



Separate Financial Statements

**prepared in accordance with the International Financial Reporting
Standards as adopted by the European Union**

for the year ended 31 December 2025



Independent Auditor's Report

To the Shareholder, Supervisory Board, and Board of Directors of Slovenská sporiteľňa, a.s.:

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Slovenská sporiteľňa, a.s. (the "Bank") as at 31 December 2025, and the Bank's separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 26 February 2026.

What we have audited

The Bank's separate financial statements comprise:

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

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Spoločnosť je zapísaná v Obchodnom registri Mestského súdu Bratislava III., oddiel: Sro, vložka číslo: 16611/B
The firm is registered in the Commercial Register of the Bratislava III City Court, Section: Sro, Ref. No.: 16611/B
IČO/The firm's ID No.: 35 739 347
IČ DPH/VAT Reg. No.: SK2020 270 021
IBAN: SK71 1100 0000 0026 2374 0004



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate 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 Bank in accordance with the ethical requirements of Regulation (EU) No 537/2014 of the European Parliament and of the Council (hereafter the "Regulation (EU) No 537/2014") that are relevant to audits of financial statements of public interest entities, the ethical requirements of the Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended (hereafter the "Act on Statutory Audit") that are relevant to audits of financial statements in the Slovak Republic and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted by the Slovak Chamber of Auditors (Code of Ethics for Auditors) 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 Regulation (EU) No 537/2014, the ethical requirements of the Act on Statutory Audit and the Code of Ethics for Auditors.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Bank and its parent and its controlled entities within the European Union are in accordance with the applicable law and regulations in the Slovak Republic and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No. 537/2014.

The non-audit services that we have provided to the Bank, in the period from 1 January 2025 to 31 December 2025, are disclosed in Note 43 to the separate financial statements.



Our audit approach

Overview

Materiality Overall materiality: EUR 22.92 million, which represents approximately 5% of the profit before income tax (in the separate statement of income the line named: “Pre-tax result from continuing operations”).

Key audit matters The audit of the expected credit loss allowance estimate required our significant attention given the nature of this estimate and its significance to the separate financial statements.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Bank, the accounting processes and controls, and the industry in which the Bank operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.



Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Bank materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

Overall Bank materiality	EUR 22.92 million
How we determined it	We determined the materiality as approximately 5% of the profit before income tax.
Rationale for the materiality benchmark applied	Performance of the Bank is most commonly evaluated by the financial statements' users based on the Bank's profitability. The quantitative threshold of approximately 5% was applied to profit before income tax.

Key audit matters

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

Key audit matter

How our audit addressed the key audit matter

Expected credit loss allowance estimate

As explained in the Notes 15, 16 and 34 to the separate financial statements, management estimated total credit loss allowances for loans and advances to customers, finance lease receivables and trade and other receivables at EUR 371.4 million.

The carrying value of loans and advances to customers, finance lease receivables and trade and other receivables may be materially misstated if individual or collective credit loss allowances are not appropriately identified and estimated. The estimates required for measuring credit loss allowances are significant estimates.

The identification of significant increase in credit risk or default; the estimation of credit loss including estimates of future cash flows and valuation of collateral as well as application of comprehensive credit models and assumptions used are judgmental.

Incorporation of forward-looking information in the macro models together with application of stage overlays in the ECL calculation represent a significant management judgement.

In 2025, the estimate of credit loss allowances continued to be significantly influenced by the current geopolitical and macroeconomic situation.

Due to the significance of the amount of the credit loss allowances and material impact of the credit loss allowances on the net result for the year, we consider the credit loss allowance estimate as a key audit matter.

We assessed and tested the design and operating effectiveness of manual and automated controls related to the timely identification of defaulted loans.

We tested design and operating effectiveness of the IT general controls, including access to programs and data, program changes and computer operations related to quantification of credit loss allowances.

We verified that models used for accurate quantification of credit loss allowances are in line with the requirements of IFRS 9.

A sample of loan exposures was examined in order to test accuracy of credit loss allowances calculated on an individual basis. We considered management's assumptions, including forecasts of future cash flows, by comparing them to historical performance of the customer and expected future performance. We assessed external and internal valuations of the underlying collateral and compared them to the values used by management in the expected credit loss quantification.

On a sample basis, we assessed the underlying models, reasonableness of assumptions, and completeness and accuracy of the underlying data, which were used by the Bank to estimate collective credit loss allowances for loans that share similar credit risk characteristics.

The underlying models and expert judgement applied by the Bank in response to the current macroeconomic situation were assessed by our specialists dealing with financial risk management and modelling.

The specialists assessed reasonableness of the forward-looking information considering external sources of macro predictions prepared by local and global authorities and its impact on the risk parameters and accuracy of the collective credit loss allowances. Our specialists have assessed a validation process implemented by the Bank and interpreted the results of the validation report.

The specialists also assessed the design and application of the models for compliance with the relevant reporting standards, including introduction of additional criteria used for identification of significant increase in credit risk. They assessed the relevance of the criteria used in application of stage overlays and tested on a sample basis that the criteria were applied appropriately.



Reporting on other information including the Annual Report

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and separate financial statements and our auditor's reports thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate financial statements will not cover the other information.

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

With respect to the Annual Report, we will also consider whether the Annual Report includes the disclosures required by the Act on Accounting No. 431/2002, as amended (hereafter the "Accounting Act"), implementing Article 19 of Directive 2013/34/ of the European Parliament and of the Council, when it becomes available to us. This will include checking the consistency of the Annual Report for the financial year for which the separate financial statements are prepared with the separate financial statements, and whether the Annual Report, excluding the Consolidated reporting of sustainability information, has been prepared in accordance with the Accounting Act.

In addition, our updated report will either state that we have nothing to report in regard of the above, or will describe any material misstatements we identified in the Annual Report based on our knowledge and understanding of the Bank and its environment, which we obtained during our audit.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the separate financial statements

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



In preparing the separate financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank'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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Bank on 27 March 2017. Our appointment has been renewed annually by shareholder's resolution representing a total period of uninterrupted engagement appointment of 9 years. Our appointment for the year ended 31 December 2025 was approved by the shareholder's resolution on 27 March 2025.

The engagement partner on the audit resulting in this independent auditor's report is Rastislav Petruška.



PricewaterhouseCoopers Slovensko, s.r.o.
SKAU licence No. 161



Mgr. Rastislav Petruška, FCCA
UDVA licence No. 1108

27 February 2026
Bratislava, Slovak Republic

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Separate Statement of Income

for the year ended 31 December 2025

EUR ths.	Notes	2024	2025
Net interest income	2	567,619	643,677
Interest income		914,734	934,404
Other similar income		59,987	45,686
Interest expenses		(320,348)	(294,928)
Other similar expenses		(86,754)	(41,485)
Net fee and commission income	3	232,345	241,841
Fee and commission income		247,132	261,479
Fee and commission expenses		(14,787)	(19,638)
Dividend income	4	511	1,285
Net trading result	5	18,581	21,667
Net gain/ (loss) from financial instruments measured at fair value through profit or loss	6	7,105	(608)
Rental income from investment properties & other operating leases	7	463	356
Personnel expenses	8	(190,632)	(198,725)
Other administrative expenses	8	(128,052)	(141,702)
Depreciation and amortisation	8	(36,391)	(37,085)
Net gain/ (loss) from derecognition of financial assets measured at amortised cost	9	(10,426)	-
Net other loss from derecognition of financial instruments not measured at fair value through profit or loss		(24)	(201)
Net impairment loss from financial instruments	10	(13,049)	(51,261)
Gains/ (losses) on revised estimates of contractual cash flows	11	-	(21,000)
Other operating result	12	1,271	310
<i>Levies on banking activities</i>		-	(1,122)
Pre-tax result from continuing operations		449,321	458,554
Taxes on income	13	(166,305)	(159,276)
Net result for the period		283,016	299,278

Earnings per share

Earnings per share constitute net profit/loss for the year attributable to owners of the parent divided by the average number of ordinary shares outstanding. Diluted earnings per share represent the maximum potential dilution (through an increase in the average number of shares) that would occur if all subscription and conversion rights granted were exercised (also see note [39](#) Total equity). As in the previous year no subscription and conversion rights were outstanding during the financial year. Diluted earnings per share were equal to the basic earnings per share.

		2024	2025
Net result attributable to owners of the parent	EUR ths.	283,016	299,278
Number of outstanding shares	pcs.	212,000	212,000
Basic and diluted earnings per share	EUR	1,335	1,412

The notes on pages [7](#) to [117](#) are an integral part of these separate financial statements.

Separate Statement of Comprehensive Income

for the year ended 31 December 2025

For a detailed split of income tax items within other comprehensive income please refer to note [13](#) Taxes on income.

EUR ths.	2024	2025
Net result for the period	283,016	299,278
Other comprehensive income		
Items that may not be reclassified to profit or loss	(357)	(519)
Remeasurement of defined benefit plans	(534)	(683)
Deferred taxes relating to items that may not be reclassified	177	164
Total other comprehensive income	(357)	(519)
Total comprehensive income	282,659	298,759

The notes on pages [7](#) to [117](#) are an integral part of these separate financial statements.

Separate Statement of Financial Position

as at 31 December 2025

EUR ths.	Notes	31.12.2024	31.12.2025
Assets			
Cash and cash equivalents	14	1,988,940	1,448,531
Financial assets held for trading	18	48,101	9,140
Derivatives	18	48,101	9,140
Non-trading financial assets at fair value through profit or loss	19	32,041	33,040
Equity instruments	19	20,185	18,046
Debt securities	19	11,856	14,994
Financial assets at amortised cost	15	23,419,431	25,533,661
Pledged as collateral	24	3,217,703	3,942,343
Debt securities	15	4,471,610	5,253,644
Loans and advances to banks	15	10,408	65,294
Loans and advances to customers	15	18,937,413	20,214,723
Finance lease receivables	34	368,578	364,649
Hedge accounting derivatives	21	32,784	43,067
Investment properties	31	957	459
Investments in subsidiaries, associates and joint ventures	40, 41	72,701	74,951
Current tax assets	13	584	-
Trade and other receivables	16	163,622	182,219
Other assets	33	24,423	57,429
Deferred tax assets	13	80,589	91,366
Intangible assets	32	20,635	25,360
Property and equipment, right-of-use assets	31	161,301	149,923
Total assets		26,414,687	28,013,795
Liabilities and Equity			
Financial liabilities held for trading	18	45,522	7,595
Derivatives	18	45,522	7,595
Financial liabilities at amortised cost	17	23,626,495	25,351,961
Deposits from banks	17	205,924	278,750
Deposits from customers	17	18,744,678	19,696,779
Debt securities issued	17	4,621,163	5,294,325
Other financial liabilities	17	54,730	82,107
Lease liabilities	35	73,217	70,265
Hedge accounting derivatives	21	31,831	11,799
Current tax liabilities	13	-	24,755
Provisions	37	34,981	36,873
Other liabilities	36	123,077	142,878
Equity		2,479,564	2,367,669
Equity attributable to owners of the parent	39	2,479,564	2,367,669
Subscribed capital	39	212,000	212,000
Legal reserve fund	39	79,795	79,795
Other funds	39	39,104	39,104
Retained earnings	39	1,670,312	1,708,936
Additional equity instruments	39	480,000	330,000
Other components of equity	39	(1,647)	(2,166)
Total liabilities and equity		26,414,687	28,013,795

The notes on pages 7 to 117 are an integral part of these separate financial statements.

Separate Statement of Changes in Equity

for the year ended 31 December 2025

	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Total equity
EUR ths.								
As at 01.01.2025	212,000	79,795	39,104	1,670,312	(1,647)	480,000	2,479,564	2,479,564
Dividends paid / Distribution for Investment certificate	-	-	-	(260,654)	-	-	(260,654)	(260,654)
Capital decreases	-	-	-	-	-	(150,000)	(150,000)	(150,000)
Total comprehensive income	-	-	-	299,278	(519)	-	298,759	298,759
Net result for the period	-	-	-	299,278	-	-	299,278	299,278
Other comprehensive income	-	-	-	-	(519)	-	(519)	(519)
Change from remeasurement of defined benefit pension liabilities	-	-	-	-	(519)	-	(519)	(519)
As at 31.12.2025	212,000	79,795	39,104	1,708,936	(2,166)	330,000	2,367,669	2,367,669

For more details on deferred tax please refer to note [13](#). For more details on changes in equity please refer to note [39](#).

	Subscribed capital	Legal reserve fund	Other funds	Retained earnings	Remeasurement of defined benefit pension liabilities	Additional equity instruments	Equity attributable to owners of the parent	Total equity
EUR ths.								
As at 01.01.2024	212,000	79,795	39,104	1,631,835	(1,290)	480,000	2,441,444	2,441,444
Dividends paid / Distribution for Investment certificate	-	-	-	(244,539)	-	-	(244,539)	(244,539)
Total comprehensive income	-	-	-	283,016	(357)	-	282,659	282,659
Net result for the period	-	-	-	283,016	-	-	283,016	283,016
Other comprehensive income	-	-	-	-	(357)	-	(357)	(357)
Change from remeasurement of defined benefit pension liabilities	-	-	-	-	(357)	-	(357)	(357)
As at 31.12.2024	212,000	79,795	39,104	1,670,312	(1,647)	480,000	2,479,564	2,479,564

The notes on pages [7](#) to [117](#) are an integral part of these separate financial statements.

Separate Statement of Cash Flows

for the year ended 31 December 2025

EUR ths.		2024	2025
Net result for the period	Notes	283,016	299,278
Non-cash adjustments for items in net profit/loss for the year			
Net allocation of credit loss allowances and other provisions	10	15,494	55,158
Depreciation, amortisation, impairment and reversal of impairment of assets	31, 32	35,810	35,321
Net gain from measurement and derecognition of financial assets and financial liabilities	6	3,688	944
Accrued interest, amortisation of discount and premium	2	14,219	9,806
Fair value adjust of hedged items	21	32,189	6,551
Deferred tax	13	(12,013)	(10,612)
Other adjustments		(319)	(3,069)
Cash flows from operations before changes in operating assets and liabilities			
Financial assets held for trading	18	12,188	38,961
Non-trading financial assets at fair value through profit or loss			
Equity instruments	19	(3,499)	(1,500)
Debt securities	19	2,234	(443)
Financial assets at amortised cost			
Debt securities	15	(344,314)	(778,228)
Loans and advances to banks	15	(376)	(54,886)
Loans and advances to customers	15	(547,043)	(1,328,126)
Finance lease receivables	34	(21,255)	3,929
Hedge accounting derivatives	21	(8,360)	(10,283)
Trade and other receivables	16	(30,045)	(18,597)
Other assets from operating activities	33, 12	4,943	(32,587)
Financial liabilities held for trading	18	(11,074)	(37,927)
Financial liabilities measured at amortised cost			
Deposits from banks	17	(1,041,239)	72,826
Deposits from customers	17	1,142,560	946,452
Other financial liabilities	17	(128,524)	27,377
Hedge accounting derivatives	21	(32,396)	(20,032)
Provisions	37	3,100	(497)
Other liabilities from operating activities	36, 12	(32,639)	42,529
Cash flow from operating activities		(663,655)	(757,655)
Dividends received from subsidiaries, associates and other investments	4	511	1,285
Purchase of share in subsidiaries, associates and joint ventures	41	(14,073)	(2,250)
Purchase of intangible assets, property and equipment	31, 32	(32,007)	(23,614)
Proceeds from sale of intangible assets, property and equipment	31, 32	844	7,540
Cash flow from investing activities		(44,725)	(17,039)
Dividends paid	39	(244,539)	(260,654)
AT1 certificate - repayment	39	-	(150,000)
Issue of subordinated debt	17	-	150,000
Issue of the bonds	17	266,113	1,270,269
Repayment of the bonds	17	(339,600)	(759,399)
Lease liabilities	35	(15,599)	(15,797)
Cash flow from financing activities		(333,625)	234,419
Cash and cash equivalents at beginning of the year	14	3,030,858	1,988,940
Cash flows from operating activities		(663,655)	(757,655)
Cash flow from investing activities		(44,725)	(17,039)
Cash flow from financing activities		(333,625)	234,419
Effect of foreign exchange rate changes on cash and cash equivalents		87	(134)
Cash and cash equivalents at end of period	14	1,988,940	1,448,531
Cash flows related to taxes, interest and dividends (included in cash flow from operating activities)			
Payments for taxes on income	13	(198,599)	(149,173)
Interest paid	2	(331,536)	(290,513)
Interest received	2	935,011	939,298
Dividends received	4	511	1,285

Further information related to net debt reconciliation are provided in note [17](#).

The notes on pages [7](#) to [117](#) are an integral part of these separate financial statements.

Notes to the Separate Financial Statements

General information

Slovenská sporiteľňa, a.s. (hereinafter referred to as 'the Bank') has its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic. The Bank was incorporated as a joint stock company on 15 March 1994 and registered in the Commercial Register on 1 April 1994. The identification number of the Bank is 00 151 653. The tax identification number of the Bank is 2020411536.

The Bank is a universal bank offering a wide range of banking and financial services to commercial, financial and private customers, principally in the Slovak Republic.

The Bank's sole shareholder is Erste Group Bank AG, which has its registered office at Am Belvedere 1, 1100 Vienna, and which is the ultimate 100% parent company of the Bank. Information on the shareholding structure of the ultimate parent company is disclosed in the 2025 financial statements of Erste Group Bank AG or up-to-date information is available on its homepage.

The Board of Directors of the Bank had five members as at 31 December 2025:

Ing. Peter Krutil (chairman), Ing. Pavel Cetkovský (member), RNDr. Milan Hain, PhD. (member), Mgr. Juraj Barta, CFA (member) and Ing. Marek Sásik (member since 13 October 2025).

Mgr. Ing. Norbert Hovančák terminated his function on the Bank's Board of Directors as of 31 July 2025.

The chairman of the Board of Directors is also the Chief Executive Officer (CEO) of the Bank. Other members of the Board of Directors are the deputies of the Chief Executive Officer.

The Supervisory Board of the Bank had six members as at 31 December 2025:

Mag. Alexandra Habeler-Drabek (chairwomen), Mag. Jan Homan (vice-chairman), Paul Formanko, MBA (member), Mgr. art. Michaela Kršková (member since 1 December 2025), Mgr. Alena Adamcová (member) and Juraj Futák (member).

JUDr. Vazil Hudák served as a member of the Supervisory Board until 11 November 2025, when his term of office expired.

The Bank is subject to various regulatory requirements of local, Slovak regulatory bodies defined by Slovak legislation as well as European regulatory bodies defined by EU legislation.

The Bank is under direct supervision of the European Central Bank within a Single Supervision Mechanism.

These separate financial statements have been prepared and authorized for issue by the management board as at the signing date of this report. However, these separate financial statements are subject of approval on the supervisory board (26 February 2026) and the annual general meeting (26 March 2026).

Material accounting policy information

These separate financial statements are directed to primary users, being investors who lend or provide equity capital to the reporting entity. These separate financial statements assume that the primary users have a reasonable knowledge of business and economic activities and review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena reported in these separate financial statements.

These separate financial statements aim disclosing only information that management considers is material for the primary users. Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

a) Basis of preparation

The separate financial statements of the Bank for the year ended 31 December 2025 and the related comparative information were prepared in compliance with applicable International Financial Reporting Standards as adopted by the European Union on the basis of IAS Regulation (EC) No. 1606/2002.

The principal accounting policies applied in the preparation of these separate financial statements are set out in respective parts of these statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These separate financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, and by the revaluation of financial instruments categorised at fair value through profit or loss ("FVTPL").

These separate financial statements have been prepared on the basis that the Bank will be able to continue as a going concern for the foreseeable future.

The Bank is subject to regulatory restrictions on capital distributions stemming from the EU-wide capital requirements regulations applicable to all credit institutions based in the EU.

Balances in brackets represent negative amounts. Except as otherwise indicated, all amounts are stated in thousands of EUR ('EUR ths.'). The tables in this report may contain rounding differences.

The Bank's shareholders and management have the power to amend the separate financial statements after issue.

b) Accounting and measurement methods

Foreign currency translation

The separate financial statements are presented in Euro, which is the functional currency of the Bank. The functional currency is the currency of the primary business environment in which an entity operates.

For foreign currency translation, reference rates of the European Central Bank are used.

i. Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded at the functional currency exchange rate effective as at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate as at the balance sheet date. All resulting exchange differences that arise are recognised in the statement of income under the line item 'Net trading result'. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions, i.e. they do not give rise to exchange differences. Non-monetary items that are measured at fair value (such as equity investments) in a foreign currency are translated using the exchange rates at the date when the fair value is measured, thus the exchange differences are part of the fair value gains or losses.

c) Material accounting judgements, assumptions and estimates

The separate financial statements contain amounts that have been determined on the basis of judgements and by the use of estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors, such as planning as well as expectations and forecasts of future events that are currently deemed to be reasonable. As a consequence of the uncertainty associated with these assumptions and estimates, actual results could in future periods lead to adjustments in the carrying amounts of the related assets or liabilities. The most significant uses of judgements, assumptions and estimates are described in the notes of the respective assets and liabilities and relate in particular to:

- SPPI assessment of financial instruments (Chapter Financial instruments – Material accounting policy information)
- Business model assessment of financial instruments (Chapter Financial instruments – Material accounting policy information)
- Impairment of financial instruments (Chapter Financial instruments – Material accounting policy information, Note [27](#) Credit risk)

Details about effects of these factors on the expected credit losses estimation are described in Note [27](#) Credit risk.

d) Application of amended and new IFRS/IAS

The accounting policies adopted are consistent with those used in the previous financial year except for standards and interpretations that became effective for financial years beginning after 1 January 2025. As regards new standards and interpretations and their amendments, only those that are relevant for the business of the Bank are listed below.

Effective standards and interpretations

The following amendments of standard have become mandatory for the financial year 2025 and have been endorsed by the EU:

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction in a foreign currency or a foreign operation and the foreign currency is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences.

Application of the above-mentioned amendments in 2025 did not have a significant impact on the Bank's financial statements.

Standards and interpretations not yet effective

The standards and amendments shown below were issued by the IASB but are not yet effective.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

Bank will not make use of the option to deem a financial liability that will be settled using an electronic payment system to be discharged before the settlement date.

- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

- c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets).

The new assessment is not expected to change the measurement of the affected financial assets. Amendments to IFRS 7 will result in new disclosures.

Annual Improvements to IFRS (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7.

IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'.

IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent.

IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026). The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include:

- a) clarifying the application of the 'own-use' requirements;
- b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and
- c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. Application of IFRS 18 will result in adjustments in the structure of the separate statement of income of Bank driven by a new mandatory subtotal 'Operating profit or loss'. New disclosures in the area of management-defined performance measures will be provided. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

Amendments to IFRS 19 Subsidiaries without public accountability: Disclosures (Issued on 21 August 2025 and effective from 1 January 2027). In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: IFRS 18 Presentation and Disclosure in Financial Statements, Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

With these amendments, IFRS 19 reflects the changes to IFRS that take effect up to 1 January 2027, when IFRS 19 will be applicable.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025 and effective from 1 January 2027). The International Accounting Standards Board (IASB) has issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

Application of these amendments is not expected to have a significant impact on Bank's financial statements.

Performance / Return

1. Segment reporting

The segment reporting of the Bank is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment information is prepared on the basis of internal management reporting that is regularly reviewed by the chief operating decision maker to assess the performance of the segments and make decisions regarding the allocation of resources. Within the Bank the function of the chief operating decision maker is executed by the Board of Directors. In addition, the Bank's segment reporting follows the standards of the Erste Group issued for the purpose to unify presentation, measurement and steering of the Bank.

Business segments

The segment reporting comprises four business segments reflecting management structure of the Bank and its internal management reporting in 2025.



The Bank applies account manager principle for the definition of segments / business lines. It means that each client has assigned one account manager from a particular segment / business line. Subsequently, profit or loss on business transactions with the client is allocated to that account manager.

Retail segment comprises the entire business activities with private individuals, free professionals and micros with turnover of less than EUR 300 thousand, which are in the responsibility of account managers in the Retail network. Retail products and services, including current accounts and savings, loans pledged by real estate, mortgage and consumer loans, credit cards, investment and cross selling products (e.g. insurance, asset management products and building society products) are offered via various distribution channels, such as branch network and digital banking. The Retail segment is divided into 8 regions and 140 branches (status as at 31 December 2025).

The Corporates segment comprises business done with corporate customers of different turnover size (small and medium-sized enterprises, micros with turnover of more than EUR 300 thousand and Large Corporate customers) as well as commercial real estate and public sector business.

Asset Liability Management (ALM), Local Corporate Center (LCC) segment and Free Capital (FCAP) Segment comprises on the one side the management of Bank's assets and liabilities in the light of uncertainty of cash flows, cost of funds and return on investments in order to determine the optimal trade-off between risk, return and liquidity. Furthermore, it comprises funding transactions, hedging activities, investments into securities other than held for trading purpose, management of own issues and FX positions. On the other side it also includes the local corporate center which comprises all non-core banking business activities such as non-profit servicing participations, intragroup eliminations within the respective partial group, dividends, refinancing costs of participations, all non-banking balance sheet positions (e.g. fixed assets) which cannot be allocated to other business segments. Apart from that the Local Corporate Center includes received dividends and reconciliations to the accounting result. The segment comprises also Free Capital which is defined as the difference of the total average IFRS equity and the average economical equity allocated to all operating segments.

Group Markets (GM) segment comprises trading and markets services, as well as business with financial institutions. This segment is divided into Treasury trading and market services (GMT) and Financial institutions (GMFI):

- Treasury trading and Market services (GMT) comprises all activities related to active risk taking and managing in regulatory trading books of the Bank, additional to that the execution of trades against the market using the trading books of the Bank for market making, short-term liquidity management and warehousing purposes. Specifically, revenues and fair value results not

directly attributable to client transactions (which can be valid also for ALM deals) and generally risk premiums and execution fees are taken into account. It also includes 20% compensation fee from Retail for the treasury sales services.

- Financial institutions (GMFI) are companies that provide financial services for their clients or members and act as professional and active participant on financial markets for the purpose of proprietary trading or on behalf of their clients (banks, central banks, development banks, investment banks, investment funds, brokerages, insurance companies, pension funds, credit unions, building societies, asset management companies, government debt agencies, sovereign wealth funds, exchanges).

Measurement

The profit and loss statement of the segment report is based on the measures reported to the Bank's Board of Directors for the purpose of allocating resources to the segments and assessing their performance. Management reporting as well as the segment report of Bank are based on IFRS. Accounting standards and methods as well as measurements used in segment reporting are the same as for the separate financial statements of accounting.

Interest revenues are not reported separately from interest expenses for each reportable segment. Those measures are reported on the net basis within the position 'Net interest income' as interest revenues and interest expenses are neither included into the measure of segment profit or loss reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker. Chief operating decision maker relies solely on net interest income to assess the performance of the segments and make decisions about resources to be allocated to the segments. Other operating result is reported on a net basis according to the regular reporting to the chief operating decision maker.

Capital consumption per segment is regularly reviewed by the management of the Bank to assess the performance of the segments. The average allocated equity is determined by credit risk, market risk and operational risk. In line with the regular internal reporting prepared for the Board of Directors, total assets, total liabilities, as well as risk weighted assets and allocated equity are disclosed per segment. Total average allocated capital for the Bank equals average total equity of the Bank. For measuring and assessing the profitability of segments within the Bank, such key measures as return on allocated capital and cost/income ratio are used.

Return on allocated capital is defined as net result for the period before minorities in relation to the average allocated capital of the respective segment. Cost/income ratio is defined as operating expenses (general administrative expenses) in relation to operating income (total of net interest income, net fee and commission income, dividend income, net trading result, gains/(losses) from financial instruments measured at fair value through profit or loss, profit share from investments in associates and joint venture, rental income from investment properties and other operating lease).

Business Segments	Retail		Corporates		Group markets		Asset Liability Management, Local Corporate Center and Free Capital		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
EUR ths.										
Net interest income	463,482	452,043	148,506	144,849	10,207	8,635	(54,576)	38,150	567,619	643,677
Net fee and commission income	182,842	189,147	39,641	43,151	19,484	21,326	(9,622)	(11,783)	232,345	241,841
Fee and commission income	184,774	193,908	40,172	43,866	20,039	21,763	2,147	1,942	247,132	261,479
Fee and commission expenses	(1,932)	(4,761)	(531)	(715)	(555)	(437)	(11,769)	(13,725)	(14,787)	(19,638)
Dividend income	-	-	-	-	-	-	511	1,285	511	1,285
Net trading result	5,052	5,239	6,517	6,238	4,645	4,421	2,367	5,769	18,581	21,667
Net gain/ (loss) from financial instruments measured at fair value through profit or loss	-	-	-	-	-	-	7,105	(608)	7,105	(608)
Rental income from investment properties & other operating leases	-	-	-	-	-	-	463	356	463	356
General administrative expenses	(289,189)	(308,288)	(62,271)	(67,563)	(4,799)	(4,937)	1,184	3,276	(355,075)	(377,512)
Net gain/ (loss) from derecognition of financial assets measured at amortised cost	-	-	-	-	-	-	(10,426)	-	(10,426)	-
Net other loss from derecognition of financial instruments not measured at fair value through profit or loss	-	-	-	-	-	-	(24)	(201)	(24)	(201)
Net impairment gain/ (loss) from financial instruments	(2,782)	(56,267)	(10,637)	4,069	352	386	18	551	(13,049)	(51,261)
Gains/ (losses) on revised estimates of contractual cash flows	-	-	-	-	-	-	-	(21,000)	-	(21,000)
Other operating result	-	(1)	(382)	1,504	(1)	8	1,654	(1,201)	1,271	310
Levies on banking activities	-	-	-	-	-	-	-	(1,122)	-	(1,122)
Pre-tax result from continuing operations	359,405	281,873	121,374	132,248	29,888	29,839	(61,346)	14,594	449,321	458,554
Taxes on income	(75,474)	(67,650)	(25,489)	(31,745)	(6,277)	(7,161)	(59,065)	(52,720)	(166,305)	(159,276)
Net result for the period	283,931	214,223	95,885	100,503	23,611	22,678	(120,411)	(38,126)	283,016	299,278
Operating income	651,374	646,430	194,665	194,237	34,336	34,381	(53,751)	33,170	826,624	908,218
Operating expenses	(289,189)	(308,288)	(62,271)	(67,563)	(4,799)	(4,937)	1,184	3,276	(355,075)	(377,512)
Operating result	362,185	338,142	132,394	126,674	29,537	29,444	(52,567)	36,446	471,549	530,706
Risk-weighted assets (credit risk, eop)*	3,408,546	3,595,916	6,330,798	5,579,790	78,514	81,429	381,543	231,494	10,199,401	9,488,629
Average allocated capital**	453,735	457,641	612,707	564,162	17,878	15,522	439,778	376,918	1,524,098	1,414,243
Cost/income ratio	44.40%	47.69%	31.99%	34.78%	13.98%	14.36%	2.20%	(9.88%)	42.95%	41.57%
Return on allocated capital	62.58%	46.81%	15.65%	17.81%	132.07%	146.10%	(27.38%)	(10.12%)	18.57%	21.16%
Total assets (eop)	12,893,324	13,896,087	6,571,238	6,863,651	149,049	138,565	6,801,076	7,115,492	26,414,687	28,013,795
Total liabilities excluding equity (eop)	14,152,430	15,218,171	3,831,354	3,855,429	833,581	692,422	5,117,758	5,880,104	23,935,123	25,646,126
Impairments	(2,782)	(56,266)	(10,637)	4,069	353	385	17	551	(13,049)	(51,261)
Net impairment gain/ (loss) on financial assets AC and finance lease receivables	(3,159)	(56,080)	(7,605)	3,162	340	368	17	492	(10,407)	(52,058)
Net impairment gain/ (loss) on commitments and guarantees given	377	(186)	(3,032)	907	13	17	-	59	(2,642)	797

* Credit RWA (eop) after intercompany transactions according to Pillar 1, calculated by Erste Group for the purpose of segment report and management purposes (without subsidiaries Credit RWA).

** Average allocated capital is calculated based on Erste Group controlling methodology.

2. Net interest income

Net interest income is broken down into line items of interest income, other similar income, interest expenses and other similar expenses. The distinguishing factor is whether the EIR method is mandatorily applied for recognition of interest income or expense in accordance with IFRS 9.

'Interest income' relates to interest revenue from financial assets measured at amortised cost and at fair value through other comprehensive income. It is calculated using the EIR method as discussed in chapter 'Financial instruments – Material accounting policy information'.

'Other similar income' captures interest-like sources of income resulting from non-derivative financial assets measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives and finance lease receivables.

'Interest expenses' relate to interest expense from financial liabilities measured at amortised cost calculated using effective interest rate as discussed in chapter 'Financial instruments – Material accounting policy information'.

'Other similar expenses' capture interest-like sources of expense resulting from non-derivative financial liabilities measured at fair value through profit or loss, held for trading derivatives, hedge accounting derivatives, negative interest on financial assets and lease liabilities.

Interest income also includes modification gains and losses recognised on financial assets in Stage 1. Further, the unamortised balance of the origination fees/transaction costs upon derecognition of assets in Stage 1 and 2 considered in the effective interest rate is presented as interest income at the derecognition date.

EUR ths.	2024	2025
Financial assets at AC	914,734	934,404
Demand deposits	77,896	28,842
Loans and advances	723,123	773,354
Debt securities	113,715	132,208
Interest income	914,734	934,404
Non-trading financial assets at FVPL	24	24
Financial assets HFT	42,490	31,643
Hedge accounting derivatives, interest rate risk	5,619	631
Other assets	11,848	13,388
Negative interest from financial liabilities	6	–
Other similar income	59,987	45,686
Interest and other similar income	974,721	980,090
Financial liabilities at AC	(320,348)	(294,928)
Deposits	(189,700)	(150,817)
Debt securities in issue	(130,648)	(144,060)
Other financial liabilities	–	(51)
Interest expenses	(320,348)	(294,928)
Financial liabilities HFT	(40,663)	(30,567)
Hedge accounting derivatives, interest rate risk	(43,526)	(8,253)
Other liabilities	(2,565)	(2,661)
Negative Interest from financial assets	–	(4)
Other similar expenses	(86,754)	(41,485)
Interest and other similar expenses	(407,102)	(336,413)
Net interest income	567,619	643,677

An amount of EUR 13.3 million (2024: EUR 12.0 million) relating to impaired financial assets is included in interest income.

Interest income from demand deposits decreased year-on-year, reflecting lower ECB interest rates and reduced average deposited volumes following the expiry of the TLTRO programme in year 2024.

Interest on derivatives relates to the hedged items presented in the line item 'Financial assets / liabilities at AC'.

3. Net fee and commission income

The Bank earns fee and commission income from a diverse range of services that it provides to its customers.

Fee and commission income is measured based on the consideration specified in the contract with a customer. The Bank recognises revenue when it transfers a promised service to a customer.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commitment fees, premiums received for financial guarantees and other fees from lending business, commission income from asset management, custody and other management and advisory fees. Services provided over a period of time also include certain payment services like periodic card fees.

Fee income earned from providing transaction services, such as arranging the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as commission income earned from services such as the sale of collective investments and insurance products, are recognised upon completion of the underlying transaction. Transaction based services also include certain payment services like withdrawal fees.

A contract with a customer that results in the recognition of a financial instrument in the Bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. For example, loan servicing fees agreed in a loan contract that are not integral to the effective interest rate of a financial instrument are included in the net fee and commission income.

EUR ths.	2024		2025	
	Income	Expenses	Income	Expenses
Securities	5,327	(768)	9,718	(1,332)
Own issues	876	-	744	-
Transfer orders	562	(619)	4,224	(1,168)
Other	3,889	(149)	4,750	(164)
Custody	5,784	(2,948)	6,534	(3,601)
Collective investment	3,333	-	3,856	-
Other	2,451	(2,948)	2,678	(3,601)
Payment services	123,342	(8,709)	124,907	(11,199)
Card business	54,586	(5,465)	56,681	(7,068)
Thereof: Credit cards	2,540	-	1,994	-
Thereof: Debit cards and other card payments	52,046	-	54,687	-
Current accounts	62,980	-	62,386	-
Other	5,776	(3,244)	5,840	(4,131)
Customer resources distributed but not managed	85,014	(192)	91,821	(457)
Collective investment	29,227	-	31,963	-
Insurance products (as agent)	55,787	(192)	59,858	(457)
Servicing fees from securitization activities	-	-	125	-
Lending Business	26,916	(576)	27,932	(2,890)
Guarantees given, guarantees received	7,283	(8)	8,393	(2,250)
Loan commitments given, loan commitments received	3,845	-	5,281	-
Other lending business	15,788	(568)	14,258	(640)
Thereof: loan servicing activities	15,788	(568)	14,258	(640)
Other	749	(1,594)	442	(159)
Total fee and commission income and expenses	247,132	(14,787)	261,479	(19,638)
Net fee and commission income	232,345		241,841	

Collective investment in the line 'Customer resources distributed but not managed' and custody fees relate to fees earned by the Bank on trust and other investment activities in which the Bank holds or invests assets on behalf of its customers and amount to EUR 23,314.4 million (2024: EUR 21,920.6 million).

4. Dividend income

EUR ths.	2024	2025
Non-trading financial assets at fair value through profit or loss	492	644
Financial assets at amortised cost	19	641
Dividend income	511	1,285

5. Net trading result

Results arising from trading activities include all gains and losses from changes in the fair value (clean price) of financial assets and financial liabilities classified as held for trading, including all derivatives not designated as hedging instruments. Further, the net trading result includes any ineffective portions recorded in fair value hedge transactions. Also, foreign exchange gains and losses on all monetary assets and liabilities and from spot currency conversions are included here.

The accounting policy for recognition of foreign exchange gains and losses is described in the chapter Material accounting policy information, Accounting and measurement methods, Foreign currency translations, i. Transactions and balances in foreign currency. Detailed information relating to hedge accounting can be found in Note [21](#) Hedge accounting.

The Bank has adopted a business model of centralised financial markets trading in cooperation with its parent company. Within this model Erste Group Bank AG conducts all trading operations on a central trading book in order to manage effectively market risks from the Bank trading activities (i.e. transactions with retail, corporate and other institutional clients), with the exception of equity risk trading and transactions for the Bank's liquidity management purposes.

Trading gains from the market positions of Erste Group Bank AG are distributed according to the approved rules to local banks within the Group based on their financial results and are reported in the income statement line item 'Net trading result'. The basic principle underlying these rules is that Erste Group Bank AG absorbs potential losses in individual groups of assets in exchange for the risk premium derived from the VaR indicator. This business model of financial markets trading also includes reallocation of trading costs to the participating subsidiaries of Erste Group Bank AG based on their cost/income ratio.

EUR ths.	2024	2025
Securities trading	3,799	3,393
Derivatives trading	15,236	17,853
Result from hedge accounting	(454)	421
Net trading result	18,581	21,667

The line item 'Securities trading' includes net gains from the Erste Group Bank AG's market positions attributable to the Bank.

6. Net gain/ (loss) from financial instruments measured at fair value through profit or loss

Changes in fair value (clean price) of non-trading financial assets at fair value through profit or loss are presented under this line item. This concerns non-trading financial assets mandatorily measured at fair value through profit or loss.

EUR ths.	2024	2025
Result from measurement/sale of financial assets mandatorily at FVPL	7,105	(608)
Net gain/ (loss) from financial instruments measured at fair value through profit or loss	7,105	(608)

7. Rental income from investment properties & other operating leases

Rental income from investment properties and other operating leases is recognised on a straight-line basis over the lease term. Operating expenses for investment properties are reported in line item 'Other operating result'. For further details we refer to Note [12](#) Other operating result.

EUR ths.	2024	2025
Investment properties	463	356
Rental income from investment properties & other operating leases	463	356

8. General administrative expenses

Personnel expenses

Personnel expenses include wages and salaries, bonuses, statutory and voluntary social security contributions, staff-related taxes and levies. They also include service costs for severance payments, pension and jubilee obligations and remeasurements of jubilee obligations. Furthermore, restructuring provision expenses may be part of personnel expenses.

Information about remuneration of management including performance-linked remuneration can be found in Note [42](#) Related-party transactions and principal shareholders.

As at 31 December 2025 the Bank had 3,630 employees, thereof five members of the Board of Directors. As at 31 December 2024 the Bank had 3,664 employees, thereof five members of the Board of Directors.

WeShare program

The WeShare-Participation program and the WeShare-Investment Plus program are cash-settled share-based payment transactions. Both programs are offered to employees of the Bank.

Under the WeShare-Investment Plus program all employees, who had been employed by an entity of the Bank, from April 2025 until June 2025 could voluntarily invest in Erste Group shares and receive free shares depending on the amount of their personal investment. The WeShare-Investment Plus program was settled in June 2024. The number of free shares, which were granted under this program for the period, is 17,100 (2024: 22,906). Personnel expenses in the amount of EUR 1.2 million (2024: EUR 1.0 million) were recorded.

Under the WeShare-Participation program all employees, who have been active employed by an entity of the Bank for at least six months in year 2024 and have active employment status in June 2025 are entitled to receive shares in an equivalent amount of EUR 350. The expected number of free shares, which are granted under this program for the period, is 13,158 (2024: 17,821). Based on the number of entitled employees, the Bank recognised personnel expenses in the amount of EUR 1.7 million (2024: EUR 1.0 million).

Other administrative expenses

Other administrative expenses include primarily information technology expenses, expenses for office space, office operating and administrative expenses, advertising and marketing, and expenditures for legal and other consultants. Furthermore, the line item contains deposit insurance contributions. Restructuring provision expenses may also be presented in other administrative expenses.

Expenses for leases complying with recognition exemptions for short-term leases (less than 12 months) and leases of low-value items under IFRS 16 are disclosed in the category 'Other administrative expenses' under the line item 'Expenses for office premises' in total amount of EUR 0.5 million (2024: EUR 0.7 million).

