PRIVREDNA BANKA ZAGREB
Intesa Sanpaolo Group

2025 Annual Report

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Introduction

Introduction

The Management Board of Privredna banka Zagreb d.d. has the pleasure of presenting its Annual report to the shareholder of the Bank. This comprises a summary of financial information, Management Board reports for the Bank and the Group, the audited financial statements and the accompanying audit report, supplementary forms required by local regulation and other information.
Audited financial statements are presented for the Bank and the Group.

CROATIAN AND ENGLISH VERSION

This document comprises the Annual Report which also includes separate and consolidated financial statements of Privredna banka Zagreb d.d. for the year ended 31 December 2025 in the English language. This report is also published in the Croatian language for presentation to shareholder at the Annual General Meeting.

LEGAL STATUS

The separate and consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by European Union (hereinafter: EU) and audited in accordance with International Standards on Auditing.
The Annual Report is prepared in accordance with the provisions of the Companies Act and the Accounting Law, which require the Management Board to report to shareholder of the company at the Annual General Meeting.

ABBREVIATIONS

In this Annual Report, Privredna banka Zagreb d.d. is referred to as "the Bank" or "PBZ" or as "Privredna banka Zagreb", and Privredna banka Zagreb d.d., together with its subsidiaries and associate undertakings are referred to collectively as "the Group" or "the Privredna banka Zagreb Group".
The central bank, the Croatian National Bank, is referred to as "the CNB". The European Bank for Reconstruction and Development is referred to as "EBRD". The European Central Bank is referred to as "ECB".
Parent company Intesa Sanpaolo is referred to "ISP" and "ISP Group" for consolidated level.
In this report, the abbreviations "EUR thousand", "EUR million", "EUR billion", "USD thousand", "USD million", "USD billion", "CHF thousand", "CHF million", "CHF billion" and "BAM thousand", "BAM million", "BAM billion" represent thousands, millions and billions of Euros, US dollars, Swiss francs and Bosnian convertible marks respectively. Fields marked with letter "X" indicate non-applicable entries.

Letter from the President
of the Management Board

Letter from the President of the Management Board

I am honoured to present you the Annual Report and Financial Statements of Privredna banka Zagreb and the PBZ Group for the year ended on 31 December 2025.

On a global scale, the eventful and very uncertain 2025 will remain as the year in which, in an environment of elevated inflation, a still strong economic growth of around 3% was realised - still multiple times faster than the European Union average – thus bringing Croatia close to reaching 80% of the EU average. The turbulent geopolitical environment, which was further stirred up in late 2024 by the return of President Trump to the White House, causing a whole number of disruptive changes in trade policies, along with the continuation of the conflict in Ukraine – these are just some of the characteristics of the past year. From an economic point of view, it was a year in which central banks, led by the European Central Bank (ECB), continued the interest rate reduction cycle, the dollar weakened contrary to expectations, and gold prices and stock market indices reached new historical levels.

The consolidated net profits for 2025 amounted to EUR 355 million, proving our continuation in achieving remarkable results, despite operating amid the burdensome and gloomy economic environment. This result came from carefully planned and precisely executed business strategy that encompasses execution of conservative and systematic approach towards all risks arising from the business transactions, especially credit risk as well as already proven dedication to client orientation and diversification of income sources.

During 2025 the Group additionally consolidated its role as a leader in new technologies, continuously developing new and innovative products and services, both for the citizens and corporate clients. Moreover, considerable effort was put into its transformation to become an entity entirely equipped for digital services. This significantly simplifies the everyday banking experience for the clients and enables a wider range of products and services.

The PBZ Group is strongly committed to being socially responsible company and a vital part of our local business communities, aspiring to set a benchmark in environmental and social sustainability. Our ESG strategy integrates ESG principles into our operations, risk management, and stakeholder engagement to drive long-term value creation, environmental stewardship, social responsibility, and robust governance practices. Aligned with the ISP Group’s strategy, our sustainability approach is built on the pillars of Environmental and Social Responsibility, Governance Excellence, Transparency and Reporting. Our ESG framework aligns with regulatory requirements and benefits from the guidance of Intesa Sanpaolo as the Parent Company, aiming to fully embed ESG principles into daily business processes and decisions, paving the way for a sustainable future.

