
Expenses for appreciation and awards to employees	-	-
New Year's remuneration	-	-
<b>Total personnel expenses</b>	<b>876.837</b>	<b>827.291</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**15. DEPRECIATION AND AMORTIZATION**

<i>In MKD thousand</i>	
current year 2025	previous year 2024
<b>Amortization of intangible assets</b>	
Internally developed software	-
Software purchased from external suppliers	120.653
Other internally developed intangible assets	-
Other intangible assets	-
Investment in intangible assets under lease	-
	-
<b>120.653</b>	<b>105.285</b>
<b>Depreciation of property and equipment</b>	
Construction objects	28.022
Transport vehicles	17.267
Furniture and office equipment	12.200
Other equipment	54.602
Other items of property and equipment	-
Investment in property and equipment under lease	-
	47.512
<b>159.603</b>	<b>97.079</b>
<b>Total depreciation and amortization</b>	<b>280.256</b>
	<b>202.364</b>

**16. OTHER OPERATING EXPENSES**

<i>In MKD thousand</i>	
current year 2025	previous year 2024
Losses on sale of assets available-for-sale	-
Expenses for software licensing	-
Insurance premiums on deposits	92.905
Insurance premiums on property and employees	5.885
Materials and services	505.744
Administrative and marketing expenses	88.131
Other taxes and contributions	9.940
Rent	9.267
Litigation expenses	1.322
Provisions for pensions and other employee benefits, net	-
Provisions for contingent commitments based on litigation, net	1.200
Other provisions	120
Loss from the sale of:	
Property and equipment	-
Intangible assets	-
Foreclosed assets	-
Non-current assets held-for-sale and group for disposal	-
Other	72.431
<b>786.945</b>	<b>743.586</b>

The item "other operating expenses" includes audit fees amounting to MKD 6,228 thousand, as well as non-audit services amounting to MKD 517 thousand.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**17. INCOME TAX EXPENSE**

**A. Expenses/(Income) based on Current and Deferred Income Tax**

<i>In MKD thousand</i>		
current year 2025	previous year 2024	
<b>Current income tax</b>		
Expense /(income) for current income tax for the year	285.893	292.537
Adjustments for previous year	-	-
Benefits from previously unrecognized tax losses, tax balance or temporary differences from previous years	-	-
Changes in accounting policies and errors	-	-
Other	-	-
	<b>285.893</b>	<b>292.537</b>
<b>Deferred income tax</b>		
Deferred income tax that arises from temporary differences for the year	-	-
Recognition of previously unrecognized tax losses	-	-
Changes in the tax rate	-	-
Introducing new taxes	-	-
Benefits from previously unrecognized tax losses, balance or temporary differences from previous years	-	-
Other	-	-
	-	-
<b>Total income tax expenses/(returns)</b>	<b>285.893</b>	<b>292.537</b>

<i>In MKD thousand</i>		
current year 2025	previous year 2024	
<b>Current income tax</b>		
Recognized in Consolidated income statement	285.893	292.537
Recognized in equity and reserves	-	-
	<b>285.893</b>	<b>292.537</b>
<b>Deferred income tax</b>		
Recognized in Consolidated income statement		
Recognized in equity and reserves	9.084	16.270
	<b>9.084</b>	<b>16.270</b>
<b>Total income tax expenses/(returns)</b>	<b>294.977</b>	<b>308.807</b>

The current income tax for the year is MKD 285.893 thousand and the amount of MKD 9.084 thousand is deferred tax which is recognized during the year through equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**17. INCOME TAX EXPENSE (continued)**

**B. Reconciliation between the Average Effective Tax Rate and the Applicable Tax Rate**

Pursuant to the Law on Income Tax, the basis for calculating the profit tax is the gross profit determined as a difference between the total income and total expenses determined pursuant to the accounting regulations and standards increased for non-deductible expenses and reduced for deductible revenue. The tax base is reduced for tax incentives (investments in development and donations).

	<i>in %</i>	<i>In MKD thousand</i>	<i>in %</i>	<i>In MKD thousand</i>
	<b>current year 2025</b>		<b>previous year 2024</b>	
Profit/(loss) before taxation		2.112.164	-	2.084.757
Income tax in accordance with the applicable tax rate	10,00	211.216	10,00	208.476
Effect from various tax rates in other countries	-	-	-	-
Adjustments for previous years and changes in the tax rate	-	-	-	-
Taxed income from abroad			-	-
Expenses unrecognized for tax purposes	0,35	7.329	0,38	8.016
Tax exempted income	(0,24)	(4.984)	-	-
Tax exemptions unrecognized in the Consolidated income statement	-	-	-	-
Recognition of previously unrecognized tax losses	-	-	-	-
Benefits from previously unrecognized tax losses, tax balance or temporary differences from previous years	-	-	-	-
Changes of deferred tax	-	-	-	-
Other	-	-	(0,27)	(5.601)
Other (Global Tax)		75.092	3,92	81.646
<b>Total expenses/(return) of income tax</b>	-	<b>288.653</b>	-	<b>292.537</b>
<b>Average effective tax rate</b>	<b>13,67</b>		<b>14,03</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**17. INCOME TAX EXPENSE (continued)**

**C. Income tax from other profit/ (losses) in the period which are not disclosed in the Consolidated Income statement**

	current year 2025			previous year 2024		
	Before taxation	(expenditure)/ return of income tax	Less the income tax	Before taxation	(expenditure)/ return of income tax	Less the income tax
<i>In MKD thousand</i>						
Revalued reserve for assets available for sale	-	-	-	-	-	-
Reserve for instruments for hedging cash flow risk	-	-	-	-	-	-
Reserve for instruments for hedging the risk net-investment in international operations	-	-	-	-	-	-
Reserve from currency differences from investment in international operations	-	-	-	-	-	-
Share in the remaining profits/(losses) from affiliates which are not disclosed in the Consolidated Income statement	-	-	-	-	-	-
Other profits/(losses) which are not disclosed in the Consolidated Income statement	-	-	-	-	-	-
<b>Total other profits/(losses) which are not disclosed in the Consolidated Income statement</b>	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**18. CASH AND CASH EQUIVALENTS**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Cash on hand	1.649.861	1.889.638
Accounts and deposits with NBRNM, except for mandatory reserve in foreign currency	10.203.624	8.225.092
Current accounts and deposits with foreign banks	1.340.688	5.099.715
Current accounts and deposits with domestic banks	-	650.000
Treasury bills traded on the secondary market	1.199.068	1.054.161
Government bills traded on the secondary market	-	-
Time deposits with maturities less than, or equal to three months	2.913.208	2.523.862
Other short-term highly liquid assets	-	-
Interest receivables	-	1.768
(Allowance for impairment)	(861)	(4.388)
<b>Included in cash and cash equivalents for the purpose of the Consolidated Statement of cash flows</b>	<b>17.305.588</b>	<b>19.439.848</b>
Reserve requirement (mandatory reserve in foreign currency)	8.149.105	5.116.418
Restricted deposits	159.510	173.138
(Impairment allowance)	-	-
<b>Total</b>	<b>25.614.203</b>	<b>24.729.404</b>

<i>In MKD thousand</i>	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment
<b>Movement of impairment allowance</b>								
As of January 1	4.388	-	-	4.388	1.214	-	-	1.214
Impairment for the year								
Additional impairment	6.376	-	-	6.376	12.063	-	-	12.063
(release of impairment)	(9.902)	-	-	(9.902)	(8.889)	-	-	(8.889)
Transfer in:								
- impairment for Stage 1	-	-	-	-	-	-	-	-
- impairment for Stage 2	-	-	-	-	-	-	-	-
- impairment for Stage 3	-	-	-	-	-	-	-	-
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect of foreign exchange differences	-	-	-	-	-	-	-	-
(Written off receivables)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>4.388</b>	<b>-</b>	<b>-</b>	<b>4.388</b>

The basis for the reserve requirement is calculated as the average of the liabilities for each day of the calendar month that is established as the basis in the Indicative Calendar.

Mandatory reserve in foreign currency in the amount of MKD 8.159.389 thousand (2024: MKD 5.535.737 thousand) represents the prescribed amount of deposits allocated in accordance with the Decision on reserve requirement adopted by NBRNM. The mandatory reserve requirement in denars as of 31 December 2025 amounts to MKD 3.039.329 thousand (2024: MKD 2.817.150 thousand).

The mandatory reserve in foreign currency is calculated based on the average amount of foreign currency deposits during a calendar month. According to the latest amendments to the Decision, adopted in August 2025, the mandatory reserve in foreign currency is set at a level of 90% of the amount calculated from the foreign currency liabilities and 100% of the amount determined from the domestic currency liabilities with a foreign exchange clause.

The mandatory reserve of banks in denars is calculated as the sum of the amount determined by the liabilities in domestic currency and 10% of the amount determined by the liabilities in foreign currency.

Accounts and deposits in the NBRSM, amounting to MKD 7.048.964 thousand (2024: MKD 8.225.092 thousand) include the balance of the Group's gyro account in the NBRSM, as well as an overnight deposit in the NBRSM.

**18. CASH AND CASH EQUIVALENTS (continued)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

The Treasury bills traded on the secondary market in the amount of MKD 1.198.934 thousand (2024: MKD 1.054.161 thousand) were issued by the NBRNM with maturity period of up to 7 days and an interest rate of 4.00% (2024: 5.55%).

According to the latest decision dated 24 December 2025, a change was made to the operational framework of the monetary policy of the NBRM, whereby the maturity period of the treasury bills was changed to 7 days and no longer follows the mandatory reserve fulfilment period.

**19. HELD-FOR-TRADING ASSETS**

**A. Structure of the trading assets according to the type of the financial instrument**

B.

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b><i>Trading securities</i></b>		
Debt securities for trading	-	-
Treasury bills for trading	-	-
Government bills for trading	-	-
Other instruments on the money market	-	-
Bonds issued by government	-	-
Corporate bonds	-	-
Other debt instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<b><i>Equity instruments for trading</i></b>		
Equity instruments issued by banks	-	-
Other equity instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<b><i>Derivatives for trading</i></b>		
Contracts dependent on the change of interest rate	-	-
Contracts dependent on the change of exchange rate	-	-
Contracts dependent on the change of price of securities	-	-
Other contracts that meet the criteria IAS 39	-	-
	-	-
<b><i>Loans and advances</i></b>		
Loans and advances to banks	-	-
Loans and advances to customers	-	-
	-	-
<b>Total trading assets</b>	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AT INITIAL RECOGNITION**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<i>Debt securities for trading</i>		
Treasury bills for trading	-	-
Government bills for trading	-	-
Other instruments on the money market	-	-
Bonds issued by government	-	-
Corporate bonds	-	-
Other debt instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<i>Equity instruments for trading</i>		
Equity instruments issued by banks	-	-
Other equity instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
Loans and advances to banks	-	-
Loans and advances to customers	-	-
<b>Total financial assets at fair value through profit or loss, at initial recognition</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**21. DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT**

		<i>In MKD thousand</i>			
		current year 2025		previous year 2024	
		derivative assets	(derivative liabilities)	derivative assets	(derivative liabilities)
<b>A</b>	<b><i>Derivatives for risk protection/ Derivatives held for risk management</i></b>				
A,1	<i>According to type of variability</i>				
	Derivatives held for risk management				
	Contracts dependent on the change of interest rate	-	-	-	-
	Contracts dependent on the change of exchange rate	-	-	-	-
	Contracts dependent on the change of price of securities	-	-	-	-
	Other contracts that meet the criteria of IFRS 9	-	-	-	-
	<b><i>Total derivatives held for risk management</i></b>	-	-	-	-
A,2	<i>According to risk protection</i>				
	Fair value risk protection	-	-	-	-
	Cash flow risk protection	-	-	-	-
	Risk protection of net investment in foreign operations	-	-	-	-
	<b><i>Total derivatives held for risk management</i></b>	-	-	-	-
<b>B</b>	<b><i>Embedded derivatives</i></b>				
	Contracts dependent on the change of interest rate	-	-	-	-
	Contracts dependent on the change of exchange rate	-	-	-	-
	Contracts dependent on the change of price of securities	-	-	-	-
	Other contracts that meet the criteria of IFRS 9	-	-	-	-
	<b><i>Total embedded derivatives</i></b>	-	-	-	-
	<b><i>Total derivatives held for risk management</i></b>	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**22. LOANS AND ADVANCES**