The Bank is legally obliged to make a contribution to the Deposit Protection Fund, which is accounted for in accordance with the IFRIC 21. The amount of this annual contribution is calculated based on the Bank's customer deposit liabilities. The contribution to the Deposit Protection Fund was paid in April 2025.

Depreciation and amortisation

This line item comprises depreciation of property and equipment, depreciation of investment property and amortisation of intangible assets. In the line item 'Depreciation and amortisation', also the depreciation of right-of-use assets according to IFRS 16 is disclosed.

EUR ths.	2024	2025
Personnel expenses	(190,632)	(198,725)
Wages and salaries	(132,737)	(139,798)
Compulsory social security	(47,751)	(50,479)
Long-term employee provisions	(3,148)	(2,260)
Other personnel expenses	(6,996)	(6,188)
Other administrative expenses	(128,052)	(141,702)
Deposit insurance contribution	(2,540)	(2,447)
IT expenses	(57,860)	(63,635)
Expenses for office premises	(16,597)	(17,352)
Office operating and administrative expenses	(14,662)	(14,648)
Advertising/marketing	(15,801)	(19,256)
Legal and consulting costs	(6,975)	(9,525)
Sundry administrative expenses	(13,617)	(14,839)
Depreciation and amortisation	(36,391)	(37,085)
Software and other intangible assets	(4,487)	(5,160)
Owner occupied real estate and leased real estate	(20,627)	(20,035)
Investment properties	(210)	(139)
Office furniture and equipment and sundry property and equipment	(11,067)	(11,751)
General administrative expenses	(355,075)	(377,512)

Personnel expenses include expenses of EUR 22.7 million (2024: EUR 21.4 million) for defined contribution plans.

9. Net gain/(loss) from derecognition of financial assets measured at amortised cost

This line item includes selling and other derecognition gains or losses on financial assets measured at amortised cost. However, if such gains/(losses) relate to derecognition of financial assets in Stage 3, they are included in the line item 'Net impairment loss from financial instruments'.

EUR ths.	2024	2025
Losses from derecognition of financial assets at AC	(10,426)	-
Net gain/ (loss) from derecognition of financial assets measured at amortised cost	(10,426)	-

In order to optimise the portfolio of debt securities measured at amortised cost certain bonds were sold during 2024 within existing internal retrospective thresholds for the 'held to collect' business model assessment.

10. Net impairment loss from financial instruments

Net impairment losses on financial instruments comprise impairment losses and reversals of impairment on all kinds of financial instruments, loan commitments and guarantees to which the IFRS 9 expected credit loss impairment model applies. The impairment result also includes recoveries on written-off financial assets. Modification gains and losses recognised on financial assets in Stage 2 and Stage 3 and POCL assets could be included in this line item. Moreover, gains/(losses) from derecognition of financial assets in Stage 3 and POCL assets are presented as part of the impairment result.

EUR ths.	2024	2025
Financial assets at AC	(10,054)	(49,835)
Net allocation to credit loss allowances	(21,944)	(64,941)
Unwinding correction	13,178	15,535
Direct write-offs	(1,558)	(852)
Recoveries recorded directly to the income statement	270	423
Finance lease receivables	(353)	(2,223)
Net allocation to credit loss allowances	(389)	(2,231)
Direct write-offs	(1)	(28)
Recoveries recorded directly to the income statement	37	36
Credit loss allowances for loan commitments and financial guarantees given	(2,642)	797
Net impairment loss from financial instruments	(13,049)	(51,261)

The following table reconciles the movements of credit risk allowances disclosed in notes 15, 16, 34 and 38 to Net impairment loss from financial instruments disclosed in Income statement. The reconciliation specifies items that represents movements in credit risk allowances that are not recognized through income statement.

EUR ths.	2024	2025
Net movements from notes 15, 16, 34 and 38	7,859	(17,230)
Financial assets at amortised cost	6,990	(16,068)
Finance lease receivables	230	(1,774)
Trade and other receivables	3,281	(185)
Commitments and financial guarantees given	(2,642)	797
Items not recognized through income statement - use	32,834	49,145
Financial assets at amortised cost	28,789	48,076
Finance lease receivables	619	457
Trade and other receivables	3,426	612
Items recognized through income statement - net allocations and releases	(24,975)	(66,375)
Financial assets at amortised cost	(21,799)	(64,144)
Finance lease receivables	(389)	(2,231)
Trade and other receivables	(145)	(797)
Commitments and financial guarantees given	(2,642)	797
Net impairment loss from financial instruments	(13,049)	(51,261)
Items reconciled to movements in notes 15, 16, 34 and 38	(24,975)	(66,375)
Net allocation of loss allowances for financial assets at amortised cost	(21,944)	(64,941)
Net allocation of loss allowances for finance lease receivables	(389)	(2,231)
Net allocation of loss allowances for commitments and guarantees given	(2,642)	797
Items not recognized as movement in notes 15, 16, 34 and 38	11,926	15,114
Unwinding correction	13,178	15,535
Direct write-offs	(1,559)	(880)
Recoveries recorded directly to the income statement	307	459

11. Gains/(losses) on revised estimates of contractual cash flows

When the Bank revises its estimates of future contractual cash flows, excluding contractual modifications and changes in estimates of expected credit losses, it recalculates the carrying amount of the financial instrument. The new carrying amount is equal to the present value of the revised estimated cash flows, discounted at the original effective interest rate (EIR), or the credit-adjusted EIR for POCI assets, or the revised EIR where required. The adjustment is recognised immediately in the statement of income as a gain or a (loss).

In 2025, the Bank's revised future cash flows based on the legislation, amendments to the Consumer Credit Act, establishing a possibility to introduce a subsidy scheme for the clients.

12. Other operating result

The other operating result reflects all other income and expenses not directly attributable to the Bank's ordinary activities.

It includes expenses for allocations to and income from release of provisions in scope of IAS 37. Further, impairment losses or any reversal of impairment losses as well as results on the sale of property and equipment, investment property and intangible assets are presented as other operating result. Any impairment losses on goodwill are also included in this line item.

In addition, the other operating result encompasses the following: resolution fund contributions, expenses for other taxes as well as selling gains and losses on equity investments accounted for using the equity method and gains or losses from derecognition of subsidiaries.

Furthermore, levies on banking activities are considered as part of the other operating result. The Bank recognises a liability or a provision for the levy when the activity that triggers payment, as identified by the relevant legislation, occurs.

EUR ths.	2024	2025
Other operating expenses	(6,555)	(9,325)
Net allocation to other provisions	-	(2,129)
Levies on banking activities	-	(1,122)
Financial transaction tax	-	(1,122)
Other taxes	(179)	(189)
Other	(6,376)	(5,885)
Other operating income	7,826	9,635
Net release of other provisions	2,077	-
Result from properties/movables/other intangible assets other than goodwill	1,101	4,125
Result from other operating expenses/income	4,648	5,510
Other operating result	1,271	310

Other in Other operating expenses consists mainly of insurance premiums in the amount of EUR 3.4 million (2024: EUR 3.4 million), debt collection and legal costs in the amount of EUR 1.5 million (2024: EUR 2.4 million).

Result from properties/movables/other intangible assets other than goodwill consists mainly of net gain from sale of several buildings in the amount of EUR 2.4 million (2024: EUR 0.1 million) and net release of impairment losses on real estate assets in the amount of EUR 1.7 million (2024: EUR 0.5 million).

Result from other operating expenses/income consists mainly of income from services provided to third parties within the Erste Group in the amount of EUR 1.0 million (2024: EUR 0.8 million).

13. Taxes on income

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period. However, they are recognised in other comprehensive income or directly in equity if they arise from a transaction or event which itself is recognised in OCI or equity.

Change in tax rate

On 25.10.2024, Act No. 278/2024 Coll. was published in the Collection of Laws of the Slovak Republic, amending and supplementing Act No. 595/2003 Coll. on income tax. A new income tax rate of 24% of the tax base was introduced (original tax rate: 21%). It is paid by legal entities that achieve taxable income in excess of EUR 5,000,000 in the relevant tax period. It was applied for the first time when filing a tax return for the tax period starting no earlier than 1 January 2025. As a result, deferred tax balances as at 31 December 2024 were recalculated at a rate of 24%.

On 28.11.2024, Act No. 355/2024 Coll. was published in the Collection of Law of the Slovak Republic, amending and supplementing Act No. 595/2003 Coll. on income tax. From January 1, 2025 a special tax rate of 16% has been introduced on revenues paid from state bonds and revenues paid from bonds issued by European Union member state or a state that is a party to the Agreement on the European Economic Area.

Special levy on profits from regulated activities

On December,19 2023, The parliament of the Slovak republic approved the amendment to Act No. 235/2012 Coll. on a special levy on Business in Regulated Industries, effective from 31.12.2023. The amendment to the law extends the scope to persons authorized to perform activities based on a permission issued or granted by the National Bank of Slovakia, which also includes banks. The levy period is a calendar month, and the bank is obliged to pay the levy starting with January 2024. The special levy is calculated as the product of the levy rate and the levy base. The levy base is the pre-tax profit reported according to international accounting standards adjusted according to Section 17 subsection 1 letter c) Act no. 595/2003 Coll on income tax, multiplied by a coefficient, which is calculated as the share of revenues from activities in the area carried out on the basis of a permission issued or granted by the National Bank of Slovakia to total revenues. For the accounting period 2025 is the levy base reduced by the revenue of a state bond and the revenue from a bond issued by a member state of the European Union or a state that is a party to the Agreement on

the European Economic Area. The monthly levy rate is 0.025 for accounting period 2024, 0.0208 for accounting period 2025, 0.0167 for accounting period 2026, 0.0125 for accounting period 2027 and for accounting period 2028 and others in the amount of 0.00363. The levy base is based on a taxable profit in scope of IAS 12 and levy is considered as an income tax.

The theoretical income tax rate applicable is as follows:

EUR ths.	2024	2025
Standard income tax rate for the year	21.00%	24.00%
Special levy rate	30.00%	24.96%
Effect of deductibility of special levy from standard rate*	(11.77%)	(9.78%)
Tax rate applicable on profit	39.23%	39.18%

* the effect is calculated as special levy rate in %*((1- income tax rate in %)/(1+ special levy rate in %)-1)

Taxes on income consist of current taxes on income calculated in Bank based on the results reported for tax purposes, corrections to taxes on income for previous years, the change in deferred taxes and special levy on profits from regulated activities.

EUR ths.	2024	2025
Current tax (expense) / income	(74,825)	(102,411)
current period	(75,262)	(102,771)
prior period	437	360
Deferred tax (expense) / income	12,013	10,612
current period	12,013	10,656
prior period	-	(44)
Special levy on profits from regulated activities	(103,493)	(67,477)
Total	(166,305)	(159,276)

The following table reconciles the income taxes reported in the income statement to the pre-tax result from continuing operations multiplied by the nominal Slovak tax rate.

EUR ths.	2024	2025
Pre-tax result from continuing operations	449,321	458,554
Statutory tax rate	39.23%	39.18%
Income tax expense for the financial year at the Slovak statutory tax rate	176,269	179,664
Impact of tax-exempt earnings of investments and other tax-exempt income	(2,107)	(19,622)
thereof - Permanently tax-exempt (income) from dividends	(97)	(303)
thereof - Permanently tax-exempt (income) from revaluation of asset	(995)	(732)
thereof - Effect of regulated levy	-	(18,191)
thereof - Other	(1,015)	(396)
Tax rate change	(10,008)	(9,587)
Tax increases due to non-deductible expenses, additional business tax and similar elements	2,588	9,137
thereof - Permanent differences coming from financial assets	82	923
thereof - Permanent differences coming from other asset	35	685
Thereof - Permanent differences coming from general administrative expenses	1,470	1,542
Thereof - Permanent differences arising from subsidy scheme	-	5,040
thereof - Other	1,001	947
Tax expenses / earnings not attributable to the reporting period	(437)	(316)
Total	166,305	159,276

The following table shows the income tax effects relating to each component of other comprehensive income:

EUR ths.	2024			2025		
	Pre-tax amount	Income tax	Net-of-tax amount	Pre-tax amount	Income tax	Net-of-tax amount
Remeasurement of defined benefit plans	(534)	177	(357)	(683)	164	(519)
Other comprehensive income	(534)	177	(357)	(683)	164	(519)

Major components of deferred tax assets and deferred tax liabilities and current tax position

EUR ths.	Tax assets		Tax liabilities		Through PL	Through OCI	Total
	31.12.2024	31.12.2025	31.12.2024	31.12.2025	Net variance		
Temporary differences related to the following items:							
Assets							
Financial assets at fair value through profit or loss	101	101	-	-	-	-	-
Financial assets at amortised cost	62,734	71,344	-	-	(8,608)	-	(8,608)
Property, equipment and investment properties	1,106	1,553	-	-	(447)	-	(447)
Right-of-use assets	633	838	-	-	(205)	-	(205)
Other assets	7	4	-	-	3	-	3
Liabilities							
Long-term employee provisions (tax valuation different)	1,539	1,714	-	-	(11)	(164)	(175)
Other provisions (tax valuation different)	3,163	2,935	-	-	228	-	228
Other liabilities	11,306	12,877	-	-	(1,572)	-	(1,572)
Thereof - human resources	6,313	6,665	-	-	(352)	-	(352)
Thereof - other	4,993	6,212	-	-	(1,220)	-	(1,220)
Total deferred tax before tax loss carried forward	80,589	91,366	-	-	(10,612)	(164)	(10,776)
Total deferred taxes	80,589	91,366	-	-	(10,612)	(164)	(10,776)
Current taxes	584	-	-	(24,755)	169,888	-	169,888
Total taxes	81,173	91,366	-	(24,755)	159,276	(164)	159,112

EUR ths.	Tax assets		Tax liabilities		Through PL	Through OCI	Total
	31.12.2023	31.12.2024	31.12.2023	31.12.2024	Net variance		
Temporary differences related to the following items:							
Assets							
Financial assets at fair value through profit or loss	88	101	-	-	(13)	-	(13)
Financial assets at amortised cost	55,841	62,735	-	-	(6,894)	-	(6,894)
Property, equipment and investment properties	530	1,105	-	-	(575)	-	(575)
Right-of-use assets	336	633	-	-	(297)	-	(297)
Other assets	10	7	-	-	3	-	3
Liabilities							
Long-term employee provisions (tax valuation different)	1,282	1,539	-	-	(80)	(177)	(257)
Other provisions (tax valuation different)	2,188	3,163	-	-	(975)	-	(975)
Other liabilities	8,125	11,306	-	-	(3,181)	-	(3,181)
Thereof - human resources	4,686	6,313	-	-	(1,627)	-	(1,627)
Thereof - other	3,439	4,993	-	-	(1,554)	-	(1,554)
Total deferred tax before tax loss carried forward	68,399	80,589	-	-	(12,013)	(177)	(12,190)
Total deferred taxes	68,399	80,589	-	-	(12,013)	(177)	(12,190)
Current taxes	-	584	(19,746)	-	178,318	-	178,318
Total taxes	68,399	81,173	(19,746)	-	166,305	(177)	166,128

The Bank's separate deferred tax asset position in amount of EUR 94.0 million as at 31 December 2025 (2024: EUR 83.0 million) is expected to be recoverable in the foreseeable future. These expectations result from year-end recoverability assessments undertaken by the Bank. Such assessments are comparing net temporary deductible differences and available net fiscal losses at year-end – after offsetting with deferred tax liabilities at individual level or at relevant tax group level – with fiscal profit forecasts for a group-wide unified and unchanged time horizon of a maximum 5 years depending on the fiscal jurisdiction and applicable facts and

circumstances. If the result of these assessments is negative, the deferred tax asset positions are correspondingly not recorded and the already existing deferred tax asset positions are correspondingly decreased.

OECD Pillar Two model rules

The Bank is within the scope of the OECD Pillar Two models. Pillar Two legislation was enacted in Slovakia, the jurisdiction in which the Bank is incorporated. The average expected effective tax rate for the year 2025 is higher than 16% (2024: 15%), and the expected average effective tax rates for the following accounting periods also meet the criteria for the application of the "Exception from the calculation of the compensatory tax based on the qualified administration by individual states" in the Pillar Two legislation. Consequently, the Bank is not obliged to pay the payment of Pillar Two income taxes in relation to Slovakia. As at 31 December 2025 and as at 31 December 2024, the Bank did not report any related payable tax. The Bank applies the exemption for the recognition and disclosure of information on deferred tax assets and liabilities related to income tax for Pillar Two, as outlined in the amendments to IAS 12 issued in May 2023.

Financial instruments – Material accounting policy information

Accounting and measurement methods for financial instruments

Regular way (spot) purchases and sales of financial assets are recognised at the settlement date, which is the date that an asset is delivered.

Measurement of financial assets and financial liabilities is subject to two primary measurement methods: at amortised cost and fair value.

a) Amortised cost and effective interest rate

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any loss allowance.

The effective interest rate ('EIR') is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before adjusting for any loss allowance) or to the amortized cost of the financial liability. The estimated cash flows consider all the contractual terms of the financial instrument but disregard the expected credit losses. The calculation includes transaction costs, origination fees that are an integral part of the EIR and all other premiums and discounts to the par amount.

b) Fair value

Details on valuation techniques applied for fair value measurement and on the fair value hierarchy are disclosed in Note [20](#) Fair value of financial instruments.

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- The business model for managing the financial assets; and
- The cash flow characteristics of the financial assets.

For further details refer to part 'Material accounting judgements, assumptions and estimates' in this chapter.

Application of these criteria leads to classification of financial assets into three measurement categories described in the respective note:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss. Interest expense is calculated by applying the EIR to the amortised cost of a financial liability. Further details on financial liabilities at amortised cost are in the respective Note [17](#) Financial liabilities at amortised costs.

Impairment of financial instruments

The Bank recognises loss allowances for impairment on its debt instrument financial assets, other than those measured at fair value through profit or loss, its lease receivables, and its off-balance credit risk exposures arising from financial guarantees and certain loan commitments.

The amount of the impairment loss is recognised as a loss allowance. For the purpose of the measurement of the amount of expected credit loss and recognition of interest income, the Bank distinguishes between three stages of impairment.

Stage 1 relates to financial instruments for which no significant increase in credit risk has been recorded since their initial recognition. The impairment is measured in the amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset.

Financial instruments in Stage 2 are subject to significant increase in credit risk since their initial recognition. Stage 2 also includes trade receivables without significant financing component to which the 'simplified approach' is applied mandatorily based on IFRS 9 requirements. The impairment is measured in the amount of the lifetime expected credit loss. Interest income is recognised by EIR applied to the gross carrying amount of the financial asset (as for Stage 1). In the case of drawings by non-defaulted customers on previously committed credit lines, the whole exposure (on-balance and off-balance) is categorised as either Stage 1 or Stage 2, depending on the development of credit risk between the commitment date and the drawing date. Interest income is calculated by applying the EIR to the gross carrying amount of the financial asset.

Financial instruments in Stage 3 are credit-impaired. In respect of applying the 'credit-impaired' concept of IFRS 9, the Bank adopted the approach of aligning it with the regulatory concept of 'default' in accordance with guidelines of the European Banking Authority EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171. The Bank generally applies a customer view for the default definition, which leads to Stage 3 classification of all transactions with the customer even if the customer defaults only on one of several transactions ('pulling effect'). On the other hand, an upgrade to a non-defaulted rating grade implies that all the transactions with the customer cease to be impaired. The impairment of financial instruments in Stage 3 is measured in the amount of the lifetime expected credit loss. Interest income is calculated by EIR applied to the amortised cost (i.e. the net carrying amount) of the financial asset. From a balance sheet perspective, interest is accrued based on the financial assets' gross carrying amount. The difference between the interest accrued on the assets and the interest income recognised is reflected through the allowance account (without impacting the impairment loss).

For financial assets that are credit-impaired at initial recognition (purchased or originated credit-impaired financial assets 'POCI') lifetime expected credit losses are initially reflected in the credit-adjusted EIR. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. No impairment stages are distinguished for the POCI financial assets.

Measurement of expected credit losses includes cash flows expected from collateral and those financial guarantees held by Bank which are considered as integral to the contractual terms of financial assets whose risk is guaranteed. Bank considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the Bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets.

Reimbursement assets from financial guarantees which are not considered integral are recognised under 'Other assets' in the statement of financial position. In the statement of income, they reduce the impairment loss incurred on guaranteed financial assets under 'Net impairment loss from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the Bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'. Typical example of non-integral guarantees in the business of the Bank are synthetic securitisations of loan portfolios. Synthetic securitisations are undertaken with the aim of reducing risk-weighted assets for regulatory own funds requirement purposes. More details on synthetic securitisations are provided in chapter Collateral.

For financial assets measured at amortised cost, the net carrying amount of the financial asset presented on the statement of financial position is the difference between the gross carrying amount and the cumulative loss allowance. Loss allowances for loan commitments and financial guarantees are presented under the statement of financial position line item 'Provisions'.

In the statement of income, impairment losses and their reversals (gains) on all kinds of financial instruments are presented in the line item 'Net impairment loss from financial instruments'.

Derecognition of financial instruments including treatment of contractual modifications

a) Derecognition of financial assets

The difference between the carrying amount of the derecognised asset and the consideration received is presented in the statement of income in the line 'Net gain/(loss) from derecognition of financial assets measured at amortised cost' or, for financial assets at fair value through other comprehensive income, in the line 'Net other loss from derecognition of financial instruments not measured at fair value through profit or loss'. For financial assets measured at fair value through profit or loss the derecognition gains or losses are recognised together with the measurement result in the lines 'Net trading result' or 'Net gain/ (loss) from financial instruments measured at fair value through profit or loss'.

b) Derecognition criteria with respect to contractual modifications of financial assets

In the normal course of running its lending business and in agreement with the respective debtors, the Bank may renegotiate or otherwise modify some terms or conditions of the underlying contracts. This can involve either market-driven commercial renegotiations or contractual changes aimed at alleviating or preventing borrower's financial difficulty. For the purpose of capturing the economic substance and financial effect of such contractual modifications, the Bank has developed a set of criteria to assess whether or not the modified terms are substantially different from the original terms and thus the financial asset has to be derecognised.

Commercial interest rate adjustments fulfilling specific conditions do not trigger the modification significance assessment. Instead, they result in a recalculation of the EIR of related loans. Such interest rate adjustments relate to performing non-forborne financial assets for which a prepayment/early termination option and a sufficiently competitive refinancing market exist. Furthermore, the costs that the debtor would incur in case of prepayment/early termination would have to be assessed as low. Such conditions introduce an implicit floating rate element to the contract. This kind of interest rate adjustments rarely applies to loan assets in Stage 2.

Substantial modifications lead to derecognition of the original financial asset and initial recognition of the modified financial asset as a new financial instrument. They include following events:

- change of the contractual counterparty (unless this is a formal change such as changes in legal name);
- change in the currency of the contract (unless the change results from exercising an embedded option in the original contract with pre-agreed conditions of the change, or if the new currency is pegged to the original currency);
- introduction of a non-SPPI contractual feature (unless it is intended to improve recoveries from debtors by granting concessions supporting them to recover from financial difficulties); and
- removal of a non-SPPI contractual feature.

Some derecognition criteria distinguish whether contractual modifications are applied to debtors facing financial difficulties. Application of certain modifications to debtors in financial difficulties is not considered as substantial since they are aimed at improving the prospects of the bank to recover the claims by tailoring the repayment schedules to specific financial conditions of those debtors. On the other hand, such contractual modifications applied to performing debtors may be considered as substantial enough to warrant the derecognition, as further detailed below.

From this perspective, the following criteria lead to derecognition unless they are considered as forbearance measures or they are applied to customers in default or they trigger default (i.e. the derecognition occurs if the modification does not relate to financial difficulties):

- repayment schedule changed in a way that the weighted remaining maturity of the assets is modified by more than 100% and at least two years compared to the original asset; or
- change in timing/amount of contractual cash flows resulting in the present value of the modified cash flows (discounted at pre-modification effective interest rate) being different by more than 10% of the gross carrying amount of the asset immediately before the modification (cumulative assessment considering all modifications occurring over the last twelve months); or
- altering a floating interest rate into a fixed interest rate or vice versa for the entire remaining life of the financial asset.

If contractual modifications that qualify as forbearance measures or they are applied to customers in default or they trigger default (i.e. they relate to customers in financial difficulties) are so significant that they are qualitatively assessed as an extinguishment of original contractual rights, they result in derecognition. Examples of such modifications are:

- a new agreement with materially different terms signed up as part of distressed restructuring following a standstill agreement suspending the rights of the original assets;
- consolidation of multiple original loans into one with substantially different terms; or
- transformation of a revolving loan into non-revolving.

Contractual modifications leading to derecognition of the related original assets result in the initial recognition of new financial assets. If the debtor is in default or the significant modification leads to the default, then the new asset will be treated as POCI. The difference between the carrying amount of the derecognised asset and initial fair value of the new POCI asset is presented in the statement of income in the line 'Net impairment loss from financial instruments'.

If the debtor is not in default or the significant modification does not lead to default, the new asset recognised after derecognition of the original asset will be in Stage 1. For loans measured at amortised cost, the unamortised balance of the origination fees/

transaction costs considered in the effective interest rate is presented in the line item 'Interest income' under 'Net interest income' at the derecognition date. The release of the credit loss allowance attached to the original asset at the date of that significant modification as well as the credit loss allowance recognised for the new asset are presented in the line 'Net impairment loss from financial instruments'. The remaining difference is presented in the line 'Net gain/(loss) from derecognition of financial assets measured at amortised cost'.

For financial assets measured at fair value through profit or loss, irrespective of whether they are in default, the derecognition gains and losses are included in the same line items of the statement of income as their measurement result, i.e. in 'Net gain/ (loss) from financial instruments measured at fair value through profit or loss'.

For debt instrument assets not measured at fair value through profit or loss that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in profit or loss. The modification gain or loss equals the difference between the gross carrying amount before the modification and the present value of the cash flows based on the modified terms discounted with the original EIR. In the statement of income, the modification gain or loss is presented in the line 'Interest income' under 'Net interest income' if the modification relates to financial assets in Stage 1. However, to the extent that the contractual modification involves the bank giving up its rights of collecting cash flows in respect of an outstanding amount of the asset, such as waiving (part of) principal or accrued interest amount, it is treated as a write-off.

c) Write-offs

The Bank writes off a financial asset or a part of it when it has no reasonable expectations of recovering the respective cash flows. When performing the write-off, the gross carrying amount of the asset is reduced simultaneously with the related loss allowance balance.

The Bank has specified criteria for writing off the unrecoverable balances in its loan business. Write-off can result from forbearance measures whereby the bank contractually waives part of the existing balance in order to help the customers overcome financial difficulties and thus improve the prospects of recovering the remaining loan balance (normally this relates to going concern scenarios for corporate customers).

In gone concern scenarios with corporate customers, write-offs of the unrecoverable exposure parts are triggered by enforcement activities such as filing or termination of legal proceedings (bankruptcy, liquidation, court case). Other write-off triggers may result from decisions about no enforcement due to worthlessness of the claim/collateral or generally from assessment that the receivable is economically lost. For retail customers, the non-recoverability and the timing and amounts of write-off crystallise during the collection process when it becomes evident that the amount due cannot be collected, e.g. due to ongoing bankruptcy proceedings. Residual uncollectable balances are written off after the collection process.

d) Derecognition of financial liabilities

In the statement of income, the difference between the carrying amount of the derecognised financial liability and the consideration paid is presented in the line 'Other gains/(losses) from financial instruments not measured at fair value through profit or loss', 'Net gain from financial instruments measured at fair value through profit or loss' and 'Net trading result' depending on the measurement category of the derecognised financial liability.

Material accounting judgements, assumptions and estimates

a) SPPI assessment

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements which rely on the guidance in IFRS 9. These judgements are crucial in the IFRS 9 classification and measurement process, as they determine whether the asset must be measured at FVPL or, depending on the business model assessment, at amortised cost. When taking into consideration specific features of financial assets in the business of the Bank, significant areas of judgement are prepayment fees, project financing loans and interest rate adjustments based on the fulfilment of certain ESG-related targets.

The assessment whether the prepayment fees applied to loans can be considered as a reasonable compensation for early terminations or prepayments is based on comparing the level of the fees with the economic costs incurred by the bank upon the early termination. For these purposes, the Bank uses a quantitative test where the costs relate to the lost interest margin and the lost interest differential due to a potential decrease in the interest rates upon early termination or prepayment. The adequacy of the fees can also be defended on a qualitative basis, such as common market practice regarding the level of prepayment fees and their acceptance by authorities.

In the last years financial assets whose interest is adjusted based on meeting certain ESG-linked targets by the borrowers (e.g. meeting specified CO₂ emission targets) became part of the Bank's business. No specific guidance currently exists in IFRS 9 for assessing the SPPI compliance of such features. The Bank has concluded that ESG-related interest adjustments have a de minimis effect on the contractual cash flows of the existing loan portfolio. As a result, they do not affect the SPPI assessment.

For project financing loans the Bank assesses whether they represent basic loan agreements rather than investments in the financed projects. In this respect, credit rating, level of collateralisation, existing sponsor guarantees and the extent of equity funding of the financed projects are considered.

b) Business model assessment

For each SPPI-compliant financial asset at initial recognition, the Bank must assess whether it is part of a business model where the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets, or they are held in other business models. As a consequence, the critical aspect in distinguishing the business models is frequency and significance of sales of assets in the respective business model. Since asset allocation to business models is based on the initial assessment, it may happen that in subsequent periods cash flows are realized differently than originally expected, and a different measurement method may seem to be appropriate. In accordance with IFRS 9, such subsequent changes do not generally lead to reclassifications or prior period error corrections in respect of existing financial assets. The new information on how cash flows are realised may, however, indicate that the business model, and thus the measurement method changes for newly acquired or newly originated financial assets.

At the Bank, certain sales or other derecognition events are considered as not contradicting the held to collect contractual cash flows business model. Examples are sales due to increases in credit risk, sales close to financial assets' maturity, infrequent sales triggered by a non-recurring event (such as changes in regulatory or tax environment, major internal reorganisation or a business combination, severe liquidity crisis, etc.) or derecognitions resulting from replacements of bonds based on an issuer's offer. Other kinds of sales carried out in the 'held to collect' business model are assessed retrospectively, and if they exceed certain quantitative thresholds, or whenever it is considered necessary with regard to new expectations, the Bank performs a prospective test. If the outcome was that the carrying amount of assets expected to be sold over the expected life of the current business model portfolio, for reasons other than the cases above, exceeds 10% of the carrying amount of the portfolio, any new acquisitions or originations of assets would be classified in a different business model.

c) Impairment of financial instruments

The expected credit loss impairment model is inherently based on judgement since it requires assessment of significant increases in credit risk and measurement of expected credit losses without providing detailed guidance. In respect of significant increases in credit risk, the Bank has determined specific assessment rules consisting of qualitative information and quantitative thresholds. Another area of complexity relates to establishing groups of similar assets when credit risk deterioration has to be assessed on a collective basis before specific information is available at individual instrument level. Measurement of expected credit losses involves complex models relying on historical statistics of probabilities of default and loss rates in case of defaults, their extrapolations in case of insufficient observations, individual estimates of credit-adjusted cash flows and probabilities of various scenarios including forward-looking information. In addition, the life of the instruments has to be modelled in respect of behavioural life of revolving credit facilities.

Detailed disclosures about identification of significant increases in credit risk including collective assessment, estimation techniques used to measure 12-month and lifetime expected credit losses and definition of default is provided in Note [27](#) Credit risk. The development of loan loss provisions is described in Note [15](#) Financial assets at amortised cost, Note [16](#) Trade and other receivables, Note [34](#) The Bank as a lessor, Note [27](#) Credit risk and Note [38](#) Contingent liabilities.

Financial instruments held at amortised cost

Financial assets are classified as measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows, and their contractual cash flows are SPPI.

In the statement of financial position, these assets are carried at amortised cost, i.e. the gross carrying amount net of the credit loss allowance. They are presented under the line 'Financial assets at amortised cost', 'Trade and other receivables' and 'Cash and cash equivalents'.

Interest income on these assets is calculated by effective interest method and is included under the line 'Interest income' under 'Net interest income' in the statement of income. Impairment gains or losses are included in the line 'Net impairment loss from financial instruments'. Gains and losses from derecognition (such as sales) of the assets are reported under the line item 'Net gain/(loss) from derecognition of financial assets measured at amortised cost'.

At the Bank, financial assets at amortised cost constitute the largest measurement category, which includes loan business to customers, interbank lending business (including reverse repo transactions), deposits with central banks, investments in debt securities, amounts in the course of settlement, trade and other receivables and cash and cash equivalents.

For description of financial liabilities measured at amortised cost refer to Note [17](#).

14. Cash and cash equivalents

Cash equivalents include only claims (deposits) against central banks and credit institutions that are repayable on demand. Repayable on demand means that they may be withdrawn at any time or with a term of notice of only one business day or 24 hours.

A part of 'Cash balances at central banks' represents the mandatory minimum reserve requirement deposits which amounted to EUR 188.6 million (2024: EUR 140.9 million) at the reporting date. The mandatory minimum reserve requirement is calculated from defined statement of financial position items and has to be fulfilled in average through an extended period of time. Therefore, the mandatory minimum reserve requirement deposits are not subject to any restraints.

EUR ths.	31.12.2024	31.12.2025
Cash on hand	420,346	375,884
Cash balances at central banks	1,551,042	1,064,785
Other demand deposits at credit institutions	17,552	7,862
Cash and cash equivalents	1,988,940	1,448,531

15. Financial assets at amortised cost

Debt securities

Investments in debt securities measured at amortised cost may be acquired with different business objectives (such as fulfilling internal/external liquidity risk requirements and efficient placement of the structural liquidity surplus, strategic positions decided by the board of directors, initiation and fostering of client relationships, substitution of loan business or other yield generating activities). Their common attribute is that significant or frequent sales of such securities are not expected. For a description of what sales are considered as compliant with the held to collect contractual cash flows business model, see paragraph 'Business model assessment' in chapter 'Financial instruments - Material accounting policy information'.

Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount	
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total		
As at 31.12.2025												
General governments	4,811,739	-	-	-	4,811,739	(332)	-	-	-	(332)	4,811,407	
Credit institutions	328,239	-	-	-	328,239	(196)	-	-	-	(196)	328,043	
Other financial corporations	524	10,131	-	-	10,655	(3)	(121)	-	-	(124)	10,531	
Non-financial corporations	103,701	-	-	-	103,701	(38)	-	-	-	(38)	103,663	
Total debt securities	5,244,203	10,131	-	-	5,254,334	(569)	(121)	-	-	(690)	5,253,644	

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount	
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total		
As at 31.12.2024												
General governments	4,005,756	-	-	-	4,005,756	(542)	-	-	-	(542)	4,005,214	
Credit institutions	340,178	-	-	-	340,178	(245)	-	-	-	(245)	339,933	
Other financial corporations	524	10,131	-	-	10,655	(7)	(242)	-	-	(249)	10,406	
Non-financial corporations	98,113	18,430	-	-	116,543	(35)	(451)	-	-	(486)	116,057	
Total debt securities	4,444,571	28,561	-	-	4,473,132	(829)	(693)	-	-	(1,522)	4,471,610	

Movement in credit loss allowances

EUR ths.	01.01.2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	31.12.2025
Stage 1	(829)	(22)	53	145	84	(569)
Stage 2	(693)	-	451	-	121	(121)
Stage 3	-	-	-	-	-	-
POCI	-	-	-	-	-	-
Total debt securities	(1,522)	(22)	504	145	205	(690)

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	31.12.2024
Stage 1	(841)	(83)	102	88	(95)	(829)
Stage 2	(791)	-	-	(73)	171	(693)
Stage 3	-	-	-	-	-	-
POCI	-	-	-	-	-	-
Total debt securities	(1,632)	(83)	102	15	76	(1,522)

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases, reclassifications between stages as well as use of the credit loss allowances. Reconciliation of such movements to income statement line 'Net impairment loss from financial instruments' is disclosed in note 10.

The year-end total gross carrying amounts of amortised cost debt securities that were initially recognized (purchased) during the year 2025 and not fully derecognized by 31 December 2025 amounts to EUR 1,127.4 million (2024: EUR 841.9 million). The gross carrying amounts of amortised cost debt securities that were held at 1 January 2025 and derecognized during the year 2025 amounts to EUR 318.1 million (2024: EUR 360.6 million).

Loans and advances to banks

Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2025											
Credit institutions	65,326	-	-	-	65,326	(32)	-	-	-	(32)	65,294
Total loans and advances to banks	65,326	-	-	-	65,326	(32)	-	-	-	(32)	65,294

As at 31 December 2025, the Bank registers a reverse repurchase agreement. The value of the collateral in the form of a received debt security amounts to EUR 1.9 million (2024: EUR 0 million).

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2024											
Credit institutions	10,423	-	-	-	10,423	(15)	-	-	-	(15)	10,408
Total loans and advances to banks	10,423	-	-	-	10,423	(15)	-	-	-	(15)	10,408

Movement in credit loss allowances

EUR ths.	01.01.2025	Additions	Derecognitions	Other changes in credit risk (net)	31.12.2025
Stage 1	(15)	(64)	32	15	(32)
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
POCI	-	-	-	-	-
Total loans and advances to banks	(15)	(64)	32	15	(32)

EUR ths.	01.01.2024	Additions	Derecognitions	Other changes in credit risk (net)	31.12.2024
Stage 1	(28)	(20)	6	27	(15)
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
POCI	-	-	-	-	-
Total loans and advances to banks	(28)	(20)	6	27	(15)

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases, reclassifications between stages as well as use of the credit loss allowances. Reconciliation of such movements to income statement line 'Net impairment loss from financial instruments' is disclosed in note 10.

The year-end total gross carrying amounts of amortised cost loans and advances to banks that were initially recognized during the year 2025 and not fully derecognized by 31 December 2025 amounts to EUR 65.3 million (2024: EUR 10.4 million). The gross carrying amounts of amortised cost loans and advances to banks that were held as at 1 January 2025 and fully derecognized during the year 2025 amounts to EUR 10.4 million (2024: EUR 10.4 million).

Loans and advances to customers

Gross carrying amounts and credit loss allowances per impairment buckets

The following table represents gross carrying amounts and credit loss allowances per impairment buckets by sector of loans and advances to customers.

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2025											
General governments	357,401	5,147	-	-	362,548	(567)	(202)	-	-	(769)	361,779
Other financial corporations	214,855	5,026	227	12	220,120	(508)	(249)	(146)	(9)	(912)	219,208
Non-financial corporations	4,177,824	1,033,388	144,784	100,168	5,456,164	(19,690)	(53,967)	(65,286)	(10,409)	(149,352)	5,306,812
Households	13,776,102	464,776	287,640	9,511	14,538,029	(17,935)	(31,993)	(156,032)	(5,145)	(211,105)	14,326,924
Total loans and advances to customers	18,526,182	1,508,337	432,651	109,691	20,576,861	(38,700)	(86,411)	(221,464)	(15,563)	(362,138)	20,214,723

The amounts represent the maximum exposure to credit risk.

As at 31 December 2025, 15 largest customers accounted for 4.7% of the gross loan portfolio amounting to EUR 945.8 million.

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2024											
General governments	380,172	938	-	26	381,136	(585)	(34)	-	-	(619)	380,517
Other financial corporations	204,994	28,936	65	10	234,005	(419)	(987)	(58)	-	(1,464)	232,541
Non-financial corporations	3,415,955	1,502,867	117,063	113,985	5,149,870	(13,498)	(81,269)	(56,726)	(13,075)	(164,568)	4,985,302
Households	12,781,421	484,177	244,486	7,573	13,517,657	(16,079)	(29,749)	(129,102)	(3,674)	(178,604)	13,339,053
Total loans and advances to customers	16,782,542	2,016,918	361,614	121,594	19,282,668	(30,581)	(112,039)	(185,886)	(16,749)	(345,255)	18,937,413

As at 31 December 2024, 15 largest customers accounted for 5.2% of the gross loan portfolio amounting to EUR 985.0 million.

The following table represents gross carrying amounts and credit loss allowances per impairment buckets by asset classes of loans and advances to customers.

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2025											
Lending for house purchase	11,761,467	213,351	164,256	8,582	12,147,656	(9,009)	(7,913)	(61,358)	(4,373)	(82,653)	12,065,003
Credit for consumption	1,439,284	206,030	112,250	219	1,757,783	(7,759)	(20,400)	(85,084)	(129)	(113,372)	1,644,411
Corporate loans and others	5,325,431	1,088,956	156,145	100,890	6,671,422	(21,932)	(58,098)	(75,022)	(11,061)	(166,113)	6,505,309
Total loans and advances to customers	18,526,182	1,508,337	432,651	109,691	20,576,861	(38,700)	(86,411)	(221,464)	(15,563)	(362,138)	20,214,723

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2024											
Lending for house purchase	10,797,395	210,247	144,853	6,010	11,158,505	(6,233)	(6,433)	(54,648)	(2,855)	(70,169)	11,088,336
Credit for consumption	1,401,836	224,416	89,381	164	1,715,797	(8,529)	(18,903)	(65,584)	(54)	(93,070)	1,622,727
Corporate loans and others	4,583,311	1,582,255	127,380	115,420	6,408,366	(15,819)	(86,703)	(65,654)	(13,840)	(182,016)	6,226,350
Total loans and advances to customers	16,782,542	2,016,918	361,614	121,594	19,282,668	(30,581)	(112,039)	(185,886)	(16,749)	(345,255)	18,937,413

Movement in credit loss allowances

The following table represents movement in credit loss allowances by sector of loans and advances to customers.