Today, we operate in a much more mature environment with a continuously evolving regulatory framework compared to when we began the strategic implementation of our ESG Framework. As a result, we now view sustainability as a driver of business and industry growth through three key pillars: competitiveness, resilience, and innovation. Therefore, ESG has remained firmly rooted and positioned in our business plans—both at PBZ and at our parent bank, Intesa Sanpaolo. Our ESG strategy continues to support clients in their transition to low-carbon and sustainable business models, enabling companies to strengthen their resilience to climate and social risks. Our goal is to go beyond lending—we aim to be a reliable partner that provides integrated ESG expertise and services, guiding clients through regulatory, operational, and strategic challenges.

Our net zero aspirations also aim at reducing our own footprint through a whole series of initiatives. Through ‚Own Emission Plan' we focus on upgrading energy efficiency and declining the GHG emissions of our premises and carpool, and on production and usage of renewable energy. Additionally, we highlight our PBZ Forest initiative through which we have, in 5 years, reforested 110,000 square meters with seed bombs.

From social perspective, both the Bank and the Group have a proactive role in encouraging corporate social responsibility initiatives and projects, with constant dedication to supporting the local community.

In this respect, I would like to single out our Visa Card with a Heart, unique in the country, which supports our Doing Good Everyday initiative, which has been continuously helping the community for over 18 years. In 2025 we presented and celebrated the milestone one hundredth donation, valued at EUR 100,000. By the end of the year, total of 101 donations to hospitals - pediatric departments and homes for children throughout Croatia were made, strengthening our position of the leading donor in the country, and unrivalled among financial institutions regarding the donations to hospitals and children's homes.

Second dominant PBZ stream with social impact is our financial literacy initiative that builds responsible financial behavior in future generations since 2017. We are proud of the continuity, development and success of this initiative, launched as a part of the Intesa Sanpaolo project „The Art of Savings", that made us recognizable as a credible partner in the field of financial education in the community and by the Croatian schools. Over 10,000 students have participated in more than 470 workshops delivered by our PBZ Edu Volunteers since the launch of the initiative, including over 2,000 students this year alone.

Internally, in line with our commitment to employee wellbeing and personal growth, we continued to develop initiatives that support a healthy work–life balance. More than 130 employees took part in the "Towards Better Health" workshops, supporting key aspects of health, physical activity, vitality, and overall wellbeing. We also broadened our women's empowerment workshops to new cities across Croatia, with the aim of increasing accessibility and fostering broader participation. In addition, as part of our diversity and inclusion efforts, sign language workshops were launched, reflecting our commitment to creating an accessible, open, and inclusive working environment. Through PBZ Family Practices, we continue to support employees and their families with flexible working models, parental benefits, and programs that help balance work and family life.

The PBZ Group is well-fitted not only to face up to challenges, but also to seize opportunities. We have a strong capital base, liquidity and funding positions, preparing us for potential market uncertainties and for tighter regulation. We are continuously transiting to a better balanced, more diversified and lower-risk business model.

I would like to take this opportunity to express gratefulness to all my colleagues and all employees of the PBZ Group for their dedication and true professionalism that enabled us safely to sail through these restless times. Furthermore, I would like to thank all our dear clients and business partners for putting their trust in our hands. Also, I would like to express my most sincere gratitude to all the members of the Supervisory Board and Colleagues working with the Parent bank for their support, cooperation, and encouragement in conducting our business affairs.

Dinko Lucić
President of the Management Board

10 February 2026

Report on the status of the Bank and the Group

Report on the status of the Bank and the Group

We are a leading Croatian financial services group engaged in retail and corporate banking, credit card operations, investment banking, private banking, leasing, investment management services and real estate activities. We operate in the entire area of Croatia, Slovenia and Bosnia and Herzegovina and employ over four thousand people.