**22.1 LOANS AND ADVANCES TO BANKS**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	short-term	long-term	short-term	long-term
Loans to banks	<b>1.388</b>	-	<b>1.842</b>	-
Domestic banks	1.388	-	1.842	-
Foreign banks	-	-	-	-
Time deposits, maturity over three months	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Repo	-	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Other receivables	<b>9</b>	-	-	-
Domestic banks	-	-	-	-
Foreign banks	-	-	-	-
Interest receivables	9	-	-	-
Current maturity	-	-	-	-
<b>Total loans and advances to banks before impairment</b>	<b>1.397</b>	-	<b>1.842</b>	-
(Impairment allowance)	(2)	-	(3)	-
<b>Total loans and receivables from banks, less the impairment</b>	<b>1.395</b>	-	<b>1.839</b>	-

	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total impairment
<i>In MKD thousand</i>								
<b>Movement of impairment allowance</b>								
As of January 1	1.264	(1.261)	-	3	1.807	(1.115)	-	692
Impairment for the year								
Additional impairment	5	-	-	5	1.920	147	-	2.067
(release of impairment)	(6)	-	-	(6)	(2.463)	(293)	-	(2.756)
Transfer in:	-	-	-	-	-	-	-	-
- impairment for Stage 1	-	-	-	-	-	-	-	-
- impairment for Stage 2	-	-	-	-	-	-	-	-
- impairment for Stage 3	-	-	-	-	-	-	-	-
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect from foreign exchange differences	-	-	-	-	-	-	-	-
(Written off receivables)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>1.263</b>	<b>(1.261)</b>	-	<b>2</b>	<b>1.264</b>	<b>(1.261)</b>	-	<b>3</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**22. LOANS AND ADVANCES (continued)**

**22.2 LOANS AND ADVANCES TO CUSTOMERS**

**A. Structure of loans and advances to other customers by type of customer**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	short-term	long-term	short-term	long-term
<b>Non-financial entities</b>	<b>23.381.068</b>	<b>22.101.791</b>	<b>15.879.645</b>	<b>23.475.580</b>
principal amount	23.137.188	22.101.791	15.739.074	23.475.580
interest receivables	243.880	-	140.571	-
<b>Government</b>	-	-	-	-
principal amount	-	-	-	-
interest receivables	-	-	-	-
<b>Nonprofit institutions that serve to households</b>	<b>1.866</b>	<b>336.441</b>	<b>2.114</b>	<b>183.308</b>
principal amount	723	336.441	962	183.308
interest receivables	1.143	-	1.152	-
<b>Financial entities, except banks</b>	<b>111.554</b>	<b>322.373</b>	<b>98.300</b>	<b>474.638</b>
principal amount	108.653	322.373	95.209	474.638
Interest receivables	2.901	-	3.091	-
<b>Households</b>	<b>2.024.754</b>	<b>33.891.809</b>	<b>2.061.659</b>	<b>30.704.713</b>
principal amount	1.827.247	33.891.809	1.850.437	30.704.713
housing loans	46.667	17.778.425	53.369	15.947.349
consumer loans	519.826	15.624.808	467.890	14.122.143
auto loans	-	315	-	1.981
mortgages	116.871	-	145.905	-
credit cards	513.938	-	532.129	-
other loans	629.945	488.261	651.144	633.240
interest receivables	197.507	-	211.222	-
<b>Non-residents, except banks</b>	<b>161</b>	-	<b>292</b>	-
principal amount	159	-	289	-
interest receivables	2	-	3	-
<b>Current maturity</b>	<b>12.590.853</b>	<b>(12.590.853)</b>	<b>23.503.734</b>	<b>(23.503.734)</b>
<b>Total loans and advances to customers before impairment</b>	<b>38.110.256</b>	<b>44.061.561</b>	<b>41.545.744</b>	<b>31.334.505</b>
(Impairment allowance)	(1.186.398)	(2.222.283)	(1.282.088)	(2.102.609)
<b>Total loans and advances to customers</b>	<b>36.923.858</b>	<b>41.839.278</b>	<b>40.263.656</b>	<b>29.231.896</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**22. LOANS AND ADVANCES (continued)**

**22.2 LOANS AND ADVANCES TO CUSTOMERS (continued)**

**A. Structure of loans and advances to other customers by type of customer (continued)**

<i>In MKD thousand</i>	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total impairment
<b>Movement of impairment</b>								
As of January 1	(530.768)	2.673.508	1.241.956	3.384.696	148.801	2.138.465	1.202.140	3.489.406
Impairment for the year				-				-
Additional impairment	966.074	2.095.989	527.791	3.589.854	976.662	2.066.875	629.649	3.673.186
(release of impairment)	(1.587.039)	(1.343.633)	(357.871)	(3.288.543)	(1.656.230)	(1.531.832)	(374.372)	(3.562.434)
Transfer in:								
- impairment for Stage 1	863.732	1.009.022	4.877	1.877.631	848.518	816.621	6.474	1.671.613
- impairment for Stage 2	(861.188)	(1.006.812)	4.529	(1.863.471)	(844.921)	(815.559)	1.343	(1.659.137)
- impairment for Stage 3	(2.544)	(2.211)	(9.405)	(14.160)	(3.598)	(1.062)	(7.817)	(12.477)
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect from foreign exchange differences	-	-	(26)	(26)	-	-	(6)	(6)
(Written off receivables)	-	-	(277.300)	(277.300)	-	-	(215.455)	(215.455)
<b>As of December 31</b>	<b>(1.151.733)</b>	<b>3.425.863</b>	<b>1.134.551</b>	<b>3.408.681</b>	<b>(530.768)</b>	<b>2.673.508</b>	<b>1.241.956</b>	<b>3.384.696</b>

**B. Structure of loans and advances to other customers by type of collateral**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
First class security instruments (current carrying amount of loans and advances)		
First class security instruments		
Cash deposits (in depot and/or limited bank accounts)	1.612.571	1.472.180
Government securities	-	-
Government unconditional guarantees	-	-
Bank guarantees	-	-
Guarantees from insurance companies and insurance policies	-	-
Corporate guarantees (except banking and insurance companies)	-	-
Guarantees from individuals	-	-
Mortgage on real estate	-	-
property for private use (flats, houses)	17.670.366	15.581.504
business facility	18.242.922	16.272.972
Pledge over movables	526.571	599.127
Other types of guarantees	24.338.776	21.269.440
Unsecured	16.371.930	14.300.329
<b>Total loans and advances to customers, less the impairment</b>	<b>78.763.136</b>	<b>69.495.552</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****22. LOANS AND ADVANCES (continued)****22.2 LOANS AND ADVANCES TO CUSTOMERS (continued)****Risks and Uncertainties**

The Group has recorded provisions for impairment losses for all known and foreseeable risks as of the date of the Consolidated financial statements.

The Group's portfolio contains a number of debtors whose ability to service and repay their debts has been impacted by economic developments in the Republic of North Macedonia.

The Group continues to be collateralized primarily by real estate, buildings and equipment for corporate loans and in the case of retail loans depending on the type of loan product.

Depending on the classification of loans, the Group strives for timely realization of the collateral instruments. In case it proves to be unsuccessful, it will be necessary to make an additional provisioning for impairment losses.

During 2025, the Group written-off receivables in amount of MKD 277.300 thousand (2024: MKD 215.455 thousand).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**23. INVESTMENTS IN SECURITIES**

**23.1 INVESTMENTS IN FINANCIAL ASSETS AVAILABLE-FOR-SALE**

**A. Structure of investments in financial assets available for sale according to the type of the financial instrument**

		<i>In MKD thousand</i>	
		current year 2025	previous year 2024
Debt securities		-	-
Treasury bills		-	-
Government bills		482.184	766.979
Other instruments on the money market		-	-
Government issued bonds		10.138.389	9.110.926
Corporate bonds		-	-
Other debt instruments		-	-
		<b>10.620.573</b>	<b>9.877.905</b>
		3.706.116	3.706.446
Quoted		6.914.457	6.171.459
Unquoted		<b>10.620.573</b>	<b>9.877.905</b>
Equity instruments for trading		-	-
Equity instruments issued by banks		-	-
Other equity instruments		84.443	84.443
		<b>84.443</b>	<b>84.443</b>
		-	-
Quoted		-	-
Unquoted		84.443	84.443
<b>Total investment in financial instruments available-for-sale</b>		<b>10.705.016</b>	<b>9.962.348</b>

<i>In MKD thousand</i>	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment
<b>Movement of impairment</b>								
As of January 1	4.922	-	-	4.922	4.007	-	-	4.007
Correction of opening balance-effect from application of Methodology	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
Additional impairment	1.589	-	-	1.589	20.358	-	-	20.358
(release of impairment)	(1.223)	-	-	(1.223)	(19.443)	-	-	(19.443)
Transfer in:								
- impairment for Stage 1	-	-	-	-	-	-	-	-
- impairment for Stage 2	-	-	-	-	-	-	-	-
- impairment for Stage 3	-	-	-	-	-	-	-	-
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect from foreign exchange differences	-	-	-	-	-	-	-	-
(Written off receivables)	-	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>5.288</b>	-	-	<b>5.288</b>	<b>4.922</b>	-	-	<b>4.922</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**23. INVESTMENTS IN SECURITIES (continued)**

**23.1 INVESTMENTS IN FINANCIAL ASSETS AVAILABLE-FOR-SALE (continued)**

**A. Structure of investments in financial assets available for sale according to the type of the financial instrument (continued)**

The amount of MKD 10.138.389 thousand (2024: MKD 9.110.926 thousand ) contains bonds issued by the Ministry of Finance of the Republic of North Macedonia in the amount of MKD 8.932.716 thousand (2024: MKD 7.988.797 thousand) and bonds issued by the Republic of Austria in the amount of MKD 1.205.798 thousand (2024: MKD 1.122.130 thousand).

The government bonds in the amount of MKD 8.932.716 thousand (2024: MKD 7.988.797 thousand) are issued by the Ministry of Finance of the Republic of North Macedonia, out of which MKD 5.831.625 thousand are denominated in denars (2024: MKD 4.757.736 thousand), MKD 2.500.318 thousand (2024: MKD 2.642.437 thousand) are denominated in euro and MKD 600.773 thousand (2024:MKD 588.623 thousand) are with a currency clause.

The bonds issued by the Republic of Austria are denominated in EUR 11.000.000 and EUR 8.500.000 (2024: EUR 11.000.000 and EUR 7.500.000). During 2025, EUR 11 million matured, and an additional EUR 12 million were purchased. These debt instruments mature as follows:

EUR 7.500.000 – maturing on 20.10.2026

EUR 1.000.000 – maturing on 20.04.2027

EUR 2.000.000 – maturing on 20.09.2032

EUR 3.000.000 – maturing on 20.02.2035

EUR 3.000.000 – maturing on 20.02.2034

EUR 3.000.000 – maturing on 20.02.2033

*Other Equity Instruments*

As of June 3, 2016, the Group become the sole owner of the Company for Construction, trading and services S-AMC 1 DOOEL Skopje. The Group's contribution of EUR 5.000 in the Company is recorded in "Other Equity Instruments". The previous owner of S-AMC 1 DOOEL was SPARKASSE LIZING DOO Skopje.