EUR ths.	01.01.2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2025
Stage 1	(30,581)	(60,028)	1,157	24,123	23,403	3,226	(38,700)
General governments	(585)	(131)	4	49	96	-	(567)
Other financial corporations	(419)	(163)	5	159	(90)	-	(508)
Non-financial corporations	(13,498)	(37,730)	381	20,529	7,470	3,158	(19,690)
Households	(16,079)	(22,004)	767	3,386	15,927	68	(17,935)
Stage 2	(112,039)	(6,201)	911	(20,651)	51,232	337	(86,411)
General governments	(34)	-	-	(259)	91	-	(202)
Other financial corporations	(987)	-	8	(177)	907	-	(249)
Non-financial corporations	(81,269)	(5,854)	797	(8,261)	40,573	47	(53,967)
Households	(29,749)	(347)	106	(11,954)	9,661	290	(31,993)
Stage 3	(185,886)	(446)	34,597	(11,348)	(65,847)	7,466	(221,464)
Other financial corporations	(58)	-	3	(4)	(87)	-	(146)
Non-financial corporations	(56,726)	(345)	7,349	(822)	(17,258)	2,516	(65,286)
Households	(129,102)	(101)	27,245	(10,522)	(48,502)	4,950	(156,032)
POCI	(16,749)	-	308	-	(1,686)	2,564	(15,563)
Other financial corporations	-	-	-	-	(9)	-	(9)
Non-financial corporations	(13,075)	-	225	-	115	2,326	(10,409)
Households	(3,674)	-	83	-	(1,792)	238	(5,145)
Total loans and advances to customers	(345,255)	(66,675)	36,973	(7,876)	7,102	13,593	(362,138)

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2024
Stage 1	(36,809)	(42,054)	830	13,643	33,701	108	(30,581)
General governments	(728)	(124)	–	2	265	–	(585)
Other financial corporations	(566)	(135)	2	7	273	–	(419)
Non-financial corporations	(13,648)	(28,730)	127	1,897	26,853	3	(13,498)
Households	(21,867)	(13,065)	701	11,737	6,310	105	(16,079)
Stage 2	(106,420)	(2,359)	880	(58,145)	53,737	268	(112,039)
General governments	(20)	–	–	(33)	19	–	(34)
Other financial corporations	(439)	–	–	(581)	33	–	(987)
Non-financial corporations	(65,517)	(1,929)	513	(44,083)	29,707	40	(81,269)
Households	(40,444)	(430)	367	(13,448)	23,978	228	(29,749)
Stage 3	(183,735)	(1,337)	20,803	(14,276)	(13,337)	5,996	(185,886)
Other financial corporations	(58)	–	54	(2)	(53)	1	(58)
Non-financial corporations	(56,781)	(1,279)	2,717	(2,819)	(211)	1,647	(56,726)
Households	(126,896)	(58)	18,032	(11,455)	(13,073)	4,348	(129,102)
POCI	(25,154)	–	459	–	7,106	840	(16,749)
Other financial corporations	(1)	–	–	–	–	1	–
Non-financial corporations	(22,175)	–	125	–	8,623	352	(13,075)
Households	(2,978)	–	334	–	(1,517)	487	(3,674)
Total loans and advances to customers	(352,118)	(45,750)	22,972	(58,778)	81,207	7,212	(345,255)

The following table represents movement in credit loss allowances by asset classes of loans and advances to customers.

EUR ths.	01.01.2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2025
Stage 1	(30,581)	(60,028)	1,157	24,123	23,403	3,226	(38,700)
Lending for house purchase	(6,233)	(7,366)	185	2,409	1,986	10	(9,009)
Credit for consumption	(8,529)	(14,664)	419	2,299	12,678	38	(7,759)
Corporate loans and others	(15,819)	(37,998)	553	19,415	8,739	3,178	(21,932)
Stage 2	(112,039)	(6,201)	911	(20,651)	51,232	337	(86,411)
Lending for house purchase	(6,433)	(63)	72	(2,464)	975	–	(7,913)
Credit for consumption	(18,903)	(19)	218	(6,916)	5,185	35	(20,400)
Corporate loans and others	(86,703)	(6,119)	621	(11,271)	45,072	302	(58,098)
Stage 3	(185,886)	(446)	34,597	(11,348)	(65,847)	7,466	(221,464)
Lending for house purchase	(54,648)	(105)	2,315	(3,572)	(6,648)	1,300	(61,358)
Credit for consumption	(65,584)	(142)	25,896	(5,104)	(42,933)	2,783	(85,084)
Corporate loans and others	(65,654)	(199)	6,386	(2,672)	(16,266)	3,383	(75,022)
POCI	(16,749)	–	308	–	(1,686)	2,564	(15,563)
Lending for house purchase	(2,855)	–	5	–	(1,523)	–	(4,373)
Credit for consumption	(54)	–	6	–	(81)	–	(129)
Corporate loans and others	(13,840)	–	297	–	(82)	2,564	(11,061)
Total loans and advances to customers	(345,255)	(66,675)	36,973	(7,876)	7,102	13,593	(362,138)

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2024
Stage 1	(36,809)	(42,054)	830	13,643	33,701	108	(30,581)
Lending for house purchase	(10,689)	(123)	14	8,242	(3,676)	(1)	(6,233)
Credit for consumption	(9,883)	(14,961)	206	1,315	14,776	18	(8,529)
Corporate loans and others	(16,237)	(26,970)	610	4,086	22,601	91	(15,819)
Stage 2	(106,420)	(2,359)	880	(58,145)	53,737	268	(112,039)
Lending for house purchase	(17,968)	(27)	269	(2,309)	13,602	–	(6,433)
Credit for consumption	(17,344)	–	52	(9,548)	7,912	25	(18,903)
Corporate loans and others	(71,108)	(2,332)	559	(46,288)	32,223	243	(86,703)
Stage 3	(183,735)	(1,337)	20,803	(14,276)	(13,337)	5,996	(185,886)
Lending for house purchase	(68,980)	(95)	2,951	(5,722)	16,005	1,193	(54,648)
Credit for consumption	(50,461)	(132)	15,474	(5,469)	(27,501)	2,505	(65,584)
Corporate loans and others	(64,294)	(1,110)	2,378	(3,085)	(1,841)	2,298	(65,654)
POCI	(25,154)	–	459	–	7,106	840	(16,749)
Lending for house purchase	(1,989)	–	–	–	(866)	–	(2,855)
Credit for consumption	(66)	–	–	–	8	4	(54)
Corporate loans and others	(23,099)	–	459	–	7,964	836	(13,840)
Total loans and advances to customers	(352,118)	(45,750)	22,972	(58,778)	81,207	7,212	(345,255)

In column 'Additions' increases of credit loss allowance due to the initial recognition of loans and advances to customers at amortised cost during the current reporting period are disclosed. Credit loss allowances recognized against drawings from non-revolving loan commitments are deemed as additions for the purpose of presenting current period's movement in credit loss allowance. Therefore, additions in Stages 2 and 3 reflect transfers from Stage 1 having occurred between commitment and drawing dates of related credit facilities. Releases of credit loss allowance following the derecognition of the related loans and advances to customers at amortised cost are reported in column 'Derecognitions'.

In column 'Transfers between stages' credit loss allowance net changes due to changes in credit risk that triggered re-assignments of the related loans and advances to customers at amortised cost from Stage 1 at 1 January 2025 (or initial recognition date, if later) to Stages 2 or 3 at 31 December 2025 or vice-versa are reported. The effects of transfers from Stage 1 to Stages 2 or 3 on the related credit loss allowances are adverse (incremental year-on-year allocations) and presented in lines attributable to Stages 2 or 3. The effects of transfers from Stages 2 or 3 to Stage 1 on the related credit loss allowances are favourable (incremental year-on-year releases) and presented in line 'Stage 1'. The P&L-neutral effect from cross-stage transferring of the related credit loss allowance amounts recognized prior to stage re-assignments are presented above in column 'Other changes in credit risk (net)'.

Any other changes in credit risk which do not trigger a transfer between Stage 1 and Stage 2 or 3 or vice-versa are disclosed in column 'Other changes in credit risk (net)'. This column also captures the passage-of-time adverse effect ('unwinding correction') over the lifetime expected cash shortfalls of loans and advances to customers that were assigned to Stage 3 for any period throughout the year, as well as of any POCI loans and advances to customers.

The use of credit loss allowance triggered by full or partial write-offs of amortised cost loans and advances to customers is reported in column 'Write-offs'.

The year-end gross carrying amount of amortised cost loans and advances to customers that were assigned at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if originated during the year) are summarized next:

EUR ths.	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3		POCI	
	To Stage 2 from Stage 1	To Stage 1 from Stage 2	To Stage 3 from Stage 2	To Stage 2 from Stage 3	To Stage 3 from Stage 1	To Stage 1 from Stage 3	To Defaulted from Non-Defaulted	To Non-Defaulted from Defaulted
As at 31.12.2025								
General governments	4,885	497	–	–	–	–	–	–
Other financial corporations	3,604	15,304	106	–	75	–	–	–
Non-financial corporations	338,179	531,004	54,413	1,577	14,155	355	705	1,352
Households	240,586	105,128	60,982	14,243	69,428	13,443	95	1,342
Total	587,254	651,933	115,501	15,820	83,658	13,798	800	2,694
As at 31.12.2024								
General governments	812	407	–	–	–	–	–	26
Other financial corporations	24,982	88	28	–	14	–	–	–
Non-financial corporations	797,043	405,572	18,450	519	18,426	207	927	1,165
Households	250,134	128,851	56,794	18,080	53,294	15,605	656	292
Total	1,072,971	534,918	75,272	18,599	71,734	15,812	1,583	1,483

The year-end total gross carrying amount of the amortised cost loans and advances to customers that were initially recognized during the reporting period and not fully derecognized by 31 December 2025 amounts to EUR 5,476.5 million (2024: EUR 3,733.5 million). The gross carrying amount of the amortised cost loans and advances to customers that were held at 1 January 2025 and fully derecognized during the reporting period amounts to EUR 2,341.5 million (2024: EUR 1,433.8 million).

Mandate loans

During the year 2025 the Bank cooperated with 5 external companies (2024: 8 companies). Based on the mandate contracts the management and administration of certain non-performing receivables is outsourced to the external company temporary. In case of mandate loans, the Bank maintains risks and rewards associated with the underlying exposures. External service providers are rewarded by commission from the claimed amount of loans, which are subject to the mandate contracts.

As at 31 December 2025 the total amount of gross loans outsourced was EUR 129.0 million – lending for house purchase EUR 42.3 million, credit for consumption EUR 74.3 million, corporate loans and others EUR 12.4 million (2024: EUR 106.6 million - lending for house purchase EUR 38.2 million, credit for consumption EUR 56.9 million, corporate loans and others EUR 11.5 million). These loans were categorised in stage 3.

Write off and sale of receivables

During the year 2025 the Bank sold loan receivables in the amount of EUR 45.2 million (2024: EUR 28.5 million) for a consideration of EUR 10.0 million (2024: EUR 6.5 million) and used the corresponding allowances amounting EUR 35.2 million (2024: EUR 21.6 million). Once loan receivables are sold, the Bank transfers all risks and rewards attributable to them and does not have any continuing involvement in the loan receivables subsequent to their sale.

In the year 2025 the Bank has written off loans and finance lease receivables in the amount of EUR 14.1 million (2024: EUR 12.2 million) and used the respective allowances amounting EUR 13.4 million (2024: EUR 11.2 million).

16. Trade and other receivables

The trade and other receivables comprise receivables from factoring transactions and other trade receivables.

Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2025											
General governments	281	–	–	–	281	–	–	–	–	–	281
Credit institutions	3,680	–	–	–	3,680	–	–	–	–	–	3,680
Other financial corporations	2,979	–	–	–	2,979	(1)	–	–	–	(1)	2,978
Non-financial corporations	172,199	2,539	2,212	1,228	178,178	(623)	(52)	(1,337)	(1,011)	(3,023)	175,155
Households	68	–	61	–	129	(1)	–	(3)	–	(4)	125
Total	179,207	2,539	2,273	1,228	185,247	(625)	(52)	(1,340)	(1,011)	(3,028)	182,219

Gross carrying amount for trade and other receivables where simplified approach to ECL calculation is applied represents EUR 18.2 million and credit loss allowances EUR 0.8 million.

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2024											
General governments	8,029	-	-	-	8,029	-	-	-	-	-	8,029
Credit institutions	3,951	2	-	-	3,953	-	-	-	-	-	3,953
Other financial corporations	2,936	-	-	-	2,936	(2)	-	-	-	(2)	2,934
Non-financial corporations	147,048	2,904	1,181	366	151,499	(812)	(817)	(864)	(348)	(2,841)	148,658
Households	48	-	-	-	48	-	-	-	-	-	48
Total	162,012	2,906	1,181	366	166,465	(814)	(817)	(864)	(348)	(2,843)	163,622

Of which the gross carrying amount of EUR 19.0 million and credit loss allowances of EUR 0.7 million in Stage 1 represents other trade receivables as at 31 December 2024.

Movement in credit loss allowances

EUR ths.	01.01.2025	Additions	Derecognitions	Other changes in credit risk (net)	Transfers between stages	Write offs	31.12.2025
Stage 1	(814)	(655)	-	844	-	-	(625)
Other financial corporations	(2)	(1)	-	2	-	-	(1)
Non-financial corporations	(812)	(653)	-	842	-	-	(623)
Households	-	(1)	-	-	-	-	(1)
Stage 2	(817)	-	-	765	-	-	(52)
Non-financial corporations	(817)	-	-	765	-	-	(52)
Stage 3	(864)	-	3	(343)	(457)	321	(1,340)
Non-financial corporations	(864)	-	3	(343)	(454)	321	(1,337)
Households	-	-	-	-	(3)	-	(3)
POCI	(348)	-	-	(954)	-	291	(1,011)
Non-financial corporations	(348)	-	-	(954)	-	291	(1,011)
Total	(2,843)	(655)	3	312	(457)	612	(3,028)

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases, reclassifications between stages as well as use of the credit loss allowances. Reconciliation of such movements to income statement line 'Net impairment loss from financial instruments' is disclosed in note 10.

Detail description of columns from the above table are disclosed in the note 15 Financial assets at amortised cost.

EUR ths.	01.01.2024	Additions	Derecognitions	Other changes in credit risk (net)	Transfers between stages	Write offs	31.12.2024
Stage 1	(900)	(862)	-	948	-	-	(814)
Other financial corporations	(6)	(2)	-	6	-	-	(2)
Non-financial corporations	(893)	(860)	-	941	-	-	(812)
Households	(1)	-	-	1	-	-	-
Stage 2	(726)	-	-	(89)	(2)	-	(817)
Non-financial corporations	(726)	-	-	(89)	(2)	-	(817)
Stage 3	(4,054)	-	-	(216)	(20)	3,426	(864)
Non-financial corporations	(4,054)	-	-	(98)	(20)	3,308	(864)
Households	-	-	-	(118)	-	118	-
POCI	(444)	-	-	96	-	-	(348)
Non-financial corporations	(444)	-	-	96	-	-	(348)
Total	(6,124)	(862)	-	739	(22)	3,426	(2,843)

Transfers of gross carrying amount between impairment stages

EUR ths.	2024	2025
Transfers between Stage 1 and Stage 2	1,088	2,577
To Stage 2 from Stage 1	1,045	2,521
To Stage 1 from Stage 2	43	56
Transfers between Stage 2 and Stage 3	7	23
To Stage 3 from Stage 2	7	23
Transfers between Stage 1 and Stage 3	346	1,799
To Stage 3 from Stage 1	346	1,799

17. Financial liabilities at amortised costs

The line item 'Financial liabilities at amortised cost' is further broken down into 'Deposits from banks', 'Deposits from customers', 'Debt securities issued' and 'Other financial liabilities'.

Interest expenses incurred are calculated using effective interest method are reported in the line item 'Interest expenses' under 'Net interest income' in the statement of income. Gains and losses from derecognition (mainly repurchase) are reported under the line item 'Net other loss from derecognition of financial instruments not measured at fair value through profit or loss'.

Deposits from banks

EUR ths.	31.12.2024	31.12.2025
Overnight deposits	3,676	1,434
Term deposits	202,248	277,316
Deposits from banks	205,924	278,750

Deposits from customers

EUR ths.	31.12.2024	31.12.2025
Overnight deposits	15,069,074	16,184,761
Savings deposits	4,330,328	5,132,411
Households	4,330,328	5,132,411
Non-savings deposits	10,738,746	11,052,350
General governments	238,811	286,785
Other financial corporations	301,927	404,183
Non-financial corporations	2,678,232	2,599,070
Households	7,519,776	7,762,312
Term deposits	3,675,604	3,512,018
Deposits with agreed maturity	3,675,604	3,512,018
Savings deposits	336,101	228,320
Households	336,101	228,320
Non-savings deposits	3,339,503	3,283,698
General governments	154,078	68,619
Other financial corporations	490,924	300,105
Non-financial corporations	915,382	990,996
Households	1,779,119	1,923,978
Deposits from customers	18,744,678	19,696,779
General governments	392,889	355,404
Other financial corporations	792,851	704,288
Non-financial corporations	3,593,614	3,590,066
Households	13,965,324	15,047,021

Debt securities issued

EUR ths.	31.12.2024	31.12.2025
Subordinated debt securities issues	15,794	166,695
Senior non-preferred bonds	30,665	30,372
Other debt securities issued	4,574,704	5,097,258
Bonds	1,647,907	1,519,191
Mortgage covered bonds	2,926,797	3,578,067
Debt securities issued	4,621,163	5,294,325

Net debt reconciliation

The table below presents an analysis of debt of the Bank and the movements in the debt. The debt items are those that are reported under the financing activities in the statement of cash flows of the Bank.

EUR ths.	2024	2025
Debt securities issued		
Opening balance as at 1 January	4,657,044	4,621,163
Cash-flows reported within financing activities	(73,487)	660,870
Interest paid	(129,345)	(134,048)
Non-cash adjustments - interest expense	130,648	144,060
Non-cash adjustments - revaluation of hedge item	36,302	2,280
Closing balance as at 31 December	4,621,163	5,294,325
Lease liability		
Opening balance as at 1 January	77,106	73,217
Cash-flows reported within financing activities	(13,053)	(13,248)
Interest paid	(2,546)	(2,549)
Non-cash adjustments	11,710	12,845
Closing balance as at 31 December	73,217	70,265

Non-cash adjustments represent effects of amortization and deferrals.

Subordinated debt securities issued

The subordinated debt securities issued listed in the following table do not include embedded derivatives, which should be separated and disclosed under the statement of financial position line item 'Financial liabilities held for trading'.

The interest rate shown below represents actual interest expense of the Bank.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2024	2025
Subordinated Bonds	September 2018	September 2028	2.88%	33	100,000	EUR	3,327	3,327
Subordinated Bonds	September 2018	September 2028	4.10%	33	100,000	EUR	3,349	3,337
Subordinated Bonds	November 2018	November 2028	2.45%	91	100,000	EUR	9,118	9,119
Subordinated Bonds	November 2025	November 2035	3.91%	1,500	100,000	EUR	-	150,912
Total							15,794	166,695

Subordinated liabilities

Issued subordinated capital and supplementary capital are either reported in the item Financial liabilities at amortised costs or Financial liabilities at fair value through profit or loss. Supplementary capital is defined in accordance with Art. 63 of Regulation (EU) No 575/2013 (CRR). Corresponding instruments have an original maturity of at least five years, are of a subordinated nature and may not, among other things, contain any incentive for early repayment, grant the holder the right to accelerate repayment or include interest or dividend payments that are influenced in their amount by the creditworthiness of the issuer.

In the reporting period, expenses for subordinated liabilities amounted to EUR 1.4 million (2024: EUR 0.5 million).

Senior non-preferred bonds

In February 2020 the Bank issued senior non-preferred bonds in the number of 300 securities with the notional value of EUR 0.1 million, interest rate 3.16% and maturity date in February 2026 in the total amount of EUR 30.4 million as at 31 December 2025 (2024: EUR 30.7 million).

Other debt securities issued

All securities listed in the following table are issued in book-entry form as bearer or registered securities with annual or semi annual coupon payments. Their transferability is not limited. There are no pre-emptive rights and exchange rights related to these securities. The bonds are traded on the Bratislava Stock Exchange.

The stated interest rate corresponds with the actual interest costs of the Bank.

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2024	2025
Covered Bonds	July 2007	July 2027	4.95%	250	66,388	EUR	18,068	17,624
Covered Bonds	January 2013	January 2025	–%	87	50,000	EUR	4,411	–
Covered Bonds	June 2013	June 2028	3.00%	132	50,000	EUR	6,615	6,615
Covered Bonds	February 2014	February 2029	2.80%	97	50,000	EUR	4,899	4,899
Covered Bonds	August 2015	August 2025	–%	100	100,000	EUR	10,052	–
Covered Bonds	March 2016	March 2026	1.00%	90	100,000	EUR	9,057	9,068
Covered Bonds	March 2017	March 2025	–%	1,000	100,000	EUR	100,609	–
Senior Unsecured Bonds	November 2017	November 2027	1.38%	44	100,000	EUR	4,406	4,408
Covered Bonds	August 2018	August 2025	–%	2,500	100,000	EUR	247,345	–
Senior Unsecured Bonds	February 2019	February 2025	–%	9,490	1,000	EUR	8,951	–
Senior Unsecured Bonds	March 2019	March 2025	–%	100	50,000	EUR	4,994	–
Covered Bonds	June 2019	June 2026	0.13%	5,000	100,000	EUR	491,208	497,701
Senior Unsecured Bonds	June 2019	December 2025	–%	5,572	1,000	EUR	5,409	–
Senior Unsecured Bonds	March 2020	March 2025	–%	53	2,000,000	CZK	4,199	–
Senior Unsecured Bonds	June 2020	June 2025	–%	45	100,000	EUR	4,513	–
Senior Unsecured Bonds	June 2020	June 2025	–%	4,930	1,000	EUR	4,785	–
Senior Unsecured Bonds	October 2020	October 2025	–%	1,000	100,000	EUR	99,962	–
Senior Unsecured Bonds	March 2021	March 2027	3.06%	1,000	100,000	EUR	102,420	101,543
Senior Unsecured Bonds	June 2021	June 2028	0.38%	1,302	100,000	EUR	153,205	153,523
Covered Bonds	April 2022	April 2027	1.13%	5,000	100,000	EUR	490,296	495,791
Senior Unsecured Bonds	May 2022	May 2026	2.00%	19,462	1,000	EUR	19,805	19,668
Senior Unsecured Bonds	June 2022	June 2025	–%	–	1,000	EUR	29,935	–
Senior Unsecured Bonds	July 2022	December 2029	5.00%	285	200,000	USD	51,453	47,220
Senior Unsecured Bonds	September 2022	September 2025	–%	61,557	1,000	EUR	61,922	–
Covered Bonds	October 2022	April 2028	3.50%	5,000	100,000	EUR	520,868	517,938
Senior Unsecured Bonds	October 2022	October 2034	4.88%	320	100,000	EUR	33,807	32,820
Senior Unsecured Bonds	October 2022	October 2025	–%	250	100,000	EUR	25,203	–
Covered Bonds	October 2022	October 2025	–%	4,995	1,000	USD	4,845	–
Senior Unsecured Bonds	October 2022	April 2026	3.30%	48,964	1,000	EUR	50,391	49,838
Senior Unsecured Bonds	November 2022	May 2026	–%	–	100,000	EUR	134,802	–
Senior Unsecured Bonds	November 2022	November 2025	–%	3,759	1,000	USD	3,635	–
Covered Bonds	January 2023	January 2026	3.25%	5,000	100,000	EUR	519,797	515,916
Senior Unsecured Bonds	February 2023	February 2026	3.75%	73,194	1,000	EUR	75,923	75,234
Senior Unsecured Bonds	February 2023	February 2025	–%	–	1,000	USD	4,821	–
Senior Unsecured Bonds	June 2023	June 2026	4.50%	1,800	50,000	EUR	91,942	91,753
Senior Unsecured Bonds	July 2023	July 2029	4.85%	529	100,000	EUR	54,754	65,107
Covered Bonds	August 2023	September 2027	3.88%	5,000	100,000	EUR	503,573	504,028
Senior Unsecured Bonds	September 2023	September 2033	5.41%	100	100,000	EUR	10,130	10,632
Senior Unsecured Bonds	September 2023	September 2027	4.75%	393	50,000	EUR	19,662	19,661
Senior Unsecured Bonds	October 2023	October 2028	5.38%	3,310	100,000	EUR	334,754	334,942
Senior Unsecured Bonds	November 2023	November 2027	4.75%	1,182	50,000	EUR	59,805	59,352
Senior Unsecured Bonds	January 2024	January 2034	4.10%	50	100,000	EUR	5,203	5,203
Senior Unsecured Bonds	February 2024	February 2034	4.70%	20	100,000	EUR	1,978	2,066
Senior Unsecured Bonds	February 2024	February 2028	4.00%	1,177	50,000	EUR	26,780	61,449
Senior Unsecured Bonds	March 2024	August 2029	4.41%	100	100,000	EUR	10,114	10,126
Senior Unsecured Bonds	March 2024	March 2030	3.74%	146	100,000	EUR	14,816	25,139
Senior Unsecured Bonds	March 2024	March 2028	4.00%	987	50,000	EUR	41,165	50,545
Senior Unsecured Bonds	April 2024	April 2027	4.00%	89	50,000	EUR	4,581	4,481
Senior Unsecured Bonds	May 2024	May 2027	3.10%	100	100,000	EUR	9,966	9,986

EUR ths.	Issue Date	Maturity Date	Interest Rate	Number of securities	Nominal	Currency	2024	2025
Senior Unsecured Bonds	May 2024	May 2029	4.17%	290	100,000	EUR	25,618	64,576
Senior Unsecured Bonds	June 2024	June 2027	3.07%	150	100,000	EUR	14,903	14,944
Senior Unsecured Bonds	September 2024	September 2027	3.75%	300	50,000	EUR	15,008	14,957
Senior Unsecured Bonds	December 2024	December 2028	3.45%	802	50,000	EUR	17,342	75,255
Covered Bonds	January 2025	January 2029	2.75%	5,000	100,000	EUR	-	509,900
Senior Unsecured Bonds	March 2025	March 2028	4.00%	43	55,000	USD	-	2,074
Senior Unsecured Bonds	April 2025	April 2032	3.45%	220	100,000	EUR	-	22,330
Senior Unsecured Bonds	June 2025	June 2029	3.30%	600	100,000	EUR	-	60,065
Senior Unsecured Bonds	July 2025	July 2029	3.25%	300	50,000	EUR	-	15,212
Covered Bonds	September 2025	September 2030	2.75%	5,000	100,000	EUR	-	498,587
Senior Unsecured Bonds	October 2025	October 2029	3.15%	300	50,000	EUR	-	15,082
Total							4,574,704	5,097,258

Other financial liabilities

As at 31 December 2025 other financial liabilities in amount of EUR 82.1 million (2024: EUR 54.7 million) represent suspense accounts (payments with other banks). The largest portion relates to suspense accounts used to record payments with other banks pending final identification, reconciliation and allocation to the relevant accounts.

Financial instruments at fair value through profit or loss

There are various reasons for assigning the fair value through profit or loss measurement category to debt instrument financial assets.

Fair value through profit or loss measurement relates to that are part of residual business models, i.e. they are neither held to collect contractual cash flows nor held to either collect contractual cash flows or sell the assets. These financial assets are generally expected to be sold before their maturity or they are managed and their performance is evaluated on a fair value basis. In the business of the Bank, such business models are typical of assets that are held for trading (i.e. financial assets held by the trading function of the bank), of assets whose value is expected to be primarily realised through sales. Another reason for the fair value through profit or loss measurement are financial assets whose contractual cash flows are not considered as SPPI.

On the statement of financial position, debt instrument financial assets measured at fair value through profit or loss are presented as 'Financial assets held for trading', sub-item 'Derivatives' and 'Non-trading financial assets at fair value through profit or loss', sub-items 'Debt securities'. Non-trading financial assets at fair value through profit or loss are disclosed in Note 19 which is 'mandatorily at fair value through profit or loss'. Financial assets are mandatorily measured at fair value through profit or loss because they are held as part of residual business models that are other than held for trading.

Investments in equity instruments that are not held for trading are also measured at fair value through profit or loss (unless they are designated at fair value through other comprehensive income). They are presented in the statement of financial position under 'Non-trading financial assets at fair value through profit or loss', sub-item 'Equity instruments', sub-category 'mandatorily at fair value through profit or loss' in Note 19.

From IFRS 9 perspective all derivatives which are not designated as hedging instruments are considered as held for trading. As a result, they are measured at fair value through profit or loss. They are described more detail in the Note 18 Derivative financial instruments.

In the statement of income, the profit or loss effects of non-derivative financial assets measured at fair value through profit or loss are split into interest income or dividend income and fair value gains and losses. The interest income on debt instruments is presented in the line 'Other similar income' under 'Net interest income' and is calculated by applying the EIR to the amortised cost component of the financial assets. The dividend income on equity instruments is presented in the line 'Dividend income'. The fair value gains or losses are calculated net of the interest or dividend income, and they also include transaction costs and origination fees. They are reported in the line 'Net trading result' for financial assets held for trading and in the line 'Net gain/ (loss) from financial instruments measured at fair value through profit or loss' in case of non-trading financial assets at fair value through profit or loss. For investments in funds, which are not consolidated by the Bank, the interest or dividend component is not separated from the fair value gains or losses.

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading and financial liabilities designated at fair value through profit or loss. On the statement of financial position, financial liabilities at fair value through profit or loss are presented as 'Financial liabilities held for trading', sub-items 'Derivatives'. Accounting policy related to financial liabilities at fair value through profit or loss can be found in Note 18 Derivative financial instruments.

18. Derivative financial instruments

Derivative financial instruments are used by the Bank to manage exposures to interest rates, foreign currencies and other market price risks. Derivatives used by the Bank include mainly interest rate swaps, futures, forward rate agreements, interest rate options, currency swaps and currency options as well as credit default swaps.

Derivative financial instruments are carried at fair value (dirty price) on the statement of financial position. Derivatives are carried as assets if their fair value is positive and as liabilities if their fair value is negative.

Derivatives – held for trading are those that are not designated as hedging instruments for hedge accounting. They are presented in the statement of financial position in the line item 'Derivatives' under the heading 'Financial assets/Financial liabilities held for trading'. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, are presented in this line item.

Changes in the fair value (clean price) of derivatives are reported in the statement of income in the line item 'Net trading result'. Interest income/expense related to held for trading derivatives is presented in the statement of income in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'. Interest income/expense recognition is based on EIR-like accruals in respect of the derivative notional amount and includes amortisation of the inception value of the derivative (e.g. upfront fees, if any).

The description of the treatment of derivatives – hedge accounting can be found in Note [21](#) Hedge accounting.

Derivatives held for trading

EUR ths.	31.12.2024			31.12.2025		
	Notional value	Positive fair value	Negative fair value	Notional value	Positive fair value	Negative fair value
Derivatives held in the trading book	2,885,962	48,044	45,522	1,954,222	8,848	7,376
Interest rate derivatives	2,435,273	16,676	14,543	1,641,452	8,057	6,501
Foreign exchange	450,689	31,368	30,979	312,770	791	875
Derivatives held in the banking book	12,000	57	–	44,478	292	219
Equity	12,000	57	–	12,000	73	–
Foreign exchange	–	–	–	32,478	219	219
Total gross amounts	2,897,962	48,101	45,522	1,998,700	9,140	7,595

The Bank disclosed derivative instruments in the banking book that are used for economical hedging of financial instruments on asset or liability side and are not designated as hedge accounting.

The Bank maintains strict control limits on net open derivative positions, i.e. the difference between purchase and sale contracts, by both amount and term. At any time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Bank (i.e. assets), which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as a part of the overall lending limits vis-à-vis customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except for trading with clients, where the Bank in most cases requires margin deposits.

Embedded derivatives

As a part of ordinary business activity, the Bank issues complex debt instruments, which contain embedded derivatives.

Embedded derivatives that meet the prescribed criteria are separated and accounted for as stand-alone derivatives and presented on the statement of financial position under the line item 'Derivatives' in financial assets held for trading and financial liabilities held for trading. Derivatives that are not closely related and are separated relate to bonds and deposits.

19. Non-trading financial assets at fair value through profit or loss

EUR ths.	31.12.2024		31.12.2025	
	Designated at fair value	Mandatorily at fair value	Designated at fair value	Mandatorily at fair value
Equity instruments	–	20,185	–	18,046
Debt securities	–	11,856	–	14,994
Other financial corporations	–	6,626	–	9,582
Non-financial corporations	–	5,230	–	5,412
Non-trading financial assets at fair value through profit or loss	–	32,041	–	33,040

'Equity Instruments' and 'Debt securities' classified under category 'Mandatorily at fair value' represents such equity instruments that the Bank does not hold for strategic business decisions.

In August 2025 the Bank converted part of Visa Inc. shares and newly acquired shares in the amount of EUR 2.1 million (2024: EUR 3.1 million) were classified to line item 'Equity instruments mandatorily at fair value' within the category 'Non-trading financial assets at fair value through profit or loss'.

Financial instruments – other disclosure matters

20. Fair value of financial instruments

The measurement of fair value at the Bank is based primarily on external sources of data (stock market prices or broker quotes in highly liquid market segments). Financial instruments for which the fair value is determined on the basis of quoted market prices are mainly listed securities and derivatives as well as liquid OTC bonds.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available judgement is required to establish fair values. Using of unobservable inputs is particularly relevant for models used for valuations of loans and unquoted equity investments. Disclosures on valuation models, the fair value hierarchy and fair values of financial instruments can be found subsequently.

For all financial instruments the fair value is measured and/or disclosed on a recurring basis.

Financial instruments carried at fair value

Description of valuation models and parameters

The Bank uses valuation models that have been tested internally and for which the valuation parameters (such as interest rates, exchange rates, volatilities and credit spreads) have been determined independently.

Debt securities

For plain vanilla (fixed and floating rate) debt securities the fair value is calculated by discounting the future cash flows using a discounting curve depending on the interest rate for the respective issuance currency and a spread adjustment. The spread adjustment is usually derived from the credit spread curve of the issuer. If no issuer curve is available, the spread is derived from a proxy instrument and adjusted for differences in the risk profile of the instruments. If no close proxy is available, the spread adjustment is estimated using other information, including estimation of the credit spread based on internal ratings and PDs or management judgment. For more complex debt securities (e.g. including option-like features such as callable, cap/floor, index-linked) the fair value is determined using combinations of discounted cash flow models and more sophisticated modelling techniques including methods described for OTC-derivatives.

Equity instruments

Non-trading equity instruments which have quoted market prices in an active market are valued by using the quoted market price. For other investments in non-trading equity instruments the fair value is determined by standard valuation models using also unobservable input parameters. These models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple methods.

The adjusted net asset method requires an investor to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting fair values of the recognized and unrecognized assets and liabilities should therefore represent the fair value of the investee's equity.

The dividend discount model assumes that the price of equity instruments issued by an entity equals the present value of all its expected future dividends in perpetuity. Similar to the dividend discount model, the simplified income approach estimates the fair value based on the future income. However, it can be used also when only one year planned income is available. The simplified income approach and the dividend discount model discount future income and dividends using the cost of equity. The cost of equity is dependent on the risk-free rate, the market risk premium, the levered beta and the country risk premium.

In rare cases, techniques for non-trading equity instruments may also include the comparable company multiple methods. These are valuation technique that uses prices and other relevant information generated by market transactions involving comparable company peers of an investee to derive a valuation multiple from which the indicated fair value of the investee's equity or enterprise value can be inferred.

OTC – derivative financial instruments

Derivative instruments traded in liquid markets (e.g. interest rate swaps and options, foreign exchange forward and options, options on listed securities and indices, credit default swaps and commodity swaps) are valued by using standard valuation models. These models include discounting cash flow models, option models of the Black-Scholes and Hull-White type models. Models are calibrated on quoted market data (including implied volatilities). Valuation models for more complex instruments also use Monte-Carlo simulation. For instruments in less liquid markets, data obtained from less frequent transactions or extrapolation techniques are used. For determining the fair value of derivatives, the overnight indexed swaps curves are applied for discounting.

The Bank values derivatives at mid-market levels. To reflect the potential bid-ask-spread of the relevant positions an adjustment based on market liquidity is performed. The adjustment parameters depend on product type, currency, maturity and notional size. Parameters are reviewed on a regular basis or in case of significant market moves. Netting is not applied when determining the bid-ask-spread adjustments.

Credit value adjustments (CVA) for counterparty risk and debit value adjustments (DVA) for own default credit risk are applied to OTC derivatives. For the CVA the adjustment is driven by the expected positive exposure of all derivatives and the credit quality of the counterparty. DVA is driven by the expected negative exposure and the Bank's credit quality. The Bank has implemented an approach, where the modelling of the expected exposure is based on option replication strategies. For products where an option replication is not feasible the exposure is computed with Monte-Carlo simulation techniques. One of the two modelling approaches is considered for the most relevant portfolios and products. The methodology for the remaining entities and products is determined by market value plus add-on considerations. The probability of default by counterparties that are not traded in an active market is determined from internal PDs mapped to a basket of liquid titles present in the central European market. Market based valuation concepts are incorporated for this. Counterparties with liquid bond or CDS markets are valued by the respective single-name market-based PD derived from the prices. The Bank's probability of default has been derived from the buy-back levels of the Bank's issuances. Netting has only been considered for a few counterparties where the impact was material. In these cases, netting has been applied for both CVA and DVA. For counterparties with CSA-agreements in place no CVA was taken into account for all cases with immaterial threshold amounts.

Based on an analysis carried out by the Bank it was decided that for the valuation of OTC derivatives no Funding Value Adjustment (FVA) would be considered.

Validation and control

The responsibility for valuation of financial instruments measured at fair value is risk management unit which is independent of the trading units. The risk management unit is also responsible for appropriateness of input data and model calibration.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value are categorized under the three levels of the IFRS fair value hierarchy.

Level 1 of the fair value hierarchy

The fair value of financial instruments assigned to Level 1 of the fair value hierarchy is determined based on quoted prices in active markets for identical financial assets and liabilities. The evaluated fair value can qualify as Level 1 if transactions occur with sufficient frequency, volume and pricing consistency on an ongoing basis.

Level 1 measurement include exchange traded derivatives (options), shares, government bonds as well as other bonds and funds, which are traded in highly liquid and active markets.

Level 2 of the fair value hierarchy

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as Level 2. If no market prices are available, the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as Level 2 of the fair value hierarchy. For Level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

Level 2 measurement include OTC derivatives, less liquid shares, bonds and funds as well as asset backed securities (ABS), collateralized debt obligations (CDO), own issues and deposits.

Level 3 of the fair value hierarchy

In some cases, the fair value can be determined neither on the basis of sufficiently frequent quoted market prices nor on the basis of valuation models that rely entirely on observable market data. In these cases individual valuation parameters which are not observable in the market are estimated on the basis of reasonable assumptions. If any unobservable input in the valuation model is significant or the price quote used is updated infrequently the instrument is classified as Level 3 of the fair value hierarchy. Typically credit spreads derived from internally calculated historical probability of default (PD) and loss given default (LGD) measures are used as unobservable parameters. Furthermore, internally calculated cost of equity and adjustments made on the equity (in the adjusted net asset value method) are unobservable parameters for the valuation of non-trading equity instruments.

These include shares, participations and funds not quoted, illiquid bonds (including own issued bonds) as well as collateralized mortgage obligations (CMO) and loans. The volume of Level 3 financial assets can be allocated to the following categories:

- Derivatives where the credit value adjustment (CVA) has a material impact and is calculated based on unobservable parameters (i.e. internal estimates of PDs and LGDs).
- Illiquid bonds, shares, participations and funds not quoted in an active market where either valuation models with non-observable parameters have been used (e.g. credit spreads) or broker quotes have been used that cannot be allocated to Level 1 or Level 2.
- Loans which do not comply with the contractual cash flow criteria.

The allocation of the appropriate level of positions is determined at the end of the reporting period.

A reclassification from Level 1 into Level 2 or Level 3 as well as vice versa will be performed if the financial instrument does no longer meet the criteria described above for the respective level.

Classification of financial instruments carried at fair value by levels of the fair value hierarchy

EUR ths.	31.12.2024				31.12.2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets HFT	–	48,101	–	48,101	–	9,140	–	9,140
Derivatives	–	48,101	–	48,101	–	9,140	–	9,140
Non-trading financial assets at FVPL	–	5,230	26,811	32,041	–	–	33,040	33,040
Equity instruments	–	–	20,185	20,185	–	–	18,046	18,046
Debt securities	–	5,230	6,626	11,856	–	–	14,994	14,994
Hedge accounting derivatives	–	32,784	–	32,784	–	43,068	–	43,068
Total assets	–	86,115	26,811	112,926	–	52,208	33,040	85,248
Liabilities								
Financial liabilities HFT	–	45,522	–	45,522	–	7,595	–	7,595
Derivatives	–	45,522	–	45,522	–	7,595	–	7,595
Hedge accounting derivatives	–	31,831	–	31,831	–	11,799	–	11,799
Total liabilities	–	77,353	–	77,353	–	19,394	–	19,394

Derivatives transacted via Clearing Houses are presented after netting in compliance with their statement of financial position treatment. The netted derivatives are allocated to Level 2.

Valuation process for financial instruments categorized as Level 3

The valuation of financial instruments categorized as Level 3 involves one or more significant inputs that are not directly observable on the market. Additional price verification steps need to be done. These may include reviewing relevant historical data and benchmarking for similar transactions, among others. This involves estimation and expert judgment.

Further details regarding input parameters used and the results of the sensitivity analysis are disclosed in the sub-chapter Unobservable inputs and sensitivity analysis for Level 3 measurements below.

Changes in volumes of Level 1 and Level 2

Transfers into and out of Level 1 and Level 2 are mainly due to changes in the market activity and consequently in the observability of valuation parameters. In the year 2025 and 2024 these transfers were immaterial.