Our mission is to permanently and effectively utilize all of the resources at our disposal to continuously improve all aspects of our business activities, including human resources, technology and business processes. Our vision is to be a model company and centre of excellence in creating new value, as well as provision of high-quality service in all of our activities for the benefit of our clients, the community, our shareholder and our employees.

1,733 thousand
TOTAL CUSTOMERS

823,885
INTERNET BANKING USERS

1,918 thousand
CURRENT ACCOUNTS

216
TOTAL BRANCHES

866
ATM MACHINES

2,635 thousand
TOTAL CARDS ISSUED

144
DAY AND NIGHT VAULTS

7,909
EFT POS

INCOME STATEMENT FIGURES

(millions of euro) BANK	31.12.2025	31.12.2024	Changes amount	%
Net interest income	456	508	-52	-10.2
Net fee and commission income	133	113	20	17.7
Operating margin	399	509	-110	-21.6
Net adjustments to loans	6	-1	7	-700.0
Net income (loss)	334	437	-103	-23.6

(millions of euro) GROUP	31.12.2025	31.12.2024	Changes amount	%
Net interest income	604	676	-72	-10.7
Net fee and commission income	227	200	27	13.5
Operating margin	469	504	-35	-6.9
Net adjustments to loans	-14	-13	-1	7.7
Net income (loss)	355	377	-22	-5.8

31.12.2025

31.12.2024

STATEMENT OF FINANCIAL POSITION FIGURES

(millions of euro)			Changes	
BANK			**amount**	**%**
Loans to customers	9,991	8,985	1,006	11.2
Total assets	18,383	16,985	1,398	8.2
Deposits from customers	14,505	13,639	866	6.3
Assets under management	15,487	10,474	5,013	47.9
Shareholders' equity	2,389	2,427	-38	-1.6
Loan to deposit ratio	68.9%	65.9%		

(millions of euro)			Changes	
GROUP			**amount**	**%**
Loans to customers	14,187	12,823	1,364	10.6
Total assets	24,670	22,895	1,775	7.8
Deposits from customers	19,564	18,238	1,326	7.3
Assets under management	17,101	11,583	5,518	47.6
Shareholders' equity	2,957	2,974	-17	-0.6
Loan to deposit ratio	72.5%	70.3%		

31.12.2025

31.12.2024

ALTERNATIVE PERFORMANCE MEASURES AND OTHER MEASURES

Profitability ratios **BANK**	31.12.2025	31.12.2024
Cost / Income	36.4%	29.5%
Net income / Shareholders' equity (ROAE)	14.0%	18.0%
Net income / Total assets (ROAA)	1.8%	2.6%

Profitability ratios **GROUP**	31.12.2025	31.12.2024
Cost / Income	41.1%	37.5%
Net income / Shareholders' equity (ROAE)	13.2%	14.4%
Net income / Total assets (ROAA)	1.6%	1.8%

Capital ratios **BANK** (millions of euro)	31.12.2025	31.12.2024
Total own funds	2,046	1,940
Risk-weighted assets	8,643	7,428
Total own funds / Risk-weighted assets	23,7%	26,1%

31.12.2025

31.12.2024

EXTERNAL ENVIRONMENT

The global economy demonstrated notable resilience throughout the first half of 2025, with momentum increasing in the second quarter. Global economic activity is estimated to have expanded by approximately 0.9% quarter-on-quarter in Q2 2025, up from 0.7% q-o-q growth in Q1 2025. This uptick is largely attributed to anticipatory trade measures and improved financial conditions; however, performance has been uneven across different regions.

Advanced economies experienced stronger growth during the second quarter, propelled by robust expansion in the United States and Japan, whereas the UK and European Union registered more moderate progress. Similarly, emerging markets saw accelerated growth in Q2 2025, particularly driven by favourable outcomes in several Asian economies, including China, Indonesia, the Philippines, and India.