Other equity instruments include the participation of the Group in the equity of Macedonian Stock Exchange AD Skopje in the amount of MKD 26.872 thousand purchase value or 19.52%; participation in the equity of the Central Securities Depository in the amount of MKD 13.208 thousand purchase value or 19,00%; and participation in the equity of Clearing House KIBS AD Skopje in the amount of MKD 47.531 thousand purchase value or 18.47%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**23. INVESTMENTS IN SECURITIES (continued)**

**23.2. INVESTMENTS IN SECURITIES HELD-TO-MATURITY**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Debt securities		
Treasury bills	-	-
Government bills	-	-
Other instruments on the money market	-	-
Government issued bonds	-	-
Corporate bonds	-	-
Other debt instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<b>Total investment in financial instruments held-to-maturity before impairment</b>	-	-
(Impairment)	-	-
<b>Total investment in financial instruments held-to-maturity, less the impairment</b>	-	-

<i>In MKD thousand</i>	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment
<b>Movement of impairment</b>								
As of January 1	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
Additional impairment	-	-	-	-	-	-	-	-
(release of impairment)								
Transfer in:	-	-	-	-	-	-	-	-
- impairment for Stage 1	-	-	-	-	-	-	-	-
- impairment for Stage 2	-	-	-	-	-	-	-	-
- impairment for Stage 3	-	-	-	-	-	-	-	-
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect from foreign exchange differences	-	-	-	-	-	-	-	-
(Written off receivables)	-	-	-	-	-	-	-	-
(Disposals)	-	-	-	-	-	-	-	-
<b>As of December 31</b>								

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**24. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

**A. Percentage of the Group's interest in subsidiaries and associates**

Name of subsidiaries and associates	Country	<i>in %</i>			
		Share in ownership		Voting right	
		current year 2025	previous year 2024	current year 2025	previous year 2024
S AMC 1 DOOEL Skopje - subsidiary	R. North Macedonia	100%	100%	100%	100%
SPARKASSE LIZING DOO Skopje – associate	R. North Macedonia	49%	49%	49%	49%

**B. Financial information of associates-100%**

Name of associates	<i>In MKD thousand</i>				
	Total assets	Total liabilities	Total equity and reserves	Income	Profit/(loss) for the financial year
current year 2025					
SPARKASSE LIZING DOO Skopje – associate	6.929.326	6.244.961	684.365	3.585.229	142.454
	<b>6.929.326</b>	<b>6.244.961</b>	<b>684.365</b>	<b>3.585.229</b>	<b>142.454</b>
previous year 2024					
SPARKASSE LIZING DOO Skopje – associate	6.196.923	5.568.920	628.003	3.749.917	114.679
	<b>6.196.923</b>	<b>5.568.920</b>	<b>628.003</b>	<b>3.749.917</b>	<b>114.679</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**25. OTHER RECEIVABLES**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Trade receivables	2.330	2.201
Prepaid expenses	217.932	185.084
Deferred income		
Fees and commission receivables	122.978	96.684
Receivables from the employees	93	-
Advances for intangible assets	-	-
Advances for property and equipment	-	-
Other (specify receivables representing more than 10% of total other receivables)	144.819	204.385
<u>Claims on the basis of pensions from the Pension and Disability Insurance Fund of RNM</u>	590.872	508.198
<u>Receivables for card's transactions</u>	12.992	12.711
<u>Small inventory</u>	993	679
<b>Total other receivables before impairment</b>	<b>1.093.009</b>	<b>1.009.942</b>
(Impairment)	(75.627)	(56.437)
<b>Total other receivables, less the impairment</b>	<b>1.017.382</b>	<b>953.505</b>

The position claims on the basis of pensions from the Pension and Disability Insurance Fund of North Macedonia in the amount of MKD 590.872 thousand (2024: MKD 508.198 thousand) refers to pensions paid for the month of December 2025 from the Group's assets. The same funds are collected from the Pension and Disability Insurance Fund of North Macedonia with payment on January 2, 2026 (for 2024 on January 2, 2025).

<i>In MKD thousand</i>	current year 2025				previous year 2024			
	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment	Impairment for Stage 1	Impairment for Stage 2	Impairment for Stage 3	Total Impairment
<b>Movement of impairment</b>								
As of January 1	(20.992)	9.884	67.545	56.437	(18.523)	5.975	59.958	47.410
Impairment for the year				-				-
Additional impairment	3.108	7.421	32.331	42.860	14.660	8.232	22.877	45.769
(release of impairment)	(6.906)	(4.545)	(7.417)	(18.868)	(17.129)	(4.323)	(9.138)	(30.590)
Transfer in:				-				-
- impairment for Stage 1	-	-	-	-	-	-	-	-
- impairment for Stage 2	-	-	-	-	-	-	-	-
- impairment for Stage 3	-	-	-	-	-	-	-	-
(Foreclosed assets)	-	-	-	-	-	-	-	-
Effect from foreign exchange differences	-	-	(2)	(2)	-	-	-	-
(Written off receivables)	-	-	(4.800)	(4.800)	-	-	(6.152)	(6.152)
<b>As of December 31</b>	<b>(24.790)</b>	<b>12.760</b>	<b>87.657</b>	<b>75.627</b>	<b>(20.992)</b>	<b>9.884</b>	<b>67.545</b>	<b>56.437</b>

**26. ASSETS PLEDGED AS COLLATERAL**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Debt securities	-	-
Equity instruments	-	-
Loans and advances to banks	-	-
Loans and advances to customers	-	-
Other receivables	-	-
<b>Total pledged assets</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**27. FORECLOSED ASSETS**

*In MKD thousand*

	Land	Buildings	Equipment	Residential facilities and apartments	Other	Total
<b>Cost</b>						
Balance as of January 1, 2024 (previous year)	22.178	231.298	3.060	-	-	256.536
Reconciliation with accounting records	-	-	-	-	-	-
Foreclosed during the year (sold during the year)	-	-	-	-	-	-
(transfer to own assets)	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	<b>22.178</b>	<b>231.298</b>	<b>3.060</b>	-	-	<b>256.536</b>
Balance as of January 1, 2025 (current year)	22.178	231.298	3.060	-	-	256.536
Foreclosed during the year (sold during the year)	(873)	(9.876)	-	-	-	(10.749)
(transfer to own assets)	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	<b>21.305</b>	<b>221.422</b>	<b>3.060</b>	-	-	<b>245.787</b>
<b>Impairment</b>						
Balance as of January 1, 2024 (previous year)	15.019	162.722	3.060	-	-	180.801
Reconciliation with accounting records	-	-	-	-	-	-
Impairment loss during the year (sold during the year)	1.432	13.715	-	-	-	15.147
(transfer to own assets)	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	<b>16.451</b>	<b>176.437</b>	<b>3.060</b>	-	-	<b>195.948</b>
Balance as of January 1, 2025 (current year)	16.451	176.437	3.060	-	-	195.948
Impairment loss during the year (sold during the year)	5.472	52.271	-	-	-	57.743
(transfer to own assets)	(618)	(7.286)	-	-	-	(7.904)
<b>Balance as of December 31, 2025 (current year)</b>	<b>21.305</b>	<b>221.422</b>	<b>3.060</b>	-	-	<b>245.787</b>
<b>Current carrying amount</b>						
Balance as of January 1, 2024 (previous year)	<b>7.159</b>	<b>68.576</b>	-	-	-	<b>75.735</b>
<b>December 31, 2024 (previous year)</b>	<b>5.727</b>	<b>54.861</b>	-	-	-	<b>60.588</b>
<b>December 31, 2025 (current year)</b>	-	-	-	-	-	-

The estimated fair value after reducing the cost of sales is MKD 118.853 thousand (2024: MKD 112.412 thousand).

**28. INTANGIBLE ASSETS**

**A. Reconciliation of the current carrying amount**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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<i>In MKD thousand</i>	Internally developed software	Acquired software	Other internally developed intangible assets	Other intangible assets	Intangible assets under development	Investments in intangible assets under lease	Non-controlling interests	Total
<b>Cost</b>								
Balance as of January 1, 2024 (previous year)	-	899.642	-	-	18.061	-	-	917.703
Reconciliation with accounting records	-	-	-	-	112.530	-	-	112.530
Increase through new acquisitions	-	-	-	-	-	-	-	-
Increase through internal development	-	-	-	-	-	-	-	-
Increase through business combinations	-	(50.330)	-	-	-	-	-	(50.330)
(Disposal and write-offs)	-	-	-	-	-	-	-	-
(Disposal through business combinations)	-	-	-	-	-	-	-	-
(Transfer to non-current assets held-for-sale)	-	-	-	-	-	-	-	-
Transfer from non-current assets held-for-sale	-	105.425	-	-	(105.425)	-	-	-
Other transfers	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024(previous year)</b>	-	<b>954.737</b>	-	-	<b>25.166</b>	-	-	<b>979.903</b>
Balance as of January 1, 2025 (current year)	-	954.737	-	-	25.166	-	-	979.903
Increase through new acquisitions	-	-	-	-	183.848	-	-	183.848
Increase through internal development	-	-	-	-	-	-	-	-
Increase through business combinations	-	-	-	-	-	-	-	-
(Disposal and write-offs)	-	-	-	-	-	-	-	-
(Disposal through business combinations)	-	-	-	-	-	-	-	-
(Transfer to non-current assets held-for-sale)	-	-	-	-	-	-	-	-
Transfer from non-current assets held-for-sale	-	-	-	-	-	-	-	-
Transfer from ongoing investments	-	96.900	-	-	(96.900)	-	-	-
Other transfers	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	-	<b>1.051.637</b>	-	-	<b>112.114</b>	-	-	<b>1.163.751</b>
<b>Amortization and impairment</b>								
Balance as of January 1, 2024 (previous year)	-	572.442	-	-	-	-	-	572.442
Reconciliation with accounting records	-	-	-	-	-	-	-	-
Amortization for the year	-	105.285	-	-	-	-	-	105.285
Impairment loss during the year	-	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	-	-	-	-	-	-	-
(Disposal and write-offs)	-	(50.330)	-	-	-	-	-	(50.330)
Other transfers – business combinations	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	-	<b>627.397</b>	-	-	-	-	-	<b>627.397</b>
Balance as of January 1, 2025 (current year)	-	627.397	-	-	-	-	-	627.397
Amortization for the year	-	120.653	-	-	-	-	-	120.653
Impairment loss during the year	-	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	-	-	-	-	-	-	-
(Disposal and write-offs)	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	-	<b>748.050</b>	-	-	-	-	-	<b>748.050</b>
<b>Current carrying amount</b>								
Balance as of January 1, 2024 (previous year)	-	327.200	-	-	18.061	-	-	345.261
<b>December 31, 2024 (previous year)</b>	-	<b>327.340</b>	-	-	<b>25.166</b>	-	-	<b>352.506</b>
<b>December 31, 2025 (current year)</b>	-	<b>303.587</b>	-	-	<b>112.114</b>	-	-	<b>415.701</b>

**A. Carrying amount of the intangible assets over which there is limited ownership and/or are pledged as collateral/pledge for bank's liabilities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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<i>In MKD thousand</i>	Internally developed software	Acquired software	Other internally developed intangible assets	Other intangible assets	Investments in intangible assets under lease	Total
Current carrying amount as of :						
<b>December 31, 2024 (previous year)</b>	-	-	-	-	-	-
<b>December 31, 2025 (current year)</b>	-	-	-	-	-	-

As of December 31, 2025 and 2024, the Group's intangible assets are free of any pledges and mortgages.