*Movements in Level 3***Development of fair value of financial instruments in Level 3**

EUR ths.	01.01.2025	Gain/(loss) in profit or loss	Purchases	Settlements	Transfer into Level 3	Transfer out of Level 3	31.12.2025
Assets							
Non-trading financial assets at FVPL	26,811	(944)	4,039	(2,278)	5,412	-	33,040
Equity instruments	20,185	(3,639)	1,500	-	-	-	18,046
Debt securities	6,626	2,695	2,539	(2,278)	5,412	-	14,994
Total assets	26,811	(944)	4,039	(2,278)	5,412	-	33,040

EUR ths.	01.01.2024	Gain/loss in profit or loss	Purchases	Settlements	Transfers into Level 3	Transfer out of Level 3	31.12.2024
Assets							
Financial assets HfT	29,736	-	-	-	-	(29,736)	-
Derivatives	29,736	-	-	-	-	(29,736)	-
Non-trading financial assets at FVPL	19,026	6,534	4,344	(3,093)	-	-	26,811
Equity instruments	11,510	5,175	3,500	-	-	-	20,185
Debt securities	7,516	1,359	844	(3,093)	-	-	6,626
Total assets	48,762	6,534	4,344	(3,093)	-	(29,736)	26,811
Liabilities							
Financial liabilities HfT	7,864	-	-	-	-	(7,864)	-
Derivatives	7,864	-	-	-	-	(7,864)	-
Total liabilities	7,864	-	-	-	-	(7,864)	-

Transfers into and out of Level 3 mainly result from changes in valuation models with observable or non-observable parameters.

Gains in profit or loss on Level 3 instruments held at the end of the reporting period

EUR ths.	2024	2025
Assets		
Non-trading financial assets at FVPL	6,534	(944)
Equity instruments	5,175	(3,639)
Debt securities	1,359	2,695
Total assets	6,534	(944)

Unobservable inputs and sensitivity analysis for Level 3 measurements

In case the fair value measurement of a financial asset is retrieved from input parameters which are not observable in the market, those parameters can be retrieved from a range of alternative parameters. For the preparation of the statement of financial position the parameters were chosen to reflect the market situation at the reporting date.

Range of unobservable valuation parameters used in Level 3 measurements

Financial assets	Type of instrument	Fair value in EUR million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (weighted average)
31.12.2025					
Financial assets at FVPL	Non-trading equity instruments (participations)	18.05	Approved budgets	Risk spread used in discounting future cash flows	N/A
	Non-trading debt instrument	8.52	Fair value of the bank's share in the investment fund reduced by management fees (value calculated by the fund manager)	Valuation of investment in the fund at fair value	N/A
		1.06	Theoretical price derived from market prices of similar shares of the issuer	Adjustment by conversion factor	N/A
		5.41	Theoretical price with some expert opinion (market unobservable inputs)	Risk spread used in discounting future cash flows	105 bp
31.12.2024					
Financial assets at FVPL	Non-trading equity instruments (participations)	20.19	Approved budgets	Risk spread used in discounting future cash flows	N/A
	Non-trading debt instrument	3.97	Fair value of the bank's share in the investment fund reduced by management fees (value calculated by the fund manager)	Valuation of investment in the fund at fair value	N/A
		2.66	Theoretical price derived from market prices of similar shares of the issuer	Adjustment by conversion factor	N/A

Sensitivity analysis using reasonably possible alternatives per product type

Sensitivity analysis is not calculated for equity instruments, participations or funds.

Financial instruments not carried at fair value with fair value disclosed in the notes

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3
31.12.2025					
Assets					
Cash and cash equivalents	1,448,531	1,448,531	375,884	1,072,647	-
Financial assets at AC	25,533,661	25,924,470	4,959,247	177,756	20,787,467
Loans and advances to banks	65,294	65,388	-	-	65,388
Loans and advances to customers	20,214,723	20,722,079	-	-	20,722,079
of which: Lending for house purchase	12,065,003	12,367,815	-	-	12,367,815
of which: Credit for consumption	1,644,411	1,685,684	-	-	1,685,684
of which: Corporate loans and others	6,505,309	6,668,580	-	-	6,668,580
Debt securities	5,253,644	5,137,003	4,959,247	177,756	-
Finance lease receivables	364,649	362,783	-	-	362,783
Trade and other receivables	182,219	181,881	-	-	181,881
Other assets - financial	37,009	37,009	-	-	37,009
Liabilities					
Financial liabilities at AC	25,269,854	25,316,123	3,407,335	1,938,232	19,970,556
Deposits from banks	278,750	270,749	-	-	270,749
Deposits from customers	19,696,779	19,697,686	-	-	19,697,686
Debt securities in issue	5,294,325	5,347,688	3,407,335	1,938,232	2,121
Other financial liabilities	82,107	82,107	-	-	82,107
Other liabilities - financial	75,933	75,933	-	-	75,933

EUR ths.	Carrying amount	Fair value	Level 1	Level 2	Level 3
31.12.2024					
Assets					
Cash and cash equivalents	1,988,940	1,988,940	420,346	1,568,594	–
Financial assets at AC	23,419,431	23,377,190	4,147,474	187,267	19,042,449
Loans and advances to banks	10,408	10,424	–	–	10,424
Loans and advances to customers	18,937,413	19,022,329	–	–	19,022,329
of which: Lending for house purchase	11,088,337	11,138,058	–	–	11,138,058
of which: Credit for consumption	1,622,728	1,630,004	–	–	1,630,004
of which: Corporate loans and others	6,226,348	6,254,267	–	–	6,254,267
Debt securities	4,471,610	4,344,437	4,147,474	187,267	9,696
Finance lease receivables	368,578	368,797	–	–	368,797
Trade and other receivables	163,622	162,191	–	–	162,191
Other assets - financial	12,123	12,123	–	–	12,123
Liabilities					
Financial liabilities at AC	23,571,765	23,622,770	2,408,166	2,039,682	19,174,922
Deposits from banks	205,924	204,563	–	–	204,563
Deposits from customers	18,744,678	18,753,066	–	–	18,753,066
Debt securities in issue	4,621,163	4,665,141	2,408,166	2,039,682	217,293
Other financial liabilities	54,730	54,730	–	–	54,730
Other liabilities - financial	70,260	70,260	–	–	70,260

As at 31 December 2025 fair value of financial guarantees given amounts EUR -0.4 million (2024: EUR -0.2 million) and fair value of irrevocable commitments given amounts EUR 26.9 million (2024: EUR 61.7 million). All these amounts are in level 3. Positive fair values of financial guarantees and commitments are shown with a positive sign whereas negative fair values are shown with a negative sign.

The fair value of loans and advances to customers and credit institutions, of finance lease receivables and of trade and other receivables has been calculated by discounting future cash flows while taking into consideration interest and credit spread effects. The interest rate impact is based on the movements of market rates, while credit spread changes are derived from PDs and LGDs used for internal risk calculations. Loans and advances were grouped into homogeneous portfolios based on rating method, rating grade, maturity and the country where they were granted. The measurement of fair values of loans to customers is not affected by whether they are subject to synthetic securitisations. As a result, they are categorised as Level 3 measurements. Details on synthetic securitisations can be found in chapter Collateral.

The fair values of debt securities at amortised cost are either taken directly from the market or they are determined by directly observable input parameters (i.e. yield curves). The sensitivity of debt securities at FVPL is quantified by up and down shift in market unobservable inputs (risk spread) by 50 basis points. The fair value sensitivity of the bonds are in the range between EUR -129 thousand to EUR 133 thousand.

The fair value of deposits and other liabilities, measured at amortised cost, is estimated by taking into account the current interest rate environment, as well as the own credit spreads. These positions are assigned to the Level 3 category. For liabilities without contractual maturities (e.g. demand deposits), the carrying amount represents the minimum of their fair value.

The fair value of issued securities and subordinated liabilities measured at amortized cost is determined based on quoted prices in active markets, if available. For issued securities where the fair value cannot be retrieved from quoted market prices, the fair value is calculated by discounting the future cash flows. Significant input factors for the spread adjustment of the Bank's own credit risk for the respective seniority class are credit spreads derived from liquid benchmark bonds and additional indications from external investments banks, which are provided on a regular basis. The applied spreads are validated on a regular basis from an independent Risk Management unit. Moreover optionality is taken into account when calculating the fair value.

For off-balance sheet liabilities (i.e. financial guarantees and unused loan commitments) the following fair value approaches are applied:

the fair value of unused loan commitments is estimated using regulatory credit conversion factors. The resulting loan equivalents are treated like other on-balance sheet assets. The difference between the calculated total fair value and the notional amount of the hypothetical loan equivalents represents the fair value of the unused loan commitments. In case of the total fair value being higher than the notional amount of the hypothetical loan equivalents the unused loan commitments have a positive fair value. The fair value of financial guarantees is estimated in analogy to credit default swaps. The fair value of the guarantee is the sum of the present value of the protection leg and the present value of the premium leg. The value of the protection leg is estimated using the PDs and LGDs of the respective customers, whereas the value of the premium leg is estimated by the present value of the future fee payments to be received. If the protection leg is higher than the premium leg, financial guarantees have a negative fair value.

21. Hedge accounting

The Bank applies hedge accounting to hedge exposures to interest rate risk. As permitted by the transitional provisions of IFRS 9, the Bank has elected to continue to apply the hedge accounting requirements of IAS 39.

On the statement of financial position, derivatives designated as hedging instruments are carried at fair value (dirty price). They are presented in the line item 'Hedge accounting derivatives' on the asset or liability side depending on whether their fair value is positive or negative.

Fair value hedges

For qualifying and designated fair value hedges, the change in the fair value (clean price) of a hedging instrument is recognised in the statement of income under the line item 'Net trading result'. Interest income and expenses on hedging derivatives are reported in the line item 'Other similar income' or 'Other similar expenses' under 'Net interest income'. The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the statement of income under the line item 'Net trading result' and adjusts the carrying amount of the hedged item.

For terminated hedges the fair value adjustment of the hedged item is amortised until maturity of the financial instrument. In the statement of income the amortisation is presented under 'Net interest income' in the line item 'Interest income' if the hedged item was a financial asset or in the line item 'Interest expenses' if the hedged item was a financial liability.

Notional amounts of hedged items

EUR ths.	Type of hedged items	Notional amount	
		31.12.2024	31.12.2025
Fair value hedges		2,091,387	2,837,332
Assets	Bonds at AC	201,224	201,224
Liabilities	Issued bonds	1,890,163	2,636,108

The volume of the hedging instrument which is designated for the hedge relation can never be greater than the volume of the hedged item. If the notional of a hedging derivative is greater than the notional of the hedged item the respective proportion of the derivative is designated as hedging instrument. Further, the tenor of the hedging instrument is never longer than the tenor of the hedged item.

The Bank is hedging the interest rate risk arising from bonds positions in investment portfolios (assets) and from own issued bonds (liabilities). Each fair value hedge is concluded to hedge only interest rate risk of a particular bond position or part of this bond position. The hedge instrument swaps the interest rate behaviour of the hedged item from fixed to floating interest rate. The credit risk inherent in these positions is not subject of the hedging.

Sources of hedge ineffectiveness can result from:

- designation of hedging instruments and hedged items during their life rather than from their inception
- different discounting curves applied for hedged item and hedging instrument
- volatility of present value of floating leg of hedging swaps in fair value hedges
- different trade dates for the hedging instrument and the hedged item
- credit risk adjustments (CVA, DVA) on the hedging derivatives

Quantitative disclosures

In the tables below, detailed information related to hedging instruments and hedged items in fair value as at 31 December 2025 are reported. The indicated values for fair value hedges include single hedges, which due to immateriality are not shown separately.

Hedging instruments

The hedging instruments are presented in the line 'Hedge accounting derivatives' in the statement of financial position.

EUR ths.	Carrying amount	Average fixed rate	Change in FV for the period used for calculating hedge ineffectiveness	Type of hedge items	Notional	Timing of the nominal amounts of the instruments				
						≤ 3 months	> 3 months and ≤ 1 year	> 1 year and ≤ 3 years	> 3 years and ≤ 5 years	> 5 years
31.12.2025										
Fair value hedges										
Interest rate risk assets	43,067	3.30%	3,820	Bonds at AC	110,000	-	-	-	110,000	-
				Issued bonds	1,337,597	500,000	-	316,597	521,000	-
Interest rate risk liabilities	11,799	2.40%	3,150	Bonds at AC	91,225	-	41,225	-	50,000	-
				Issued bonds	1,298,511	-	250,000	500,000	548,511	-
31.12.2024										
Fair value hedges										
Interest rate risk assets	32,784	2.38%	(3,991)	Bonds at AC	110,000	-	60,000	-	-	50,000
				Issued bonds	837,597	-	-	516,597	300,000	21,000
Interest rate risk liabilities	31,831	2.16%	35,727	Bonds at AC	91,224	-	-	41,224	50,000	-
				Issued bonds	1,052,566	-	247,700	750,000	54,866	-

Hedged items in fair value hedges

EUR ths.	Carrying amount	Hedge adjustments	
		included in the carrying amount	Thereof: for the period used for recognition of hedge ineffectiveness
31.12.2025			
Financial assets at AC	201,384	(7,857)	(4,271)
Interest rate risk	201,384	(7,857)	(4,271)
Financial liabilities at AC	2,667,478	(8,443)	(2,278)
Interest rate risk	2,667,478	(8,443)	(2,278)
31.12.2024			
Financial assets at AC	206,013	(3,586)	4,113
Interest rate risk	206,013	(3,586)	4,113
Financial liabilities at AC	1,915,854	(10,722)	(36,303)
Interest rate risk	1,915,854	(10,722)	(36,303)

The hedged items are disclosed in the following line items in the statement of financial position:

- Financial assets at amortised cost / debt securities
- Financial liabilities at amortised cost / debt securities issued

Ineffectiveness from fair value hedges is presented under 'Net trading result' in the statement of income.

Proportion of the hedging instrument to the hedged item (in EUR ths.)

as at 31 December 2025

Nominal of hedge instrument	ISIN of hedged item	Nominal of hedge item	Proportion
16,597	SK4120005505	16,597	1.00
41,224	SK4120004987	648,873	0.06
50,000	SK4120009762	331,000	0.15
50,000	SK4120011420	192,000	0.26
250,000	SK4000015400	500,000	0.50
500,000	SK4000020673	500,000	1.00
48,511	SK4000021242	48,511	1.00
300,000	SK4000021820	500,000	0.60
21,000	SK4000021879	32,000	0.66
500,000	SK4000022398	500,000	1.00
500,000	SK4000026787	500,000	1.00
60,000	SK4000026845	60,000	1.00
500,000	SK4000027876	500,000	1.00

as at 31 December 2024

Nominal hedge instrument	Hedged item	Nominal hedge item	Proportion
16,597	SK4120005505	16,597	1.00
41,224	SK4120004987	648,873	0.06
50,000	SK4120009762	331,000	0.15
60,000	SK4120007543	239,250	0.25
50,000	SK4120011420	192,000	0.26
131,400			
116,300	SK4120014507	250,000	0.99
250,000	SK4000015400	500,000	0.50
500,000	SK4000020673	500,000	1.00
54,866	SK4000021242	54,866	1.00
300,000	SK4000021820	500,000	0.60
21,000	SK4000021879	32,000	0.66
500,000	SK4000022398	500,000	1.00

Fair value hedge of assets

As at 31 December 2025 the Bank held in portfolio of financial assets at amortised cost fixed rate bonds denominated in EUR with nominal value of EUR 201.2 million (2024: EUR 201.2 million). As the purchases of these bonds increased exposure to interest rate risk in the period from five to fifteen years, the Bank entered into interest rate swap deals in order to hedge the changes of fair value caused by changes of risk-free interest rates, paying fixed and receiving floating rates.

During the year 2025 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net gain on the hedging instruments in the amount of EUR 3.8 million (2024: net loss EUR 4.0 million). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to EUR 4.3 million (2024: net gain EUR 4.1 million).

Fair value hedge of liabilities

The Bank uses hedging to secure its issued fixed rate covered bonds (former mortgage bonds). The list of bonds is disclosed in the note [17](#) Financial liabilities at amortised cost. As at 31 December 2025 the Bank holds covered bonds in total nominal value of EUR 2,636.1 million (2024: EUR 1,890.2 million).

During the year 2025 the hedges were effective in hedging fair value exposure to interest rate movements. During the period the Bank recognised a net gain on the hedging instruments in the amount of EUR 3.1 million (2024: net gain EUR 35.7 million). On the other hand, a net loss on the hedged item attributable to the hedged risk amounted to EUR 2.3 million (2024: net loss EUR 36.3 million).

22. Offsetting of financial instruments

The following table shows netting effects on the statement of financial position of the Bank as well as the impacts of offsetting financial instruments which are subject to offsetting agreements.

Financial assets subject to offsetting and potential offsetting agreements

EUR ths.	Financial assets (gross)	Amounts offset (gross)	Financial assets in statement of financial position (net)	Potential effects of netting agreements not qualifying for statement of financial position offsetting		Net amount after potential offsetting
				Financial instruments	Other financial collateral received	
31.12.2025						
Derivatives	9,140	–	9,140	3,602	–	5,538
Hedge accounting	43,067	–	43,067	11,799	–	31,268
Reverse repurchase agreements	1,822	–	1,822	–	1,822	–
Total	54,029	–	54,029	15,401	1,822	36,806
31.12.2024						
Derivatives	48,101	–	48,101	10,862	–	37,239
Hedge accounting	32,784	–	32,784	27,658	–	5,126
Total	80,885	–	80,885	38,520	–	42,365

Financial liabilities subject to offsetting and potential offsetting agreements

EUR ths.	Financial liabilities (gross)	Amounts offset (gross)	Financial liabilities in statement of financial position (net)	Potential effects of netting agreements not qualifying for statement of financial position offsetting		Net amount after potential offsetting
				Financial instruments	Other financial collateral pledged	
31.12.2025						
Derivatives	7,596	–	7,596	3,602	–	3,994
Hedge accounting	11,799	–	11,799	11,799	–	–
Total	19,395	–	19,395	15,401	–	3,994
31.12.2024						
Derivatives	45,522	–	45,522	10,862	22,953	11,707
Hedge accounting	31,831	–	31,831	27,658	3,309	864
Total	77,353	–	77,353	38,520	26,262	12,571

The Bank employs master netting agreements as a means of reducing credit risk of derivative and financing transactions. They qualify as potential offsetting agreements. Master netting agreements are relevant for counterparties with multiple derivative contracts. They provide for the net settlement of all the contracts in the event of default of any counterparty. For derivatives transactions the values of assets and liabilities that would be set off as a result of master netting agreements are presented in the column 'Financial instruments'. If the net position is further secured by cash collateral or other financial collaterals the effects are disclosed in columns 'Cash collateral received / pledged' and 'Other financial collateral received / pledged' respectively.

23. Transfers of financial assets – repurchase transactions

Repurchase and reverse repurchase agreements

Transactions involving sales of securities under an agreement to repurchase them at a specified future date are also known as 'repos' or 'sale and repurchase agreements'. Securities sold in such transactions are not derecognised from the balance sheet, as the Bank retains substantially all risks and rewards of ownership, because the securities are repurchased at a fixed price when the transaction ends. Furthermore, the Bank is the beneficiary of all coupons and other income payments received on the transferred assets over the period of the transactions. These payments are remitted to the Bank or are reflected in the repurchase price.

The cash received upon sale of securities is recognised on the balance sheet with a corresponding obligation to return under the line item 'Financial liabilities at amortised cost', sub-items 'Deposits from banks' or 'Deposits from customers' reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense which is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest expenses' under 'Net interest income'.

Financial assets transferred out by the Bank under repurchase agreements remain on the Bank's balance sheet and are presented separately under the original balance sheet items in the 'pledged as collateral' lines. The measurement category of the transferred financial assets does not change.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised on the balance sheet. Such transactions are also known as 'reverse repos'. The consideration paid is recorded on the balance sheet under the line item 'Financial assets at amortised cost', sub-items 'Loans and advances to banks' and 'Loans and advances to customers' reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of the agreement and recorded in the statement of income in the line item 'Interest income' under 'Net interest income'.

24. Financial assets pledged as collaterals

	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
EUR ths.								
As at 31.12.2025								
Financial assets at amortised cost								
Debt securities	955,931	–	–	940,777	15,154	891,813	–	891,813
Loans and advances to customers	2,986,412	–	–	2,986,412	–	2,686,254	–	2,686,254
Assets pledged as collateral	3,942,343	–	–	3,927,189	15,154	3,578,067	–	3,578,067

	Carrying amount of transferred assets					Carrying amount of associated liabilities		
	Total	Repurchase agreements	Assets pledged for derivatives	Assets pledged for covered bonds	Other transferred assets	Total	Repurchase agreements	Other associated liabilities
EUR ths.								
As at 31.12.2024								
Financial assets at amortised cost								
Debt securities	130,446	–	26,262	89,036	15,148	162,772	–	162,772
Loans and advances to customers	3,087,257	–	–	3,087,257	–	2,832,936	–	2,832,936
Assets pledged as collateral	3,217,703	–	26,262	3,176,293	15,148	2,995,708	–	2,995,708

The financial assets pledged as collateral consist of loans and advances to customers, bonds and other interest-bearing securities. During the year 2025 and 2024 collaterals were pledged as a result of refinancing transactions with the respective National Bank, loans backing issued mortgage bonds and other collateral arrangements.

As at 31 December 2025 loans and advances to customers EUR 2,986.4 million (2024: EUR 3,087.3 million) and Slovak government bonds EUR 940.8 million (2024: EUR 89.0 million) were pledged to cover issued mortgage bonds EUR 3,578.1 million 2024: EUR 2,926.8 million).

As at 31 December 2025 bonds EUR 15.2 million (2024: EUR 15.1 million) were pledged to cover SLSP liabilities EUR 3.7 million (2024: EUR 1.1 million).

As at 31 December 2025 there were no bonds pledged (2024: EUR 26.3 million) to cover SLSP liabilities from derivatives within a master agreement.

As at 31 December 2025 and 2024 there was no financial assets pledged as collateral for which the transferee has the right to sell or pledge in the absence of default by the reporting institution.

Risk and capital management

25. Risk management

Risk policy and strategy

A core function of the Bank is taking risks in a conscious and selective manner and professionally steering those risks. Adequate risk policy and risk strategy is essential to the Bank's fundamental financial health and operational business success.

The Bank has developed a risk management framework that is forward-looking and tailored to its business and risk profile. This framework is based on a clear risk strategy that sets out general principles according to which risk taking must be performed. The risk strategy is consistent with the business strategy and incorporates the expected impact of external environment on the planned business and risk development.

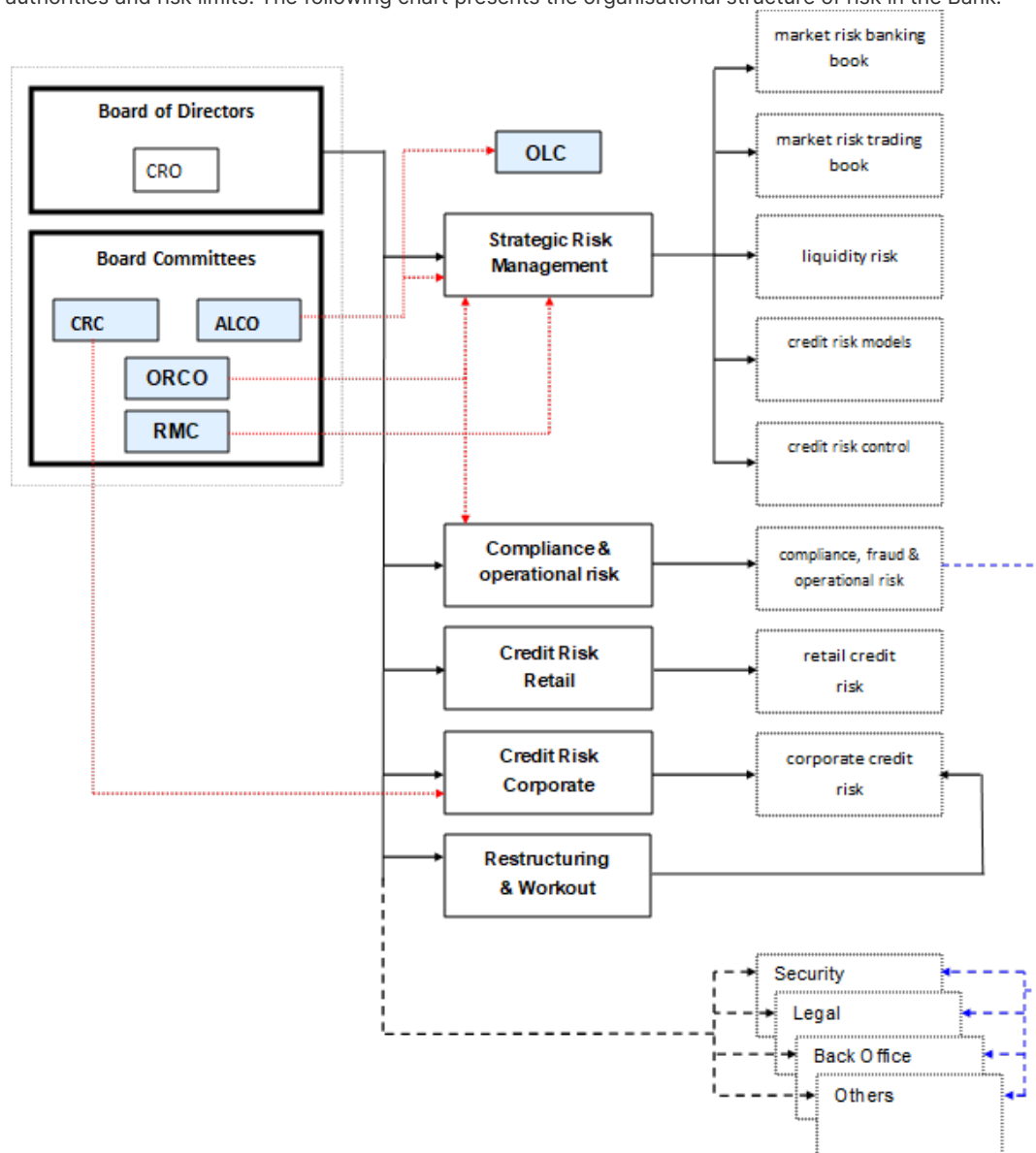
The risk strategy describes the current risk profile, defines risk management principles, strategic goals and initiatives for the main risk types as well as sets strategic limits for the significant financial and non-financial risk types as defined in the Risk Materiality Assessment. The risk strategy is executed within a clearly defined governance structure. This structure also applies to monitoring of risk appetite, additional metrics, as well as to the escalation of limit breaches.

The Bank uses the Internet as the medium for publishing its disclosures under Article 434 of the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – CRR) and Regulation (EU) No. 876/2019 amending Regulation (EU) No. 575/2013. Details are available on the website of the Bank at <https://www.slsp.sk/sk/informacie-o-banke/investori/financne-ukazovatele>.

As part of its overall risk management framework, the bank considers the management of geopolitical risks a core responsibility. Geopolitical risk is regularly assessed within the Internal Capital Adequacy Assessment Process (ICAAP), where it is treated as a risk driver with potential influence across all risk types. This risk driver is evaluated through the annual Risk Materiality Assessment and incorporated into the bank's stress-testing framework. Based on the latest assessments, no material impact on the bank's financial position has been identified; however, continuous monitoring and stress-testing ensure preparedness for potential adverse developments. Geopolitical risk is also embedded in the holding-level risk management framework, including scenario design, country-risk monitoring, and the allocation of management buffers for macroeconomic and geopolitical shocks. At the holding level, capital considerations for geopolitical risk are reflected in the management buffer and subsequently cascaded to local entities via top-down RWA limits.

Risk management organisation

Risk monitoring and control is achieved through a clear organisational structure with defined roles and responsibilities, delegated authorities and risk limits. The following chart presents the organisational structure of risk in the Bank:



Risk management structure

The ultimate risk management body is the Board of Directors. However, it may delegate some of its authority for particular risk management areas to the respective committees. The Board of Directors also designates one of its members to serve as the Chief Risk Officer ('CRO').

Asset & Liability Committee ('ALCO') has the ultimate authority over market risk of both trading and banking books (including interest rate risk) and over liquidity risk.

Credit Risk Committee ('CRC') is the ultimate decision making body for corporate credit risk.

Operational Risk and Compliance Committee ('ORCO') is the authorized body to make decisions on operational risk strategies and procedures, risk appetite and tolerance levels, also decides on mitigation measures for operational risk, compliance, financial crime, security, and anti-money laundering issues.

ALCO, CRC and ORCO are composed of the members of the Board of Directors and senior managers. The Chief Risk Officer is a member of all three committees.

Operating Liquidity Committee ('OLC') governs the execution of liquidity management. OLC reports directly to ALCO. It analyses the liquidity situation of the Bank on a regular basis and proposes measures to be taken. OLC consists of members of Treasury, Balance Sheet Management (BSM) and Strategic Risk Management (SRM).

Risk Management Committee ('RMC') is a committee consisting of selected members of the Board of Directors and senior managers. It is responsible for the development and maintenance of effective system of risk management, approval and monitoring of risk management strategy and procedures, ICAAP and risk appetite, as well as for comprehensive stress testing.

The bottom (executive) level of the risk management organisation consists of five crucial units:

- Corporate Credit Risk Management Division
- Retail Credit Risk Management Division
- Strategic Risk Management
- Compliance & Security
- Restructuring & Work out.

In the chart above, black lines show the assignment of different risk types to the respective units. Solid black lines show the areas directly subordinated to the Chief Risk Officer. Strategic Risk Management and Corporate Credit Risk Management may also report directly to their respective committees as shown by red / dotted lines.

Risk management is not limited to risk management units only. Rather, all organisational units have to be risk-aware and should contribute to risk management.

All responsibilities regarding risk management are in detail described in the Bank's risk management strategy.

Corporate Credit Risk Management

Corporate Credit Risk Management Division formulates the credit policy and internal provisions on the credit approval process for corporate clients. It is responsible for risk analysis of counterparties and credit facilities (financial analysis, rating assignment, credit transaction assessment). Furthermore, it monitors the development of the credit portfolio of corporate clients. It regularly reviews assigned ratings and counterparty financial situation. It also designs, sets and monitors limits, maintains deal and limits documentation for corporate clients.

Retail Credit Risk Management

Retail Credit Risk Management Division formulates the credit policy and internal actions on the credit approval process for retail clients and designs and oversees processes in retail lending activity. It is responsible for risk assessment of counterparties and credit facilities (rating assignment, credit transaction assessment). Furthermore, it monitors the development of credit portfolio of retail clients. It also designs, sets and monitors limits, maintains deal and limits documentation, as well as performs early and late collection and retail collateral management.

Strategic Risk Management

Strategic Risk Management ('SRM') is responsible for integrated risk management ('ICAAP'), liquidity risk, market risk (overall, as well as particular trading and banking books), credit risk control, provisioning, credit risk statistical and rating models. SRM is not involved in the operative credit decision-making. However it is responsible for the design of rating systems, testing and monitoring of accuracy and selectivity of internal rating grades, production and analysis of summary reports from the Bank's rating systems. SRM is also responsible for the design and implementation of models for calculation of risk parameters (PD, LGD, CCF, etc.), standard risk costs and portfolio provisions. It is also responsible for the design and implementation of models for calculation of risk-weighted assets according to capital requirements regulation and directive and model for economic capital. In addition to this, SRM has two other specific roles:

- credit exposures to Groups, sovereigns and countries, which are governed centrally by Erste Holding (credit analysis, limit setting), are locally monitored by SRM;
- credit lines of Treasury clients (approved by Credit Risk Corporate or Credit Committee) are determined and monitored by SRM.

Compliance & Operational Risk Management

Compliance & Operational Risk Management is responsible for compliance risk management (e.g. code of ethics, full compliance with legal requirements, anti-money laundering program, MiFID rules), for fraud risk management (prevention, detection, investigation, deterrence and recovery of financial fraud) and operational risk. Within operational risk, it coordinates activities of global scope of other relevant departments (blue / dashed lines in the chart).

Restructuring & Work out

Restructuring & Work out is responsible for effective debt recovery and write-off management of corporate clients. It is also responsible for monitoring, restructuring of receivables over-due, specific provisions and collateral management.

Legal services

Legal services Division provides legal support and counsel for the management board, the business units and the central functions, and mitigate legal risk. It also attends to legal sourcing and to dispute resolution and litigation.

Comprehensive risk and capital management

Internal Capital Adequacy Assessment Process ('ICAAP') is a process in which all significant risks that the Bank faces must be covered by internal capital (i.e. coverage potential). This means that all material risks are determined, quantified, aggregated, and compared to the coverage potential. Limits and lower trigger levels are defined and regularly monitored, so that corrective actions may be taken, thus avoiding situations when risk exposures are not sufficiently covered by capital.

Objectives of ICAAP are to integrate risk management for different risk types into a single high-level process, which then enables to continuously monitor and adjust capital levels to changing risk profiles. It is a comprehensive process that within the Bank consists of the following steps:

- Risk appetite statement (RAS), limits and risk strategy
- Risk materiality assessment (RMA)
- Risk-bearing capacity calculation (RCC)
- Stress testing
- Capital allocation and performance management

In addition to the ICAAP's ultimate goal of assuring capital adequacy and sustainability at all times, the whole process serves to support the Bank's management in pursuing its strategy.

Risk appetite

The Bank defines the maximum level of risk it is willing to accept in order to meet its business objectives within the Bank's risk appetite (RAS). The RAS acts as a binding constraint to the Bank's business activities within its overall risk appetite via triggers and limits approved by the management board. It is integrated and embedded into Bank's structural processes; including business and risk strategy, budget process, capital and liquidity planning, recovery plan, stress testing and remuneration framework. The RAS consists of a set of core and supporting risk metrics providing quantitative direction for overall risk-return steering and qualitative statements in the form of key risk principles that are part of the guidelines for managing risks. The core risk metrics are set as ultimate boundaries for the Bank's risk-return target setting. They are also a key part of the annual strategic planning / budgeting process and give an overall picture of capital, liquidity and risk-return trade-offs. The key objective of the RAS is to:

- ensure that the Bank has sufficient resources to support its business at any given point in time and absorb stress events;
- set boundaries for the Bank's risk target setting;
- support the Bank's financial strength and the robustness of its systems and controls.

To foster risk-return steering and ensure proactive management of the risk profile, the Bank creates its RAS on a forward-looking basis. External constraints such as regulatory requirements create the floor and ceiling for the RAS and therefore the amount of risk the Bank is willing to accept. In order to ensure that the Bank remains within the targeted risk profile, a traffic light system was established and assigned to the core metrics. This approach allows a timely delivery of information to the respective governance and the implementation of effective remediation measures. The RAS traffic light system is defined as follows:

- RAS is green: The target risk profile is within the specified boundaries.
- RAS is amber: The undershooting or overshooting of a pre-defined threshold leads to an escalation to the designated governance and the discussion of potential remediation actions.
- RAS is red: The undershooting or overshooting of a pre-defined limit initiates an immediate escalation to the designated governance and a prompt implementation of remediation actions.

Moreover, stress indicators are defined for selected core metrics and integrated into the assessment of the stress test results. They are reported as early warning signals to the management board to support proactive management of the risk and capital profile.

In addition, supporting metrics and principles are defined by material risk type in the Bank Risk Strategy based on RAS. These support implementation of the mid- to long-term strategy. Risk management governance ensures full oversight of risk decisions and sound execution of the Bank risk strategy. Mitigating actions are undertaken as part of the regular risk management process to ensure that the Bank remains within its RAS.

Risk materiality assessment

The risk materiality assessment serves the purpose of identification of the most important risk types which are to be the major focus and which will be included in the economic capital calculation. It is an annual process based on both, quantitative and qualitative factors, which is conducted for each identified risk type the Bank faces.

The output of the risk materiality assessment is the set of material risks, which have to be quantified and covered by capital. It also includes other risk management practices to control and mitigate the identified risks (material or non-material).

Stress testing

Risk exposure calculation models carry inherent statistical error since they must work at extreme confidence interval and time horizon. 99.9% confidence on one-year horizon means an extreme loss that occurs once in thousand years. At this level the model is impossible to back test, therefore it must be stress tested.

Stress testing is also used to analyse risks which are not covered by capital as well as to identify potential vulnerabilities of covered risks which may not be properly covered by the calculation model used. Further, stress testing should also provide management with steering impulses and should yield to corrective actions, if deemed necessary.

Stress testing focuses on impact of severe, yet plausible scenarios on the Bank's positions, thus providing further assurance of internal capital adequacy. Should stress testing results show potentially higher losses than calculated risk exposures, the ICAAP profile has to be adjusted either via add-ons to risk exposures or via capital cushion.

Risk-bearing capacity calculation

The risk-bearing capacity calculation ('RCC') is ultimately the tool to define capital adequacy required by the ICAAP. Within the RCC, risk exposure for each particular material risk is quantified. The figures are aggregated into a capital requirement and compared to the coverage potential and the Bank's own funds. The integral forecast, risk appetite limit, as well as a traffic light system support management in its discussions and decision processes.

The Board of Directors, Risk management committees and Supervisory board is briefed regularly, at least on a quarterly basis, in relation to the results of the capital adequacy calculation. The report includes movements in risks and available capital and coverage potential, the degree of risk limits' utilization, potential losses in stress scenarios and the overall status of capital adequacy. It also contains a comprehensive forecast of risk-weighted assets and capital adequacy.

Besides the Pillar 1 risk types (credit, market in trading book, FX in banking book and operational risks) and in the context of Pillar 2, interest rate risks in the banking book, business risk, liquidity risk, residual credit risk and credit risk for sovereign counterparties are explicitly considered within the required economic capital via internal models.

Other risks, namely credit concentration risk and macroeconomic risks in particular are managed by means of a proactive management framework that includes forward-looking scenarios, stress testing, trigger levels and / or are covered by capital buffer. The capital buffer is proposed by Strategic risk management typically during the risk materiality assessment process and is approved by the Board of Directors.

The coverage potential required to cover risks and unexpected losses is based on regulatory own funds combined with profit of the current year, considering subordinated liabilities and regulatory deductibles, as well. The coverage potential must be sufficient to absorb unexpected losses resulting from the Bank's operations.

Capital management

Within capital management, the volume of internal capital (coverage potential) is compared against the calculated risk exposures and should any discrepancies arise, measures must be taken in order to correct the situation. This is carried out quarterly, but the frequency may be increased should the situation require so and is also forward-looking in that it considers forecasted figures.

Capital management is also part of the Bank's business strategy (worked out through budget) which determines risk appetite and capital coverage levels. Comprehensive limit framework is established for each major risk type in order to ensure day-to-day adherence to the approved risk profile and capital levels.

Risk planning and forecasting

The responsibility for risk management includes ensuring sound risk planning and forecasting processes. The forecasts determined by risk management are the result of close co-operation with all stakeholders in the overall planning process. The risk planning and forecasting process includes both, forward- and backward-looking component, focusing on portfolio and economic environment changes.

Capital allocation

An important task integral to the risk planning process is the allocation of capital to business lines. Each particular risk (Pillar I and Pillar II) is allocated to business lines based on their risk consumption. The process is done with close cooperation between Strategic Risk Management and Accounting and Controlling.

26. Own funds and capital requirements

Regulatory requirements

Since 1 January 2014 the Bank has been calculating the regulatory own funds and the regulatory capital requirements according to the Capital Requirements Regulation (CRR, Regulation (EU) No. 575/2013) and the Capital Requirement Directive (CRD IV, Directive (EU) 2013/36/EU)¹. Both the CRD IV and CRD V² were transposed into national law in the Act on Banks 483/2001.

All requirements as defined in the CRR and technical standards issued by the European Banking Authority (EBA) are fully applied by the Bank for regulatory purposes and for the disclosure of regulatory information.

According to information provided internally to key management, The Bank fulfilled all regulatory capital requirements during the year 2025 and throughout the year 2024 consisting of Pillar 1 requirement, Pillar 2 requirement and combined buffer requirement.

Accounting principles

The financial and regulatory figures published by the Bank are based on IFRS. Eligible capital components are derived from the statement of financial position and income statement which were prepared in accordance with IFRS. Adjustments to the accounting figures are considered due to the different definitions in the scopes of consolidation.

The unified reporting date of the separate financial statements and consolidated regulatory figures of the Bank is 31 December of each respective year.

¹ Both CRD IV and CRR have been amended since the entry into force in 2014 inter alia with directive (EU) 2019/878 (CRD V) as well as regulations (EU) 2019/876 (CRR 2) and (EU) 2020/873 (CRR Quick Fix).

² CRDV has been transposed by an amendment of the ABA (BGBl I 2021/98; BWG-Novelle) which entered into force on 31 May 2021.

Own funds

Own funds according to CRR consist of CET1, additional tier 1 (AT1) and tier 2 (T2). In order to determine the capital ratios, each respective capital component – after application of all regulatory deductions and filters – is considered in relation to the total risk amount. Capital management within strategic risk management is the ongoing process of determining and maintaining the quantity and quality of capital appropriate to cover risks and ensure meeting regulatory capital requirements.

Capital buffer requirements are set out in Act on Banks 483/2001

- capital conservation buffer Article 33b
- Global Systemic Important Institution (G-SII) Article 33a and Article 33d (5)
- Other Systemic Important Institution (O-SII) buffer Article 33a and Article 33d (6)
- systemic risk buffer Article 33a, Article 33e
- countercyclical buffer Article 33a, Article 33c.

In addition to minimum capital ratios and capital buffer requirements, institutions also have to fulfil capital requirements determined in the Supervisory Review and Evaluation Process (SREP).

As a result of the 2024 SREP process performed by the European Central Bank (ECB) the Bank applies a Pillar 2 requirement (P2R) of 1.5% as at 31 December 2025. The minimum CET1 ratio of 5.34% encompasses the Pillar 1 minimum requirement of 4.5% and the Pillar 2 requirement of 0.84% (56.25% of 1.5%) as at 31 December 2025.

According to SREP, the Bank is expected to meet a Pillar 2 Guidance (P2G) of 1.0%. The Pillar 2 Guidance is not MDA (maximum distributable amount) relevant.