In the United States, real GDP rebounded in Q2 2025 and maintained its strength in the third quarter. While substantial import fluctuations contributed to the economic growth volatility —resulting in contraction in Q1 before a rebound in Q2—domestic demand remained resilient. Private consumption increased, underpinned by healthy household balance sheets, positive disposable income growth, and favourable financial asset effects, while capital formation rose primarily supported by investments in AI-related sectors, which offset weaknesses in construction. Despite a slowdown in employment growth, household incomes and balance sheets remained strong. The unemployment rate increased from 4.1% in June to 4.6% in November, as slower hiring and reduced government employment were largely counterbalanced by a declining net migration. U.S. GDP growth is forecasted to decelerate to slightly below 2% in both 2025 and 2026, with projections indicating a decrease to 1.9% in 2025 from 2.8% in 2024. Contributing factors include elevated tariffs, ongoing trade policy uncertainty, slower labour force and employment growth, and an extended government shutdown. Higher unemployment is expected to restrain wage growth, and, combined with the gradual pass-through of increased import tariffs into consumer prices, will likely weigh on household incomes. Consequently, private consumption growth is projected to remain subdued during the first half of 2026, despite some fiscal stimulus and lower Federal Reserve policy rates. GDP growth is expected to moderate to 1.8% in 2026 and then improve slightly to 1.9% in 2027 as tariff impacts stabilize and trade uncertainty diminishes.

Outlooks for other advanced economies have marginally improved. In the UK, upward revisions reflect unexpectedly strong results in Q1 and, to a lesser extent, Q2, while persistently high inflation indicates limited economic slack. Projections for 2026 and 2027 anticipate continued growth at a similar rate, near the country's potential. Canada's Q1 2025 growth exceeded expectations, supported by frontloaded trade, but this momentum reversed in Q2, with modest growth anticipated in subsequent quarters due to trade restrictions and subdued business sentiment. Japan's outlook has been revised upwards, reflecting solid domestic demand and resilient exports in Q2 ahead of a new trade agreement with the US, although new tariffs are likely to constrain exports in late 2025 and into 2026. Continued firm private consumption and investment should mitigate some of these effects, but overall economic activity is expected to slow in 2026 and 2027.

China's economy expanded beyond expectations in the first three quarters of 2025 but remains unbalanced with signs of moderation. Real GDP grew by 5.2% year-on-year (y-o-y), surpassing market forecasts and aligning with the government's target of around 5%. Supportive policies included record government bond issuance and a wider general government deficit reaching 6.3% of GDP. Household spending grew at a slightly slower pace than overall GDP aided by consumer subsidies. Export growth was a major contributor, buoyed by frontloaded shipments to the U.S. and robust demand from the emerging markets. For 2025 as a whole, GDP growth is projected at 4.9%, with momentum expected to ease in late 2025

EXTERNAL ENVIRONMENT (CONTINUED)

as temporary export boosts wane, global demand weakens, and U.S. tariff uncertainty persists, despite a partial de-escalation after the October U.S.-China summit. With ongoing stress in the property sector, fragile household demand, and weakening labour indicators, GDP growth is forecast to slow to 4.5% in 2026.

The EU continues to achieve modest growth amid evolving geopolitical and geoeconomic dynamics and emerging domestic challenges. The global trade environment remains fluid, shaped significantly by changes in the U.S. trade policy and reciprocal actions elsewhere. Persistent geopolitical risks—including Russia's ongoing military activities in Ukraine and regional threats—continue to present significant uncertainties, though the October Gaza peace initiative offers a tentative path toward the Middle East stability. Fiscal policy in the EU reflects increased defence spending requirements, complicated by political uncertainties in certain Member States. Additionally, the approaching conclusion of the Recovery and Resilience Facility in August 2026 poses implementation challenges for national recovery and cohesion funds, especially in countries reliant on EU support.