**29. PROPERTY AND EQUIPMENT**

**A. Reconciliation of the current carrying amount**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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<i>In MKD thousand</i>	Land	Buildings	Transport	Furniture and office equipment	Other equipment	Other items of plant, property and equipment	Property plant and equipment in preparation	Investments in intangible assets under lease	Right-of-use assets	Total
<b>Cost</b>										
Balance as of January 1, 2024 (previous year)	193	1.117.567	50.977	165.297	640.595	7.525	13.124	-	-	1.995.278
Reconciliation with accounting records	-	-	-	-	-	-	-	-	-	-
Increase	-	3.094	29.239	15.100	46.028	1.346	41.747	-	-	136.554
Increase through business combinations	-	-	-	-	-	-	-	-	-	-
(Disposal and write off)	-	-	(7.362)	(30.596)	(47.156)	-	-	-	-	(85.114)
(Disposal through business combinations)	-	-	-	-	-	-	-	-	-	-
(Transfer to non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
Transfer from non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Other transfers - business combinations	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	<b>193</b>	<b>1.120.661</b>	<b>72.854</b>	<b>149.801</b>	<b>639.467</b>	<b>8.871</b>	<b>54.871</b>	-	-	<b>2.046.718</b>
Balance as of January 1, 2025 (current year)	193	1.120.661	72.854	149.801	639.467	8.871	54.871	-	-	2.046.718
Increase	-	8.648	4.686	10.529	107.628	926	167.295	-	140.580	440.292
Increase through business combinations	-	-	-	-	-	-	-	-	-	-
(Disposal and write off)	-	-	(2.980)	(9.126)	(9.599)	-	-	-	(640)	(22.345)
(Disposal through business combinations)	-	-	-	-	-	-	-	-	-	-
Transfer to non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
(Transfer from non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	<b>193</b>	<b>1.129.309</b>	<b>74.560</b>	<b>151.204</b>	<b>737.496</b>	<b>9.797</b>	<b>222.166</b>	-	<b>139.940</b>	<b>2.464.665</b>

**29. PROPERTY AND EQUIPMENT (continued)**

**A. Reconciliation of the current carrying amount (continued)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

<i>In MKD thousand</i>	Land	Buildings	Transport	Furniture and office equipment	Other equipment	Other items of plant, property and equipment	Property plant and equipment in preparation	Investments in intangible assets under lease	Right-of-use assets	Total
Depreciation and impairment										
Balance as of January 1, 2024 (previous year)	-	387.160	20.287	128.056	534.635	156	-	-	-	1.070.294
Reconciliation with accounting records	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	27.845	15.352	10.031	43.851	-	-	-	-	97.079
Impairment loss during the year	-	-	-	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	-	-	-	-	-	-	-	-	-
(Disposal and write-offs)	-	-	(7.362)	(30.596)	(47.048)	-	-	-	-	(85.006)
(Transfer to non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
Transfer from non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Other transfers - business combinations	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	-	<b>415.005</b>	<b>28.277</b>	<b>107.491</b>	<b>531.438</b>	<b>156</b>	-	-	-	<b>1.082.368</b>
Balance as of January 1, 2025 (current year)	-	415.005	28.277	107.491	531.438	156	-	-	-	1.082.368
Depreciation for the year	-	28.022	17.267	12.200	54.602	-	-	-	47.512	159.603
Impairment loss during the year	-	-	-	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	(7.156)	-	-	-	-	-	-	-	(7.156)
(Disposal and write-offs)	-	-	(2.515)	(9.126)	(9.599)	-	-	-	-	(21.240)
(Transfer to non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
Transfer from non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	-	<b>435.871</b>	<b>43.029</b>	<b>110.565</b>	<b>576.441</b>	<b>156</b>	-	-	<b>47.512</b>	<b>1.213.575</b>
Current carrying amount as of										
January 1, 2024 (previous year)	193	730.407	30.690	37.241	105.960	7.369	13.124	-	-	924.984
December 31, 2024 (previous year)	<b>193</b>	<b>705.656</b>	<b>44.577</b>	<b>42.309</b>	<b>108.029</b>	<b>8.715</b>	<b>54.871</b>	-	-	<b>964.350</b>
December 31, 2025 (current year)	<b>193</b>	<b>693.438</b>	<b>31.531</b>	<b>40.639</b>	<b>161.055</b>	<b>9.641</b>	<b>222.166</b>	-	<b>92.428</b>	<b>1.251.089</b>

**29. PROPERTY AND EQUIPMENT (continued)**

**B. Carrying amount of the items of property, plant and equipment over which there is limited ownership and/or are pledged as collateral/pledge for bank's liabilities**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

<i>In MKD thousand</i>	Land	Buildings	Transport	Furniture and office equipment	Other equipment	Other items of plant, property and equipment	Property plant and equipment in preparation	Investments in intangible assets under lease	Total
Current carrying amount as of:									
<b>December 31, 2024 (previous year)</b>	-	-	-	-	-	-	-	-	-
<b>December 31, 2025 (current year)</b>	-	-	-	-	-	-	-	-	-

As of December 31, 2025 and 2024, the Group's property, plant and equipment are free of any pledges and mortgages.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**30. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES**

**30.1 Current tax assets and current tax liabilities**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Current income tax receivables	-	-
Current income tax liabilities	175.011	158.378

**30.2 Deferred tax assets and deferred tax liabilities**

**A. Recognized deferred tax assets and deferred tax liabilities**

<i>In MKD thousand</i>	current year 2025			previous year 2024		
	Deferred tax assets	(Deferred tax liabilities)	Net basis	Deferred tax assets	(Deferred tax liabilities)	Net basis
Derivative assets held for risk management	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to other customers	-	-	-	-	-	-
Investments in securities	-	(9.090)	(9.090)	-	(6)	(6)
Foreclosed assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Unused tax losses and unused tax credits	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Deferred tax assets/liabilities recognized in the Consolidated Income statement</b>	-	<b>(9.090)</b>	<b>(9.090)</b>	-	<b>(6)</b>	<b>(6)</b>
Investments in financial assets available-for-sale	-	-	-	-	-	-
Cash flow risk protection	-	-	-	-	-	-
<b>Deferred tax assets/liabilities recognized in equity</b>	-	-	-	-	-	-
<b>Total recognized deferred tax assets/liabilities</b>	-	<b>(9.090)</b>	<b>(9.090)</b>	-	<b>(6)</b>	<b>(6)</b>

**B. Unrecognized deferred tax assets**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Tax losses	-	-
Tax credits	-	-
Total unrecognized deferred tax assets	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**30. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES (continued)**

**30.1. Deferred tax assets and deferred tax liabilities (continued)**

**C. Reconciliation of the movement of deferred tax assets and tax liabilities during the year**

<i>In MKD thousand</i>	Balance as of January 1	Recognized during the year in:		Balance as of December 31
		Income statement	Equity	
<b>previous year 2024</b>				
Derivative assets held for risk management	-	-	-	-
Loans and advances to banks	-	-	-	-
Loans and advances to other customers	-	-	-	-
Investments in securities	16.264	-	(16.270)	(6)
Intangible assets	-	-	-	-
Property and equipment	-	-	-	-
Other receivables	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Other liabilities	-	-	-	-
Unused tax losses and unused tax credits	-	-	-	-
Other	-	-	-	-
Investments in financial assets available-for-sale	-	-	-	-
Cash flow risk mitigation	-	-	-	-
<b>Total recognized deferred tax assets/ liabilities</b>	<b>16.264</b>	<b>-</b>	<b>(16.270)</b>	<b>(6)</b>
<b>current year 2025</b>				
Derivative assets held for risk management	-	-	-	-
Loans and advances to banks	-	-	-	-
Loans and advances to other customers	-	-	-	-
Investments in securities	(6)	-	(9.084)	(9.090)
Intangible assets	-	-	-	-
Property and equipment	-	-	-	-
Other receivables	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Other liabilities	-	-	-	-
Unused tax losses and unused tax credits	-	-	-	-
Other	-	-	-	-
Investments in financial assets available-for-sale	-	-	-	-
Cash flow risk mitigation	-	-	-	-
<b>Total recognized deferred tax assets/ liabilities</b>	<b>(6)</b>	<b>-</b>	<b>(9.084)</b>	<b>(9.090)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**31. NON-CURRENT ASSETS HELD-FOR-SALE AND DISPOSAL GROUP**

**A. Non-current assets held-for-sale**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Intangible assets	-	-
Property and equipment	-	-
<b>Total non-current assets held-for-sale</b>	<b>-</b>	<b>-</b>

**B. Disposal group**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Group of assets for disposal		
Financial assets	-	-
Intangible assets	-	-
Property, plant and equipment	-	-
Investment in associates	-	-
Income tax receivables	-	-
Other assets	-	-
<b>Total group of assets for disposal</b>	<b>-</b>	<b>-</b>
<i>Liabilities directly related to group of assets for disposal</i>		
Financial liabilities	-	-
Special reserve	-	-
Income tax liabilities	-	-
Other liabilities	-	-
<b>Total liabilities directly related to the group of assets for disposal</b>	<b>-</b>	<b>-</b>

**C. Profit/ (loss) recognized from the sale of assets held-for-sale and disposal group**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<b>Profit/(loss) recognized from the sale of assets held-for-sale and disposal group</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**32. TRADING LIABILITIES**

		<i>In MKD thousand</i>	
		current year 2025	previous year 2024
Due to banks			
Current accounts, sight deposits and overnight		-	-
Time deposits		-	-
Other deposits		-	-
		-	-
Due to other customer			
Current accounts, sight deposits and overnight		-	-
Time deposits		-	-
Other deposits		-	-
		-	-
Issued debt securities			
Money market instruments		-	-
Deposit certificates		-	-
Issued bonds		-	-
Other		-	-
		-	-
<i>Other financial liabilities</i>		-	-
Trading derivatives			
Contracts dependent on the interest rate change		-	-
Contracts dependent on the exchange rate change		-	-
Contracts dependent on the price of securities		-	-
Other contracts that meet the criteria of IFRS 9		-	-
		-	-
<b>Total trading liabilities</b>		-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**33. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS UPON INITIAL RECOGNITION**

<i>In MKD thousand</i>					
		current year 2025		previous year 2024	
		Current carrying amount	Contractual value, paid at maturity	Current carrying amount	Contractual value, paid at maturity
<i>Due to banks</i>					
Current accounts, sight deposits and overnight	-	-	-	-	-
Time deposits	-	-	-	-	-
Other deposits	-	-	-	-	-
	-	-	-	-	-
<i>Due to other customer</i>					
Current accounts, sight deposits and overnight	-	-	-	-	-
Time deposits	-	-	-	-	-
Other deposits	-	-	-	-	-
	-	-	-	-	-
<i>Issued debt securities</i>					
Money market instruments	-	-	-	-	-
Deposit certificates	-	-	-	-	-
Issued bonds	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
<i>Subordinated debt</i>					
	-	-	-	-	-
<i>Other liabilities</i>					
	-	-	-	-	-
<b>Total financial liabilities designated at fair value through profit and loss at initial recognition</b>	-	-	-	-	-

<i>In MKD thousand</i>	
<b>Movement of changes in credit risk of the Group, for financial liabilities measured at fair value</b>	
Balance as of January 1	-
Recognized in other comprehensive income for the year (Transfer in other reserve funds)	-
<b>Balance as of December, 31</b>	-

<i>In MKD thousand</i>	
current year 2025	previous year 2024
-	-
-	-
-	-
-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**34. DEPOSITS**

**34.1 DEPOSITS FROM BANKS**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	Short-term	Long-term	Short-term	Long-term
<b>Current accounts</b>				
domestic banks	100.259	-	151.104	-
foreign banks	36.046	-	106.875	-
<b>Demand deposits</b>				
domestic banks	-	-	-	-
foreign banks	1	-	-	-
<b>Time deposits</b>				
domestic banks	-	-	-	-
foreign banks	2.459.800	6.333.985	1.783.355	5.411.560
<b>Restricted deposits</b>				
domestic banks	-	-	-	-
foreign banks	-	-	-	-
<b>Other deposits</b>				
domestic banks	-	-	-	-
foreign banks	-	-	-	-
<b>Interest payable on deposits</b>				
domestic banks	-	-	-	-
foreign banks	257.033	-	142.041	-
<b>Current maturity</b>	-	-	-	-
<b>Total deposits from banks</b>	<b>2.853.139</b>	<b>6.333.985</b>	<b>2.183.375</b>	<b>5.411.560</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**34. DEPOSITS (continued)**