	31.12.2024	31.12.2025
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Minimum Tier 1 requirement	6.00%	6.00%
Minimum Own Funds requirements	8.00%	8.00%
Combined buffer requirement (CBR)	5.98%	5.97%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical capital buffer	1.48%	1.47%
O-SII capital buffer	2.00%	2.00%
Minimum CET 1 requirement (incl. CBR)	10.48%	10.47%
Minimum Tier 1 requirement (incl. CBR)	11.98%	11.97%
Minimum Own Funds requirement (incl. CBR)	13.98%	13.97%
Pillar2		
Minimum CET1 requirement	0.84%	0.84%
Minimum T1 requirement	1.13%	1.13%
Minimum Own Funds requirement	1.50%	1.50%
Total CET1 requirement for Pillar 1 and Pillar 2	11.32%	11.31%
Total Tier 1 requirement for Pillar 1 and Pillar 2	13.11%	13.10%
Total Own Funds requirement for Pillar 1 and Pillar 2	15.48%	15.47%

The following table shows the structure of own funds according to implementing technical standards EBA with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (the positions not relevant for the Bank were excluded):

in EUR ths.	31.12.2024	31.12.2025
Common equity tier 1 capital (CET1)		
Capital instruments eligible as CET1 (Subscribed capital)	212,000	212,000
Retained earnings	1,384,183	1,404,576
Legal reserve fund	79,795	79,795
Other funds	39,104	39,104
Accumulated other comprehensive income	(1,647)	(2,166)
Common equity tier 1 capital (CET1) before regulatory adjustments	1,713,435	1,733,309
Prudential filter: fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	19	13
Value adjustments due to the requirements for prudent valuation	(1,346)	(1,025)
Securitisation positions which can alternatively be subject to a 1.250% risk weight	(13,771)	(9,149)
Other intangible assets	(13,133)	(19,378)
IRB shortfall of credit risk adjustments to expected losses	(2,843)	(520)
Insufficient coverage for non-performing exposures	(1,635)	(4,272)
Development of unaudited risk provisions during the year (EU No 183/2014)	(13,049)	(51,261)
Common equity tier 1 capital (CET1)	1,667,677	1,647,717
Additional tier 1 capital (AT1)		
Capital instruments eligible as AT1	480,000	330,000
Additional tier 1 capital (AT1)	480,000	330,000
Tier 1 capital - total amount of common equity tier 1 (CET1) and additional tier 1 (AT1)	2,147,677	1,977,717
Tier 2 capital (T2)		
Subordinated bonds issued as T2 capital instruments (eligible amount)	12,103	159,853
IRB excess of provisions over expected losses eligible	44,809	45,159
T2 instruments of financial sector entities where the institution has a significant investment	(5,252)	-
Tier 2 capital (T2)	51,660	205,012
Total own funds	2,199,337	2,182,729
Capital requirement	903,398	846,281
CET1 capital ratio	14.77%	15.58%
Tier 1 capital ratio	19.02%	18.70%
Total capital ratio	19.48%	20.63%

CET 1 capital before regulatory adjustments in the table above can be reconciled to Equity disclosed under IFRS in the statement of financial position. Capital instruments eligible as CET1 equal to subscribed capital in Equity. Legal reserve fund, other funds and accumulated other comprehensive income are the same as in Equity. Retained earnings according to CRR are lower than recognised in Equity by the amount of future profit distribution payments. Other equity instruments are part of Additional Tier 1 capital (AT1).

The Following table shows risk exposure amounts reflecting the structure according to Regulation (EU) No 575/2013:

EUR ths.	31.12.2024		31.12.2025	
	Total risk	Capital requirement	Total risk	Capital requirement
Total Risk Exposure Amount	11,292,476	903,398	10,578,518	846,281
Risk weighted assets (credit risk)	10,491,884	839,351	9,443,970	755,517
Standardised approach	892,501	71,400	1,054,440	84,355
IRB approach	9,556,776	764,542	8,208,159	656,652
Securitisation positions	42,607	3,409	181,371	14,510
Trading book, foreign FX risk and commodity risk	1,105	88	2,356	188
Operational Risk	795,422	63,634	1,123,197	89,856
Exposure for CVA	4,065	325	8,995	720

The Bank used AMA model for calculation of RWA and capital requirements arising from operational risk in 2025. The calculation was performed on ERSTE Group level. Since 1 January 2025 the Bank is calculating capital requirements arising from operational risk according to CRR3.

27. Credit risk

ESG risk management

The Bank integrates ESG factors in its risk management and industry strategy framework. ESG risk related conclusions from the annual business environment scan conducted by Erste Group are considered together with the Erste Group ESG Factor Heatmap. The ESG Factor Heatmap is used as a screening instrument to identify certain industry segments (out of the existing sub-industries) that may be exposed to ESG risk factors and determine those industries which are more vulnerable to ESG risks. The Bank establishes industry strategies and lending standards to support the steering of the portfolio under considerations of ESG risks; both are the basis for decisions, which determine which clients and transactions fit into the Bank's portfolio.

Secondly, the Bank has established an ESG risk framework for the assessment of material ESG factors, related risks, and appropriateness of the mitigating strategies in the credit and rating processes. In this manner, the Bank takes ESG risk criteria into account when making credit decisions.

For large corporate and commercial real estate, the Bank conducts a systemic ESG analysis via an internal digital ESG assessment questionnaire. The questionnaire is a mandatory prerequisite in the loan origination and monitoring process. By providing a comprehensive ESG risk assessment, the Bank can determine how certain ESG factors may have a positive or negative impact on the financial performance of clients. The questionnaire enables the Bank to identify clients' ESG risks or opportunities.

Particular questions in the questionnaire may also require an in-depth assessment to understand the nature and severity of the ESG risks to which the client is exposed. The questionnaire forms an integral part of the credit application and is updated at least annually, allowing the Bank to understand the client's business model in the context of carbon transition. To support achieving the Bank's decarbonization targets, additional lending guidance has been introduced for large corporate, depending on their communicated strategy to align with climate science recommendations.

Furthermore, ESG relevant data is collected for certain types of collateral, as defined in the Collateral Management Policy for real estate collateral valuations, documentation and reporting purposes. Environmental aspects which affect the value of the collateral have to be included in the real estate valuations, which can lead to a higher or lower valuation result. Moreover, any risks arising from social (e.g., location and transportation, mass urbanisation – being indicators for easy accessibility for people) and governance factors (such as improper business practices such as tax fraud or bribery of the financed company being the owner of the building serving as collateral) have to be considered as well. For commercial real estate assets, the questionnaire additionally includes an assessment of the building's environmental footprint, including information on land consumption, space efficiency, and the existence of a sustainable building certificate. Similarly to large corporate lending, the Bank has introduced additional lending guidance for commercial real estate financing, tied to the carbon footprint of the financed asset.

With regards to credit risk measurement and internal models a respective project to define and collect relevant climate risk drivers for all rating systems has started in 2022 to ensure the explicit consideration of climate risks in future model development initiatives. ESG factors are considered in the soft facts assessment in the corporate rating models. In case of sovereigns and banks, the rating is overridden based on the ESG score derived from available sources World Bank / OECD and Bloomberg, respectively. Moreover, if it is concluded that calculated model rating does not reflect the ESG risk properly, then rating can be overridden manually based on ESG assessment questionnaire. For the LGD models, climate risk is indirectly reflected via the collateral value. Additionally, within each new model development, testing of the ESG drivers is obligatory and where it is deemed relevant, the respective information needs to be integrated via model into ECL measurement.

For the assessment and management of physical risks, the Bank uses Munich Re's Location Risk Intelligence. In 2023 Erste Group has conducted a physical risks materiality assessment together with the University of Graz to identify key hazards and climate change scenarios relevant for its collateral portfolio. The results of the assessment, highlighting the importance of river flood, fire weather stress, drought stress, sea level rise and heat stress, is integrated into the Bank's collateral management, incorporating an intermediate climate change scenario of 2-3C by 2100 (Representative Concentration Pathway 4.5 / Shared Socioeconomic Pathway 2, developed by the Intergovernmental Panel on Climate Change) as a reasonable assumption. In case of the existence of very high physical risks of a location, the collateral value would be negatively affected.

To assess the potential impact of physical risk, the internal stress test on Group level incorporated an internally developed physical risk model. The risk 'river flood' was determined to be the most relevant risk for Erste Group applying the climate hazard scores provided by Munich Re on Group's collaterals. The Bank's internal stress test is also considering physical risk drivers within the ESG scenario.

Among the industries presented in the table 'Credit risk exposure by industry and risk category' below in this chapter, the Bank identified certain carbon-intensive sectors as important levers for setting interim emission targets for 2030, thereby supporting the mitigation of 'Transition Risk' in Bank's financed portfolio. Targets are set for the following sectors: housing mortgages (part of XV. Private Households), commercial real estate (mainly part of XII. Real Estate), electricity production (part of II. Energy), heat and steam production (part of II. Energy), auto manufacturing (part of IV. Automotive), iron and steel (part of I. Natural Resources & Commodities).

An internal Climate Risk Stress Test was conducted on Group level based on NGFS (Network for Greening the Financial System) scenarios. The analysis was informed by internal sectoral targets and the results are integrated into the Bank's Risk Materiality Assessment.

Internal rating system

The Bank has business and risk strategies in place that govern policies for lending and credit approval processes. These policies are reviewed and adjusted regularly, at a minimum on an annual basis. They cover the entire lending business, taking into account the nature, scope and risk level of the transactions and the counterparties involved. Credit approval considers individual information on the creditworthiness of the customer, the type of credit, collateral, covenant package and other risk mitigation factors involved.

The assessment of counterparty default risk is based on the customer's probability of default (PD). For each credit exposure and lending decision, the Bank assigns an internal rating, which is a unique measure of the counterparty default risk. The internal rating of each customer is updated event-specific, however, at least once a year (annual rating review).

The main purpose of the internal ratings is to support the decision-making for lending and for the terms of credit facilities. Internal ratings also determine the level of credit approval authority and the monitoring procedures for existing exposures. At a quantitative level, internal ratings influence the level of required risk pricing, loss allowances and risk-weighted assets under Pillar 1 and 2.

The Bank uses the internal ratings-based (IRB) approach, internal ratings are key input for the risk-weighted assets calculation. They are also used in the assessment of the economic capital requirements according to Pillar 2. For these purposes, a distinct PD value is assigned to each rating grade for its IRB portfolios within a calibration process that is performed individually for each rating method. PD values reflect a 12-month probability of default based on long-term average default rates per rating grade.

Internal ratings take into account all available significant information for the assessment of counterparty default risk. For non-retail borrowers, internal ratings take into account the financial strength of the counterparty, the possibility of external support, flexibility in corporate financing, general company information and external credit history information, where available. For retail clients, internal ratings are based mainly on payment behaviour and, where applicable, credit bureau information, supplemented with information provided by the respective client and general demographic information. Rating ceiling rules on credit quality are applied based on membership in a group of economically related entities and the country of main economic activity (applicable to cross-border financing facilities).

Internal specialist teams develop and improve internal rating models and risk parameters in cooperation with risk managers. Model development follows a group-wide methodological standard and utilises relevant data covering local market. In this way, the Bank ensures the availability of rating models with the best possible prediction and discriminatory ability across its core regions.

All credit risk rating models are validated on the ongoing basis. Model Validation employs qualitative as well as quantitative validation methods to challenge conceptual soundness, performance and model use aspects. The validation outcomes are approved by the respective model committees and shared with the regulatory bodies. In addition to the validation process, the Bank applies a regular monitoring process on the performance of rating tools, reflecting developments in new defaults and early delinquencies.

Credit risk classification

For the disclosure of asset quality (e.g. in this document and to the regulatory bodies) the Bank assigns each customer to one of the following four risk categories:

Low risk

Typically regional customers with well-established and rather long-standing relationships with SLSP or large internationally recognised customers. Very good to satisfactory financial position and low likelihood of financial difficulties relative to the respective market in which the customers operate. Retail clients having long relationships with the bank, or clients with a wide product pool use. No relevant late payments currently or in the most recent 12 months. New business is generally with clients in this risk category.

Management attention

Vulnerable non-retail clients, which may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term to the Bank. Retail clients with possible payment problems in the past triggering early collection reminders from the Bank's side. These clients typically have a good recent payment history.

Substandard

The borrower is vulnerable to short term negative financial and economic developments and shows an elevated probability of failure. In some cases, restructuring measures are possible or already in place. As a rule, such loans are managed in specialised risk management departments.

Non-performing

There are exposure meeting criteria according to default definition set out above. The Bank applies the customer view for all customer segments, including retail clients; if an obligor defaults on one deal then the customer's performing transactions are classified as non-performing as well. Furthermore, non-performing exposures also comprise non-performing forbore transactions even in cases where the client has not defaulted.

Based on the calibration of internal PDs (probabilities of default) for regulatory purposes to the default rates published by rating agencies, the equivalent external customer rating was used for the assignment to risk categories. For the agency ratings, average one-year default rates resulting from long-term time series were applied.

Credit risk review and monitoring

Retail Credit Risk Management as well as Credit Risk Control in cooperation with Corporate Risk Management conduct periodical reviews of the loan portfolio to ensure an adequate portfolio quality.

All credit limits and the transactions booked within the limits are reviewed at least once a year. Counterparty credit risk limits are monitored daily in an internal limit management system with remedial actions taken in case limits are exceeded.

A group-wide standardised early warning monitoring process is implemented to proactively identify negative developments. The early warning monitoring process for corporate clients is managed by Corporate and Retail Credit Risk Management for respective segments. When early warning signals are identified and validated, the overall client exposure and creditworthiness is reviewed and adequate risk mitigating actions are taken if deemed necessary. Watch list review meetings are held on a regular basis to monitor customers with a poor credit standing and to discuss pre-emptive measures. For smaller enterprises (micro) and retail customers, the monitoring and credit review are based on an automated early warning system. In retail risk management, the early warning signals for adverse portfolio developments include, for instance, quality deterioration in new business or a decreasing collections effectiveness and require appropriate countermeasures. Additionally, the monitoring is performed for clients where early warning signals have been identified, even if they are still fulfilling their contractual repayment obligations.

Adverse portfolio developments regarding the non-performing and substandard loans portfolio of the Bank are monitored, discussed and reported. In case of further negative developments clients are handled in specialized workout units aiming to minimize potential losses.

Credit risk exposure

Credit risk exposure relates to the sum of the following statement of financial position items:

- cash and cash equivalents – other demand deposits to credit institutions;
- financial assets held for trading – derivatives, debt securities (without equity instruments);
- non-trading financial assets at fair value through profit or loss (FVTPL) (without equity instruments);
- financial assets at fair value through other comprehensive income (FVTOCI) (without equity instruments);
- financial assets at amortised cost (AC);
- finance lease receivables;
- positive fair value of hedge accounting derivatives;
- trade and other receivables;
- off-balance sheet positions (financial guarantees, irrevocable and revocable loan and other commitments given).

The credit risk exposure equates the gross carrying amount (or nominal value in the case of off-balance sheet positions) excluding:

- credit loss allowances for financial assets;
- credit loss allowances for loan commitments and financial guarantees;
- provisions for other commitments;
- any collateral held (including risk transfer to guarantors);
- netting effects;
- other credit enhancements;
- credit risk mitigating transactions.

Reconciliation between the gross carrying amount and the carrying amount of the separate components of the credit risk exposure

31.12.2025	EUR ths.	Gross carrying amount	Credit loss allowances				Not subject to IFRS 9 impairment	Net carrying amount
			Stage 1	Stage 2	Stage 3	POCI		
Cash and cash equivalents - other demand deposits		7,862	-	-	-	-	-	7,862
Financial assets at amortised cost		25,896,521	39,301	86,532	221,464	15,563	-	25,533,661
Loans and advances to banks		65,326	32	-	-	-	-	65,294
Loans and advances to customers		20,576,861	38,700	86,411	221,464	15,563	-	20,214,723
<i>of which: Lending for house purchase</i>		12,147,656	9,009	7,913	61,358	4,373	-	12,065,003
<i>of which: Credit for consumption</i>		1,757,783	7,759	20,400	85,084	129	-	1,644,411
<i>of which: Corporate loans and others</i>		6,671,422	21,932	58,098	75,022	11,061	-	6,505,309
Debt securities		5,254,334	569	121	-	-	-	5,253,644
Finance lease receivables		370,809	852	2,659	2,591	58	-	364,649
Trade and other receivables		185,246	624	52	1,340	1,011	-	182,219
Non-trading financial assets at fair value through profit or loss - Debt securities		14,994	-	-	-	-	-	14,994
Financial assets - held for trading		9,140	-	-	-	-	-	9,140
Positive fair value of derivatives - hedge accounting		43,067	-	-	-	-	-	43,067
Total credit risk exposure on-balance		26,527,639	40,777	89,243	225,395	16,632	-	26,155,592
Off-balance		5,874,246	6,066	6,120	1,013	372	432	5,860,243
Total credit risk exposure		32,401,885	46,843	95,363	226,408	17,004	432	32,015,835

31.12.2024	EUR ths.	Gross carrying amount	Credit loss allowances				Not subject to IFRS 9 impairment	Net carrying amount
			Stage 1	Stage 2	Stage 3	POCI		
Cash and cash equivalents - other demand deposits		17,552	-	-	-	-	-	17,552
Financial assets at amortised cost		23,766,224	31,426	112,731	185,886	16,750	-	23,419,431
Loans and advances to banks		10,423	15	-	-	-	-	10,408
Loans and advances to customers		19,282,669	30,582	112,038	185,886	16,750	-	18,937,413
<i>of which: Lending for house purchase</i>		11,158,507	6,234	6,433	54,648	2,855	-	11,088,337
<i>of which: Credit for consumption</i>		1,715,797	8,528	18,903	65,584	54	-	1,622,728
<i>of which: Corporate loans and others</i>		6,408,365	15,820	86,702	65,654	13,841	-	6,226,348
Debt securities		4,473,132	829	693	-	-	-	4,471,610
Finance lease receivables		372,967	1,437	553	2,380	19	-	368,578
Trade and other receivables		166,465	814	817	864	348	-	163,622
Non-trading financial assets at fair value through profit or loss - Debt securities		11,856	-	-	-	-	-	11,856
Financial assets - held for trading		48,101	-	-	-	-	-	48,101
Positive fair value of derivatives - hedge accounting		32,784	-	-	-	-	-	32,784
Total credit risk exposure on-balance		24,415,949	33,677	114,101	189,130	17,117	-	24,061,924
Off-balance		5,244,671	2,858	10,037	1,223	270	1,883	5,228,400
Total credit risk exposure		29,660,620	36,535	124,138	190,353	17,387	1,883	29,290,324

Additionally, the Bank holds cash and cash balances in the National Bank of Slovakia amounted to EUR 1,065 million (2024: EUR 1,551 million) and is exposed to credit risk to the central bank. The credit rating of the National Bank of Slovakia according to the international rating agency Moody's is A3 with stable outlook (since 13 December 2024). Under Article 114 of the CRR exposures to central banks have 0% risk weight therefore the exposure was not included in the table above.

On the next pages the credit risk exposure is presented according to the following criteria:

- counterparty FINREP sector and financial instrument;
- financial instrument and risk category;
- financial instrument and IFRS 9 stage;
- industry and financial instrument;
- industry and risk category;
- industry and IFRS 9 stage;
- region and financial instrument;
- region and risk category;
- region and IFRS 9 stage;
- impairment view;
- neither past due, not impaired;
- Basel 3 exposure class and financial instrument.

Credit risk exposure by counterparty finrep sector and financial instrument

EUR ths.	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
31.12.2025							
Cash and cash equivalents - other demand deposits	-	-	7,862	-	-	-	7,862
Financial assets at amortised cost	-	5,174,287	393,565	230,775	5,559,865	14,538,029	25,896,521
Loans and advances to banks	-	-	65,326	-	-	-	65,326
Loans and advances to customers	-	362,548	-	220,120	5,456,164	14,538,029	20,576,861
of which: Lending for house purchase	-	-	-	-	-	12,147,656	12,147,656
of which: Credit for consumption	-	-	-	-	-	1,757,783	1,757,783
of which: Corporate loans and others	-	362,548	-	220,120	5,456,164	632,590	6,671,422
Debt securities	-	4,811,739	328,239	10,655	103,701	-	5,254,334
Finance lease receivables	-	1,976	-	165,100	202,454	1,279	370,809
Trade and other receivables	-	281	3,680	2,979	178,177	129	185,246
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	9,582	5,412	-	14,994
Derivatives - held for trading	-	-	4,920	73	4,144	3	9,140
Positive fair value of derivatives - hedge accounting	-	-	43,067	-	-	-	43,067
Total credit risk exposure on-balance	-	5,176,544	453,094	408,509	5,950,052	14,539,440	26,527,639
Off-balance	-	223,192	68,721	116,898	5,087,471	377,964	5,874,246
Total credit risk exposure	-	5,399,736	521,815	525,407	11,037,523	14,917,404	32,401,885

EUR ths.	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Total
31.12.2024							
Cash and cash equivalents - other demand deposits	-	-	17,552	-	-	-	17,552
Financial assets at amortised cost	-	4,386,892	350,601	244,661	5,266,412	13,517,658	23,766,224
Loans and advances to banks	-	-	10,423	-	-	-	10,423
Loans and advances to customers	-	381,136	-	234,006	5,149,869	13,517,658	19,282,669
of which: Lending for house purchase	-	-	-	-	-	11,158,507	11,158,507
of which: Credit for consumption	-	-	-	-	-	1,715,797	1,715,797
of which: Corporate loans and others	-	381,136	-	234,006	5,149,869	643,354	6,408,365
Debt securities	-	4,005,756	340,178	10,655	116,543	-	4,473,132
Finance lease receivables	-	1,325	-	162,653	207,457	1,532	372,967
Trade and other receivables	-	8,029	3,954	2,936	151,498	48	166,465
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	6,626	5,230	-	11,856
Derivatives - held for trading	-	-	10,862	57	37,180	2	48,101
Positive fair value of derivatives - hedge accounting	-	-	32,784	-	-	-	32,784
Total credit risk exposure on-balance	-	4,396,246	415,753	416,933	5,667,777	13,519,240	24,415,949
Off-balance	-	206,727	60,647	166,359	4,466,716	344,222	5,244,671
Total credit risk exposure	-	4,602,973	476,400	583,292	10,134,493	13,863,462	29,660,620

Credit risk exposure by financial instrument and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2025					
Cash and cash equivalents - other demand deposits	7,862	–	–	–	7,862
Financial assets at amortised cost	20,400,521	3,622,421	1,426,725	446,854	25,896,521
Loans and advances to banks	65,326	–	–	–	65,326
Loans and advances to customers	15,091,516	3,611,766	1,426,725	446,854	20,576,861
of which: Lending for house purchase	9,651,832	1,626,711	699,462	169,651	12,147,656
of which: Credit for consumption	917,000	503,289	225,080	112,414	1,757,783
of which: Corporate loans and others	4,522,684	1,481,766	502,183	164,789	6,671,422
Debt securities	5,243,679	10,655	–	–	5,254,334
Finance lease receivables	154,576	159,738	51,263	5,232	370,809
Trade and other receivables	71,088	87,454	23,205	3,499	185,246
Non-trading financial assets at fair value through profit or loss - Debt securities	14,994	–	–	–	14,994
Derivatives - held for trading	8,790	320	19	11	9,140
Positive fair value of derivatives - hedge accounting	43,067	–	–	–	43,067
Total credit risk exposure on-balance	20,700,898	3,869,933	1,501,212	455,596	26,527,639
Off-balance	4,250,555	1,014,871	529,061	79,759	5,874,246
Total credit risk exposure	24,951,453	4,884,804	2,030,273	535,355	32,401,885

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2024					
Cash and cash equivalents - other demand deposits	17,552	–	–	–	17,552
Financial assets at amortised cost	18,556,646	3,477,868	1,355,504	376,206	23,766,224
Loans and advances to banks	10,423	–	–	–	10,423
Loans and advances to customers	14,083,746	3,467,213	1,355,504	376,206	19,282,669
of which: Lending for house purchase	8,869,370	1,554,481	585,948	148,708	11,158,507
of which: Credit for consumption	851,484	527,375	247,478	89,460	1,715,797
of which: Corporate loans and others	4,362,892	1,385,357	522,078	138,038	6,408,365
Debt securities	4,462,477	10,655	–	–	4,473,132
Finance lease receivables	162,038	189,231	17,363	4,335	372,967
Trade and other receivables	61,236	81,167	22,515	1,547	166,465
Non-trading financial assets at fair value through profit or loss - Debt securities	11,856	–	–	–	11,856
Derivatives - held for trading	47,748	341	12	–	48,101
Positive fair value of derivatives - hedge accounting	32,784	–	–	–	32,784
Total credit risk exposure on-balance	18,889,860	3,748,607	1,395,394	382,088	24,415,949
Off-balance	3,689,697	1,168,939	349,813	36,222	5,244,671
Total credit risk exposure	22,579,557	4,917,546	1,745,207	418,310	29,660,620

Credit risk exposure by financial instrument and IFRS 9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2025						
Cash and cash equivalents - other demand deposits	7,862	-	-	-	-	7,862
Financial assets at amortised cost	23,835,711	1,518,468	432,651	109,691	-	25,896,521
Loans and advances to banks	65,326	-	-	-	-	65,326
Loans and advances to customers	18,526,182	1,508,337	432,651	109,691	-	20,576,861
of which: Lending for house purchase	11,761,467	213,351	164,256	8,582	-	12,147,656
of which: Credit for consumption	1,439,284	206,030	112,250	219	-	1,757,783
of which: Corporate loans and others	5,325,431	1,088,956	156,145	100,890	-	6,671,422
Debt securities	5,244,203	10,131	-	-	-	5,254,334
Finance lease receivables	326,185	38,969	5,108	547	-	370,809
Trade and other receivables	179,207	2,539	2,272	1,228	-	185,246
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	14,994	14,994
Derivatives - held for trading	-	-	-	-	9,140	9,140
Positive fair value of derivatives - hedge accounting	-	-	-	-	43,067	43,067
Total credit risk exposure on-balance	24,348,965	1,559,976	440,031	111,466	67,201	26,527,639
Off-balance	1,969,996	109,755	11,326	1,155	3,782,014	5,874,246
Total credit risk exposure	26,318,961	1,669,731	451,357	112,621	3,849,215	32,401,885

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2024						
Cash and cash equivalents - other demand deposits	17,552	-	-	-	-	17,552
Financial assets at amortised cost	21,237,538	2,045,479	361,614	121,593	-	23,766,224
Loans and advances to banks	10,423	-	-	-	-	10,423
Loans and advances to customers	16,782,544	2,016,918	361,614	121,593	-	19,282,669
of which: Lending for house purchase	10,797,397	210,247	144,853	6,010	-	11,158,507
of which: Credit for consumption	1,401,836	224,416	89,381	164	-	1,715,797
of which: Corporate loans and others	4,583,311	1,582,255	127,380	115,419	-	6,408,365
Debt securities	4,444,571	28,561	-	-	-	4,473,132
Finance lease receivables	356,030	12,074	4,224	639	-	372,967
Trade and other receivables	162,011	2,907	1,181	366	-	166,465
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	11,856	11,856
Derivatives - held for trading	-	-	-	-	48,101	48,101
Positive fair value of derivatives - hedge accounting	-	-	-	-	32,784	32,784
Total credit risk exposure on-balance	21,773,131	2,060,460	367,019	122,598	92,741	24,415,949
Off-balance	1,662,223	234,815	7,346	1,970	3,338,317	5,244,671
Total credit risk exposure	23,435,354	2,295,275	374,365	124,568	3,431,058	29,660,620

Credit risk exposure by industry and financial instrument

31.12.2025	Financial assets at amortised cost										Off-balance	Total credit risk exposure
	Cash and cash equivalents - other demand deposits	Loans and advances to banks	Loans and advances to customers			Debt securities	Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives		
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
EUR ths.												
I. Natural Resources & Commodities	-	-	-	-	709,504	-	33,368	43,897	-	62	483,787	1,270,618
II. Energy	-	-	-	-	547,639	29,292	9,450	5,339	-	1	924,818	1,516,539
III. Construction and building materials	-	-	-	-	483,754	-	34,371	18,090	-	-	1,299,906	1,836,121
IV. Automotive	-	-	-	-	219,453	-	6,974	23,414	-	-	370,959	620,800
V. Cyclical Consumer Products	-	-	-	-	302,444	-	8,262	12,201	-	268	237,332	560,507
VI. Non-Cyclical Consumer Products	-	-	-	-	322,838	-	11,271	19,599	-	19	223,433	577,160
VII. Machinery	-	-	-	-	268,257	-	19,886	17,150	-	50	318,955	624,298
VIII. Transportation	-	-	-	-	499,919	74,408	223,029	8,521	-	442	408,475	1,214,794
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	-	140,394	-	2,431	3,935	-	10	127,717	274,487
X. Healthcare & Services	-	-	-	-	405,613	-	14,526	25,618	-	207	271,190	717,154
XI. Hotels, Gaming & Leisure Industry	-	-	-	-	215,500	-	3,375	134	-	3	43,245	262,257
XII. Real Estate	-	-	-	-	1,601,326	10,131	2,585	235	5,412	3,081	450,622	2,073,392
XIII. Public Sector	-	-	-	-	375,338	4,715,219	975	280	-	-	85,186	5,176,998
XIV. Financial Institutions	7,862	65,326	-	-	42,963	328,763	131	6,832	9,582	47,988	284,676	794,123
XV. Private Households	-	-	12,147,656	1,757,783	536,475	-	175	1	-	3	343,941	14,786,034
XVI. Other	-	-	-	-	5	96,521	-	-	-	73	4	96,603
Total	7,862	65,326	12,147,656	1,757,783	6,671,422	5,254,334	370,809	185,246	14,994	52,207	5,874,246	32,401,885

31.12.2024	Cash and cash equivalents - other demand deposits	Financial assets at amortised cost						Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers			Debt securities							
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others								
EUR ths.													
I. Natural Resources & Commodities	-	-	-	153	645,194	-	31,872	39,332	-	1	484,925	1,201,477	
II. Energy	-	-	-	-	567,071	29,281	10,839	8,061	-	30,649	901,726	1,547,627	
III. Construction and building materials	-	-	-	305	461,334	-	31,640	22,304	-	-	1,179,636	1,695,219	
IV. Automotive	-	-	-	14	215,351	-	2,623	23,654	-	-	326,874	568,516	
V. Cyclical Consumer Products	-	-	-	160	320,774	-	11,716	11,809	-	162	207,975	552,596	
VI. Non-Cyclical Consumer Products	-	-	-	184	394,245	9,356	10,954	16,864	-	-	183,874	615,477	
VII. Machinery	-	-	-	-	230,067	-	9,875	15,531	-	-	270,228	525,701	
VIII. Transportation	-	-	-	65	497,122	77,906	236,289	14,112	-	794	437,774	1,264,062	
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	-	-	-	40	124,173	-	2,493	2,034	-	5	111,346	240,091	
X. Healthcare & Services	-	-	-	234	305,932	-	17,136	5,182	-	396	217,579	546,459	
XI. Hotels, Gaming & Leisure Industry	-	-	-	52	222,617	-	3,126	180	-	259	45,595	271,829	
XII. Real Estate	-	-	-	-	1,453,175	10,131	3,445	273	5,230	4,914	297,711	1,774,879	
XIII. Public Sector	-	-	-	-	375,261	4,005,756	660	7	-	-	59,239	4,440,923	
XIV. Financial Institutions	17,552	10,423	-	-	46,415	340,702	132	7,121	6,626	43,646	210,700	683,317	
XV. Private Households	-	-	11,158,507	1,714,590	549,266	-	167	1	-	2	309,489	13,732,022	
XVI. Other	-	-	-	-	368	-	-	-	-	57	-	425	
Total	17,552	10,423	11,158,507	1,715,797	6,408,365	4,473,132	372,967	166,465	11,856	80,885	5,244,671	29,660,620	

Credit risk exposure by industry and risk category

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2025					
I. Natural Resources & Commodities	591,919	378,649	271,143	28,907	1,270,618
II. Energy	1,315,330	155,441	42,907	2,861	1,516,539
III. Construction and building materials	910,469	509,476	335,098	81,078	1,836,121
IV. Automotive	446,791	143,941	19,409	10,659	620,800
V. Cyclical Consumer Products	269,633	164,787	55,442	70,645	560,507
VI. Non-Cyclical Consumer Products	313,391	215,858	39,869	8,042	577,160
VII. Machinery	389,637	195,117	34,449	5,095	624,298
VIII. Transportation	914,305	233,842	56,020	10,627	1,214,794
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	149,012	100,676	16,286	8,513	274,487
X. Healthcare & Services	383,444	251,482	77,085	5,143	717,154
XI. Hotels, Gaming & Leisure Industry	169,119	46,872	41,133	5,133	262,257
XII. Real Estate	1,848,356	176,816	38,742	9,478	2,073,392
XIII. Public Sector	5,062,444	80,767	33,787	–	5,176,998
XIV. Financial Institutions	771,537	19,907	2,412	267	794,123
XV. Private Households	11,319,472	2,211,164	966,491	288,907	14,786,034
XVI. Other	96,594	9	–	–	96,603
Total	24,951,453	4,884,804	2,030,273	535,355	32,401,885

EUR ths.	Low Risk	Management attention	Substandard	Non-performing loans	Total
31.12.2024					
I. Natural Resources & Commodities	488,228	576,591	101,639	35,019	1,201,477
II. Energy	1,398,327	120,004	25,857	3,439	1,547,627
III. Construction and building materials	874,937	490,743	287,339	42,200	1,695,219
IV. Automotive	406,771	138,669	14,144	8,932	568,516
V. Cyclical Consumer Products	246,375	167,024	105,733	33,464	552,596
VI. Non-Cyclical Consumer Products	368,091	170,103	68,585	8,698	615,477
VII. Machinery	237,849	225,171	51,939	10,742	525,701
VIII. Transportation	953,602	268,018	34,243	8,199	1,264,062
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	135,404	92,225	8,398	4,064	240,091
X. Healthcare & Services	302,620	163,985	76,348	3,506	546,459
XI. Hotels, Gaming & Leisure Industry	162,561	67,779	38,046	3,443	271,829
XII. Real Estate	1,541,838	180,342	41,055	11,644	1,774,879
XIII. Public Sector	4,350,796	72,497	17,630	–	4,440,923
XIV. Financial Institutions	651,848	26,412	4,973	84	683,317
XV. Private Households	10,459,885	2,157,983	869,278	244,876	13,732,022
XVI. Other	425	–	–	–	425
Total	22,579,557	4,917,546	1,745,207	418,310	29,660,620

Credit risk exposure by industry and IFRS9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2025						
I. Natural Resources & Commodities	653,985	250,498	22,241	7,230	336,664	1,270,618
II. Energy	880,702	61,284	861	2,389	571,303	1,516,539
III. Construction and building materials	599,052	152,762	38,415	2,080	1,043,812	1,836,121
IV. Automotive	299,672	28,569	9,665	701	282,193	620,800
V. Cyclical Consumer Products	289,012	79,421	50,781	1,335	139,958	560,507
VI. Non-Cyclical Consumer Products	377,381	66,913	7,518	402	124,946	577,160
VII. Machinery	324,288	40,621	2,968	37	256,384	624,298
VIII. Transportation	822,227	42,393	9,993	238	339,943	1,214,794
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	150,711	19,774	7,467	1,016	95,519	274,487
X. Healthcare & Services	482,937	86,556	5,030	165	142,466	717,154
XI. Hotels, Gaming & Leisure Industry	158,701	75,150	4,862	327	23,217	262,257
XII. Real Estate	1,530,141	316,162	8,734	87,015	131,340	2,073,392
XIII. Public Sector	5,149,561	5,441	-	-	21,996	5,176,998
XIV. Financial Institutions	452,687	1,771	255	12	339,398	794,123
XV. Private Households	14,051,374	442,416	282,567	9,674	3	14,786,034
XVI. Other	96,530	-	-	-	73	96,603
Total	26,318,961	1,669,731	451,357	112,621	3,849,215	32,401,885

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2024						
I. Natural Resources & Commodities	642,410	198,913	28,644	6,113	325,397	1,201,477
II. Energy	934,847	73,318	1,439	2,545	535,478	1,547,627
III. Construction and building materials	467,441	183,281	26,936	2,090	1,015,471	1,695,219
IV. Automotive	270,725	33,539	7,854	6	256,392	568,516
V. Cyclical Consumer Products	241,686	156,351	27,494	4,209	122,856	552,596
VI. Non-Cyclical Consumer Products	413,941	102,807	8,330	470	89,929	615,477
VII. Machinery	270,643	43,003	4,558	2,735	204,762	525,701
VIII. Transportation	907,324	82,649	7,797	321	265,971	1,264,062
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	135,768	18,518	3,918	83	81,804	240,091
X. Healthcare & Services	333,038	86,815	3,402	642	122,562	546,459
XI. Hotels, Gaming & Leisure Industry	166,366	72,049	3,194	10,467	19,753	271,829
XII. Real Estate	806,798	755,966	10,743	87,009	114,363	1,774,879
XIII. Public Sector	4,420,148	1,068	-	26	19,681	4,440,923
XIV. Financial Institutions	402,303	24,325	84	25	256,580	683,317
XV. Private Households	13,021,548	462,673	239,972	7,827	2	13,732,022
XVI. Other	368	-	-	-	57	425
Total	23,435,354	2,295,275	374,365	124,568	3,431,058	29,660,620

Credit risk exposure by region and financial instrument

31.12.2025													
EUR ths.	Cash and cash equivalents - other demand deposits	Financial assets at amortised cost					Debt securities	Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers										
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others								
Slovakia	277	63,504	11,990,840	1,711,061	6,392,939	3,990,279	370,809	128,694	5,412	3,651	5,487,744	30,145,210	
Central and Eastern Europe	7,264	1,822	33,285	21,940	192,330	323,864	-	23,710	-	47,677	363,277	1,015,169	
Austria	6,972	1,822	5,512	946	34	189,021	-	4,349	-	47,075	20,200	275,931	
Czech Republic	150	-	15,695	1,270	188,089	93,590	-	12,349	-	582	282,746	594,471	
Hungary	140	-	32	424	704	-	-	5,078	-	20	59,847	66,245	
Croatia	-	-	118	37	4	41,253	-	430	-	-	9	41,851	
Romania	2	-	865	408	3,192	-	-	1,504	-	-	26	5,997	
Serbia	-	-	11,063	18,855	307	-	-	-	-	-	449	30,674	
Other EU	141	-	2,573	361	77,923	838,589	-	22,186	8,518	879	11,365	962,535	
Other industrialised countries	180	-	4,993	289	7,903	101,602	-	3,609	1,064	-	7,513	127,153	
Emerging markets	-	-	115,965	24,132	327	-	-	7,047	-	-	4,347	151,818	
Total	7,862	65,326	12,147,656	1,757,783	6,671,422	5,254,334	370,809	185,246	14,994	52,207	5,874,246	32,401,885	

31.12.2024

EUR ths.	Cash and cash equivalents - other demand deposits	Financial assets at amortised cost					Finance lease receivables	Trade and other receivables	Non-trading financial assets at fair value through profit or loss - Debt securities	Positive fair value of derivatives	Off-balance	Total credit risk exposure
		Loans and advances to banks	Loans and advances to customers			Debt securities						
			of which: Lending for house purchase	of which: Credit for consumption	of which: Corporate loans and others							
Slovakia	-	10,026	11,063,356	1,681,170	6,166,559	3,656,020	372,967	111,364	5,230	36,305	4,921,139	28,024,136
Central and Eastern Europe	16,337	397	24,281	17,731	189,164	154,533	-	22,983	-	43,391	297,324	766,141
Austria	15,925	-	4,522	853	23	-	-	5,216	-	42,457	16,086	85,082
Czech Republic	98	397	8,583	855	187,928	113,262	-	11,004	-	934	225,445	548,506
Hungary	310	-	34	371	910	-	-	5,689	-	-	55,429	62,743
Croatia	-	-	121	24	2	41,271	-	53	-	-	7	41,478
Romania	4	-	652	382	14	-	-	1,021	-	-	31	2,104
Serbia	-	-	10,369	15,246	287	-	-	-	-	-	326	26,228
Other EU	1,084	-	2,907	303	45,898	657,499	-	26,907	3,967	1,189	14,374	754,128
Other industrialised countries	131	-	3,453	279	6,503	5,080	-	1,464	2,659	-	8,904	28,473
Emerging markets	-	-	64,510	16,314	241	-	-	3,747	-	-	2,930	87,742
Total	17,552	10,423	11,158,507	1,715,797	6,408,365	4,473,132	372,967	166,465	11,856	80,885	5,244,671	29,660,620

Credit risk exposure by region and risk category

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2025					
Slovakia	22,895,242	4,760,901	1,962,453	526,614	30,145,210
Central and Eastern Europe	945,996	41,532	22,322	5,319	1,015,169
Austria	273,834	1,870	197	30	275,931
Czech Republic	559,338	19,794	14,198	1,141	594,471
Hungary	60,075	5,332	714	124	66,245
Croatia	41,394	437	20	–	41,851
Romania	1,001	4,298	548	150	5,997
Serbia	10,354	9,801	6,645	3,874	30,674
Other EU	922,725	31,572	6,928	1,310	962,535
Other industrialised countries	123,177	1,615	2,244	117	127,153
Emerging markets	64,313	49,184	36,326	1,995	151,818
Total	24,951,453	4,884,804	2,030,273	535,355	32,401,885

EUR ths.	Credit risk exposure				Gross carrying amount
	Low Risk	Management attention	Substandard	Non-performing	
31.12.2024					
Slovakia	21,118,390	4,803,342	1,688,286	414,118	28,024,136
Central and Eastern Europe	674,107	66,072	23,487	2,475	766,141
Austria	82,924	1,277	864	17	85,082
Czech Republic	482,396	49,960	15,509	641	548,506
Hungary	56,993	5,464	215	71	62,743
Croatia	41,303	54	121	–	41,478
Romania	617	734	683	70	2,104
Serbia	9,874	8,583	6,095	1,676	26,228
Other EU	719,272	18,947	15,241	668	754,128
Other industrialised countries	25,870	1,319	1,185	99	28,473
Emerging markets	41,918	27,866	17,008	950	87,742
Total	22,579,557	4,917,546	1,745,207	418,310	29,660,620