Since early 2025, EU growth has exceeded expectations, with real GDP expanding by 0.5% q-o-q in Q1 and 0.2% in Q2, while the euro area achieved 0.6% and 0.1% growth respectively. Most Member States, except Denmark, Finland, and Slovenia, reported economic gains compared to the latter half of 2024. Ireland stood out with exceptional 10% growth in Q1, attributed to its multinational-dominated sector. In Q3, EU GDP grew by 0.3% (0.2% in the euro area), supported by strong performances in France, Spain, the Netherlands, Belgium, and Portugal. In contrast, Germany and Italy stagnated, and Ireland's GDP declined by 0.1%. Cumulatively, economic activity in the EU rose by 1% and in the euro area by 0.9% over the first nine months of the year compared to the last quarter of 2024. After exceeding expectations in the first three quarters, real GDP growth is expected to soften slightly in Q4 2025 but reach 1.4% in the euro area for the whole year. The 2026 GDP growth outlook is set to decelerate to around 1.1%.

Global financial conditions have eased during the year. The U.S. Federal Open Market Committee (FOMC) cut its policy rate by 25 bps on three occasions, in September, October and December 2025 to 3.50-3.75%, having kept them unchanged since December 2024. Chair Powell continues to stress the Fed's data dependence in view of an uncertain inflation and labour market outlook. The U.S. equity markets have rebounded, recovering losses from the 2 April tariff fallout, and reaching all-time highs, lifted by optimism surrounding the largest U.S. tech and AI stocks. Other global equity markets have also rallied, influenced by reduced trade policy uncertainty and better-than-expected macroeconomic data. Contrary to expectations that higher tariffs would lead to a stronger currency, the US dollar has depreciated.

As expected, following the 25 bps cuts in January, March and April, the Governing Council additionally lowered the three key ECB interests by 25 basis points at its meeting on 5 June. The deposit facility rate was lowered to 2.0%, the rate on main refinancing operations to 2.15%, and the marginal lending facility rate to 2.40%. In subsequent meetings over the summer, in September and at the end of October and mid-December, the ECB Governing Council left interest rates unchanged, assessing the monetary policy as being "in a good place". Overall, since the start of the easing cycle in June 2024, the main policy rate has been lowered by 200 bps. The ECB continues to stress that its decisions remain data-driven, guided by its baseline projections for inflation and growth, and an assessment of emerging risks to these projections.

RESULTS OF THE BANK

The Bank's net result in 2025 was EUR 334 million. Considering all the circumstances, this favourable result is stemming from careful planning and enduring execution of our business strategy and our ability to swiftly adopt to changes in our environment. This result continues to be driven by the positive operating performance, particularly on the revenue side, and by the lower adjustments to loans. The aggregate was confirmed driven by net interest income which, although decreased compared to 2024 due to a significant decrease in market interest rates, reached the level of EUR 456 million. On the other hand, net fee and commission income rose by impressive 18%, thus partially offset the decline in interest income. Clients continued placing their unfaltering trust in the Bank as a reliable partner and allocating funds to both a-vista and term deposits. Although, in some cases, the Bank offers lower interest rates compared to the competition, our market share in terms of total assets remains stable, and according to the latest data, stands at 20.4%, additionally corroborating the high quality of the business relationships between clients and the Bank. As we are widely recognized as steady and low-risk partner to all our clients, this further affirmed us to continue practicing our dedication to fulfilment of overall client requirements. This strategy was accompanied by efficient and omnipresent cost management enterprise carried within all organizational units enabling us to successfully control the expense side of our business. Hence, we were able to maintain our cost to income ratio at 36.4% (based on the methodology used for management reporting). The overall Bank's balance sheet increased by 8.2%, reaching a level of EUR 18,383 million. As a result of strong demand for loans, supported by a strong labour market, high income growth and still elevated inflation, loans and advances to customers increased by notable 11.2%, amounting to EUR 9,991 million. Current accounts and deposits from customers increased by 6.3%, reaching the level of EUR 14,505 million. Considering the total structure of the balance sheet, the relative portion of customer deposits amounts to 79%. The loan to deposit ratio to customers of the Bank equals 68.9% emphasizing the stability and conservative nature of our ventures.

RESULTS OF THE GROUP

The consolidated net profits for 2025 amounted to EUR 384 million, proving our continuation in achieving remarkable results, despite operating amid the burdensome and murky economic environment. This result came from carefully planned and precisely executed business strategy that encompasses execution of conservative and systematic approach towards all risks arising from the business transactions, especially credit risk as well as already proven dedication to client orientation and diversification of income sources.