**34.2 DEPOSITS FROM OTHER CUSTOMERS**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	Short-term	Long-term	Short-term	Long-term
Non-financial entities				
Current accounts	27.427.690	-	24.496.095	-
Demand deposits	824	-	408	-
Time deposits	4.359.785	1.273.653	3.404.334	1.470.882
Restricted deposits	652.035	506.744	476.388	720.046
Other deposits	-	-	-	-
Interest payable on deposits	34.736	-	31.468	-
	<b>32.475.070</b>	<b>1.780.397</b>	<b>28.408.693</b>	<b>2.190.928</b>
Government				
Current accounts	2.369	-	26.981	-
Demand deposits	-	-	-	-
Time deposits	20.000	-	-	-
Restricted deposits	20	-	99	-
Other deposits	-	-	-	-
Interest payable on deposits	14	-	14	-
	<b>22.403</b>	<b>-</b>	<b>27.094</b>	<b>-</b>
Non-profit organizations that serve to households				
Current accounts	356.122	-	362.003	-
Demand deposits	-	-	-	-
Time deposits	21.590	165.000	10.778	185.000
Restricted deposits	4.142	9.524	5.318	9.654
Other deposits	-	-	-	-
Interest payable on deposits	1.314	-	3.286	-
	<b>383.168</b>	<b>174.524</b>	<b>381.385</b>	<b>194.654</b>
Financial institutions, except banks				
Current accounts	576.186	-	454.494	-
Demand deposits	-	-	-	-
Time deposits	1.907.922	1.082.736	1.392.054	1.756.366
Restricted deposits	67	-	9.675	-
Other deposits	-	-	-	-
Interest payable on deposits	42.770	-	35.355	-
	<b>2.526.945</b>	<b>1.082.736</b>	<b>1.891.578</b>	<b>1.756.366</b>
Households				
Current accounts	16.744.807	-	14.550.868	-
Demand deposits	517.093	-	462.106	-
Time deposits	4.751.143	15.787.670	3.736.795	15.459.463
Restricted deposits	156.376	1.589.020	105.019	1.526.998
Other deposits	-	-	-	-
Interest payable on deposits	202.063	-	173.741	-
	<b>22.371.482</b>	<b>17.376.690</b>	<b>19.028.529</b>	<b>16.986.461</b>
Non-residents, except banks				
Current accounts	242.369	-	1.022.925	-
Demand deposits	916	-	965	-
Time deposits	3.239	132.708	4.749	139.499
Restricted deposits	22.241	648	25.974	648
Other deposits	-	-	-	-
Interest payable on deposits	2.353	-	3.056	-
	<b>271.118</b>	<b>133.356</b>	<b>1.057.669</b>	<b>140.147</b>
	<b>58.050.186</b>	<b>20.547.703</b>	<b>50.794.948</b>	<b>21.268.556</b>
Current maturity	<b>6.405.363</b>	<b>(6.405.363)</b>	<b>7.372.933</b>	<b>(7.372.933)</b>
<b>Total deposits from other customers</b>	<b>64.455.549</b>	<b>14.142.340</b>	<b>58.167.881</b>	<b>13.895.623</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**35. DEBT INSTRUMENTS ISSUED**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Money market instruments	-	-
Deposit certificates	-	-
Issued bonds	-	-
Other	-	-
Interest payable on securities issued	-	-
<b>Total issued debt securities</b>	-	-

**36. BORROWINGS**

**A. Borrowings structure according to liability type and creditor's sector**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	Short-term	Long-term	Short-term	Long-term
<b>Banks</b>				
Residents				
Loans payable	-	6.182.465	-	4.226.601
Repo- transactions	-	-	-	-
Interest payables	5.984	-	4.575	-
Non residents				
Loans payable	-	3.218.564	-	3.874.046
Repo- transactions	-	-	-	-
Interest payables	25.421	-	39.748	-
<b>Non-financial entities</b>				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
<b>Government</b>				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
<b>Not-for-profit institutions that serve to households</b>				
Loans payable	-	-	-	-
Interest payables	-	-	-	-
<b>Financial entities, other than banks</b>				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
<b>Nonresidents, except banks</b>				
Non- financial entities				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
Government				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
Not-for-profit institutions that serve to households				
Loans payable	-	-	-	-
Repo- transactions	-	-	-	-
Interest payables	-	-	-	-
Financial entities, other than banks				
Loans payable	-	1.150.017	-	1.456.889
Repo- transactions	-	-	-	-
Interest payables	12.422	-	20.081	-
Households				
Loans payable	-	-	-	-
Interest payables	-	-	-	-
Current maturity	646.762	(646.762)	961.717	(961.717)
<b>Total borrowings</b>	<b>690.589</b>	<b>9.904.284</b>	<b>1.026.121</b>	<b>8.595.819</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**36. BORROWINGS (continued)**

**B. Borrowings according to the creditor**

	<i>In MKD thousand</i>			
	current year 2025		previous year 2024	
	Short-term	Long-term	Short-term	Long-term
<i>Domestic sources:</i>				
Commercial Banks	-	-	-	-
Development Bank of North Macedonia - DBNM (previously MDBP)	5.984	6.182.464	4.575	4.226.601
National Bank of the Republic of North Macedonia (NBRNM)	-	-	-	-
Government				
	<b>5.984</b>	<b>6.182.464</b>	<b>4.575</b>	<b>4.226.601</b>
<i>Foreign sources:</i>				
European Bank for Reconstruction and Development (EBRD)	25.421	2.733.437	39.190	3.220.661
The Green for Growth Fund (GFF)	8.799	790.995	13.965	933.278
The European Fund for Southeast Europe (EFSE)	3.623	598.170	6.116	831.087
Steiermärkische Bank und Sparkassen AG	-	245.980	558	345.909
	<b>37.843</b>	<b>4.368.582</b>	<b>59.829</b>	<b>5.330.935</b>
Current maturity	<b>646.762</b>	<b>(646.762)</b>	<b>961.717</b>	<b>(961.717)</b>
<b>Total borrowings</b>	<b>690.589</b>	<b>9.904.284</b>	<b>1.026.121</b>	<b>8.595.819</b>

Long-term borrowings are funded in cooperation with the Macedonian Bank for Support and Development (MBPR), the European Bank for Reconstruction and Development (EBRD), the European Southeast European Fund (EFSE) and the Green for Growth Fund (GGF).

Long-term borrowings financed in cooperation with MBPR are through the following credit lines:

- EIB III credit line (revolving) in the amount of MKD 29.372 thousand, with a fixed interest rate of 1.20% and a final maturity date of 15.01.2028;
- EIB III credit line (revolving) in the amount of MKD 11.386 thousand, with a fixed interest rate of 1.00% and a final maturity date of 15.07.2027;
- EIB III credit line in the amount of MKD 106.178 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.07.2030;
- EIB III credit line in the amount of MKD 40.777 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.07.2030;
- EIB V credit line in the amount of MKD 3.953 thousand, with a fixed interest rate of 1.20% and a final maturity date of 17.04.2026;
- EIB V credit line in the amount of MKD 7.049 thousand, with a fixed interest rate of 1.20% and a final maturity date of 15.07.2026;
- EIB V credit line in the amount of MKD 15.450 thousand, with a fixed interest rate of 1.20% and a final maturity date of 16.07.2029;
- EIB V credit line in the amount of MKD 2.596 thousand, with a fixed interest rate of 1.20% and a final maturity date of 15.10.2026;
- EIB V credit line in the amount of MKD 16.987 thousand, with a fixed interest rate of 1.20% and a final maturity date of 15.04.2030;
- EIB V credit line in the amount of MKD 9.409 thousand, with a fixed interest rate of 1.20% and a final maturity date of 15.04.2030;
- EIB V credit line in the amount of MKD 134.381 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.07.2030;
- EIB V credit line in the amount of MKD 172.954 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.07.2032;
- EIB V credit line in the amount of MKD 141.377 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.10.2030;
- EIB V credit line in the amount of MKD 42.910 thousand, with a fixed interest rate of 0.90% and a final maturity date of 15.10.2032.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**36. BORROWINGS (continued)**

**B. Borrowings according to the creditor**

- EIB V credit line in the amount of MKD 87.850 thousand, with a fixed interest rate of 0.90% and a final maturity date of 15.01.2031;
- EIB VI credit line in the amount of MKD 103.219 thousand, with a fixed interest rate of 0.90% and a final maturity date of 17.07.2034;
- EIB VI credit line in the amount of MKD 294.835 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.04.2032;
- EIB VI credit line in the amount of MKD 932.811 thousand, with a fixed interest rate of 0.00% and a final maturity date of 17.07.2034;
- EIB VII credit line in the amount of MKD 7.207 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.10.2035;
- EIB VII credit line in the amount of MKD 119.546 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.10.2026;
- EIB VII credit line in the amount of MKD 487.415 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.10.2035;
- EIB VII credit line in the amount of MKD 43.046 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.10.2035;
- EIB VII credit line in the amount of MKD 44.318 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.07.2036;
- EIB VII credit line in the amount of MKD 184.485 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.10.2036;
- EIB VII credit line in the amount of MKD 278.787 thousand, with a fixed interest rate of 1.50% and a final maturity date of 15.07.2037;
- AFD credit line in the amount of MKD 177.105 thousand, with a fixed interest rate of 1.50% and a final maturity date of 03.10.2038;
- AFD credit line in the amount of MKD 66.414 thousand, with a fixed interest rate of 1.50% and a final maturity date of 04.10.2038;
- Framework Agreement for participation in the program for financing and development of micro, SME and export support, in the amount of MKD 23.060 thousand, with a variable interest rate composed of 3M Euribor plus a margin of 0.75%, amounting to 2.766% as of 31.12.2025, and a final maturity date of 15.04.2028;
- Credit line for financing projects for energy efficiency in the amount of MKD 50.514 thousand, with a fixed interest rate of 0.90% and a final maturity date of 15.07.2031;
- Credit line for financing projects for renewable energy in the amount of MKD 109.013 thousand, with a fixed interest rate of 0.90% and a final maturity date of 16.07.2035;
- Project for agricultural development in the amount of MKD 107.786 thousand, with a fixed interest rate of 0.75% and a final maturity date of 21.10.2036;
- Credit line for financing projects for energy efficiency and renewable energy in the amount of MKD 46.500 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.10.2030;
- Credit line for financing projects for energy efficiency and renewable energy in the amount of MKD 22.785 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.01.2031;
- Credit line for financing working capital projects in SMEs in the amount of MKD 2.951 thousand, with a fixed interest rate of 0.00% and a final maturity date of 15.01.2026;
- Credit line for financing investments and development of private commercial companies in the amount of MKD 691.878 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2040;
- Credit line for financing investments and development of private commercial companies in the amount of MKD 558.380 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.04.2037;
- Credit line for financing investments and development of private commercial companies in the amount of MKD 401.815 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2040;

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**36. BORROWINGS (continued)**

**B. Borrowings according to the creditor**

- Credit line for financing investments and development of private commercial companies in the amount of MKD 254.867 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2036.
- Credit line for financing investments and the development of private commercial companies in the amount of MKD 242.286 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2040.
- Credit line for financing investments and the development of private commercial companies in the amount of MKD 37.905 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2040.
- Credit line for financing investments and the development of private commercial companies in the amount of MKD 71.250 thousand, with a fixed interest rate of 0.00% and a final maturity date of 12.01.2040.

Loans payable to the Company's parent company - Steiermärkische Bank und Sparkassen AG include:

- STSP Credit Line in the amount of MKD 245.980 thousand, with a fixed interest rate of 1.90% and a maturity date of 31.12.2029.