Credit risk exposure by region and IFRS 9 stage

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2025						
Slovakia	24,377,249	1,661,392	442,708	112,527	3,551,334	30,145,210
Central and Eastern Europe	737,129	4,832	5,290	31	267,887	1,015,169
Austria	208,491	205	24	8	67,203	275,931
Czech Republic	430,741	870	1,135	5	161,720	594,471
Hungary	27,068	89	120	4	38,964	66,245
Croatia	41,850	1	–	–	–	41,851
Romania	5,828	18	148	3	–	5,997
Serbia	23,151	3,649	3,863	11	–	30,674
Other EU	939,940	558	1,261	49	20,727	962,535
Other industrialised countries	118,424	50	117	–	8,562	127,153
Emerging markets	146,219	2,899	1,981	14	705	151,818
Total	26,318,961	1,669,731	451,357	112,621	3,849,215	32,401,885

EUR ths.	Stage 1	Stage 2	Stage 3	POCI	Not subject to IFRS 9 impairment	Total credit risk exposure
31.12.2024						
Slovakia	22,064,776	2,282,917	370,212	124,528	3,181,703	28,024,136
Central and Eastern Europe	538,021	8,240	2,456	21	217,403	766,141
Austria	26,356	234	11	8	58,473	85,082
Czech Republic	418,533	4,928	636	4	124,405	548,506
Hungary	27,628	518	70	2	34,525	62,743
Croatia	41,478	-	-	-	-	41,478
Romania	1,997	38	68	1	-	2,104
Serbia	22,029	2,522	1,671	6	-	26,228
Other EU	733,515	444	655	12	19,502	754,128
Other industrialised countries	16,934	90	99	-	11,350	28,473
Emerging markets	82,108	3,584	943	7	1,100	87,742
Total	23,435,354	2,295,275	374,365	124,568	3,431,058	29,660,620

Credit risk exposure according to impairment view

EUR ths.	Non-impaired credit risk exposure							Impaired credit risk exposure	Total Credit risk exposure
	Total past due nor Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due	Neither past due nor Impaired		
Cash and cash equivalents - other demand deposits	-	-	-	-	-	-	7,862	-	7,862
Financial assets at amortised cost	505,433	454,343	29,067	14,236	5,623	2,164	24,944,234	446,854	25,896,521
Loans and advances to banks	-	-	-	-	-	-	65,326	-	65,326
Loans and advances to customers	505,433	454,343	29,067	14,236	5,623	2,164	19,624,574	446,854	20,576,861
of which: Lending for house purchase	199,054	167,836	17,292	7,755	4,367	1,804	11,778,951	169,651	12,147,656
of which: Credit for consumption	96,559	84,544	7,333	3,801	761	120	1,548,810	112,414	1,757,783
of which: Corporate loans and others	209,820	201,963	4,442	2,680	495	240	6,296,813	164,789	6,671,422
Debt securities	-	-	-	-	-	-	5,254,334	-	5,254,334
Finance lease receivables	3,874	2,256	1,095	143	380	-	361,703	5,232	370,809
Trade and other receivables	11,653	10,362	1,028	262	1	-	170,094	3,499	185,246
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	-	-	14,994	-	14,994
Financial assets - held for trading	-	-	-	-	-	-	9,140	-	9,140
Positive fair value of derivatives	-	-	-	-	-	-	43,067	-	43,067
Total credit risk exposure on-balance	520,960	466,961	31,190	14,641	6,004	2,164	25,551,094	455,585	26,527,639
Off-balance	-	-	-	-	-	-	5,862,238	12,008	5,874,246
Total credit risk exposure	520,960	466,961	31,190	14,641	6,004	2,164	31,413,332	467,593	32,401,885

31.12.2024	Non-impaired credit risk exposure							Impaired credit risk exposure	Total Credit risk exposure	
	EUR ths.	Total past due no Impaired	Thereof 1-30 days past due	Thereof 31-60 days past due	Thereof 61-90 days past due	Thereof 91-180 days past due	Thereof more than 180 days past due			Neither past due nor Impaired
Cash and cash equivalents - other demand deposits	-	-	-	-	-	-	-	17,552	-	17,552
Financial assets at amortised cost	502,110	457,455	21,347	15,577	6,467	1,264	22,887,909	376,205	23,766,224	
Loans and advances to banks	-	-	-	-	-	-	10,423	-	10,423	
Loans and advances to customers	502,110	457,455	21,347	15,577	6,467	1,264	18,404,354	376,205	19,282,669	
of which: Lending for house purchase	169,320	144,652	11,911	6,592	5,209	956	10,840,480	148,707	11,158,507	
of which: Credit for consumption	84,174	74,745	5,255	3,183	769	222	1,542,163	89,460	1,715,797	
of which: Corporate loans and others	248,616	238,058	4,181	5,802	489	86	6,021,711	138,038	6,408,365	
Debt securities	-	-	-	-	-	-	4,473,132	-	4,473,132	
Finance lease receivables	4,626	4,182	368	14	26	36	364,006	4,335	372,967	
Trade and other receivables	15,992	13,609	883	410	-	1,090	148,926	1,547	166,465	
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	-	-	-	-	11,856	-	11,856	
Financial assets - held for trading	-	-	-	-	-	-	48,101	-	48,101	
Positive fair value of derivatives	-	-	-	-	-	-	32,784	-	32,784	
Total credit risk exposure on-balance	522,728	475,246	22,598	16,001	6,493	2,390	23,511,134	382,087	24,415,949	
Off-balance	-	-	-	-	-	-	5,236,567	8,104	5,244,671	
Total credit risk exposure	522,728	475,246	22,598	16,001	6,493	2,390	28,747,701	390,191	29,660,620	

Credit quality for exposures, which are neither past due nor impaired

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
31.12.2025					
Cash and cash equivalents - other demand deposits	7,862	-	-	-	7,862
Financial assets at amortised cost	20,313,373	3,544,972	1,085,889	-	24,944,234
Loans and advances to banks	65,326	-	-	-	65,326
Loans and advances to customers	15,004,368	3,534,317	1,085,889	-	19,624,574
of which: Lending for house purchase	9,642,845	1,603,123	532,983	-	11,778,951
of which: Credit for consumption	915,937	493,542	139,331	-	1,548,810
of which: Corporate loans and others	4,445,586	1,437,652	413,575	-	6,296,813
Debt securities	5,243,679	10,655	-	-	5,254,334
Finance lease receivables	154,390	158,532	48,781	-	361,703
Trade and other receivables	68,969	80,550	20,575	-	170,094
Non-trading financial assets at fair value through profit or loss - Debt securities	14,994	-	-	-	14,994
Derivatives - held for trading	8,790	320	19	11	9,140
Positive fair value of derivatives - hedge accounting	43,067	-	-	-	43,067
Total credit risk exposure on-balance	20,611,445	3,784,374	1,155,264	11	25,551,094
Off-balance	4,250,555	1,014,871	529,061	67,751	5,862,238
Total credit risk exposure	24,862,000	4,799,245	1,684,325	67,762	31,413,332

EUR ths.	Low Risk	Management attention	Substandard	Non-performing	Total
31.12.2024					
Cash and cash equivalents - other demand deposits	17,552	-	-	-	17,552
Financial assets at amortised cost	18,443,988	3,385,829	1,058,092	-	22,887,909
Loans and advances to banks	10,423	-	-	-	10,423
Loans and advances to customers	13,971,088	3,375,174	1,058,092	-	18,404,354
of which: Lending for house purchase	8,860,760	1,534,793	444,927	-	10,840,480
of which: Credit for consumption	850,693	518,904	172,566	-	1,542,163
of which: Corporate loans and others	4,259,635	1,321,477	440,599	-	6,021,711
Debt securities	4,462,477	10,655	-	-	4,473,132
Finance lease receivables	161,554	188,024	14,428	-	364,006
Trade and other receivables	58,405	71,221	19,300	-	148,926
Non-trading financial assets at fair value through profit or loss - Debt securities	11,856	-	-	-	11,856
Derivatives - held for trading	47,748	341	12	-	48,101
Positive fair value of derivatives - hedge accounting	32,784	-	-	-	32,784
Total credit risk exposure on-balance	18,773,887	3,645,415	1,091,832	-	23,511,134
Off-balance	3,689,697	1,168,939	349,813	28,118	5,236,567
Total credit risk exposure	22,463,584	4,814,354	1,441,645	28,118	28,747,701

Credit risk exposure by Basel 3 exposure class and financial instrument

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
31.12.2025					
Cash and cash equivalents - other demand deposits	-	7,862	-	-	7,862
Financial assets at amortised cost	4,830,639	737,215	5,481,074	14,847,593	25,896,521
Loans and advances to banks	-	65,326	-	-	65,326
Loans and advances to customers	18,899	343,650	5,366,719	14,847,593	20,576,861
of which: Lending for house purchase	-	-	(1)	12,147,657	12,147,656
of which: Credit for consumption	-	-	-	1,757,783	1,757,783
of which: Corporate loans and others	18,899	343,650	5,366,720	942,153	6,671,422
Debt securities	4,811,740	328,239	114,355	-	5,254,334
Finance lease receivables	625	1,351	357,887	10,946	370,809
Trade and other receivables	1	3,960	181,036	249	185,246
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	14,994	-	14,994
Derivatives - held for trading	-	4,920	4,217	3	9,140
Positive fair value of derivatives - hedge accounting	-	43,067	-	-	43,067
Total credit risk exposure on-balance	4,831,265	798,375	6,039,208	14,858,791	26,527,639
Off-balance	138,009	153,904	5,031,181	551,152	5,874,246
Total credit risk exposure	4,969,274	952,279	11,070,389	15,409,943	32,401,885

EUR ths.	Sovereigns	Institutions	Corporates	Retail	Total
31.12.2024					
Cash and cash equivalents - other demand deposits	-	17,552	-	-	17,552
Financial assets at amortised cost	4,020,829	716,664	5,187,278	13,841,453	23,766,224
Loans and advances to banks	-	10,423	-	-	10,423
Loans and advances to customers	15,073	366,063	5,060,080	13,841,453	19,282,669
of which: Lending for house purchase	-	-	-	11,158,507	11,158,507
of which: Credit for consumption	-	-	51	1,715,746	1,715,797
of which: Corporate loans and others	15,073	366,063	5,060,029	967,200	6,408,365
Debt securities	4,005,756	340,178	127,198	-	4,473,132
Finance lease receivables	192	1,133	359,624	12,018	372,967
Trade and other receivables	9,156	3,961	153,044	304	166,465
Non-trading financial assets at fair value through profit or loss - Debt securities	-	-	11,856	-	11,856
Derivatives - held for trading	-	10,862	37,237	2	48,101
Positive fair value of derivatives - hedge accounting	-	32,784	-	-	32,784
Total credit risk exposure on-balance	4,030,177	782,956	5,749,039	13,853,777	24,415,949
Off-balance	147,500	119,874	4,472,742	504,555	5,244,671
Total credit risk exposure	4,177,677	902,830	10,221,781	14,358,332	29,660,620

Expected credit loss measurement

The general principles and standards for credit loss allowances are governed by internal policies in the Bank. According to IFRS 9, credit loss allowances are calculated for all components of credit risk exposures which are measured at amortised cost (AC) or at fair value through other comprehensive income. They include debt securities, loans and advances, demand deposits on nostro accounts with commercial banks as well as finance lease and trade receivables. In addition, credit loss allowances are calculated for loan commitments and financial guarantees if they meet the applicable IFRS 9 definitions.

Classification into stages and definition of credit-impaired financial instruments

There are three main stages outlined for expected credit loss (ECL) determination. The stages approach applies to financial instruments within the scope of the impairment requirements of IFRS 9 and those that are not categorised as purchased or originated credit impaired financial assets (POCI), which form a category of their own. Depending on the impairment status and the assessment of the development of credit risk, these financial instruments are assigned to one of the three stages. For details related to stages of impaired financial instruments, please see Chapter Financial instruments – Material accounting policy information, subchapter Impairment of financial instruments.

Significant increase in credit risk determination

Assessment of significant increase in credit risk (SICR) of financial instruments as at the reporting date since initial recognition is one of the key drivers affecting the amount of the ECL recognised based on IFRS 9 requirements. In this respect, across portfolios and product types, quantitative and qualitative indicators are defined for assessing SICR, including the indicator of 30 days-past-due (DPD).

Quantitative criteria

Quantitative SICR indicators include adverse changes in annualised lifetime probability of default and in lifetime probability of default with significance being assessed by reference to a comparison of the current probability of failure and mix of relative and absolute change thresholds. The Bank has established thresholds for significant increases in credit risk based on both a percentage (relative) and absolute change in PD compared to initial recognition. In order for the SICR to occur for a particular financial instrument, both the relative and absolute thresholds need to be breached.

The relative measure is calculated as a ratio between current annualised PD and annualised PD value on initial recognition. The breach means that such ratio has reached or is higher than the established threshold. These relative thresholds for SICR assessment are established at PD segment level or client rating level as necessary, and are subject to initial and on-going validation.

Relative thresholds for SICR assessment

	Threshold interval (x times)	
	Min	Max
31.12.2025	1.04	4.08
31.12.2024	1.13	4.08

There are certain portfolios where SICR quantitative criteria are assessed based on the ratings rather than PDs. The main rule in those cases is that downgrading of the ratings beyond certain threshold would lead to SICR. Hence initial rating plays important role

in SICR assessment here. For initial ratings closer to the threshold, it is easier to breach it and therefore qualify as SICR. These rules are applied primarily to leasing and factoring business receivables.

The absolute threshold refers to difference of LT PD on initial recognition and current LT PD. It is set to a maximum of 50 bps and serves as a back-stop for migrations between the best ratings (LT PDs considered for remaining maturity). In such cases, relative thresholds may be breached, however overall LT PD is very low, and therefore SICR is not positively concluded.

Qualitative criteria

Qualitative SICR indicators include forbearance-type flags (identification of regulatory forbearance), work-out transfer flags (when the account starts being monitored by the work-out department), information from the early-warning system (if it is not sufficiently considered in the rating) and fraud indicators. The assignment of some of the qualitative indicators inherently relies on experienced credit risk judgment being exercised adequately and in a timely manner. The related bank and entity-level credit risk controlling policies and procedures (adapted as necessary in the light of transition to IFRS 9) ensure the necessary governance framework. These indicators are used internally for identification of insolvency or increased probability that a borrower will enter bankruptcy and there is increased risk of default in the foreseeable future.

Besides the qualitative indicators defined on a client level, the assessment of a significant increase in credit risk is performed on a portfolio level if the increase in credit risk on individual instruments or at a client level is available only with a certain time lag or is observable exclusively on a portfolio level.

Bank has introduced additional portfolio level SICR assessment criteria stemming from multiple geopolitical conflicts and related economic impacts. For more details refer to "Collective assessment" in the next chapter.

Backstop

A backstop is applied and the financial instruments are considered to have experienced a SICR if the borrower is more than 30 days past due on contractual payments. As observed during validation, this does not represent a major trigger for Stage 2 classification.

Measuring ECL – explanation of inputs and measurement

Credit loss allowances are calculated individually or collectively.

The individual calculation approach is applied in case of exposures to significant defaulted customers in Stage 3 or POCI. It consists in the individual assessment of the difference between the gross carrying amount and the present value of the expected cash flows, which are estimated by workout or risk managers. The discounting of the cash flows is based on the effective interest rate (POCI: credit-adjusted effective interest rate). However, the discount rate for financial guarantees shall reflect the current market assessment of the time value of money and the risks that are specific to the cash flows which in Bank's implementation means using a risk free rate as a proxy.

A defaulted customer is classified as individually significant if the total on- and off-balance exposure exceeds a predefined materiality limit (EUR 0.3 mil. for Retail, no limit for corporate clients). Otherwise, the customer is considered insignificant and a rule-based (collective) approach is used for the calculation of the related credit loss allowance as the product of gross carrying amount and LGD, where the LGD depends on characteristics such as time in default or the stage of the workout process.

For exposures to non-defaulted customers (i.e. in Stage 1 and Stage 2), collective allowances are calculated according to a rule-based approach irrespective of the significance of the customer. The calculation of collective allowances requires grouping the related exposures into homogenous clusters on the basis of shared risk characteristics. The banking criteria may differ based on the customer segment (retail, corporate) and include product type, collateral type, repayment type, loan to value band, and credit rating band. The bank is using rating method and product information to segment customers and assets into homogenous clusters to calculate collective credit loss allowances.

The calculation of credit loss allowances is done on a daily basis on a single exposure level and in the contractual currency of the exposure. To compute the collective credit loss allowance, the Bank applies an expected credit loss (ECL) model based on a three-stage approach that leads to either a 12-month ECL or to a lifetime ECL. ECL is the discounted product of exposure at default (EAD) that also includes a credit conversion factor in the case of off-balance sheet exposures, probability of default (PD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (per definition of default below), either over next 12 months (1Y PD) for Stage 1 exposures or over the remaining lifetime (LT PD) for Stage 2 and 3 and POCI exposures.
- EAD is based on the amounts Bank expects to be owed at the time of default, over next 12 months (1Y EAD) for Stage 1 exposures, or over the remaining lifetime (LT EAD) for Stage 2 and 3 and POCI exposures. The estimation includes current balance, expected repayments and expected drawings up to the current contractual limit by the time of default.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit exposure at the time of default (EAD).

Life-time parameters

The LT PD is developed through observation of historical defaults from initial recognition through the life-time of the loans. It is assumed to be the same across all assets in the same portfolio and rating band.

The 1Y and LT EADs are determined based on the expected payment profiles, which vary by product type. The LT EAD calculation utilises repayment schedule or repayment type (annuity, linear, bullet). In the case of undrawn commitments, credit conversion factor is estimated for reflecting the expected credit exposure in the EAD.

The LGD was estimated as a lifetime curve for any point in time, based on historical loss observations. Lifetime curves were used in previous IRB LGD model and IFRS 9 version of this model was used until September 2024 when Bank implemented new LGD model for IFRS 9 provisioning for Retail segment. This model is methodologically harmonized with IRB LGD model (adapted for IFRS9 usage) and uses LGD grade matrices instead of lifetime curves. LGD grades are based on empirically observed risk drivers with impact on LGD and with this concept the new model is more precise in predicting LGD. LGD model is under continuous development and the bank is expecting to update the model in the future. By implementing the new LGD model the bank released provisions as can be seen in section Movement in credit loss allowances. In 2025, the annual recalibration of LGD parameters was performed, which resulted in an additional release of provisions.

The risk parameters used in the ECL calculation take into account available information at the reporting date about past events, current conditions and forecasts on future economic trends. Generally, the risk parameters applied in the calculation of collective allowances differ from the risk parameters compliant with capital requirement regulations, calculated on a through-the-cycle basis, if the characteristics of the respective portfolio in combination with IFRS standards necessitate this.

Incorporation of forward-looking information

Parameters are determined to reflect the risk as a 'point-in-time' measure and with consideration of forward-looking information (FLI). This results in using a baseline forecast and a number of alternative scenarios for selected macroeconomic variables. The alternative scenarios are derived, together with their probabilities of occurrence, as a deviation from baseline forecasts, where the baseline forecasts are, with a few exceptions, internally determined by Bank's research department. Given multiple scenarios, the 'neutral' PDs (and, with a few exceptions, also LGDs) are adjusted using macro models that link relevant macroeconomic variables with risk drivers. The same macro-shift models as for external and internal stress test are used. Forward-looking information is incorporated for first three years of ECL measurement. Measurement of the parameters for the remaining lifetime returns back to through-the-cycle observations immediately in year four.

Thus, the unbiased probability-weighted ECL considering FLI is derived using the weights representing the probability of occurrence of each macroeconomic scenario. Typical macroeconomic variables may include real gross domestic product, unemployment rate, inflation rate, production index as well as market interest rates. The selection of variables also depends on the availability of reliable forecasts for the given local market. The main indicator of the estimated economic development is the GDP. In addition, economic effects of the war in Ukraine led to increases of the inflation and/or the interest rates. Erste Group adjusted macro-shift models to reflect expected effects of those into credit risk parameters. In the table below we are disclosing expected development of inflation or interest rates in our region. Disclosures are based on the relevancy in the macro-shift model.

The Bank reviewed the FLI in the fourth quarter of 2025 according to the disclosed forecasts for baseline, downside and upside scenarios. Below we are publishing scenarios used for ECL calculation and as well latest available GDP growth forecasts. The overall impact of including the FLI component on the ECL represents EUR 9.0 million (2024: EUR 11.6 million). The impact from the update of weights between the baseline, upside and downside scenarios in 2025 was insignificant.

The Bank performed a sensitivity analysis of ECL by deteriorating the input macroeconomic parameters by 10% in each scenario compared to their original values. Subsequently, new FLI shifts were calculated and applied in the computation of the PD parameters. This resulted in a difference in the ECL of EUR 2.3 million.

Below we are publishing scenarios used for ECL calculation and as well latest available GDP growth forecasts.

Baseline, upside and downside scenarios of GDP growth

31.12.2025

Parameter	Scenario	Weight	2025	2026	2027	2028
GDP - real growth (in %)	Macro down	24%	0.7	(1.8)	(1.3)	(1.1)
	Macro base	50%	0.7	1.3	1.8	2.0
	Macro up	26%	0.7	3.7	4.2	4.4
GDP - Nominal growth (in %)	Macro down	24%	8.0	1.3	0.4	0.4
	Macro base	50%	8.0	5.1	4.2	4.2
	Macro up	26%	8.0	8.4	7.5	7.5
Unemployment rate (in %)	Macro down	24%	5.4	7.2	7.0	6.9
	Macro base	50%	5.4	5.8	5.6	5.5
	Macro up	26%	5.4	4.4	4.2	4.1
Inflation - CPI (in %)	Macro down	24%	4.7	5.9	5.0	4.8
	Macro base	50%	4.7	3.2	2.3	2.1
	Macro up	26%	4.7	1.7	1.1	0.9
Unemployment rate - shift 12 months (in %)	Macro down	24%	5.3	5.4	7.2	7.0
	Macro base	50%	5.3	5.4	5.8	5.6
	Macro up	26%	5.3	5.4	4.4	4.2
Real Wage growth (in %)	Macro down	24%	1.6	(0.9)	(0.1)	-
	Macro base	50%	1.6	1.4	2.2	2.3
	Macro up	26%	1.6	3.7	4.5	4.6

31.12.2024

Parameter	Scenario	Weight	2024	2025	2026	2027
GDP - real growth (in %)	Macro down	22%	2.2	(4.9)	(2.8)	(0.5)
	Macro base	50%	2.2	2.0	1.9	2.2
	Macro up	28%	2.2	4.4	4.3	4.6
GDP - Nominal growth (in %)	Macro down	22%	7.2	3.3	1.8	0.8
	Macro base	50%	7.2	7.1	5.6	4.6
	Macro up	28%	7.2	10.2	8.7	7.7
Unemployment rate (in %)	Macro down	22%	5.5	6.9	8.3	7.9
	Macro base	50%	5.5	5.5	5.3	5.1
	Macro up	28%	5.5	4.1	3.8	3.6
Inflation - CPI (in %)	Macro down	22%	3.1	8.3	6.9	4.2
	Macro base	50%	3.1	4.5	3.0	2.3
	Macro up	28%	3.1	2.0	0.5	(0.2)
Unemployment rate - shift 12 months (in %)	Macro down	22%	5.8	5.5	6.9	8.3
	Macro base	50%	5.8	5.5	5.5	5.3
	Macro up	28%	5.8	5.5	4.1	3.8
Real Wage growth (in %)	Macro down	22%	4.6	(0.7)	0.1	0.4
	Macro base	50%	4.6	1.3	2.1	2.4
	Macro up	28%	4.6	3.4	4.2	4.5

The Bank recognizes additional challenges caused by the ESG (environmental, social and governance) risks. We are in the process of analyses how to incorporate these risks into ECL measurement.

In the Risk Materiality Assessment, climate and environment-related risks are overall assessed as medium and therefore classified as material, but they are expected to generate more impact on credit risk in the medium to long run. Therefore, in the short-term Bank did not include additional overlays for ESG risks into ECL calculation for year 2025.

Collective assessment

In addition to standard SICR assessment, Bank applied stage overlays rules, i.e. transfer into Stage 2 based on pre-defined portfolio characteristics due to emerging risks not covered by standard models.

In December 2024, Bank applied collective staging assessment for specific industries. All industry subsegments which have in the industry strategy assessment high risk profile or medium risk profile with "hold" or "decreased" industry strategy, would be in the scope of the overlay. However, potential risks might not yet be spread or crystallized at client level, translated into client financials or rating. Therefore one-year IFRS PD threshold (> 250bps) is set to differentiate between clients who could be potentially impacted. The table below shows volumes for the Industry overlay.

The Bank is currently applying only one type of overlays, the industry overlays mentioned above: Clients having affected industry and one-year IFRS PD > 250bps are part of the industry overlay and are migrated to Stage 2.

The table below shows volumes for the industry overlays:

Credit risk exposure and credit loss allowances by industry and IFRS9 treatment – industry overlays

31.12.2025	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC)	Not subject to IFRS 9 impairment	Total	Credit loss allowances
EUR ths.								
I. Natural Resources & Commodities	653,985	250,498	22,241	7,230	933,954	336,664	1,270,618	25,925
of which industry overlays	–	388	–	–	388	–	388	55
II. Public utility services and renewable energy sources	880,702	61,284	861	2,389	945,236	571,303	1,516,539	6,786
of which industry overlays	–	12,619	–	–	12,619	–	12,619	2,480
III. Construction and building materials	599,052	152,762	38,415	2,080	792,309	1,043,812	1,836,121	34,361
of which industry overlays	–	–	–	–	–	–	–	–
IV. Automotive	299,672	28,569	9,665	701	338,607	282,193	620,800	5,929
of which industry overlays	–	16,944	–	–	16,944	2,098	19,042	1,114
V. Cyclical Consumer Products	289,012	79,421	50,781	1,335	420,549	139,958	560,507	24,342
of which industry overlays	–	52,959	–	–	52,959	1,641	54,600	3,056
VI. Non-Cyclical Consumer Products	377,381	66,913	7,518	402	452,214	124,946	577,160	10,677
of which industry overlays	–	–	–	–	–	–	–	–
VII. Machinery	324,288	40,621	2,968	37	367,914	256,384	624,298	5,466
of which industry overlays	–	–	–	–	–	–	–	–
VIII. Transportation	822,227	42,393	9,993	238	874,851	339,943	1,214,794	9,004
of which industry overlays	–	550	–	–	550	5,000	5,550	26
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	150,711	19,774	7,467	1,016	178,968	95,519	274,487	4,876
of which industry overlays	–	5,496	–	–	5,496	–	5,496	277
X. Healthcare & Services	482,937	86,556	5,030	165	574,688	142,466	717,154	9,876
of which industry overlays	–	30,673	–	–	30,673	2,297	32,970	1,936
XI. Hotels, Gaming & Leisure Industry	158,701	75,150	4,862	327	239,040	23,217	262,257	9,067
of which industry overlays	–	41,598	–	–	41,598	105	41,703	2,890
XII. Real Estate activities	1,530,141	316,162	8,734	87,015	1,942,052	131,340	2,073,392	32,593
of which industry overlays	–	65	–	–	65	–	65	2
XIII. Public Sector	5,149,561	5,441	–	–	5,155,002	21,996	5,176,998	1,302
of which industry overlays	–	–	–	–	–	–	–	–
XIV. Financial Institutions	452,687	1,771	255	12	454,725	339,398	794,123	618
of which industry overlays	–	–	–	–	–	–	–	–
XV. Private Households	14,051,374	442,416	282,567	9,674	14,786,031	3	14,786,034	205,226
of which industry overlays	–	–	–	–	–	–	–	–
XVI. Other	96,530	–	–	–	96,530	73	96,603	2
of which industry overlays	–	–	–	–	–	–	–	–
Total	26,318,961	1,669,731	451,357	112,621	28,552,670	3,849,215	32,401,885	386,050
of which industry overlays	–	161,292	–	–	161,292	11,141	172,433	11,836

In 2025, several changes were implemented in the scope of the industry overlays. The industry segments "Real Estate developers" and "Constructions and building materials" were excluded, resulting in a total credit loss allowances release of EUR 6.4 million. Additionally, the "Hotels & Leisure Industry" and the metals industry "Iron & Steel" were included in the overlay scope, leading to a total credit loss allowances creation of EUR 1.6 million.

Total sum of credit risk exposure in Stage 2 of exposures categorized in industry overlays as at December 2025 is EUR 161.29 million with allocated credit loss allowances of EUR 11.84 million. The impact on credit risk allowances from industry overlays is EUR 2.1 million and it represents additional credit loss allowances of Stage 2 exposures which would have been in Stage 1 if they were not part of the industry overlays. The remaining portion of credit loss allowances would still be allocated in Stage 2 because of standard SICR rules.

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	Stage 1	Stage 2	Stage 3	POCI	Credit risk exposure (AC)	Not subject to IFRS 9 impairment	Total	Credit loss allowances
EUR ths.								
I. Natural Resources & Commodities	642,410	198,913	28,644	6,113	876,080	325,397	1,201,477	26,798
of which industry overlays	-	-	-	-	-	-	-	-
II. Public utility services and renewable energy sources	934,847	73,318	1,439	2,545	1,012,149	535,478	1,547,627	7,761
of which industry overlays	-	15,684	-	-	15,684	6,740	22,424	2,293
III. Construction and building materials	467,441	183,281	26,936	2,090	679,748	1,015,471	1,695,219	33,427
of which industry overlays	-	58,150	-	-	58,150	53,207	111,357	4,233
IV. Automotive	270,725	33,539	7,854	6	312,124	256,392	568,516	4,455
of which industry overlays	-	14,242	-	-	14,242	210	14,452	848
V. Cyclical Consumer Products	241,686	156,351	27,494	4,209	429,740	122,856	552,596	25,829
of which industry overlays	-	131,371	-	-	131,371	5,279	136,650	10,676
VI. Non-Cyclical Consumer Products	413,941	102,807	8,330	470	525,548	89,929	615,477	13,026
of which industry overlays	-	4,444	-	-	4,444	220	4,664	403
VII. Machinery	270,643	43,003	4,558	2,735	320,939	204,762	525,701	10,183
of which industry overlays	-	-	-	-	-	-	-	-
VIII. Transportation	907,324	82,649	7,797	321	998,091	265,971	1,264,062	9,188
of which industry overlays	-	12,774	-	-	12,774	-	12,774	420
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	135,768	18,518	3,918	83	158,287	81,804	240,091	3,352
of which industry overlays	-	7,867	-	-	7,867	9	7,876	350
X. Healthcare & Services	333,038	86,815	3,402	642	423,897	122,562	546,459	9,032
of which industry overlays	-	44,617	-	-	44,617	6,744	51,361	2,577
XI. Hotels, Gaming & Leisure Industry	166,366	72,049	3,194	10,467	252,076	19,753	271,829	10,236
of which industry overlays	-	12,939	-	-	12,939	506	13,445	1,367
XII. Real Estate activities	806,798	755,966	10,743	87,009	1,660,516	114,363	1,774,879	43,412
of which industry overlays	-	640,821	-	-	640,821	17,721	658,542	27,315
XIII. Public Sector	4,420,148	1,068	-	26	4,421,242	19,681	4,440,923	1,249
of which industry overlays	-	-	-	-	-	-	-	-
XIV. Financial Institutions	402,303	24,325	84	25	426,737	256,580	683,317	973
of which industry overlays	-	19	-	-	19	-	19	1
XV. Private Households	13,021,548	462,673	239,972	7,827	13,732,020	2	13,732,022	171,375
of which industry overlays	-	-	-	-	-	-	-	-
XVI. Other	368	-	-	-	368	57	425	-
of which industry overlays	-	-	-	-	-	-	-	-
Total	23,435,354	2,295,275	374,365	124,568	26,229,562	3,431,058	29,660,620	370,296
of which industry overlays	-	942,928	-	-	942,928	90,636	1,033,564	50,483

Sensitivity of ECL overlays

The Bank has calculated potential effects of various scenarios on ECL. We focused on change in PD parameter in both industry overlays and change in PD threshold for industry overlays. The results are presented in the following table.

Sensitivity of ECL overlays

31.12.2025	Scenario PD + 20%				Scenario PD threshold Obps			
	Credit risk exposure	CLA	CLA stress	Δ(CLA - CLA stress)	Credit risk exposure	CLA	CLA stress	Δ(CLA - CLA stress)
I. Natural Resources & Commodities	62,472	236	283	47	62,472	236	347	111
of which industry overlays	388	55	66	11	62,472	236	347	111
II. Public utility services and renewable energy sources	85,242	2,537	3,045	508	85,242	2,537	2,635	98
of which industry overlays	12,619	2,480	2,976	496	85,242	2,537	2,635	98
III. Construction and building materials	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
IV. Automotive	426,879	1,882	2,297	415	426,879	1,882	5,054	3,172
of which industry overlays	19,413	1,117	1,378	261	426,879	1,882	5,054	3,172
V. Cyclical Consumer Products	419,030	4,852	5,837	985	419,030	4,852	11,301	6,449
of which industry overlays	55,491	3,070	3,698	628	419,030	4,852	11,301	6,449
VI. Non-Cyclical Consumer Products	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
VII. Machinery	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
VIII. Transportation	10,806	91	109	18	10,806	91	338	247
of which industry overlays	5,550	26	31	5	10,806	91	338	247
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	35,636	404	485	81	35,636	404	668	264
of which industry overlays	5,415	275	331	56	35,636	404	668	264
X. Healthcare & Services	162,711	2,981	3,581	600	162,711	2,981	5,329	2,348
of which industry overlays	33,237	1,994	2,397	403	162,711	2,981	5,329	2,348
XI. Hotels, Gaming & Leisure Industry	162,450	3,627	4,391	764	162,450	3,627	5,314	1,687
of which industry overlays	43,847	3,042	3,689	647	162,450	3,627	5,314	1,687
XII. Real Estate activities	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XIII. Public Sector	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XIV. Financial Institutions	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XV. Private Households	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
Total	1,365,226	16,610	20,028	3,418	1,365,226	16,610	30,986	14,376
of which industry overlays	175,960	12,059	14,566	2,507	1,365,226	16,610	30,986	14,376

31.12.2024	Scenario PD + 20%				Scenario PD threshold 0bps			
	Credit risk exposure	CLA	CLA stress	Δ(CLA - CLA stress)	Credit risk exposure	CLA	CLA stress	Δ(CLA - CLA stress)
I. Natural Resources & Commodities	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
II. Public utility services and renewable energy sources	110,689	2,433	2,922	489	110,689	2,433	3,049	616
of which industry overlays	20,191	2,362	2,834	472	110,689	2,433	3,049	616
III. Construction and building materials	323,206	5,354	6,765	1,411	323,206	5,354	7,654	2,300
of which industry overlays	87,362	4,291	5,462	1,171	323,206	5,354	7,654	2,300
IV. Automotive	337,386	1,915	2,361	446	337,386	1,915	4,766	2,851
of which industry overlays	15,613	867	1,051	184	337,386	1,915	4,766	2,851
V. Cyclical Consumer Products	389,577	12,262	15,082	2,820	389,577	12,262	15,969	3,707
of which industry overlays	144,254	10,871	13,397	2,526	389,577	12,262	15,969	3,707
VI. Non-Cyclical Consumer Products	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
VII. Machinery	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
VIII. Transportation	1,018	6	8	2	1,018	6	10	4
of which industry overlays	-	-	-	-	1,018	6	10	4
IX. TMT; Telecommunications, Media, Technology and Paper & Packaging	40,654	561	681	120	40,654	561	883	322
of which industry overlays	8,306	357	436	79	40,654	561	883	322
X. Healthcare & Services	156,871	3,102	3,854	752	156,871	3,102	4,964	1,862
of which industry overlays	49,819	2,678	3,343	665	156,871	3,102	4,964	1,862
XI. Hotels, Gaming & Leisure Industry	34,574	1,512	1,853	341	34,574	1,512	1,739	227
of which industry overlays	14,899	1,404	1,723	319	34,574	1,512	1,739	227
XII. Real Estate activities	1,486,284	32,776	39,598	6,822	1,486,284	32,776	39,493	6,717
of which industry overlays	652,566	27,608	33,395	5,787	1,486,284	32,776	39,493	6,717
XIII. Public Sector	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XIV. Financial Institutions	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XV. Private Households	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-
of which industry overlays	-	-	-	-	-	-	-	-
Total	2,880,259	59,921	73,124	13,203	2,880,259	59,921	78,527	18,606
of which industry overlays	993,010	50,438	61,641	11,203	2,880,259	59,921	78,527	18,606

The bank performed sensitivity analysis of CLA with two scenarios. In both scenarios, the table presents portfolio of industry overlays after applying stressed scenario. Both exposure and CLA are linked to this new portfolio. The difference in CLA and CLA stress is then outcome of changes in parameters or in overlays rules. The sensitivity analysis is done this way to overcome impacts not related to overlays. E.g. in case of scenario PD +20% we would see impact on whole portfolio regardless of exposure presence in overlays. But since we are recalculating only the overlay portfolio with new parameters or overlay rules and then present impacts on that portfolio we are showing impacts solely on the overlay portfolio.

In first scenario (Scenario PD +20%) we modified IFRS9 PD's such that the PD values are 20% higher, which resulted in a difference in CLA of EUR 2.5 million as at December 2025 (EUR 11.2 million as at December 2024). In second scenario we changed the threshold value for industry overlays from 250bps to 0bps, meaning that every exposure segmented as industry will be part of industry overlays regardless of IFRS9 PD. In this case the difference in CLA resulted in EUR 14.4 million as at December 2025 (EUR 18.6 million as at December 2024).

Restructuring, renegotiation and forbearance

Restructuring means contractual modification of any of the customer's loan repayment conditions including tenor, interest rate, fees, principal amount due or a combination thereof. Restructuring can be business restructuring (in the retail segment), commercial renegotiation (in the corporate segment), or forbearance (e.g. concession due to financial difficulties) in line with EBA requirements in both segments.

Restructuring and renegotiation

Restructuring as business restructuring in the retail segment or as commercial renegotiation in the corporate segment is a potential and effective customer retention tool involving re-pricing or the offering of an additional loan or both in order to maintain the Bank's valuable, good clientele.

Forbearance

The definition of 'forbearance' is included in Regulation (EU) 2015/227. A restructuring is considered 'forbearance' if it entails a concession towards a customer facing or about to face financial difficulties in meeting their contractual financial commitments. A borrower is in financial difficulties if any of the following conditions are met:

- the customer is more than 30 days past due on any account in the past 3 months;
- the customer would be more than 30 days past due on any account without receiving forbearance;
- the customer is in default;
- the customer would default without receiving forbearance.

Additional criteria for non-retail segment:

- specific early warning signals for this customer were identified in the last 3 months;
- customer has deteriorated financial figures, which led to decline of the rating grade;
- customer has increased probability of default.

Forborne exposure is assessed at account level and means only the exposure to which forbearance measures have been extended and excludes any other exposure the customer may have, as long as no forbearance was extended to these.

Contractual modification means that any of the following conditions are met:

- modification/refinancing of the contract would not have been granted, had the customer not been in financial difficulty;
- there is a difference in favour of the customer between the modified/refinanced terms of the contract and the previous terms of the contract;
- the modified/refinanced contract includes more favourable terms than other customers with a similar risk profile would have obtained from the same institution;
- the contract modification involves total or partial cancellation of the debt by (partial) write-off;
- activation of embedded forbearance clause of the contract;
- waiver of a material breach of a financial covenant.

Forbearance can be initiated by the Bank or by the customer (on account of loss of employment, illness etc.). Components of forbearance can be instalment reduction, tenor extension, interest reduction or forgiveness, principal reduction or forgiveness, revolving exposure change to instalment and/or others.

Forbearance statuses are divided and reported as:

- performing forbearance (incl. performing forbearance under probation that was upgraded from non-performing forbearance);
- non-performing forbearance (incl. defaulted forbearance; since 10/2019 the definition of non-performing status is aligned with default).

Forbearance measures are defined as qualitative trigger events in the SICR concept according to the internal regulations of the Bank.

Default definition

The Bank applies the definition of default on client level. If a client defaults on any of its credit risk exposure then the client rating must be set to "R" and all on- and off balance exposure including equity products is considered as defaulted.

Default is recognized when one or both of the following incidents occur:

- the obligor is past due 90 consecutive days with any material credit obligation to the Bank, the parent undertaking or any of its subsidiaries in full; or
- the obligor is considered unlikely to pay (UTP) its credit obligation to the Bank, the parent undertaking or any of its subsidiaries in full without realisation of the collateral.

In the Bank the default status triggers the credit-impairment and the Stage 3 classification under IFRS9. In addition the Bank considers all non-performing exposures as defaulted.

Client is classified as defaulted due following 5 reasons, which are linked either to unlikely to pay (UTP) or days past due:

- E1 – unlikely to pay
- E2 – 90 days overdue
- E3 –forbearance
- E4 – Credit loss
- E5 – bankruptcy

Credit Risk Model department participates on the definition of default with Late Collection and Corporate Workout departments. The definition of default fulfils EBA criteria and influences estimation of LLP, SRC, etc.