We managed to control risks arising from our operations. This achievement is stemming from our commitment to focus on enhanced prevention activities and to manage non-performing part of our portfolio in flexible, prudent and swift manner allowing us to increase collection and improve restructuring process. Through the year, the PBZ Group constantly monitored and adjusted its risk profile considering environmental changes, as well as our expectations and macroeconomic projections for the future period, achieving notable results in managing of key risk indicators such as non-performing loans share, cost of risk, NPL coverage and risk weighted assets. This resulted with fully controlled level of the PBZ Group's non-performing loans portfolio compared to the previous year (increase by 7%, while performing portfolio growth was 26%) and decrease of non-performing loans ratio to 2.2% (from 2.9% at the beginning of the year), which is historically all-time-low level (since measured). Additionally, with proactive management of portfolio risks, we managed to substantially control cost of risk, reaching below 0.10% of average loan portfolio stock at the end of 2025, while the coverage of non-performing portfolio stood at 53.4% at the end of the year, thus making us well-fitted to meet all future challenges.

RESULTS OF THE GROUP (CONTINUED)

The Group's capital management policies and practices, among other tools, are based on an internal capital adequacy assessment process (ICAAP). In this process, the PBZ Group regularly identifies its risks and determines the amount of free available capital in both base and stress scenarios. I am pleased to report that the PBZ Group is one of the leading, well-capitalized banking groups in the country, with more than sufficient capital shield compared to internal capital requirement in both base and stress scenario.

Our Capital Adequacy Ratio sits comfortably above 20%, which is significantly higher than required by the regulation and determined within Supervisory Review and Evaluation Process. We believe that we are exceptionally well prepared for all possible risks that might arise in the forthcoming period.

Based on the methodology used for management reporting, the Group's return on average equity in 2025 reached 13.2%, while return on average assets stood at 1.6%. Assets per employee equalled EUR 5.2 million, whereas the cost to income ratio, according to the consolidated financial statements, was maintained at 41.1%.

As a reflection of these events, the positive effect of our in-built-long-lasting client orientation, despite the existence of the unstable economic surroundings, had significant influence on net interest income and net fee and commission income. Equally important, undeterred by risky and excruciating macroeconomic habitat, our previously taken strategic decisions enabled us to strengthen our capital base and secure stable liquidity sources thus reducing our costs of funding and allowing us to adopt customer driven practices that resulted in an improvement of our products and services.

Aligned with the above and in more details, our net interest income achieved was EUR 604 million, despite the drop of interest rates. On the other hand, net fee and commission income strongly contributed to our extraordinary results with a strong increase of 13.8% compared to a year before. Similarly, low level of costs of provisions is direct evidence of the quality of our non-performing loans management and strategy.

The balance sheet of the PBZ Group increased by 7.8%, amounting to EUR 24,670 million. The most significant portion of our assets are loans and advances to customers which we managed to increase by 10.6% compared to 2024 to the level of EUR 14,187 million. We continue practicing a well-diversified loan portfolio policy, having remotely higher volume of placements to retail customers on one side than placements to public and corporate clients on the other. Given our firm commitment to apply a prudent approach in risk identification and measurement, non-performing loans fell below 2.5% threshold, additionally indicating the quality of our non-performing loans management.

From the liabilities perspective, customer deposits mainly fund our balance sheet, where the retail segment plays the most significant role. In 2025, once again we experienced an upsurge in customer deposits by 7.2%, reaching the level of EUR 19,564 million, caused by high liquidity observable on the market and our reputation of being one of the most stable and client oriented financial group on the market. Capital adequacy ratio remained stable, and it is by far exceeding the prescribed threshold.

BRIEFLY FINANCIAL HIGHLIGHTS OF THE BANK'S SUBSIDIARIES

Below we provide an overview of business results of the Bank's subsidiaries and associate. Presented business results are on a stand-alone basis, before intercompany and consolidation adjustments.