Long-term borrowings financed in cooperation with European bank for reconstruction and development (EBRD) consists of:

- Green Economy Financing Facility (“GEFF”) #1 – OHB in the amount of MKD 5.590 thousand, with a fixed interest rate of 2.48% and a final maturity date of 10.01.2026;
- Regional Small & Medium-Sized Enterprises Competitiveness Support Programme 1 (OHB) in the amount of MKD 83.856 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.90%, amounting to 3.919% as of 31.12.2025, and a final maturity date of 10.01.2027;
- GEFF #2 – OHB in the amount of MKD 22.362 thousand, with a fixed interest rate of 1.90% and a final maturity date of 07.08.2026;
- GEFF #2 – OHB in the amount of MKD 33.543 thousand, with a fixed interest rate of 1.90% and a final maturity date of 07.08.2026;
- GEFF #3 – OHB in the amount of MKD 41.928 thousand, with a fixed interest rate of 1.90% and a final maturity date of 27.10.2027;
- GEFF #4 – OHB in the amount of MKD 55.905 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.855% as of 31.12.2025, and a final maturity date of 22.05.2028;
- Regional Small & Medium-Sized Enterprises Competitiveness Support Programme 2 (OHB) in the amount of MKD 111.809 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.855% as of 31.12.2025, and a final maturity date of 22.05.2028;
- EBRD Reboot in the amount of MKD 67.085 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.77% as of 31.12.2025, and a final maturity date of 14.07.2028;
- Regional Small & Medium-Sized Enterprises Competitiveness Support Programme (SBM) in the amount of MKD 33.542 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.829% as of 31.12.2025, and a final maturity date of 08.11.2026;
- Regional Small & Medium-Sized Enterprises Competitiveness Support Programme (SBM) in the amount of MKD 50.314 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.829% as of 31.12.2025, and a final maturity date of 10.05.2027;
- GEFF #2 – SBM in the amount of MKD 22.362 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.50%, amounting to 3.553% as of 31.12.2025, and a final maturity date of 11.12.2026;
- Mortgage Loan Agreement #2 in the amount of MKD 50.314 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.50%, amounting to 3.447% as of 31.12.2025, and a final maturity date of 24.02.2027;
- GEFF #3 – SBM in the amount of MKD 33.543 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.50%, amounting to 3.577% as of 31.12.2025, and a final maturity date of 24.02.2027;

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**36. BORROWINGS (continued)**

**B. Borrowings according to the creditor**

- Green Economy Financing Facility (“GEFF II”) #1 – OHB in the amount of MKD 100.628 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.731% as of 31.12.2025, and a final maturity date of 07.07.2028.
- Green Economy Financing Facility (“GEFF II”) #1 – SBM in the amount of MKD 89.447 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.35%, amounting to 3.753% as of 31.12.2025, and a final maturity date of 30.07.2029;
- EBRD Framework for Liquidity in the amount of MKD 141.439 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.35%, amounting to 3,459% as of 31.12.2025, and a final maturity date of 29.03.2026;
- GEFF III – REpower Residential Programme in the amount of MKD 75.471 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.795% as of 31.12.2025, and a final maturity date of 08.04.2030;
- Western Balkans GEFF II in the amount of MKD 55.905 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.80% as of 31.12.2025, and a final maturity date of 09.09.2030;
- Green Finance Facility in the amount of MKD 86.093 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.403% as of 31.12.2025, and a final maturity date of 10.10.2026;
- Green Finance Facility in the amount of MKD 86.093 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.403% as of 31.12.2025, and a final maturity date of 10.10.2026;
- Green Finance Facility Tranche A in the amount of MKD 98.392 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.40% as of 31.12.2025, and a final maturity date of 16.08.2027;
- Green Finance Facility Tranche B in the amount of MKD 307.475 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.40% as of 31.12.2025, and a final maturity date of 16.08.2027;
- GEFF (EBRD 55576) in the amount of MKD 245.980 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.70%, amounting to 3.80% as of 31.12.2025, and a final maturity date of 15.08.2031;
- Go Digital in the Western Balkans Programme (EBRD 56150) in the amount of MKD 245.980 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.40%, amounting to 3.3474% as of 31.12.2025, and a final maturity date of 27.03.2030;
- Green and Growth Product (EBRD 55994) in the amount of MKD 146.253 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.40%, amounting to 3.4465% as of 31.12.2025, and a final maturity date of 03.06.2030;
- Green and Growth Product (EBRD 55994) in the amount of MKD 73.157 thousand, with a fixed interest rate of 1.50% and a final maturity date of 03.06.2030;
- Green Finance Facility GFF III in the amount of MKD 276.728 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.41% as of 31.12.2025, and a final maturity date of 02.06.2028;
- Green Finance Facility GFF IV in the amount of MKD 92.243 thousand, with a variable interest rate composed of 6M Euribor plus a margin of 1.30%, amounting to 3.4231% as of 31.12.2025, and a final maturity date of 06.11.2028.

Long-term borrowings financed in cooperation with the European Fund for Southeast Europe (EFSE) consists of:

- EFSE Financing housing loans 1 in the amount of MKD 36.174 thousand with a fixed interest rate of 3.0813% and a final maturity date of 23.03.2026;

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**36. BORROWINGS (continued)**

**B. Borrowings according to the creditor**

-EFSE Financing housing loans 2 in the amount of MKD 322.848 thousand with a variable interest rate composed of the 6M Euribor plus a margin of 1.95%, which as of 31.12.2025 totals 4.122%, and with a final maturity date of 15.06.2029;

-EFSE Green Financing Tranche A in the amount of MKD 119.574 thousand with a variable interest rate composed of the 6M Euribor plus a margin of 2%, which as of 31.12.2025 totals 4.098%, and with a final maturity date of 22.03.2029;

-EFSE Green Financing Tranche B in the amount of MKD 119.574 thousand with a variable interest rate composed of the 6M Euribor plus a margin of 2%, which as of 31.12.2025 totals 4.098%, and with a final maturity date of 22.03.2029.

Long-term borrowings financed in cooperation with the Green for Growth Fund (GFF) consists of:

- Development finance for energy efficiency (EE) and renewable energy (RE) investments in the Southeast Europe Region in the amount of MKD 108.521 thousand, with a variable interest rate composed of the 6M Euribor plus a margin of 1.95%, which as of 31.12.2025 totals 4.069%, and with a final maturity date of 15.09.2028;
- Development finance for energy efficiency (EE) and renewable energy (RE) investments in the Southeast Europe Region in the amount of MKD 108.521 thousand, with a variable interest rate composed of the 6M Euribor plus a margin of 1.95%, which as of 31.12.2025 totals 4.069%, and with a final maturity date of 15.09.2028;
- Development finance for energy efficiency (EE) and renewable energy (RE) investments in the Southeast Europe Region in the amount of MKD 573.953 thousand, with a variable interest rate composed of the 6M Euribor plus a margin of 1.50%, which as of 31.12.2025 totals 3.619%, and with a final maturity date of 15.09.2032.

The Group has established a lien on claims in the form of a notarial deed in favour of RBSM under sub-loan agreements with end users approved by credit lines administered through RBSM. The rest of the lines of credit are unsecured. As of 31.12.2025, the Group has been compliant with the Financial Covenants in accordance with the agreements with the foreign financial institutions.

**37. SUBORDINATED DEBT**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Subordinated deposit liabilities (List Consolidatedly)		
Interest payables	-	-
	-	-
Subordinated loan liabilities (List Consolidatedly)		
<u>Steiermärkische Bank und Sparkassen AG</u>	2.213.820	1.906.345
Interest payables	28.559	25.017
	<b>2.242.379</b>	<b>1.931.362</b>
Subordinated debt on issued securities (List Consolidatedly)		
_____	-	-
_____	-	-
_____	-	-
_____	-	-
Interest payables	-	-
	-	-
	<b>2.242.379</b>	<b>1.931.362</b>
Redeemable preference shares	-	-
<b>Total subordinated debt</b>	<b>2.242.379</b>	<b>1.931.362</b>

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**37. SUBORDINATED DEBT(continued)**

The subordinated loans in the amount of MKD 2.213.820 thousand relate to subordinated liabilities from the parent bank, Steiermärkische Bank und Sparkassen AG, approved as follows:

- On 28 June 2013, with an initial amount of EUR 10.000 thousand and a maturity date of 31.03.2027, of which EUR 5.000 thousand bear a variable interest rate of 6-month Euribor + 3% margin annually, while the remaining EUR 5.000 thousand bear a fixed interest rate of 4.37%.
- EUR 6.000 thousand, approved on 24.06.2013, with a fixed interest rate of 6.465% and a maturity date of 29.06.2026.
- EUR 15.000 thousand, approved on 29.09.2017, with a fixed interest rate of 7.077% and a maturity date of 29.09.2027.
- EUR 5.000 thousand, approved on 26.08.2025, with a variable interest rate of 6-month Euribor + 2.07% margin annually with a maturity date of 27 August 2035.

Interest is payable semi-annually. It is mutually agreed with the creditor that the subordinated loan shall:

- be fully and readily available for covering the Group's risk and losses during the Group's operations;
- not be covered by other type of collateral by the Group or a person connected to the Group;
- in the case of bankruptcy or liquidation of the Group, the subordinated debt will be paid before settling the liabilities to the Group's shareholders;
- not be used for claims and contingent liabilities of the Group;
- not be treated as deposit.

**38. SPECIAL RESERVE AND PROVISIONS**

<i>In MKD thousand</i>	Special reserve for off-balance credit exposure	Provisions for potential liabilities based on litigations	Pension provisions and other employee benefits	Restructuring provisions	Provisions for adverse contracts	Other provisions	Total
Balance at January 1, 2024 (previous year)	348.758	6.568	39.463	-	-	4.966	399.755
Correction of opening balance - effect of IFRS9	-	-	-	-	-	-	-
additional provisions during the year	372.628	-	8.861	-	-	119	381.608
(used provisions during the year)	-	(79)	(1.223)	-	-	-	(1.302)
(release of provisions during the year)	(407.472)	(34)	-	-	-	(5)	(407.511)
<b>Balance at December 31, 2024 (previous year)</b>	<b>313.914</b>	<b>6.455</b>	<b>47.101</b>	<b>-</b>	<b>-</b>	<b>5.080</b>	<b>372.550</b>
Balance at January 1, 2025 (current year)	313.914	6.455	47.101	-	-	5.080	372.550
Correction of opening balance - effect of IFRS9	-	-	-	-	-	-	-
additional provisions during the year	353.992	1.200	10.044	-	-	120	365.356
(used provisions during the year)	-	-	(1.187)	-	-	(4)	(1.191)
(release of provisions during the year)	(366.603)	-	-	-	-	-	(366.603)
<b>Balance at December 31, 2025 (current year)</b>	<b>301.303</b>	<b>7.655</b>	<b>55.958</b>	<b>-</b>	<b>-</b>	<b>5.196</b>	<b>370.112</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**39. OTHER LIABILITIES**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Trade payables	51.405	112.134
Received advances	-	-
Fee and commission liabilities	26.867	22.809
Accrued expenses	106.452	123.864
Deferred income from previous years	-	-
Short-term liabilities to employees	86.372	99.182
Short-term liabilities for employee benefits	-	-
Other (List Consolidatedly liabilities more than 10% of the total other liabilities)	-	-
<u>Other liabilities</u>	43.463	46.872
<u>Liabilities arising from custody operations</u>	90.190	122.581
<u>Liabilities arising from card payment operations</u>	662	672
<u>Suspense account for international payments</u>	103.493	140.870
<u>Other liabilities for temporary accounts with clients</u>	93.753	-
<b>Total other liabilities</b>	<b>602.657</b>	<b>668.984</b>