Credit risk exposure, forbearance exposure and credit loss allowances

EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
31.12.2025					
Gross exposure	21,198,242	5,269,328	60,069	5,874,246	32,401,885
thereof gross forbore exposure	406,840	–	–	9,511	416,351
Performing exposure	20,742,657	5,269,328	60,058	5,794,487	31,866,530
thereof performing forbore exposure	262,642	–	–	9,345	271,987
Credit loss allowances for performing exposure	135,525	691	–	12,192	148,408
thereof credit loss allowances for performing forbore exposure	13,467	–	–	231	13,698
Non-performing exposure	455,585	–	11	79,759	535,355
thereof non-performing forbore exposure	144,197	–	–	166	144,363
Credit loss allowances for non-performing exposure	235,831	–	–	1,811	237,642
thereof credit loss allowances for non-performing forbore exposure	65,822	–	–	22	65,844

EUR ths.	Loans and advances	Debt securities	Other positions	Off-balance	Total credit risk exposure
31.12.2024					
Gross exposure	19,832,524	4,484,988	98,437	5,244,671	29,660,620
thereof gross forbore exposure	422,691	–	–	10,738	433,429
Performing exposure	19,450,436	4,484,988	98,437	5,208,449	29,242,310
thereof performing forbore exposure	305,037	–	–	10,682	315,719
Credit loss allowances for performing exposure	153,098	1,521	–	14,071	168,690
thereof credit loss allowances for performing forbore exposure	17,974	–	–	189	18,163
Non-performing exposure	382,088	–	–	36,222	418,310
thereof non-performing forbore exposure	117,654	–	–	56	117,710
Credit loss allowances for non-performing exposure	199,403	–	–	2,199	201,602
thereof credit loss allowances for non-performing forbore exposure	52,955	–	–	6	52,961

Loans and advances also include lease, trade and other receivables. Other positions represent derivatives and other demand deposits.

Collateral

Recognition of credit collateral

Collateral Management is integrated in Underwriting Processes department of Credit Risk divisions. The Bank's Collateral Management Policy defines, among other things, uniform valuation standards for credit collateral. It ensures that the credit risk decision processes are standardised with respect to accepted collateral values.

All collateral types acceptable within the Bank are contained in the Collateral Catalogue. Permitted collateral is defined in accordance with applicable national legal provisions. The valuation and revaluation of collateral is done according to the principles defined in the Bank's Collateral Catalogue broken down by collateral type and based on the internal work instructions in accordance with the individual supervisory requirements. Whether a type of collateral or a specific collateral asset is accepted for credit risk mitigation is decided by Corporate Credit Risk Management after determining if the applicable regulatory requirements are met. Credit underwriting monitors adherence to the standard work processes stipulated for assigning the acceptable collateral assets to the categories available.

Main types of credit collateral

The following types of credit collateral are accepted:

- real estate: residential and commercial real estate;
- financial collateral: securities, cash deposits and life insurance policies;
- guarantees: given by sovereigns, public sector entities, financial institutes, companies and private individuals. All guarantors must have a minimum credit rating, which is reviewed annually;
- movables: equipment, investment goods, machinery and motor vehicles;
- claims and rights: trade account receivables, leasehold rights and shares in a company's capital.

Collateral valuation and management

Collateral valuation is based on current market prices while taking into account an amount that can be recovered within a reasonable period. The valuation processes are defined and their IT-supported technical application is performed by Collateral Management and by authorised staff in each country with the assistance of software applications. The allocated collateral values are capped by the amount of the secured transaction. Therefore, imputed excess collateral values are not possible. Only independent appraisers not involved in the lending decision process are permitted to conduct real estate valuations, and the valuation methods to be applied are defined by the Bank. For quality assurance purposes, the real estate evaluation mechanism and real estate valuations are validated on an ongoing basis.

The methods and discounts used for valuations are based on empirical data representing past experience of the workout departments and on the collected data on recoveries from realising collateral. The valuation discounts are adjusted regularly – at least once a year – to reflect current recoveries.

The revaluation of collateral is done periodically and is automated as far as possible. In the case of external data sources, the appropriate interfaces are used. The maximum periods for the revaluation of individual collateral assets are predefined and compliance is monitored by risk management using software applications. Apart from periodic revaluations, collateral is assessed when information becomes available that indicates a decrease in the value of the collateral for exceptional reasons.

Concentration risks resulting from credit risk mitigation techniques may affect a single customer, but also a portfolio defined by region, industry, or type of collateral. All guarantee liabilities and loans of a corporate guarantee provider are taken into consideration in the credit application process in order to prevent possible concentrations. Guarantees provided by sovereigns, a public sector entity or financial institutions have to lie within the approved limit of the guarantor. Concerning other areas of a potentially detrimental correlation of risks, the collateral portfolios are analysed using statistical evaluations for, among other things, regional or industry-specific concentrations within the scope of portfolio monitoring. The response to those risks identified includes, above all, the adjustment of volume targets, setting of corresponding limits and modification of the staff's discretionary limits for lending.

Collateral obtained in foreclosure proceedings is made available for sale in an orderly fashion, with the proceeds used to reduce or repay the outstanding claim

Synthetic securitisations

The Bank uses synthetic securitisation for portfolios of loans to SME and corporate customers. No transfer of loans or establishment of SPVs is involved. Each synthetic securitisation transaction is structured so that credit losses on the underlying loans are allocated on a waterfall basis: first to the excess spread, then to the junior tranche, the mezzanine tranche, and finally to the senior tranche.

Losses related to the excess spread and the junior tranche, as well as the senior tranche, are borne by the Bank. The Bank receives a guarantee covering the mezzanine tranche. The guarantee provider is external party to the Bank, institutional investor (insurance company).

The Bank executed a synthetic securitisation on a portfolio with a gross carrying amount of approximately EUR 1,295 million, for which it obtained credit protection on a mezzanine tranche of approximately EUR 78 million.

For accounting purposes, the Bank treats synthetic securitisations as non-integral guarantees (see chapter Financial Instruments – Material Accounting Policies, section Impairment of Financial Instruments). For regulatory capital purposes, synthetic securitisations reduce the risk weights of the underlying loans, which is the Bank's primary objective in undertaking these transactions.

Credit risk exposure by financial instrument and collaterals

31.12.2025	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other			Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash equivalents - other demand deposits	7,862	-	-	-	-	-	7,862	7,862	-	-
Financial assets at amortised cost	25,896,521	214,065	140,458	13,047,547	364,621	13,552,626	12,343,895	24,944,234	505,433	446,854
Loans and advances to banks	65,326	-	-	-	1,822	1,822	63,504	65,326	-	-
Loans and advances to customers	20,576,861	214,065	120,095	13,047,547	362,799	13,530,441	7,046,420	19,624,574	505,433	446,854
of which: Lending for house purchase	12,147,656	158,091	-	11,305,356	-	11,305,356	842,300	11,778,951	199,054	169,651
of which: Credit for consumption	1,757,783	211	-	253	-	253	1,757,530	1,548,810	96,559	112,414
of which: Corporate loans and others	6,671,422	55,763	120,095	1,741,938	362,799	2,224,832	4,446,590	6,296,813	209,820	164,789
Debt securities	5,254,334	-	20,363	-	-	20,363	5,233,971	5,254,334	-	-
Finance lease receivables	370,809	1,772	-	-	238,109	238,109	132,700	361,703	3,874	5,232
Trade and other receivables	185,246	-	-	-	-	-	185,246	170,094	11,653	3,499
Non-trading financial assets at fair value through profit or loss - Debt securities	14,994	-	-	-	-	-	14,994	-	-	-
Financial assets - held for trading	9,140	-	-	-	-	-	9,140	-	-	-
Positive fair value of derivatives	43,067	-	-	-	-	-	43,067	-	-	-
Total credit risk exposure on-balance	26,527,639	215,837	140,458	13,047,547	602,730	13,790,735	12,736,904	25,483,893	520,960	455,585
Off-balance	5,874,246	2,789	-	239,997	169,490	409,487	5,464,759	2,080,224	-	12,008
Total credit risk exposure	32,401,885	218,626	140,458	13,287,544	772,220	14,200,222	18,201,663	27,564,117	520,960	467,593

31.12.2024	Credit risk exposure	Collateral: thereof attributable to credit impaired exposure	Collateralised by			Collateral total	Credit risk exposure net of collateral	IFRS 9 impairment relevant		
			Guarantees	Real estate	Other			Neither past due nor credit impaired	Past due but not credit impaired	Credit impaired
Cash and cash equivalents - other demand deposits	17,552	-	-	-	-	-	17,552	17,552	-	-
Financial assets at amortised cost	23,766,224	185,381	224,775	12,007,257	373,549	12,605,581	11,160,643	22,887,909	502,110	376,205
Loans and advances to banks	10,423	-	-	-	-	-	10,423	10,423	-	-
Loans and advances to customers	19,282,669	185,381	204,412	12,007,257	373,549	12,585,218	6,697,451	18,404,354	502,110	376,205
of which: Lending for house purchase	11,158,507	138,348	-	10,446,399	22	10,446,421	712,086	10,840,480	169,320	148,707
of which: Credit for consumption	1,715,797	346	-	365	1,078	1,443	1,714,354	1,542,163	84,174	89,460
of which: Corporate loans and others	6,408,365	46,687	204,412	1,560,493	372,449	2,137,354	4,271,011	6,021,711	248,616	138,038
Debt securities	4,473,132	-	20,363	-	-	20,363	4,452,769	4,473,132	-	-
Finance lease receivables	372,967	2,091	-	-	247,259	247,259	125,708	364,006	4,626	4,335
Trade and other receivables	166,465	-	-	-	-	-	166,465	148,926	15,992	1,547
Non-trading financial assets at fair value through profit or loss - Debt securities	11,856	-	-	-	-	-	11,856	-	-	-
Financial assets - held for trading	48,101	-	-	-	-	-	48,101	-	-	-
Positive fair value of derivatives	32,784	-	-	-	-	-	32,784	-	-	-
Total credit risk exposure on-balance	24,415,949	187,472	224,775	12,007,257	620,808	12,852,840	11,563,109	23,418,393	522,728	382,087
Off-balance	5,244,671	1,497	-	199,606	167,405	367,011	4,877,660	1,898,250	-	8,104
Total credit risk exposure	29,660,620	188,969	224,775	12,206,863	788,213	13,219,851	16,440,769	25,316,643	522,728	390,191

The collateral attributable to exposures that are credit-impaired at 31 December 2025 amounts to EUR 215.8 million (2024: EUR 187.5 million).

Concentration

The following table presents a summary of the Bank's credit risk to the Slovak Republic, companies controlled by the Slovak government, self-governing regions, guarantees issued by the Slovak government and similar exposures:

EUR ths.	Amount		Portion of total assets %	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Cash and cash equivalents	1,551,042	1,064,785	5.87%	3.80%
Loans and receivables to customers	389,396	363,657	1.47%	1.30%
Securities portfolio	3,256,135	3,615,500	12.33%	12.91%
Total	5,196,573	5,043,942	19.67%	18.01%

The following table presents a breakdown of state debt securities held by the Bank per portfolio and type of security:

EUR ths.	31.12.2024	31.12.2025
Financial assets at amortised cost	3,256,135	3,615,500
State bonds denominated in EUR	3,256,135	3,615,500
Total	3,256,135	3,615,500

The sovereign issuer rating of the Slovak Republic according to the international rating agency Moody's is A3 with stable outlook (since 13 December 2024).

28. Market risk

Market risk is the risk of loss that may arise due to adverse changes in market prices and to the parameters derived from them. These market value changes might appear in the profit and loss account, in the statement of comprehensive income or in hidden reserves. The entire market risk management is independent from the business lines and is carried out by Strategic Risk Management (SRM). Trading and investment operations are subject to strict rules defined by SRM and approved by ALCO committee.

Methods and instruments employed

All positions of the bank, both in banking and trading books, that are subject to market risk are re-valued daily (including positions held-to-maturity), either to market or to model prices, and respective profit or loss is calculated.

The main tools to measure market risk exposure are sensitivity analysis and value-at-risk (VAR) which is complemented by back testing and stress testing programme.

Sensitivity and VAR are applied to Trading Book positions as well as to Investment portfolios of the Banking Book. The overall interest rate risk of the bank (IRRBB) is quantified by Economic Value of Equity (change value of on- and off-balance sheet positions due to shift in the yield curves) and ICAAP IRRBB and CSRBB (credit spread risk) capital charge (one year VAR at 99.90% confidence level based on historical observed shifts in yield curves and credit spreads). The limits are imposed to both of the measures.

The Trading Book and investment portfolios of the Banking Book VaR describes what level of losses may be expected as a maximum at a defined probability – the confidence level – within a certain holding period of the positions under historically observed market conditions. The calculation is done according to the method of historic simulation with a one-sided confidence level of 99%, a holding period of one day and a simulation period of two years.

Back-testing is used to constantly monitor the validity of the statistical methods. This process is conducted with a one-day delay to monitor if the model projections regarding losses have actually materialised. At a confidence level of 99%, the actual loss on a single day should exceed the VAR statistically only two to three times a year (1% of around 250 workdays).

This shows one of the limits of the VaR approach: on the one hand, the confidence level is limited to 99%, and on the other hand, the model takes into account only those market scenarios observed in each case within the simulation period of two years and calculates the VAR for the current position of the Bank on this basis. In order to investigate any extreme market situations beyond this, stress tests are conducted at the Bank. These events include mainly market movements of low probability.

In addition to standard day-to-day risk measurement and monitoring, comprehensive stress testing procedures are established. Neither traditional risk measurement using sensitivity indicators, nor value-at-risk model is capable of capturing extreme events that occur in the market from time to time. Since the value-at-risk model only estimates the potential maximum loss with 99% probability, potential stressful events that possess less than 1% probability will not be embraced in the value-at-risk figure.

In stress testing, scenarios of potential extreme behaviour of the most significant market variables are developed. These are then applied to the current market values and potential profit or loss is calculated for current positions.

These analyses are made available to the management board within the scope of the regular market risk reporting.

Methods and instruments of risk mitigation

In order to manage the maximum risk exposure, a comprehensive system of limits is established, including VAR, sensitivity, and stop-loss limits. Limits are structured according to individual portfolios (separate limits are defined for derivative trades). Limits are reviewed and proposed usually at year-end by SRM in cooperation with Treasury and BSM for the upcoming business year. Reallocations are also possible during the current year. The new limits proposal or change in approved limits is subject to approval by ALCO committee. Monitoring is performed daily by SRM. Each limit violation must be reported and explained with ALCO being the supreme decision maker on further action.

Risk reporting is done daily for relevant management and monthly for ALCO.

Sensitivity, VAR and stop-loss limits are applied to Trading Book positions as well as to Investment portfolios of the Banking Book. The overall interest rate risk of the bank (entire statement of financial position) is quantified by Economic Value of Equity (change in statement of financial position value due to shift in the yield curves) and ICAAP IRRBB and CSRBB capital charge (one year VAR at 99.9% confidence level based on historical observed shifts in yield curves and credit spreads). The limits are imposed to both of the measures.

Analysis of market risk

The following tables summarize the risk measures – Value at Risk of banking book and trading book:

Value at Risk of banking book and trading book

EUR ths.	31.12.2024	31.12.2025
Banking book - ALM portfolio	15,172	14,027
Banking book - Corporate portfolio	774	481
Banking book - ALCO portfolio	194	117
Trading book	7	6

VAR figure is almost fully driven by interest rate risk, whilst foreign exchange and other risks are negligible. The main goal of Trading Book activity is to manage operational liquidity and minimal required reserves. Thus, its market risk is rather low as this business strategy is aimed on short term money market trading.

Interest rate risk in the banking book (IRRBB)

Interest rate risk is the risk of an adverse change in the value of interest rate sensitive on- and off-balance sheet positions caused by a movement in market interest rates. This type of risk arises when mismatches exist between assets, liabilities and off-balance items, including derivatives, in respect of their maturities, interest rate behaviour or of the timing of interest rate adjustments.

Limits and thresholds are implemented for both aspects of the IRRBB, the change in economic value (EVE) as well as the change in earnings. Positions without contractually defined maturity or repricing structures, such as demand deposits or overdrafts are modelled accordingly. For positions where the customer has the right to prepay his debt prepayment models are applied.

Economic value of equity (EVE)

EUR ths.	31.12.2024	31.12.2025
parallel down scenario	(56,148)	(23,209)
parallel up scenario	(44)	(31,596)
flattener scenario	(109,192)	(134,654)
steepener scenario	52,628	61,685
short down scenario	47,011	64,738
short up scenario	(99,478)	(132,194)

The positive numbers mean an increase in economic value due to the shift in yield curves, i.e. profit, the negative numbers vice versa. The biggest risk for the Bank arises from non-parallel shift in the yield curves – the short up scenario, under which the short end of the yield curves goes significantly up while the long end goes up only mildly. The Bank quantify, monitor and manage the IRRBB in compliance with valid regulations.

The EVE scenarios are defined according to EBA IRRBB guideline. The following table shows the shifts (in basis points) applied to EUR curve for each of the scenarios.

	parallel up scenario	parallel down scenario	steeper scenario	flattener scenario	short up scenario	short down scenario
6 months	200	(200)	(133)	169	223	(223)
1 year	200	(200)	(107)	143	197	(197)
3 years	200	(200)	(30)	64	134	(134)
5 years	200	(200)	17	15	81	(81)
10 years	200	(200)	69	(38)	23	(23)
15 years	200	(200)	83	(53)	9	(9)
20 years	200	(200)	88	(58)	3	(3)

Exchange rate risk

Risk from open foreign exchange positions is the risk related to exchange rates that derives from the mismatch between assets and liabilities, or from currency-related financial derivatives. These risks might originate from customer-related operations or proprietary trading and are monitored and managed on a daily basis.

Basis principle behind managing FX risk is to transfer positions stemming from banking book activities to Erste Holding. However, in reasonable cases, banking book is permitted to hold strategic FX positions. This would typically be opened in order to hedge existing FX positions that are not explicitly seen on the statement of financial position.

Strategic positions are subject to ALCO approval and shall be managed on a daily basis by Balance Sheet Management. They are covered by sufficient limit structure and reporting on VAR, stop-loss limit and are disclosed as the gain or loss (responsibility of Strategic Risk Management). There is no open FX strategic position as at 31 December 2025.

Credit spread risk

Credit spread risk (CSRBB) is the risk of an adverse movement in the fair value of financial instruments caused by a change in the creditworthiness of an issuer perceived by the market. The Bank is exposed to credit spread risk with respect to its bond portfolio in Banking Book. Quantifying the credit spread risk of the securities in the banking book is based on a historical simulation of credit spreads. The maximum (hypothetical) drawdown that can be attributed to credit related risk factors over one-year horizon is calculated. It is based on credit spread sensitivities (CR01) and the risk factors used are mainly asset swap spreads for sovereigns and iTRAXX CDS indices for financials and corporates. The resulting amount is used as part of the ICAAP IRRBB and CSRBB - calculations to determine the capital consumption of the banking book portfolio.

29. Liquidity risk

Liquidity strategy

In 2025, customer deposits remained the primary source of funding for the bank. The growth in loan volume surpassed inflows of customer deposits. The gap was offset by issuance of own bonds. The liquidity surplus was placed mainly in ECB and short-term money market loans.

The goal of the Bank's Funding Strategy is to cover the gap coming from the core business and also Minimum Requirement for Own Funds and Eligible Liabilities (MREL) efficiently, i.e. reaching an optimal liquidity status and MREL compliance in terms of structure and costs versus risk tolerance.

With regards its own issuance, the Bank issued EUR 1,422 million in bonds in 2025 (2024: EUR 184.3 million), there of EUR 1 000 million covered bonds and EUR 150 million subordinated bonds.

Liquidity Metrics and Reports

The liquidity risk is defined in the Bank as the inability to meet the Bank's cash obligations as they come due because of an inability to liquidate assets or obtain adequate funding. Accordingly, a distinction is made between market liquidity risk, which is the risk that the Bank cannot easily offset or close a position at the market price because of inadequate market depth or market disruption, and funding liquidity risk, which is the risk that the Banks will not be able to meet efficiently both expected and unexpected current and future cash flows and collateral needs without affecting either daily operations or the financial condition of Bank. Funding liquidity risk is further divided into insolvency risk and structural liquidity risk. The former is the short-term risk that current or future payment obligations cannot be met in full and on time in an economically justified manner, while structural liquidity risk is the long-term risk of losses due to a change in the Bank's own refinancing cost or spread.

Liquidity risk is within the authority of ALCO. The Local Operating Liquidity Committee (L-OLC) is responsible for operational managing and analysing of the liquidity situation of the Bank.

Actual management of liquidity risk is done by Strategic Risk Management. Structural liquidity management is performed by Balance Sheet Management and daily liquidity managing and the fulfilment of minimum required reserves is performed by the Treasury department.

Methods and instruments employed

Short-term insolvency risk is monitored by calculating the survival period (SPA) on weekly basis. This analysis determines the maximum period during which the Bank can survive a set of defined scenarios, including a severe combined market and idiosyncratic crisis while relying on its counterbalancing capacity consist mainly of pool of liquid assets. The monitored worst-case scenario simulates very limited money market and capital market access and at the same time significant client deposit outflows. Liquidity ratios defined by the regulator (LCR – Liquidity Coverage Ratio, NSFR – Net Stable Funding Ration and local LCR) are periodically monitored and are all at very satisfactory levels. All limits defined by the regulator are observed with large buffer.

Additionally, the static liquidity gap is monitored regularly on weekly basis and reported monthly to ALCO. Funding concentration risk is continuously analysed in respect to counterparties and is also reported to ALCO monthly.

Strategic Risk Management provides the reverse stress testing of liquidity where several assumptions (withdrawal, rollover, reserve haircuts) are modelled in order for the Bank to survive exactly one month. This is done on a monthly basis and is reported to ALCO.

Methods and instruments of risk mitigation

General standards of liquidity risk controlling and management (standards, limits and analysis) have been defined within the Bank and are continuously reviewed and improved by L-OLC and ALCO.

The short-term liquidity risk is managed by limits resulting from the survival period analysis where horizon limits are defined for each scenario as follows:

- ordinary course of business – over 3 months
- name crisis – over 1 months
- market crisis – over 6 months
- combined name and market crisis – over 3 months

For each scenario also the limit for liquidity surplus over given horizon limit is applied. The limit is set at EUR 0 million with warning level in range between EUR 0 and EUR 260 million in 2025 (2024: EUR 250 million).

The Bank daily monitors its counter-balancing capacity, which consists of cash, excess minimum reserve at the central banks, as well as unencumbered central bank eligible assets and amount of retained covered bonds which could be pledged in central bank. These assets can be mobilized in the short term to offset potential cash outflows in a crisis situation.

Further, short-term risk is managed by regulatory and internal (more severe) limits on LCR and NSFR.

Funding Concentrations management – sum of top 10 biggest clients of each monitored group of wholesale funding providers (public, financial, credit institutions and corporates) may not account for more than EUR 960 million in 2025 (2024: EUR 890 million).

Based on analysis and measurement, and based on liquidity strategy, medium and long-term (structural) management of liquidity is carried out by BSM while major decisions have to be approved by ALCO. Strategic Risk Management must ensure that the execution is in line with the approved Liquidity Strategy and that the approved limits are being followed. ALCO must be informed on the status of structural liquidity within the regular ALCO liquidity reports.

The Contingency Plan ensures the necessary coordination of all parties involved in the liquidity management process in case of crisis and is reviewed on a regular basis.

Analysis of liquidity risk

In the Bank, the liquidity risk is analysed by the following methods.

Liquidity coverage ratio

The Bank uses the regulatory liquidity coverage ratio for internal monitoring and steering of the liquidity position as well. In order to keep the LCR above both limits, the regulatory limit and the internal limit, the Bank closely monitors its short-term liquidity inflows and outflows as well as its available counterbalancing capacity.

The following table shows the LCR as at 31 December 2024 and 31 December 2025:

EUR ths.	31.12.2024	31.12.2025
Liquidity buffer	5,872,016	5,798,769
Net liquidity outflow	3,299,893	3,602,265
Liquidity coverage ratio	177.95%	160.98%

Counterbalancing capacity

The Bank regularly monitors its counterbalancing capacity, which consists of cash, excess minimum reserves at the central banks as well as unencumbered central bank eligible assets, amount of retained covered bonds which could be pledged in ECB and other liquid securities, including impacts from repos, reverse repos and securities lending transactions. These assets can be mobilised in the short term to offset potential cash outflows in a crisis situation.

Term structure of counterbalancing capacity

EUR mil.	< 1 week	1 week-1 month	1-3 months	3-6 months	6-12 months
31.12.2025					
Cash, excess reserve	1,276	–	–	–	–
Liquid assets	4,808	510	(38)	(369)	(88)
Other central bank eligible assets	–	1,285	(2)	(3)	(5)
Thereof retained covered bonds	–	1,206	–	–	–
Thereof credit claims	–	79	(2)	(3)	(5)
Counterbalancing capacity	6,084	1,795	(40)	(372)	(93)

EUR mil.	< 1 week	1 week-1 month	1-3 months	3-6 months	6-12 months
31.12.2024					
Cash, excess reserve	1,814	–	–	–	–
Liquid assets	4,809	–	–	26	273
Other central bank eligible assets	–	1,182	2	3	6
Thereof retained covered bonds	–	1,085	–	–	–
Thereof credit claims	–	97	2	3	6
Counterbalancing capacity	6,623	1,182	2	29	279

The figures above show the total amount of potential liquidity available for the Bank in a going concern situation, taking into account the applicable central bank haircuts. In a crisis situation, adverse market movements can decrease this amount. Negative figures are maturing positions of the counterbalancing capacity. Positive figures after one week are positions not immediately available as counterbalancing capacity.

Financial liabilities

Maturities of contractual cash flows from financial liabilities were as follows:

EUR ths.	31.12.2025	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years
Non-derivative liabilities	25,498,159	25,884,699	18,717,231	2,439,066	4,290,462	437,940
Deposits by banks	278,750	306,992	21,451	35,760	123,370	126,411
Customer deposits	19,696,779	19,702,522	18,005,794	1,567,358	129,367	3
Debt securities in issue	5,127,630	5,427,159	529,994	824,134	3,982,232	90,799
Subordinated liabilities	166,695	219,721	–	1,004	17,196	201,521
Other financial liabilities	82,107	82,107	82,107	–	–	–
Lease liabilities	70,265	70,265	1,952	10,810	38,297	19,206
Other liabilities - financial	75,933	75,933	75,933	–	–	–
Derivative liabilities	19,394	6,107	1,379	7,819	(3,097)	6
Derivative liabilities with gross Cash Flow (net)	7,595	4,354	457	2,718	1,173	6
Outflows	–	207,322	145,306	47,461	14,521	34
Inflows	–	(202,968)	(144,849)	(44,743)	(13,348)	(28)
Hedge accounting derivatives with gross Cash Flow (net)	11,799	1,753	922	5,101	(4,270)	–
Outflows	–	100,311	1,813	28,967	69,531	–
Inflows	–	(98,558)	(891)	(23,866)	(73,801)	–
Contingent liabilities	3,032,323	3,032,323	3,032,323	–	–	–
Financial guarantees	10,761	10,761	10,761	–	–	–
Commitments	3,021,562	3,021,562	3,021,562	–	–	–
Total	28,549,876	28,923,129	21,750,933	2,446,885	4,287,365	437,946

EUR ths.	31.12.2024	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years
Non-derivative liabilities	23,769,972	24,095,946	16,956,267	2,395,250	4,555,270	189,159
Deposits by banks	205,924	229,562	16,416	27,455	103,492	82,199
Customer deposits	18,744,678	18,755,533	16,792,084	1,687,872	275,577	-
Debt securities in issue	4,605,368	4,895,621	20,884	669,295	4,124,109	81,333
Subordinated liabilities	15,794	17,022	-	96	16,926	-
Other financial liabilities	54,730	54,730	54,730	-	-	-
Lease liabilities	73,218	73,218	1,893	10,532	35,166	25,627
Other liabilities - financial	70,260	70,260	70,260	-	-	-
Derivative liabilities	77,353	53,890	899	48,158	4,823	10
Derivative liabilities with gross Cash Flow (net)	45,522	35,906	380	33,639	1,877	10
Outflows	-	238,188	115,728	101,923	20,479	58
Inflows	-	(202,282)	(115,348)	(68,284)	(18,602)	(48)
Hedge accounting derivatives with gross Cash Flow (net)	31,831	17,984	519	14,519	2,946	-
Outflows	-	63,826	1,813	27,484	34,529	-
Inflows	-	(45,842)	(1,294)	(12,965)	(31,583)	-
Contingent liabilities	2,784,007	2,784,007	2,784,007	-	-	-
Financial guarantees	6,567	6,567	6,567	-	-	-
Commitments	2,777,440	2,777,440	2,777,440	-	-	-
Total	26,631,332	26,933,843	19,741,173	2,443,408	4,560,093	189,169

As at 31 December 2025, the currency composition of the non-derivative liabilities consisted mainly by EUR (approximately 98.65%).

Financial assets

Maturities of contractual cash flows from financial assets were as follows:

EUR ths.	31.12.2025*	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years	Undefined
Non-derivative assets	27,599,110	27,599,110	1,714,332	3,805,057	8,134,788	13,498,339	446,594
Cash and cash equivalents	1,448,531	1,448,531	1,448,531	-	-	-	-
Financial assets at amortised cost	25,533,661	25,533,661	257,658	3,736,760	7,939,996	13,405,238	194,009
Loans and advances to banks	65,294	65,294	63,472	-	1,822	-	-
Loans and advances to customers	20,214,723	20,214,723	157,955	2,825,165	5,943,181	11,094,413	194,009
Debt securities	5,253,644	5,253,644	36,231	911,595	1,994,993	2,310,825	-
Finance lease receivables	364,649	364,649	8,143	68,293	194,792	87,693	5,728
Trade and other receivables	182,219	182,219	-	-	-	-	182,219
Non-trading financial assets at fair value through profit or loss	33,041	33,041	-	4	-	5,408	27,629
Other assets - financial	37,009	37,009	-	-	-	-	37,009
Derivative assets	52,207	36,900	22,495	(1,531)	17,357	(1,421)	-
Derivative assets with gross Cash Flow (net)	9,140	5,983	459	3,462	2,048	14	-
Outflows	-	(160,388)	(99,746)	(44,239)	(16,381)	(22)	-
Inflows	-	166,371	100,205	47,701	18,429	36	-
Hedge accounting derivatives with gross Cash Flow (net)	43,067	30,917	22,036	(4,993)	15,309	(1,435)	-
Outflows	-	(119,692)	(8,602)	(19,707)	(63,909)	(27,474)	-
Inflows	-	150,609	30,638	14,714	79,218	26,039	-
Total	27,651,317	27,636,010	1,736,827	3,803,526	8,152,145	13,496,918	446,594

* Net carrying amount

EUR ths.	31.12.2024*	Contractual cash flows	< 1 month	1-12 months	1-5 years	> 5 years	Undefined
Non-derivative assets	25,984,735	25,984,735	2,143,530	2,951,376	7,852,494	12,692,868	344,468
Cash and cash equivalents	1,988,940	1,988,940	1,988,940	-	-	-	-
Financial assets at amortised cost	23,419,431	23,419,431	148,559	2,886,433	7,670,127	12,579,247	135,066
Loans and advances to banks	10,408	10,408	10,408	-	-	-	-
Loans and advances to customers	18,937,413	18,937,413	114,512	2,527,544	5,763,542	10,396,749	135,066
Debt securities	4,471,610	4,471,610	23,639	358,889	1,906,585	2,182,498	-
Finance lease receivables	368,578	368,578	6,031	64,939	182,367	108,395	6,846
Trade and other receivables	163,622	163,622	-	-	-	-	163,622
Non-trading financial assets at fair value through profit or loss	32,041	32,041	-	4	-	5,226	26,811
Other assets - financial	12,123	12,123	-	-	-	-	12,123
Derivative assets	80,885	53,614	3,742	28,063	22,158	(349)	-
Derivative assets with gross Cash Flow (net)	48,101	38,715	514	34,985	3,190	26	-
Outflows	-	(256,210)	(156,688)	(78,902)	(20,583)	(37)	-
Inflows	-	294,925	157,202	113,887	23,773	63	-
Hedge accounting derivatives with gross Cash Flow (net)	32,784	14,899	3,228	(6,922)	18,968	(375)	-
Outflows	-	(76,039)	(8,015)	(23,158)	(38,018)	(6,848)	-
Inflows	-	90,938	11,243	16,236	56,986	6,473	-
Total	26,065,620	26,038,349	2,147,272	2,979,439	7,874,652	12,692,519	344,468

* Net carrying amount

The 'Undefined' column includes payments of overdrafts, credit cards and loans that are in default or have at least one instalment more than 30 days past due, together with all related loan accessories and associated impairment allowances.

As at 31 December 2025, the currency composition of the non-derivative assets consisted mainly by EUR (approximately 99.57%).

30. Operational risk

In line with Article 4 Section 52 of regulation (EU) 575/2013 (CRR), the Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risks. Both quantitative and qualitative methods are used to identify operational risks. Consistent with international practice, the responsibility for managing operational risk rests with the line management.

Methods and instruments employed

The quantitative measurement methods are based on internal loss experience data, which are collected across the Bank using a standard methodology and entered into a central data pool. Additionally, in order to be able to model losses that have not occurred in the past but are nonetheless possible, scenarios and external data are also used. The Bank sources external data from a leading non-profit risk-loss data consortium.

The Bank calculates capital requirements for operational risk based on the Advanced Measurement Approach (AMA) that is subject to regulatory approval. AMA is a sophisticated approach for measuring operational risk. Pursuant to AMA, the required capital is calculated using an internal VaR model, taking into account internal data, external data, scenario analysis, business environment and internal risk control factors. Additionally, the Bank received the approval to use insurance contracts for mitigation within the AMA pursuant to Article 323 CRR.

Methods and instruments of risk mitigation

In addition to quantitative methods, qualitative methods are also used to determine operational risk, such as risk and control assessments through expert panels. Additional methods include setting of key risk indicators and risk assessments in connection with product approvals, outsourcing assessments and operational risk decisions. The results of these assessments and processes are reported to line management along with mitigation measures and thus help to reduce operational risks. In order to ensure early detection of changes in the risk profile that may lead to losses, the Bank monitors a number of key risk indicators such as system availability, staff turnover, and customer complaints.

The Bank uses a group-wide insurance program that has reduced the cost of meeting the Bank's traditional property insurance needs. Freed-up resources made it possible to buy additional insurance for previously uninsured bank-specific risks. This program uses a captive reinsurance entity as a vehicle to share losses within the Bank and access the external market.

The quantitative and qualitative methods used, together with the insurance strategy and the modelling approaches described above, form the operational risk framework of the Bank. Information on operational risk is periodically communicated to the management board via various reports, including the quarterly top management reports, which describe the recent loss history, loss development, qualitative information from risk assessments and key risk indicators as well as the operational VaR for the Bank.

Main objectives of effective system of operational risk management are:

- set up a bank-wide framework for operational risk management and to translate this framework into specific policies, procedures or processes that can be implemented and verified within different business units
- properly identify major drivers of operational risk
- develop model for quantification of risk exposure profile and for calculation of both economic and regulatory capital
- prevent or minimize losses due to operational risk by adaptation of suitable processes, preventive measures or by selecting suitable insurance
- implement and update of insurance program
- define outsourcing and internal control system principles
- prepare ORCO meetings
- continuously improve the operational risk management process
- provide quality reporting and documentation.

Non-current assets and other investments

31. Property, equipment, investment properties and right of use assets

Property and equipment

Depreciation of property and equipment is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Depreciation is recognised in the statement of income in the line item 'Depreciation and amortisation' and impairment in the line item 'Other operating result'.

Type of property and equipment	Useful lives in years
Buildings	30 years
Right-of-use assets - buildings	10 years
Office equipment / Passenger cars/ Other fixed assets	4 - 12 years
IT assets (hardware)	4 years

Land is not depreciated.

Investment properties

Investment property is presented on the statement of financial position in the line item 'Investment properties'.

The Bank uses the cost model for investment properties.

Rental income is recognised in the statement of income in the line item 'Rental income from investment properties and other operating leases'. Depreciation is presented in the statement of income in the line item 'Depreciation and amortisation' using the straight-line method over an estimated useful life. The useful lives of investment properties are in the range of 15-30 years. Any impairment losses, as well as their reversals, are recognised under the line item 'Other operating result'.

Impairment

The bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. Testing for impairment is done at individual asset level if the asset generates cash inflows that are largely independent of those from other assets. The typical case is investment property. Otherwise, the impairment test is carried out at the level of the cash-generating unit (CGU) to which the asset belongs.

Acquisition costs

Own property, equipment, investment properties and right of use assets

EUR ths.	Land and buildings	Office equipment / other fixed assets	IT assets (hardware)	Right-of-use assets - Land and buildings	Property and equipment total	Investment properties
Balance as at 1 January 2024	138,970	43,330	57,084	133,160	372,544	6,359
Additions	6,591	4,534	14,085	9,175	34,385	-
Disposals	(2,856)	(4,366)	(5,970)	(2,910)	(16,102)	-
Reclassification	66	11	-	-	77	(66)
Balance as at 31 December 2024	142,771	43,509	65,199	139,425	390,904	6,293
Additions	7,106	3,658	2,630	10,315	23,709	-
Disposals	(18,295)	(6,779)	(11,634)	(1,751)	(38,459)	(1,843)
Reclassification	105	-	-	-	105	(105)
Balance as at 31 December 2025	131,687	40,388	56,195	147,988	376,258	4,345

Accumulated depreciation

Own property, equipment, investment properties and right of use assets

EUR ths.	Land and buildings	Office and plant equipment/other fixed assets	IT assets (hardware)	Right-of-use assets - Land and buildings	Property and equipment total	Investment properties
Balance as at 1 January 2024	(86,126)	(33,017)	(36,951)	(57,654)	(213,748)	(5,186)
Amortisation and depreciation	(6,525)	(3,202)	(7,865)	(14,102)	(31,694)	(210)
Disposals	2,322	4,103	5,981	2,911	15,317	-
Impairment	(1,520)	-	-	-	(1,520)	(1)
Reversal of impairment	2,098	-	-	-	2,098	4
Reclassification	(57)	-	-	-	(57)	57
Balance as at 31 December 2024	(89,808)	(32,116)	(38,835)	(68,845)	(229,604)	(5,336)
Amortisation and depreciation	(5,912)	(3,656)	(8,095)	(14,123)	(31,786)	(139)
Disposals	13,584	6,406	11,644	1,751	33,385	1,497
Impairment	(781)	-	-	-	(781)	-
Reversal of impairment	2,543	-	-	-	2,543	-
Reclassification	(92)	-	-	-	(92)	92
Balance as at 31 December 2025	(80,466)	(29,366)	(35,286)	(81,217)	(226,335)	(3,886)

Carrying amounts

Own property, equipment, investment properties and right of use assets

EUR ths.	Land and buildings	Office equipment / other fixed assets	IT assets (hardware)	Right-of-use assets - Land and buildings	Property and equipment total	Investment properties
Balance as at 31 December 2024	52,963	11,393	26,364	70,580	161,300	957
Balance as at 31 December 2025	51,221	11,022	20,909	66,771	149,923	459

As at 31 December 2025, land and buildings were impaired in the cumulative amount of EUR 3.5 million (2024: EUR 5.2 million).

Cost of property and equipment, which are fully depreciated but still used by the Bank as at 31 December 2025 amounted EUR 54.0 million (2024: EUR 51.0 million) and includes various types of tangible fixed assets.

As at 31 December 2025 the Bank owned property and equipment not yet put in use in the amount of EUR 1.3 million (2024: EUR 2.6 million).

Tangible assets are insured for standard risks, such as theft, robbery, vandalism, natural disasters etc.

32. Intangible assets

The Bank's intangible assets include computer software and other intangible assets.

Intangible assets with finite lives are amortised over their useful economic lives using the straight-line method. The amortisation expense is recognised in the statement of income under the line item 'Depreciation and amortisation'.

Type of Intangible assets	Useful lives in years
Software acquired	4 - 8 years
Self-constructed software	8 years
Others (licenses, patents, etc.)	4 years

Acquisition and production costs

EUR ths.	Software acquired	Self-constructed software	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2024	285,205	2,661	2,723	290,589
Additions	6,545	–	–	6,545
Reclassification	(11)	–	–	(11)
Balance as at 31 December 2024	291,739	2,661	2,723	297,123
Additions	9,918	–	17	9,935
Disposals	(235,791)	(2,660)	(2,722)	(241,173)
Balance as at 31 December 2025	65,866	1	18	65,885

Accumulated depreciation

EUR ths.	Software acquired	Self-constructed software	Others (licenses, patents, etc.)	Total
Balance as at 1 January 2024	(266,624)	(2,660)	(2,717)	(272,001)
Amortisation and depreciation	(4,480)	(1)	(6)	(4,487)
Balance as at 31 December 2024	(271,104)	(2,661)	(2,723)	(276,488)
Amortisation and depreciation	(5,159)	–	(1)	(5,160)
Disposals	235,741	2,660	2,722	241,123
Balance as at 31 December 2025	(40,522)	(1)	(2)	(40,525)

Carrying amounts

EUR ths.	Software acquired	Self-constructed software	Others (licenses, patents, etc.)	Total
Balance as at 31 December 2024	20,635	–	–	20,635
Balance as at 31 December 2025	25,344	–	16	25,360

Cost of intangible assets, which are fully depreciated but still used by the Bank as at 31 December 2025 amounted EUR 25.9 million (2024: EUR 49.1 million).

As at 31 December 2025 the Bank owned intangible assets not yet put in use in the amount of EUR 7.3 million (2024: EUR 3.9 million).

During the year 2025 the Bank put in use upgrade of the core banking system, which amounted EUR 6.3 million (2024: EUR 7.6 million).

Intangible assets are insured for standard risks, such as theft, robbery, vandalism, natural disasters etc.

33. Other assets

EUR ths.	31.12.2024	31.12.2025
Other assets - financial	12,123	37,009
Client settlement	12,123	37,009
Other assets - non-financial	12,300	20,420
Personnel balances	2,275	979
State budget, social and health insurance, taxes	258	4,617
Sundry assets	9,767	14,824
Thereof: deferred cost	9,471	14,174
Other assets	24,423	57,429

These items represent balances like:

Item Client settlement represents mainly suspense accounts or money in transit accounts that are not allocated to respective client account due to missing information or due to essence of the transaction. The main part of this items belongs to interbank clearing or open settlement with securities transactions.

Sundry assets represent other items that do not fall into the above-mentioned categories mainly deferred costs and suspense accounts.

Fiduciary assets

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Bank.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

34. The Bank as a lessor

On the side of the lessor, a distinction is made between finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. In the case of a finance lease, the Bank reports a receivable from the lessee under the line item 'Finance lease receivables'. The receivable is equal to the present value of the contractually agreed payments taking into account any residual value. Interest income on the receivable is reported in the statement of income in the line item 'Other similar income' under 'Net interest income'.

Finance leases

The Bank leases both movable property and real estate to other parties under finance lease arrangements. For finance lease receivables included in this item, the reconciliation of the gross investment in leases to the present value of the minimum lease payments is as follows:

EUR ths.	31.12.2024	31.12.2025
Outstanding lease payments	420,476	417,180
Gross investment	420,476	417,180
Unrealised financial income	(47,509)	(46,370)
Net investment	372,967	370,810
Present value of outstanding lease payments	372,967	370,810

Maturity analysis by residual maturities

EUR ths.	31.12.2024		31.12.2025	
	Gross investment	Present value of outstanding lease payments	Gross investment	Present value of outstanding lease payments
< 1 year	86,792	75,074	88,978	77,007
1-2 years	75,229	65,842	74,111	64,613
2-3 years	60,274	52,914	56,797	49,475
3-4 years	42,683	37,019	42,778	37,144
4-5 years	31,266	26,814	47,774	43,541
> 5 years	124,232	115,304	106,743	99,030
Total	420,476	372,967	417,181	370,810

The table is presented on a gross basis, whereas the liquidity disclosures are prepared on a net basis.

During year 2025, the Bank recognised interest income on finance lease receivables in the amount of EUR 13.4 million (2024: EUR 11.8 million). Gains/(losses) from derecognition of finance lease receivables are recognized in line item 'Net other loss from derecognition of financial instruments not measured at fair value through profit or loss'.

Finance lease receivables

Gross carrying amounts and credit loss allowances per impairment buckets

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2025											
General governments	1,976	–	–	–	1,976	(5)	–	–	–	(5)	1,971
Other financial corporations	165,099	–	–	–	165,099	(322)	–	–	–	(322)	164,777
Non-financial corporations	158,083	38,957	4,869	547	202,456	(522)	(2,659)	(2,446)	(58)	(5,685)	196,771
Households	1,027	13	239	–	1,279	(4)	–	(145)	–	(149)	1,130
Total	326,185	38,970	5,108	547	370,810	(853)	(2,659)	(2,591)	(58)	(6,161)	364,649

EUR ths.	Gross carrying amount					Credit loss allowances					Carrying amount
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
As at 31.12.2024											
General governments	1,325	–	–	–	1,325	(7)	–	–	–	(7)	1,318
Other financial corporations	162,653	–	–	–	162,653	(348)	–	–	–	(348)	162,305
Non-financial corporations	190,817	11,975	4,024	639	207,455	(1,076)	(549)	(2,262)	(19)	(3,906)	203,549
Households	1,233	99	200	–	1,532	(6)	(3)	(117)	–	(126)	1,406
Total	356,028	12,074	4,224	639	372,965	(1,437)	(552)	(2,379)	(19)	(4,387)	368,578

Movement in credit loss allowances

EUR ths.	01.01.2025	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2025
Stage 1	(1,437)	(197)	14	107	660	–	(853)
Stage 2	(552)	–	4	(1,647)	(464)	–	(2,659)
Stage 3	(2,379)	–	500	(75)	(1,089)	452	(2,591)
POCI	(19)	–	–	–	(39)	–	(58)
Total	(4,387)	(197)	518	(1,615)	(932)	452	(6,161)

EUR ths.	01.01.2024	Additions	Derecognitions	Transfers between stages	Other changes in credit risk (net)	Write-offs	31.12.2024
Stage 1	(590)	(188)	4	1,031	(1,694)	–	(1,437)
Stage 2	(1,473)	–	1	(201)	1,121	–	(552)
Stage 3	(2,514)	–	192	(116)	(561)	620	(2,379)
POCI	(40)	–	4	–	17	–	(19)
Total	(4,617)	(188)	201	714	(1,117)	620	(4,387)

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases, reclassifications between stages as well as use of the credit loss allowances. Reconciliation of such movements to income statement line 'Net impairment loss from financial instruments' is disclosed in note [10](#).

One significant driver of the credit loss allowance movements for the year has been the transfer of the related instruments across impairment stages. The year-end GCA of finance lease receivables that were assigned as at 31 December 2025 to a different stage compared to 1 January 2025 (or to the initial recognition date, if originated during the year) are summarized below:

Transfers between stages

EUR ths.	2024	2025
Transfers between Stage 1 and Stage 2	32,662	40,786
To Stage 2 from Stage 1	8,768	36,445
To Stage 1 from Stage 2	23,894	4,341
Transfers between Stage 2 and Stage 3	838	1,027
To Stage 3 from Stage 2	838	1,027
Transfers between Stage 1 and Stage 3	714	1,933
To Stage 3 from Stage 1	714	1,600
To Stage 1 from Stage 3	–	333

The year-end total gross carrying amount of the finance lease receivables that were initially recognized during the reporting period and not fully derecognized by 31 December 2025 amounts to EUR 80.2 million (2024: EUR 91.5 million). The gross carrying amounts of the finance lease receivables that were held at 1 January 2025 and fully derecognized during the year 2025 amounts to EUR 44.3 million (2024: EUR 27.3 million).

35. Leases where the Bank is a lessee

Under IFRS 16, the Bank as a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is depreciated to the earlier of the end of its useful life or the end of the lease term. The Bank uses the straight-line method of depreciation. The right-of-use assets are presented on the statement of financial position as part of 'Property and equipment, right-of-use assets'.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments also include the exercise price under a purchase option and lease payments in an optional renewal period are considered if the Bank is reasonably certain to exercise the options. Extension and termination options are included in a number of real estate leases across the Bank. The use of extension and termination options gives the Bank added flexibility in case more suitable premises in terms of costs and/or location are identified or in case it is considered favourable to remain in a location beyond the original lease term. The Bank has assessed the extension and termination options as immaterial, and therefore they do not have a significant impact on the measurement of lease liabilities.

When determining the present value of the lease payment the Bank typically uses the incremental borrowing rate as the discount rate. For movables it consists of Euribor as a base rate, adjusted by a surcharge based on the entity's rating, the amount of funds borrowed, the term of the lease and the collateral provided. The determination of the incremental borrowing rate for property leases is based on two components, the market rate and the single property rate. The market rate considers the lease term, creditworthiness and the base rate Euribor and is derived from existing bank data. The single property rate represents a surcharge to the market rate based on the quality of the single property. In the statement of financial position, the lease liabilities are presented in the line item 'Lease liabilities'.

The Bank primarily rents real estate such as buildings and land for headquarters, branches and parking lots. For details related to right of use assets capitalized in statement of financial position arising from leases where the Bank is lessee, please see Note [31](#) Property, equipment, investment properties and right of use assets.

Total cash outflow for leases in 2025 was EUR 16.3 million (2024: EUR 16.3 million).

Accruals, provisions, contingent liabilities and legal proceedings

36. Other liabilities

EUR ths.	31.12.2024	31.12.2025
Other liabilities - financial	70,260	75,933
Client settlement	27,216	23,642
Trade payables	43,044	52,291
Other liabilities - non-financial	52,817	66,945
Personnel balances and social fund	39,964	36,110
State budget, social and health insurance, taxes	11,566	30,140
Sundry liabilities	1,287	695
Other liabilities	123,077	142,878

Item Client settlement represents mainly suspense accounts or money in transit accounts that are not allocated to respective client account due to missing information or due to essence of the transaction.

Item Trade payables represents liabilities to suppliers, including accruals and the main part belongs to unbilled deliveries, that are completed but unbilled as end of month.

Item Personnel balances and social fund mainly represents provisions for personnel costs, wage liabilities to employees and social fund contribution.

Item State budget, social and health insurance, taxes consist mainly of withholding tax and VAT tax payables that will be settled with state budget within next month.

Social fund liability, which is included in the line item 'Other liabilities', developed as follows:

EUR ths.	2024	2025
As at 1 January	7,447	6,983
Additions	4,050	2,645
Withdrawals	(4,515)	(4,204)
As at 31 December	6,982	5,424

37. Provisions

Provisions are liabilities with uncertain timing or amount. The statement of financial position line item 'Provisions' includes:

- provisions for defined employee benefit plans recognised based on requirements of IAS 19 Employee benefits
- provisions for expected credit losses from loan commitments and financial guarantees recognised based on requirements of IFRS 9; and
- remaining classes of provisions recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets such as provisions or litigation, restructuring, commitments and guarantees not in scope of IFRS 9.

Further details on provisions for off-balance credit risk exposures in Note [27](#) Credit risk. Legal proceedings that do not meet the criteria for recognition of provisions are described in Note [38](#) Contingent liabilities.

Following classes of provision can be distinguished in the business of the Bank:

EUR ths.	31.12.2024	31.12.2025
Defined employee benefit plans	10,109	10,836
Pending legal issues	8,602	9,181
Loan commitments and financial guarantees given in scope of IFRS 9	14,387	13,571
Commitments and guarantees given out of scope of IFRS 9	1,883	432
Other provisions	-	2,853
Provisions	34,981	36,873

Defined employee benefit plans

Defined employee benefit plans operated by the Bank are for severance and jubilee benefits.

All employees that are employed are entitled to receive a severance payment if their employment is terminated by the employer or if they retire after defined employment period. The amount to be paid depends on the number of years of service and the employee's salary at termination of the employment.

Jubilee provisions are special one-off payments stipulated in the collective agreement which are dependent on remuneration and duration of service. Eligibility is conditioned on a certain minimum duration of the employment.

Obligations ensuing from defined employee benefit plans are determined using the projected unit credit method. The calculation involves actuarial assumptions which are further discussed below.

The liability recognised under a defined benefit plan represents the present value of the defined benefit obligation.

Remeasurements consist of actuarial gains and losses on the defined benefit obligations. Remeasurements of severance defined benefit plans are recognised as accumulated OCI in equity specifically under 'Remeasurement of defined benefit pension liabilities' in the statement of changes in equity. The change for the period is reported as OCI in the statement of comprehensive income in the line 'Remeasurement of defined benefit plans'. Remeasurements of jubilee defined benefit plans are recognised in the statement of income under the line item 'Personnel expenses'.

Long-term employee provisions

The Bank has a defined employee benefit program under which all employees are entitled to a lump-sum payment upon working anniversaries or retirement. The number of employees under this program is disclosed in the Note 8 General administrative expenses.

The amounts relating to long-term employee provisions recognised on the statement of financial position, in the income statement and in the statement of other comprehensive income were as follows:

EUR ths.	Long-term employee provision	Severance payments	Working anniversaries provision	Total
Present value of long-term employee benefit obligations – 01.01.2024	3,867	1,588	2,236	7,691
Service cost	234	2,144	181	2,559
Interest cost	84	–	48	132
Payments	(567)	–	(212)	(779)
Other changes	(24)	–	(11)	(35)
Actuarial gains/losses recognised in OCI	535	–	6	541
Experience adjustments	535	–	6	541
Present value of long-term employee benefit obligations – 31 Dec 2024	4,129	3,732	2,248	10,109
Obligations covered by provisions	4,129	3,732	2,248	10,109
As at 31.12.2024	4,129	3,732	2,248	10,109

EUR ths.	Long-term employee provision	Severance payments	Working anniversaries provision	Total
Present value of long-term employee benefit obligations – 01.01.2025	4,129	3,732	2,248	10,109
Service cost	261	1,913	177	2,351
Interest cost	77	–	42	119
Payments	(204)	(934)	(217)	(1,355)
Other changes	–	(1,016)	–	(1,016)
Actuarial gains/losses recognised in OCI	682	–	(54)	628
Experience adjustments	682	–	(54)	628
Present value of long-term employee benefit obligations, 31 Dec 2025	4,945	3,695	2,196	10,836
Obligations covered by provisions	4,945	3,695	2,196	10,836
As at 31.12.2025	4,945	3,695	2,196	10,836

Actuarial assumptions

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about interest rates, future pension increases, future salary increases and mortality rates.

The actuarial calculation of long-term employee provision used the following assumptions:

Long-term employee provision	2024	2025
Annual discount rate	1.87%	2.76%
Annual rate of salary increase in future	0.00%	0.00%
Annual employee turnover	4.96 % - 9.13 %	5.08 % - 10.51 %
Retirement age	64 years	64 years

The actuarial calculation of working anniversaries provision used the following assumptions:

Working anniversary provision	2024	2025
Annual discount rate	1.87%	2.76%
Annual rate of salary increase in future	0.00%	0.00%
Annual employee turnover	4.96 % - 9.13 %	5.08 % - 10.51 %
Retirement age	64 years	64 years

In the calculation of long-term employee provisions official mortality tables published by the Statistical Office were used.

Sensitivity to key assumption

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the statement of financial position. The analysis is based on relative change in employee turnover by 10%.

EUR ths.	31.12.2024	31.12.2025
Change in the annual employee turnover +10%	3,982	4,700
Change in the annual employee turnover -10%	4,294	5,208

Financial guarantees

In the ordinary course of business, the Bank provides financial guarantees, consisting of various types of letters of credit and guarantees.

The Bank as a guarantor recognises financial guarantees as soon as it becomes a contracting party. Financial guarantees are initially measured at fair value. Generally, the initial measurement is the premium received for a guarantee. This amount is subsequently amortised to fee income. If no premium is received at contract inception (i.e. the initial transaction price is zero), this is the price that would be paid to transfer the liability in an orderly transaction between market participants. As a result, the fair value of such a financial guarantee and thus the initial measurement is nil. Subsequent to initial recognition, provisions are recognised based on the expected credit loss impairment model if the amount is higher than the unamortised balance of the initial premium. They are presented on the statement of financial position under the line 'Provisions'. The premium received is recognised in the statement of income under the line item 'Fee and commission income' under 'Net fee and commission income' on a straight-line basis over the life of the guarantee.

If the Bank is a guarantee holder, the treatment depends on whether the financial guarantee is considered as integral to the contractual terms of financial assets whose risk is guaranteed. The Bank considers as integral those guarantees which are entered into at or close to the inception of the guaranteed financial assets. If the bank has in a loan contract an option to require provision of a guarantee, it is also considered as integral.

Integral financial guarantees are included in the estimates of expected credit losses from the related financial assets. Premiums paid for integral financial guarantees and other credit enhancements are considered in the EIR of the related financial assets. Financial guarantees which are not considered integral are recognised as reimbursement assets under 'Other assets' in the statement of financial position. In the statement of income, they reduce the impairment loss incurred on guaranteed financial assets under 'Net impairment loss from financial instruments'. A precondition for this treatment is that it must be virtually certain that the guarantee would reimburse the bank for the loss. Premiums paid for non-integral financial guarantees are presented in the statement of income under the line item 'Fee and commission expense' under 'Net fee and commission income'.

Provision for commitments and financial guarantees given

Provisions for commitments and financial guarantees were created to cover losses expected in unused loan commitments, guarantees and letters of credits. The amount of these provisions is estimated with respect to credit risk relating to affected items, as well as time value of money (i.e. current market interest rates used for discounting).

The following table presents movements in the provision for commitments and financial guarantees:

EUR ths.	01.01.2025	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	31.12.2025
Stage 1	2,858	9,488	(240)	(3,326)	(2,714)	6,066
Stage 2	10,036	–	(544)	(5,024)	1,652	6,120
Stage 3	1,223	–	(1,042)	823	9	1,013
POCI	270	331	(13)	(216)	–	372
Total	14,387	9,819	(1,839)	(7,743)	(1,053)	13,571

Of which provisions for financial guarantees represent the amount of EUR 64 thousand as at 31 December 2025.

EUR ths.	01.01.2024	Increases due to origination and acquisition	Decreases due to derecognition	Net changes due to change in credit risk	Transfers between stages	31.12.2024
Stage 1	3,274	34,188	(9,852)	(24,630)	(122)	2,858
Stage 2	5,313	–	(6,928)	2,629	9,022	10,036
Stage 3	2,259	–	(1,973)	792	145	1,223
POCI	1,014	–	(2,044)	1,300	–	270
Total	11,860	34,188	(20,797)	(19,909)	9,045	14,387

Of which provisions for financial guarantees represent the amount of EUR 18 thousand as at 31 December 2024.

Movement table of credit loss allowances above represents changes in allowances disclosed based on the reason of the change and is prepared as at the end of the reporting period in comparison to the balance as at 1 January of the relevant reporting period. The table contains allocations, releases of the credit loss allowances and reclassifications between stages. Reconciliation of such movements to income statement line 'Net impairment loss from financial instruments' is disclosed in note 10 Net impairment loss from financial instruments.

In column 'Increases due to origination and acquisition' increases of credit risk allowances due to the initial recognition of commitments and guarantees given during the current reporting period are disclosed. Releases of credit risk allowances following the derecognition of the related commitments and guarantees given are reported in column 'Decreases due to derecognition'.

Provisions for pending legal issues and other provisions

Expenses or income related to these provisions are reported in the statement of income under the line item 'Other operating result'.

Provisions for legal issues relate to legal cases where the Bank is sued and which arose from normal banking activities. During the reporting period the Bank does not participate in any new passive legal cases.

The item 'Other provisions' includes provision on contribution to Resolution fund and provision on contribution to Deposit protection fund during the year. When the actual amount of contributions is announced, the payment is accounted for as utilisation of particular provision. Both contributions for the year 2025 were paid in full amount, therefore the Bank does not disclose these items as other provisions.

The following table presents development of legal issues as well as other provisions:

EUR ths.	01.01.2025	Addition	Use	Release	31.12.2025
Pending legal issues	8,602	719	(140)	–	9,181
Commitments and guarantees given out of scope of IFRS9	1,883	2,609	–	(4,060)	432
Other provisions	–	5,307	(2,454)	–	2,853
Other	–	5,307	(2,454)	–	2,853
Provisions for deposit insurance fund	–	2,447	(2,447)	–	–
Residual other provisions	–	2,860	(7)	–	2,853
Total	10,485	8,635	(2,594)	(4,060)	12,466

EUR ths.	01.01.2024	Addition	Use	Release	31.12.2024
Pending legal issues	11,351	1,716	(289)	(4,176)	8,602
Commitments and guarantees given out of scope of IFRS9	1,499	1,076	–	(692)	1,883
Other provisions	–	2,540	(2,540)	–	–
Other	–	2,540	(2,540)	–	–
Provisions for deposit insurance fund	–	2,540	(2,540)	–	–
Total	12,850	5,332	(2,829)	(4,868)	10,485

The movement of other provisions related to the provision for Deposit protection fund accounted for in accordance with IFRIC 21.

Additions and releases of provision for pending legal issues and commitments and guarantees given out of scope of IFRS 9 are included in the line Other operating result in Separate Statement of Income.

Additions for provision for deposit insurance fund are included in the line Other administrative expenses in the Separate Statement of Income.

A provision for overdue savings books is included in the category Residual other provisions. Additions and releases of residual other provisions are included in the line Other operating result in the Separate Statement of Income.

38. Contingent liabilities

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do involve credit risk and are therefore part of the overall risk of the Bank (see Note [27](#) Credit risk).

Legal proceedings

The Bank is involved in legal disputes, most of which have arisen in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of the Bank.

Capital instruments, equity and reserves

39. Total equity

in EUR ths.	31.12.2024	31.12.2025
Subscribed capital	212,000	212,000
Legal reserve fund	79,795	79,795
Other funds	39,104	39,104
Retained earnings	1,670,312	1,708,936
Additional equity instruments	480,000	330,000
Other components of equity	(1,647)	(2,166)
Owners of the parent	2,479,564	2,367,669
Total	2,479,564	2,367,669

As at 31 December 2025, subscribed capital (also known as registered capital) consists of 212,000 (2024: 212,000) voting shares (ordinary shares). Nominal value of share is EUR 1,000.00. Subscribed capital was fully paid. Retained earnings and other reserves represent accumulated net profit brought forward, as well as income and expenses recognised in other comprehensive income.

Additional equity instruments

The Bank repaid early additional tier 1 capital (AT1 bonds) reported in the column 'Additional equity instruments' in the statement of changes in equity. AT1 bonds shall constitute direct, unsecured and subordinated bonds. AT1 bonds are perpetual and can be cancelled only by the issuer at predetermined dates. The bonds include discretionary non-cumulative coupon payments. Due to these features, they are classified as equity under IFRS.

AT1 bonds issued

Name	ISIN	Nominal value	Currency	Issue date	Initial fixed rate	Reset rate after the first call date	Coupon payments	First and subsequent calls dates
EUR 100,000,000 Undated Fixed to Fixed AT1 Notes	AT0000A35Y77	100,000,000	EUR	27.06.2023	9,43% p.a.	M/S + 618 bps	Annually	27.6.2028 and each Distribution Payment Date following the First Reset Date
EUR 80,000,000 Undated Fixed to Fixed Resettable Additional Tier 1 Notes	AT0000A2UFJ4	80,000,000	EUR	30.11.2021	4,49% p.a.	M/S + 457 bps	Semi-annually	30.11.2026 and each Distribution Payment Date following the First Reset Date
SLSP AT1 PNC5 IC 2020	SK4000016788	150,000,000	EUR	27.02.2020	4,15% p.a.	M/S + 449 bps	Semi-annually	27.2.2025 and each Distribution Payment Date after 27.2.2025 falling one year after the previous Call Redemption Date

Distributions on own equity instruments

Distributions on own equity instruments are recognised when their payment is confirmed. For dividends on common shares as well as for coupons on Additional Tier 1 instruments the decision is taken by the Annual General Meeting.

The following table presents distribution of individual profits of the Bank for the years 2024 (approved) and 2025 (proposed):

Profit distribution (in EUR ths.)	31.12.2024	31.12.2025
Profit for the year	283,016	299,278
Coupon payment for AT1 bond SK4000016788	10,164	10,164
Coupon payment for AT1 bond SK4000018172	7,230	-
Coupon payment for AT1 bond AT0000A2UFJ4	3,592	3,592
Coupon payment for AT1 bond AT0000A35Y77	9,430	9,430
Dividends paid to shareholder from profit for the year	232,208	262,423
Transfer to retained earnings	20,393	13,669
Number of shares with nominal value of EUR 1 000 (in pcs.)	212,000	212,000
Dividend per share (in EUR)	1,095	1,238

Dividends for the year 2024 were paid in March 2025 in amount of EUR 232.2 million following the resolution of General Assembly of the Bank dated 27 March 2025.

On 27 February 2025, a coupon payment was made on the AT1 bond SLSP AT1 PNC5 IC 2020 in amount of EUR 3.1 million.

On 23 May 2025, a coupon payment was made on the AT1 bond SLSP AT1 PNC5 IC 2020 II in the value of EUR 3.6 million and then on 30 May 2025, a coupon on the AT1 bond EUR 80,000,000 Undated Fixed to Fixed Resettable Additional Tier 1 Notes was paid in the amount of EUR 1.8 million.

On 27 June 2025, a coupon payment was made on the AT1 bond EUR 100,000,000 Undated Fixed to Fixed AT1 Notes in amount of EUR 9.4 million.

On 27 August 2025, a coupon payment was made on AT1 bond SLSP AT1 PNC5 IC 2020 in amount of EUR 5.1 million.

On 24 November 2025, a coupon payment was made on the AT1 bond SLSP AT1 PNC5 2020 II in amount of EUR 3.7 million.

On 24 November 2025, the AT1 bond SLSP AT1 PNC5 IC 2020 II was repaid early in the amount of EUR 150.0 million.

On 1 December 2025, a coupon payment was made on the AT1 bond EUR 80,000,000 Undated Fixed to Fixed Resettable Additional Tier 1 Notes was paid in the amount of EUR 1.8 million.

Legal reserve fund

According to Commercial Code all companies are required to create a legal reserve fund to cover adverse financial conditions in the future. The Bank is obliged to contribute to the fund the amount, which is not less than 10% of its annual net profit until the cumulative amount of annual contributions reaches 20% of its share capital. As at 31 December 2025 Legal reserve fund amounted to EUR 79.8 million (2024: EUR 79.8 million) and in both years exceeded the required 20% of the share capital. Legal reserve fund is not available for distribution to the shareholder.

Other funds

Other funds include only Statutory fund created from distributable profits to strengthen the Bank's capital base. This fund is not available for distribution to the shareholder. Once the Bank's share capital or legal reserve fund is increased, Statutory fund may be terminated and transferred back to the distributable profits with the approval of the Supervisory Board and of the General Assembly. As at 31 December 2025 Statutory fund amounted EUR 39.1 million (2024: EUR 39.1 million).

Fair value reserve

Fair value reserve represents the unrealised revaluation of financial assets measured at fair value through other comprehensive income. This reserve is not available for distribution to the shareholder.

Remeasurements of defined benefit pension liabilities

This equity component reflects the results of actuarial calculations related to the pension provision. As at 31 December 2025 the remeasurement of the pension provision amounted EUR 2.2 million (2024: EUR 1.6 million), net of deferred tax.

Investments in subsidiaries, associates and joint ventures

40. Subsidiaries

The following table presents overview of the carrying amounts of investments in subsidiaries:

EUR ths.	Cost		Impairment		Net book value	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Subsidiaries						
Procurement Services SK, s.r.o.	3	3	-	-	3	3
SLSP Social Finance, s.r.o.	34,322	34,322	-	-	34,322	34,322
LANED a.s.	25,807	25,807	-	-	25,807	25,807
SLSP Seed Starter, s.r.o.	2,392	4,642	-	-	2,392	4,642
Total	62,524	64,774	-	-	62,524	64,774

Investments in subsidiaries of Slovenská sporiteľňa, a.s.

EUR ths.	Procurement Services SK, s.r.o.		SLSP Social Finance, s.r.o.		LANED a.s.		SLSP Seed Starter, s.r.o.	
	2024	2025	2024	2025	2024	2025	2024	2025
Place of business	Tomášikova 48, 832 75 Bratislava, Slovakia		Tomášikova 48, 832 01 Bratislava, Slovakia		Tomášikova 48, 832 71 Bratislava, Slovakia		Tomášikova 48, 831 04 Bratislava, Slovakia	
Main business activity	Procurement		Advisory services		Real estate company		Advisory services	
Ownership held	51.00%		60.40%		100.00%		100.00%	
Voting rights held	51.00%		60.40%		100.00%		100.00%	
IFRS Classification	Subsidiary		Subsidiary		Subsidiary		Subsidiary	
Reporting currency	EURO		EURO		EURO		EURO	
Dividend income received	19	19	-	-	-	-	-	-
Investee's key financial information for the reporting year								
Cash and cash equivalents	232	216	149	94	9,417	11,491	157	864
Other current assets	61	37	-	-	47	97	5	12
Non-current assets	34	28	43,002	43,002	43,075	40,385	1,246	2,617
Current liabilities	266	228	14	18	2,001	2,107	6	17
Non-current liabilities	-	-	7,064	7,081	14,432	12,441	-	-
Operating result	(866)	(253)	(57)	(26)	1,601	(58)	(599)	(168)
Post-tax result from continuing operations	37	1,054	279	(27)	1,520	(621)	(586)	(176)
Total comprehensive income	37	1,054	279	(27)	1,520	(621)	(586)	(176)
Depreciation and amortization	-	-	-	-	(3,848)	-	-	-
Interest income	-	-	11	2	-	-	33	88
Interest expense	-	-	(28)	-	(941)	-	-	-
Tax expense/income	(7)	(9)	(2)	(1)	(14)	(560)	(1)	(2)

Changes in subsidiaries during the year 2025

During the year 2025 the Bank invested in the subsidiary SLSP Seed Starter, s.r.o. to increase capital funds in the amount of EUR 2.3 million.

41. Investments in associates and joint ventures

The Bank has significant influence in the associates and joint ventures described in the table below. In these separate financial statements the investments in associates and joint ventures are recognized at cost, less any impairment losses.

The following table presents overview of the carrying amounts of investments in associates:

EUR ths.	Cost		Impairment		Net book value	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Associates						
Prvá stavebná sporiteľňa, a.s.	1,093	1,093	-	-	1,093	1,093
Slovak Banking Credit Bureau, s.r.o.	3	3	-	-	3	3
Holding Card Service s.r.o.	7,049	7,049	-	-	7,049	7,049
Total	8,145	8,145	-	-	8,145	8,145

The following table presents overview of the carrying amounts of investments in joint ventures:

EUR ths.	Cost		Impairment		Net book value	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Joint ventures						
Monilogi s.r.o.	2,032	2,032	-	-	2,032	2,032
Total	2,032	2,032	-	-	2,032	2,032

Investments in associates and joint ventures of Slovenská sporiteľňa, a.s.

EUR ths.	Monilogi s.r.o.*		Prvá stavebná sporiteľňa, a.s. ("PSS")**		Slovak Banking Credit Bureau, s.r.o.**		Holding Card Service s.r.o.	
	2024	2025	2024	2025	2024	2025	2024	2025
Place of business	Mlynské nivy 1 821 09 Bratislava, Slovakia		Bajkalská 30 829 48 Bratislava, Slovakia		Mlynské nivy 14 821 09 Bratislava, Slovakia		Olbrachtova 1929/62 140 00 Praha 4, Czech republic	
Main business activity	Cash handling		Banking		Retail credit register		Equity release company	
Ownership held	28.00%		9.98%		33.33%		21.78% 19.28%	
Voting rights held	28.00%		35.00%		33.33%		21.78% 19.28%	
IFRS Classification	Joint venture		Associate		Associate		Associate	
Reporting currency	EURO		EURO		EURO		EURO	
Dividend income received	-	-	-	622	-	-	-	-
Investee's key financial information for the reporting year								
Cash and cash equivalents	984	2,870	711	928	332	361	17	8
Other current assets	466	244	106,901	132,868	7	9	-	-
Non-current assets	2,351	3,781	2,906,311	2,758,062	-	-	43,008	71,688
Current liabilities	1,226	1,671	2,340,715	2,216,272	6	7	-	-
Non-current liabilities	7	59	350,649	341,227	2	2	-	-
Operating result	3,867	4,288	30,927	36,594	(113)	(109)	(2)	(9)
Post-tax result from continuing operations	716	1,496	10,628	16,112	37	25	(2)	(9)
Other comprehensive income	-	-	83	-	-	-	-	-
Total comprehensive income	716	1,496	10,711	16,112	37	25	(2)	(9)
Depreciation and amortization	(541)	(626)	(6,078)	(6,407)	-	-	-	-
Interest income	-	7	95,688	97,778	-	9	-	-
Interest expense	-	1	(39,143)	(34,422)	(2)	-	-	-
Tax expense/income	-	1	(8,309)	(8,977)	-	(2)	-	-

* The results disclosed in the table for the year ending 31 December 2024 are unaudited data for 12 months. The results disclosed in the table for the year ending 31 December 2025 are unaudited data for 11 months.

** In the table are disclosed unaudited data for 11 months.

Changes in associates and joint ventures during the year 2025

There were no significant changes in investments in associates and joint ventures during the year 2025.

Changes in associates and joint ventures during the year 2024

During the year 2024 the Bank made a cash deposit in the amount of EUR 0.1 million to the joint venture Monilogi, s.r.o. and increased its investment in its subsidiary SLSP Social Finance, s. r. o. to increase capital funds in the amount of EUR 13.3 million.

Other disclosure matters

42. Related-party transactions and principal shareholders

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Bank is controlled by the only shareholder Erste Group Bank AG, which directly owns 100% share on the voting rights of the Bank. Further related parties include subsidiaries, which are under control of the Bank, associates and joint ventures over which the Bank has significant influence. Moreover, other members of the Erste Group are also related parties of the Bank.

Transactions with related parties occur in the normal course of business and primarily include loans and deposits. These transactions are performed at arm's length, i.e. the terms and conditions applied respect market conditions.

Balances exposures with related parties

EUR ths.	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates and joint ventures	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Assets								
Cash and cash equivalents	15,926	6,972	412	293	-	-	-	-
Derivatives	10,862	4,888	-	20	-	-	-	-
Derivatives – Hedge accounting	31,595	42,187	-	-	-	-	-	-
Securities	-	-	-	-	5,230	5,412	5,260	-
Loans and advances to banks	3,811	5,435	507	32	-	-	10,026	3,500
Loans and advances to customers	-	-	2,639	3,005	16,382	14,443	-	-
Property and equipment, right-of-use	-	-	-	-	51,744	46,388	-	-
Other assets	139	46	-	-	-	-	-	-
Total assets	62,333	59,528	3,558	3,350	73,356	66,243	15,286	3,500
Liabilities								
Derivatives held for trading	35,977	3,602	10	8	-	-	-	-
Deposits from banks	229	102	57	330	-	-	110	120
Deposits from customers	-	-	10,428	35,731	9,955	12,665	-	-
Debt securities issued	318,554	322,436	2,947	2,986	-	-	-	-
Derivatives – hedge accounting	31,831	11,799	-	-	-	-	-	-
Lease liabilities	-	-	-	-	52,027	47,342	-	-
Other liabilities	659	1,572	2,305	3,986	(35)	(65)	-	-
Total liabilities	387,250	339,511	15,747	43,041	61,947	59,942	110	120
Financial guarantees given	15,835	20,129	13,613	14,414	-	-	-	-
Financial guarantees received	15,931	19,689	13,512	13,555	-	-	-	-

Expenses/Income generated by transactions with related parties

EUR ths.	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates and joint ventures	
	2024	2025	2024	2025	2024	2025	2024	2025
Interest income	26,676	5,758	13	7	965	587	1,174	558
Interest expense	(52,018)	(14,215)	(78)	(82)	(2,232)	(2,016)	–	–
Dividend income	–	–	435	–	19	19	–	622
Net fee and commission income	843	(61)	22,299	23,681	1	1	4	4
Net trading result	24,885	(6,047)	376	1,304	–	–	–	–
Net gain/ (loss) from financial instruments measured at fair value through profit or loss	–	–	–	–	35	(12)	–	–
General administrative expenses	(4,361)	(4,769)	(25,401)	(27,686)	(963)	(976)	–	–
Depreciation and amortisation	–	–	–	–	(5,678)	(5,687)	–	–
Other operating result	120	238	668	688	268	307	–	–
Total	(3,855)	(19,096)	(1,688)	(2,088)	(7,585)	(7,777)	1,178	1,184

Terms of contracts with related parties

31.12.2025	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates and joint ventures	
	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate
Assets								
Interest rate derivatives	2040	2.86%	–	–%	–	–%	–	–%
Securities	–	–%	–	–%	2031	0.15%	–	–%
Loans and advances to banks	2029	0.71%	–	–%	–	–%	2026	2.05%
Loans and advances to customers	–	–%	2030	0.11%	2028	3.61%	–	–%
Liabilities								
Interest rate derivatives	2032	2.60%	–	–%	–	–%	–	–%
Deposits from banks	2026	0.07%	–	–%	–	–%	2026	–%
Deposits from customers	–	–%	2026	1.35%	2026	0.05%	–	–%
Debt securities issued	2035	2.86%	2026	0.13%	–	–%	–	–%

31.12.2024	Erste Group Bank AG		Companies of Erste Group		Subsidiaries		Associates and joint ventures	
	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate	Maximum maturity	Weighted average contractual interest rate
Assets								
Interest rate derivatives	2034	3.18%	–	–%	2031	0.15%	–	–%
Securities	–	–%	–	–%	2031	0.15%	–	–%
Loans and advances to banks	2029	–%	–	–%	–	–%	2025	3.35%
Loans and advances to customers	–	–%	2029	5.45%	2028	4.57%	–	–%
Liabilities								
Interest rate derivatives	2032	3.19%	–	–%	–	–%	–	–%
Deposits from banks	2025	0.11%	–	–%	–	–%	2025	–%
Deposits from customers	–	–%	2025	0.62%	2025	0.05%	–	–%
Debt securities issued	2029	1.18%	2025	0.13%	–	–%	–	–%

The maturity of the guarantees received and given is in some cases more than 5 years.

Transactions with related parties are done at arm's length.

The nominal value of interest rate derivatives amounted to EUR 3,610.3 million as at the reporting date (2024: EUR 3,243.2 million).

The Bank provided bank guarantees to related parties in the ordinary course of business. These guarantees were issued under terms and conditions comparable to those applied to similar transactions with independent third parties. As at 31 December 2025, the nominal amount of bank guarantees issued to the parent company Erste Group Bank AG totalled EUR 20.1 million (2024: EUR 15.8 million) and to companies of Erste Group totalled 14.4 million (2024: EUR 13.6 million). These guarantees are disclosed as off-balance sheet commitments. As at the reporting date, no impairment allowances were recognised in relation to the guarantees issued to related parties. The Bank does not expect any cash outflows to arise from these guarantees.

During the reporting period, the Bank entered into off-balance sheet arrangements with certain related parties in the form of financial guarantees provided to cover clients' credit exposures. The Bank received guarantees from its parent company Erste Group Bank AG in the amount of EUR 19.7 million (2024: EUR 15.9 million) as at the reporting date, from its companies of Erste Group in the amount of EUR 13.6 million (2024: EUR 14.4 million) as at the reporting date. The financial guarantees were unsecured and remain outstanding in their full nominal amounts at the reporting date. The Bank has not been provided with, and did not obtain, any specific collateral, credit enhancement, or other security in connection with these guarantees. The Bank did not receive any fees, commissions or other remuneration in respect of the guarantees, and no additional side agreements or reciprocal commitments exist with the related parties in connection with these arrangements.

The amounts with Erste Group Bank AG reported in the line items 'Interest income' and 'Net trading result' represent results from derivative instruments used to close positions with the clients.

All issued investment certificates disclosed as AT1 bonds in equity as at 31 December 2025 were purchased by Erste Group Bank AG. In November, the Bank early repaid the AT1 bond SLSP AT1 PNC5 IC 2020 II in the amount of EUR 150.0 million (see note 39).

In May 2025, the Bank received dividends from the associated company Prvá stavebná sporitelňa, a.s. in the amount of EUR 0.6 million (2024: EUR 0).

Remuneration of management and supervisory board members

The remuneration of the Board of Directors members and the Supervisory Board members paid during the year 2025 in form of short-term employee benefits amounted to EUR 3.6 million (2024: EUR 3.4 million). The remuneration policy of the Board of Directors members is in compliance with CRD directive as adopted in the national legislation.

43. Audit fees and tax consultancy fees

The following table contains fees charged by the auditors of the Bank for the financial year 2025 and 2024; the auditors being PricewaterhouseCoopers Slovensko, s.r.o.

EUR ths.	2024	2025
Audit of statutory financial statements	(734)	(773)
Other assurance services	(479)	(375)
Other non-audit services	(52)	(116)
Total	(1,265)	(1,264)

Other assurance services in the amount of EUR 375 thousand (2024: EUR 479 thousand) related to a review of the special-purpose standard reporting forms: Half Year review and limited assurance for CSRD reporting. Other non-audit services in the amount of EUR 116 thousand (2024: EUR 52 thousand) related to agreed-upon procedures on the Bank's compliance with terms of grant agreement.

44. Analysis of remaining maturities

Expected remaining maturities of assets and liabilities

EUR ths.	< 1 year		> 1 year	
	31.12.2024		31.12.2025	
Assets				
Cash and cash equivalents	1,988,940	–	1,448,531	–
Financial assets held for trading*	36,067	12,034	1,966	7,174
Derivatives*	36,067	12,034	1,966	7,174
Non-trading financial assets at fair value through profit or loss	–	32,041	–	33,040
Equity instruments	–	20,185	–	18,046
Debt securities	–	11,856	–	14,994
Financial assets at amortised cost	2,873,081	20,546,350	3,558,987	21,974,674
Debt securities	310,383	4,161,227	874,532	4,379,112
Loans and advances to banks	10,408	–	63,472	1,822
Loans and advances to customers	2,552,290	16,385,123	2,620,983	17,593,740
Finance lease receivables	67,791	300,787	70,275	294,374
Hedge accounting derivatives*	863	31,921	13,828	29,239
Property and equipment, right-of-use assets	–	161,301	–	149,923
Investment properties	–	957	–	459
Intangible assets	–	20,635	–	25,360
Investments in associates	–	72,701	–	74,951
Current tax assets	584	–	–	–
Deferred tax assets	–	80,589	–	91,366
Trade and other receivables	163,622	–	182,219	–
Other assets	24,423	–	57,429	–
Total assets	5,155,371	21,259,316	5,333,235	22,680,560

EUR ths.	< 1 year		> 1 year	
	31.12.2024		31.12.2025	
Liabilities				
Financial liabilities held for trading*	35,507	10,015	1,943	5,652
Derivatives*	35,507	10,015	1,943	5,652
Financial liabilities at AC	8,326,423	15,300,072	9,417,245	15,934,715
Deposits from banks	43,504	162,420	56,831	221,919
Deposits from customers	7,602,598	11,142,080	7,988,757	11,708,021
Debt securities in issued	625,591	3,995,572	1,289,550	4,004,775
Other financial liabilities	54,730	–	82,107	–
Lease liabilities	12,425	60,792	12,763	57,502
Hedge accounting derivatives*	5,999	25,832	3,793	8,006
Provisions	20,003	14,978	20,551	16,322
Current tax liabilities	–	–	24,755	–
Other Liabilities	123,077	–	142,878	–
Total liabilities	8,523,434	15,411,689	9,623,928	16,022,197

*This table presents the carrying amounts of derivative instruments allocated to the respective time bucket based on their contractual maturities, whereas the liquidity tables in Note 29 Liquidity risk disclose the related contractual cash flows.

45. Events after the balance sheet date

There are no significant events after the balance sheet date that require disclosure or adjustment to these separate financial statements.

STATEMENT OF MEMBERS OF THE MANAGEMENT BOARD

We confirm that to the best of our knowledge the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Bank as required by the applicable accounting standards and that the Bank management report gives a true and fair view of the development and performance of the business and the position of the Bank, together with a description of the principal risks and uncertainties to which the Bank is exposed.



Ing. Peter Krutil

Chairman of the Board of Directors
and Chief Executive Officer



Ing. Pavel Cetkovský

Member of the Board of Directors
and Deputy of Chief Executive Officer

Bratislava, 17 February 2026

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