**40. SUBSCRIBED CAPITAL**

**A. Subscribed capital**

	<i>In MKD</i>		<i>Number of issued shares</i>				<i>In MKD thousand</i>	
	Nominal value per share		Ordinary shares		Preference shares non-redeemable и		Total subscribed capital	
	Ordinary Shares	Preference shares non-redeemable	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024
Balance at January 1-fully paid	2.670	-	2.095.415	2.095.415	-	-	5.594.758	5.594.758
Subscribed shares during the year	-	-	-	-	-	-	-	-
Realization of share option	-	-	-	-	-	-	-	-
Division/ increase of nominal value per share	-	-	-	-	-	-	-	-
Other changes during the year (specify in detail):								
Issuance of new shares for the purpose of the merger	-	-	-	-	-	-	-	-
<b>Balance at December 31 – fully paid</b>	<b>2.670</b>	<b>-</b>	<b>2.095.415</b>	<b>2.095.415</b>	<b>-</b>	<b>-</b>	<b>5.594.758</b>	<b>5.594.758</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**40. SUBSCRIBED CAPITAL(continued)**

**B.1 Dividends**

**Announced dividends and paid dividends by the Group**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Announced dividends and paid dividends for the year	-	-

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Dividend per ordinary share	-	-
Dividend per preference share	-	-

**B.2 Announced dividend after the consolidated balance sheet date (the liabilities for dividends are not shown in the Consolidated Balance sheet)**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Announced dividends after December 31	-	-

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Dividend per ordinary share	-	-
Dividend per preference share	-	-

**C. Shareholders with more than 5% voting shares**

The structure of shareholders exceeding 5% of the issued voting capital as of December 31, 2025 and 2024 officially announced and accepted by the Central Securities Depository of the Republic of North Macedonia is as follows:

Shareholder's name	<i>In MKD thousand</i>		<i>in %</i>	
	current year 2025	previous year 2024	current year 2025	previous year 2024
	Subscribed capital (nominal value)	Subscribed capital (nominal value)	Voting right	Voting right
Steiermärkische Bank und Sparkassen AG	5.401.987	5.401.987	96,55%	96,55%
<b>Total</b>	<b>5.401.987</b>	<b>5.401.987</b>	<b>96,55%</b>	<b>96,55%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**41. EARNINGS PER SHARE**

**A. Basic earnings per share**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<i>Net - Profit attributable to holders of ordinary shares</i>	-	-
Net - Profit for the year	1.826.271	1.792.220
Dividends for not redeemable preference shares	-	-
Adjustments of Net - Profit attributable to holders of ordinary shares (list Consolidatedly)	-	-
<b>Net - Profit attributable to holders of ordinary shares</b>	<b>1.826.271</b>	<b>1.792.220</b>

	<i>Number of shares</i>	
	current year 2025	previous year 2024
Weighted average number of ordinary shares		
Issued ordinary shares as of January 1	2.095.415	2.095.415
Effects of the changes in the number of ordinary shares during the year (List all events Consolidatedly)		
Issued shares (twentieth issue of ordinary shares)	-	-
<b>Weighted average number of ordinary shares as of December 31</b>	<b>2.095.415</b>	<b>2.095.415</b>
<b>Basic earnings per share (in MKD)</b>	<b>872</b>	<b>855</b>

Basic earnings per share are calculated by dividing the earnings of ordinary shareholders (after deducting the earnings after taxation of preference shareholders) with the weighted average number of ordinary shares issued throughout the year, including equity shares bought by the Group.

**B. Diluted earnings per share**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
<i>Net - profit attributable to holders of ordinary shares (diluted)</i>		
Net - profit for the year attributable to holders of ordinary shares (diluted)	1.826.271	1.792.220
Adjustments to net profit attributable to holders of ordinary shares for the effects of all issued ordinary shares (list Consolidatedly)	-	-
<b>Net - Profit attributable to holders of ordinary shares (diluted)</b>	<b>1.826.271</b>	<b>1.792.220</b>

	<i>Number of shares</i>	
	current year 2025	previous year 2024
<i>Weighted average number of ordinary shares (diluted)</i>		
Issued ordinary shares as of 1 January	2.095.415	2.095.415
Effects of issuing potential ordinary shares (list Consolidatedly)	-	-
Ordinary shares issued on January 1	-	-
Issued shares (thirteenth issue of ordinary shares)	-	-
<b>Weighted average number of ordinary shares (diluted) as of December 31</b>	<b>2.095.415</b>	<b>2.095.415</b>
<b>Diluted earnings per share (in MKD)</b>	<b>872</b>	<b>855</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**41. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**42.1 CONTINGENT LIABILITIES**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Unsecured payment guarantees		
In MKD	802.343	809.920
In foreign currency	837.954	753.606
in MKD with foreign currency clause	54.885	63.814
Unsecured performance guarantees		
In MKD	5.408.492	4.884.645
In foreign currency	-	-
in MKD with foreign currency clause	1.060.427	1.030.267
Unsecured letter of credit		
In MKD	-	-
In foreign currency	188.305	277.734
in MKD with foreign currency clause	-	-
Unused overdraft on current accounts	930.349	842.427
Unused credit limits	536.719	506.163
Taken liabilities and unused credit limits	27.561.345	26.262.863
Other unsecured contingent liabilities		1.058.559
Issued secured guarantees	1.024.941	
Covered letter of credit	-	-
Other secured contingent liabilities	-	-
<b>Total contingent liabilities before special reserve</b>	<b>38.405.760</b>	<b>36.489.998</b>
(Special reserve)	(301.303)	(313.914)
<b>Total contingent liabilities, less the special reserve</b>	<b>38.104.457</b>	<b>36.176.084</b>

The contingent liabilities consist of potential liabilities regarding loans, guarantees, letters of credit issued to corporate entities, potential liabilities regarding retail loans, unused overdrafts on current accounts and unused limits on credit cards. The unused overdrafts have short-term maturity.

The contingent liabilities arising from overdrafts on current accounts and unused limits on credit cards are unsecured and are revocable in case of deterioration in the creditworthiness of the borrower.

The contingent liabilities of the Group to legal entities arising from guarantees and letters of credit are irrevocable. Unused credit limits granted to legal entities are subject to annual revision. Apart from the covered guarantees and letters of credit secured by a deposit, the remaining uncovered guarantees, letters of credit and unused credit limits granted to legal entities are secured by pledge of property, movable property, guarantees etc.

The Group is involved in litigation arising from its regular operations. As of 31 December 2025, the Group is involved in a total of 28 legal cases with an aggregate value of MKD177.989.569, in which the Group is the defendant, and which do not arise from collection of receivables. Below is a disclosure of the more significant legal disputes.

The court proceedings on the lawsuit of minority shareholders Beta Farm DOOEL and others – first proceedings:

On 15 June 2020, a lawsuit was received, filed by four minority shareholders (three legal-entity shareholders: Beta Farm DOOEL Skopje, Soloprom DOO Skopje, Sezam Kapital DOOEL Skopje, and one individual shareholder), seeking to establish the nullity/annulment of the Decision for increasing the share capital through the issuance of ordinary voting shares from the 13th share issuance by way of a private offering to an institutional investor, adopted at the Shareholders' Assembly meeting held on 08.05.2021. The claim also seeks to declare null the registration of the capital increase with the Trade Register and to restore the records in the Central Securities Depository to the state prior to the registration of the increase. The value of the dispute, initially stated as MKD1.500.010, was subsequently determined by the Court to be MKD 40.000. The Group submitted a response to the lawsuit, proposing that the Court reject the claim in its entirety as unfounded.

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**42. CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)**

**42.1 CONTINGENT LIABILITIES (continued)**

The Group's management considers that the lawsuit filed by the minority shareholders is unsubstantiated, that the decision on the share capital increase was adopted by the Shareholders' Assembly in a manner and procedure compliant with the applicable regulations and the Group's Statute, and therefore this legal dispute is expected to be resolved in favor of the Group.

Court proceedings initiated by minority shareholders Beta Farm DOOEL and others – second case:

On 24 August 2020, a lawsuit was received, filed by three minority shareholders (two legal-entity shareholders: Beta Farm DOOEL Skopje and Soloprom DOO Skopje, and one individual shareholder), seeking to establish the nullity/annulment of the decisions adopted at the Shareholders' Assembly meeting held on 30.06.2020, to declare null the registration of the capital increase with the Central Register, and to restore the records in the Central Securities Depository to the state prior to the capital increase registration. The value of the dispute, initially stated as MKD 1.500.000, was later determined by the Court to be MKD 40.000, and the proceedings were suspended until the final conclusion of the first court case initiated by the same plaintiffs.

The Group's management considers that the lawsuit filed by the minority shareholders is unfounded, that the decisions challenged by this claim were adopted by the Shareholders' Assembly in a manner and procedure compliant with the applicable regulations and the Group's Statute, and that this legal dispute will be resolved in favor of the Group.

Court proceedings initiated by minority shareholders Beta Farm DOOEL and others – third case:

On 18 November 2020, a lawsuit was received, filed by three minority shareholders (two legal-entity shareholders: Beta Farm DOOEL Skopje and Soloprom DOO Skopje, and one individual shareholder), seeking to establish the nullity/annulment of the decisions adopted at the Shareholders' Assembly meeting held on 05.10.2020, with a dispute value of MKD 40.000. By a Court ruling, the proceedings have been suspended.

The Group's management considers that the lawsuit filed by the minority shareholders is unfounded, that the decisions challenged by this claim were adopted by the Shareholders' Assembly in a manner and procedure compliant with the applicable regulations and the Group's Statute, and that this legal dispute is expected to be resolved in favor of the Group.

Court proceedings initiated by minority shareholders Beta Farm DOOEL and others – compensation of damages:

On 16 May 2023, a lawsuit was received from Beta Farm DOOEL Skopje, Soloprom DOO Skopje, Gjorgji Jovanov, and Sezam Kapital DOOEL Skopje against the defendants Sparkasse Bank AD Skopje and Steiermärkische Bank und Sparkassen AG Graz, seeking compensation of damages in the amount of MKD 39.162.148, filed under case number 58 TS1-115/23 before the Basic Civil Court Skopje.

With the lawsuit, the plaintiffs request that the defendants jointly and severally compensate the total damages of MKD 39.162.148, consisting of: MKD 22.214.099 as damages due to dividend shortfall, and MKD 16.948.049 as damages due to reduction of shareholding percentage, both with statutory default interest calculated from 09.05.2020.

The Court decided to suspend the proceedings until the first case is resolved.

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**42.2 CONTINGENT ASSETS**

List Consolidatedly significant contingent assets:

\_\_\_\_\_/\_\_\_\_\_  
**Total contingent assets**

<i>In MKD thousand</i>	
current year 2025	previous year 2024
-	-
-	-

**43. ACTIVITIES ON BEHALF OF THIRD PARTIES**

	<i>In MKD thousand</i>					
	current year 2025			previous year 2024		
	Assets	Liabilities	Net- position	Assets	Liabilities	Net- position
Asset administration on behalf and at the expense of third parties						
Deposits in MKD	-	(84.828)	(84.828)	-	(28.782)	(28.782)
Deposits in foreign currencies	-	-	-	-	-	-
Loans in MKD	73.939	-	73.939	80.075	-	80.075
Loans in foreign currencies	-	-	-	-	-	-
Other receivables in MKD	6.361.206	(109)	6.361.097	119.706	(109)	119.597
Other receivables in foreign currencies	-	-	-	-	-	-
Asset management on behalf and at the expense of third parties						
Deposits in MKD	-	(6.352.249)	(6.352.249)	-	(171.484)	(171.484)
Deposits in foreign currencies	-	-	-	-	-	-
Loans in MKD	-	-	-	-	-	-
Loans in foreign currencies	-	-	-	-	-	-
Other receivables in MKD	-	-	-	-	-	-
Other receivables in foreign currencies	-	-	-	-	-	-
Custody accounts	-	(90.190)	(90.190)	-	(122.581)	(122.581)
Other	-	-	-	-	-	-
<b>Total</b>	<b>6.435.145</b>	<b>(6.527.376)</b>	<b>(92.231)</b>	<b>199.781</b>	<b>(322.956)</b>	<b>(123.175)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**44. RELATED PARTIES TRANSACTIONS**

The balances and the volume of transactions with related parties and Bank's management at the balance sheet date for the years ended as of December 31, 2025 and 2024 are as follows:

**A. Consolidated Balance sheet**

<i>In MKD thousand</i>	Parent Company	Subsidiaries	Associates	Management of the Group	Other related parties	Total
<b>Balance as of December 31, 2025 (current year)</b>						
<b>Assets</b>						
Current accounts	71.810	-	-	-	599.223	671.033
Trading assets	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
Customer loans	-	-	-	11.373	3.974	15.347
Finance lease receivables	-	-	-	-	-	-
Factoring and forfeiting of receivables	-	-	-	-	-	-
Other loans and advances	-	-	254.931	76.359	2.367	333.657
Investments in securities	-	-	46.598	-	-	46.598
(Allowance for impairment)	(18)	-	(207)	(243)	(173)	(641)
Other assets	-	-	-	-	-	-
<b>Total</b>	<b>71.792</b>	<b>-</b>	<b>301.323</b>	<b>87.489</b>	<b>605.391</b>	<b>1.065.994</b>
<b>Liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Deposits	9.051.018	-	160.157	72.498	445.583	9.729.256
Issued securities	-	-	-	-	-	-
Borrowings liabilities	245.980	-	-	-	-	245.980
Subordinated debt	2.242.379	-	-	-	-	2.242.379
Other liabilities	21	-	-	2.551	9.790	12.362
<b>Total</b>	<b>11.539.398</b>	<b>-</b>	<b>160.157</b>	<b>75.049</b>	<b>455.373</b>	<b>12.229.977</b>
<b>Contingent liabilities</b>						
Issued guarantees	-	-	-	-	203.498	203.498
Issued letter of credit	-	-	-	-	-	-
Other contingent liabilities	-	-	737	15.566	21.493	37.796
(Special reserves)	-	-	(1)	(32)	(18)	(51)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>736</b>	<b>15.534</b>	<b>224.973</b>	<b>241.243</b>
<b>Contingent assets</b>						
Received guarantees	-	-	-	-	-	-
Other contingent assets	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**44. RELATED PARTIES TRANSACTIONS (continued)**

**A. Consolidated Balance sheet (continued)**

<i>In MKD thousand</i>	Parent Company	Subsidiaries	Associates	Management of the Group	Other related parties	Total
<b>Balance as of December 31, 2024 (previous year)</b>						
<b>Assets</b>						
Current accounts	40.020	-	-	-	341.199	381.219
Trading assets	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
Customer loans	-	-	-	10.344	2.271	12.615
Finance lease receivables	-	-	-	-	-	-
Factoring and forfeiting of receivables	-	-	-	-	-	-
Other loans and advances	-	-	380.692	58.876	6.157	445.725
Investments in securities	-	-	46.598	-	-	46.598
(Allowance for impairment)	(10)	-	(336)	(154)	(72)	(572)
Other assets	-	-	-	-	-	-
<b>Total</b>	<b>40.010</b>	<b>-</b>	<b>426.954</b>	<b>69.066</b>	<b>349.555</b>	<b>885.585</b>
<b>Liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Deposits	7.337.115	-	219.673	78.486	393.816	8.029.090
Issued securities	-	-	-	-	-	-
Borrowings liabilities	346.467	-	-	-	-	346.467
Subordinated debt	1.931.362	-	-	-	-	1.931.362
Other liabilities	47	-	-	-	369	416
<b>Total</b>	<b>9.614.991</b>	<b>-</b>	<b>219.673</b>	<b>78.486</b>	<b>394.185</b>	<b>10.307.335</b>
<b>Contingent liabilities</b>						
Issued guarantees	-	-	-	-	202.388	202.388
Issued letter of credit	-	-	-	-	-	-
Other contingent liabilities	-	-	802	3.533	15.909	20.244
(Special reserves)	-	-	(1)	(8)	(12)	(21)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>801</b>	<b>3.525</b>	<b>218.285</b>	<b>222.611</b>
<b>Contingent assets</b>						
Received guarantees	-	-	-	-	-	-
Other contingent assets	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**44. RELATED PARTIES TRANSACTIONS (continued)**

**B. Income and expenses from related parties' transactions**

<i>In MKD thousand</i>	Parent Company	Subsidiaries	Associates	Management of the Group	Other related parties	Total
<b>2025 (current year)</b>						
<b>Income</b>						
Interest income	2.188	-	11.927	3.290	9.924	27.329
Fee and commission income	637	-	1.269	357	6.212	8.475
Trading income, net	-	-	-	-	-	-
Dividend income	-	-	42.145	-	-	42.145
Capital gains from sale of non-current assets	-	-	-	-	-	-
Other income	250.359	-	8.995	1.362	500.151	760.867
Transfers between subjects	-	-	-	-	-	-
<b>Total</b>	<b>253.184</b>	<b>-</b>	<b>64.336</b>	<b>5.009</b>	<b>516.287</b>	<b>838.816</b>
<b>Expenses</b>						
Interest expense	385.531	-	-	1.014	11.800	398.345
Fee and commission expense	10.683	-	-	-	40.540	51.223
Trading losses, net	-	-	-	-	-	-
Expenses for purchase of non-current assets	-	-	-	-	-	-
Allowance for impairment of financial assets, net	8	-	(129)	91	106	76
Other expenses	247.867	-	7.454	1.309	749.604	1.006.234
Transfers between subjects	-	-	-	-	-	-
<b>Total</b>	<b>644.089</b>	<b>-</b>	<b>7.325</b>	<b>2.414</b>	<b>802.050</b>	<b>1.455.878</b>
<b>2024 (previous year)</b>						
<b>Income</b>						
Interest income	1.702	-	9.889	2.310	15.622	29.523
Fee and commission income	453	-	2.371	244	6.131	9.199
Trading income, net	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Capital gains from sale of non-current assets	-	-	-	-	-	-
Other income	93.064	-	3.217	405	413.713	510.399
Transfers between subjects	-	-	-	-	-	-
<b>Total</b>	<b>95.219</b>	<b>-</b>	<b>15.477</b>	<b>2.959</b>	<b>435.465</b>	<b>549.121</b>
<b>Expenses</b>						
Interest expense	455.706	-	-	1.186	8.664	465.556
Fee and commission expense	6.830	-	-	-	31.870	38.700
Trading losses, net	-	-	-	-	-	-
Expenses for purchase of non-current assets	-	-	-	-	-	-
Allowance for impairment of financial assets, net	(6)	50	-	(151)	(119)	(226)
Other expenses	90.959	-	2.182	399	317.740	411.280
Transfers between subjects	-	-	-	-	-	-
<b>Total</b>	<b>553.489</b>	<b>50</b>	<b>2.182</b>	<b>1.434</b>	<b>358.155</b>	<b>915.310</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**44. RELATED PARTIES TRANSACTIONS (continued)**

**B. Management compensations**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Short-term employee benefits	124.366	113.185
Post-employment benefits	-	-
Benefits due to termination of employment	-	-
Employee payment based on shares, settled with equity instruments	-	-
Employee payment based on shares, settled in cash	-	-
Other	-	-
<b>Total</b>	<b>124.366</b>	<b>113.185</b>

Pursuant to the Grouping Law, the following parties shall be considered as related parties to the Group: persons with special rights and responsibilities in the Group and persons related to them; shareholders with qualified participation in the Group (direct or indirect ownership of at least 5% of the total number of shares or of issued voting shares of the Group, or shares that provide significant influence on the management of the Group) and persons related to them, as well as responsible persons of those shareholders – legal entities; Bank's subsidiaries and other entities that have established close relations with the Group.

The Group provides loans, performs payment and deposit operations to related companies and financial institutions. The Group's management considers that these transactions are performed under standard market conditions and within the regular business activities.

**45. LEASES**

**A. Lessor**

**A.1. Financial leases receivables**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Receivables from finance leases (amount of undiscounted payments), by maturity period		
up to 1 year		
over 1 to 2 years		
over 2 to 3 years		
over 3 to 4 years		
over 4 to 5 years		
over 5 years		
<b>Total</b>		
(unearned finance income)		
<b>Total finance lease receivables</b>		



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**45. LEASES (continued)**

**B. The Group as Lessee (continued)**

**B.1. lease liabilities (continued)**

<i>In MKD thousand</i>	Land	Buildings	Transport	Furniture and office equipment	Other equipment	Other items of plant, property and equipment	Total
Value of property under lease							
<b>Cost</b>							
Balance as of January 1, 2024 (previous year)	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
(Disposal and write-off)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	-	-	-	-	-	-	-
Balance as of January 1, 2025 (current year)							
Additions	-	100.692	-	-	-	-	100.692
(Disposal and write-off)	-	45.304	-	-	-	-	45.304
Other	-	(52.243)	-	-	-	-	(52.243)
<b>Balance as of December 31, 2025 (current year)</b>	-	<b>93.753</b>	-	-	-	-	<b>93.753</b>
<b>Accumulated depreciation and impairment</b>							
Balance as of January 1, 2024 (previous year)	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-
Impairment loss during the year	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	-	-	-	-	-	-
(Disposal and write offs)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Balance as of December 31, 2024 (previous year)</b>	-	-	-	-	-	-	-
Balance as of January 1, 2025 (current year)							
Depreciation for the year	-	-	-	-	-	-	-
Impairment loss during the year	-	-	-	-	-	-	-
(Release of impairment loss during the year)	-	-	-	-	-	-	-
(Disposal and write offs)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Balance as of December 31, 2025 (current year)</b>	-	-	-	-	-	-	-
<b>Carrying amount as of:</b>							
January 1, 2024 (previous year)	-	-	-	-	-	-	-
<b>December 31, 2024 (previous year)</b>	-	-	-	-	-	-	-
<b>December 31, 2025 (current year)</b>	-	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025**

**45. LEASES (continued)**

**B. The Bank as Lessee (continued)**

**B.1. lease liabilities (continued)**

In accordance with the application of International Financial Reporting Standard (IFRS) 16 "Leases", the amount of interest expense based on lease liabilities recognized in the statement of profit or loss as at 31 December 2025 amounts to MKD 4.260 thousand. The more significant amounts of lease liabilities as at 31 December 2026 arise from concluded lease agreements for branch offices with a duration of 5 years, amounting to MKD 27.439 thousand.

**46. SHARE BASED PAYMENTS**

	<i>In MKD thousand</i>	
	current year 2025	previous year 2024
Date of granting of option	-	-
Date of option expiry	-	-
Price of option realization	-	-
Share price on the date the option is granted	-	-
Variance	-	-
Expected dividend return	-	-
Interest rate	-	-
Fair value on the date the option is granted	-	-

	current year 2025		previous year 2024	
	Number of share options	Weighted average price of share options	Number of share options	Weighted average price of share options
<b>Balance at January 1</b>				
Changes during the year				
options granted to Supervisory Board members	-	-	-	-
options granted to Board of Directors members	-	-	-	-
Other granted options	-	-	-	-
Forfeited options	-	-	-	-
Realized options	-	-	-	-
Options with expired date	-	-	-	-
<b>Balance at December 31</b>	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****47. TAX RISKS**

Financial statements and accounting records of the Group are subject to tax audit by the tax authorities for a period of 5 years subsequent to the reported tax returns for the financial year and may impose additional tax liabilities. According to the estimates of the Group's management, they are not aware of any additional conditions that may cause potential materially significant liabilities on this basis.

**48. EVENTS AFTER THE DATE OF THE CONSOLIDATED BALANCE SHEET**

After the balance sheet date, no significant events have occurred that should be disclosed in the financial statements.