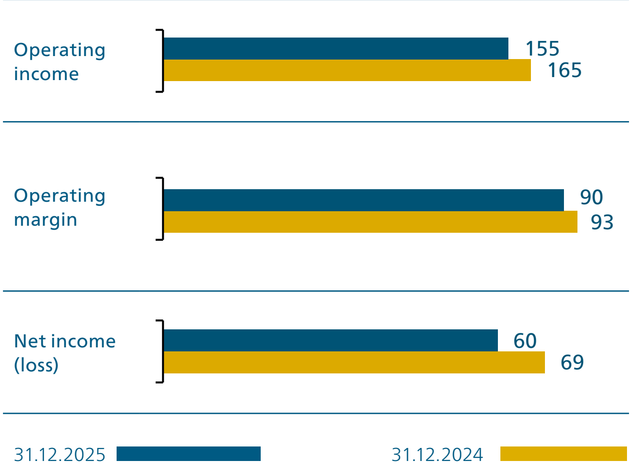
BANKA INTESA SANPAOLO D.D. SLOVENIA

Net interest income decreased EUR 19 million year-over-year, due to lower volumes and interest rates on excess liquidity, lower interest rates on customer loans and lower effect from hedging activities; partially compensated by lower interest rates on liabilities, higher volumes on bonds, and lower interest rated on due to banks.

Net fee and commission income increase EUR 4 million year-over-year (+12.7%), due to growth on most segments (except payments).

BRIEFLY FINANCIAL HIGHLIGHTS OF THE BANK'S SUBSIDIARIES (CONTINUED)

Banka Intesa Sanpaolo d.d. Slovenia
(millions of euro)



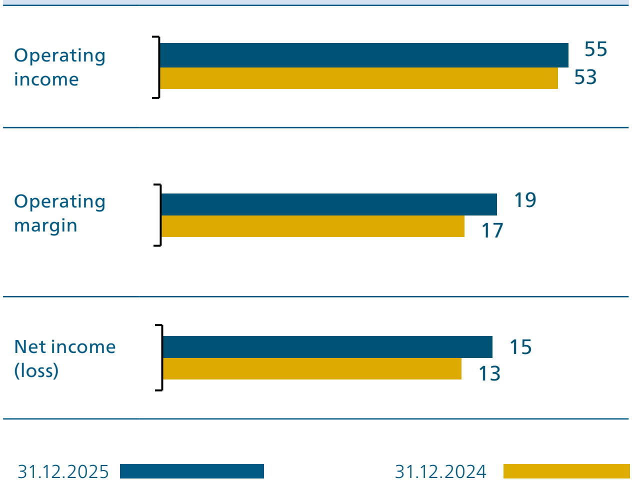
Operating costs decrease EUR 7 million year-over-year.

Regarding the main balance sheet aggregates, loans to customers amounted to EUR 2,728 million. Performing loans are 12.0 % higher, whereas non-performing loans are 9.4% lower YoY
On the funding side, deposits from customers totalled EUR 3,743 million which represent 9.0% growth YoY.

INTESA SANPAOLO BANKA D.D. BOSNIA AND HERZEGOVINA

In 2025 Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina realised net income of EUR 15 million which represents 10.4% increase year-over-year. Increase of profitability is driven by solid growth of core business revenues and commissions which more than offset growth of operating costs and ongoing inflation pressure in last several years.
Net fee and commission income increased by 11.2% by growing in transactions within payments (EUR +0.4 million), increase of fees from current accounts due to repricing (EUR +0.3 million) and loans (EUR +0.5 million; higher credit payment protection due to increase of new production).
Operating income amounted to EUR 55 million, an increase by 3.9% year-over-year. Operating costs amounted to EUR 35 million which is 2.8% higher than in previous year. Higher expenses were realised in administrative costs (EUR +0.2 million) mainly due to drag in effect of inflation in previous years and depreciation costs (EUR +0.7 million) related to relocation to new head office building in 2025.
Personal expenses have stayed at similar level as in 2024 as a result of higher variable (bonus incentive) and lower fixed costs (lower contributions due to change in law regulations during second half of 2025).

Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina
(millions of euro)



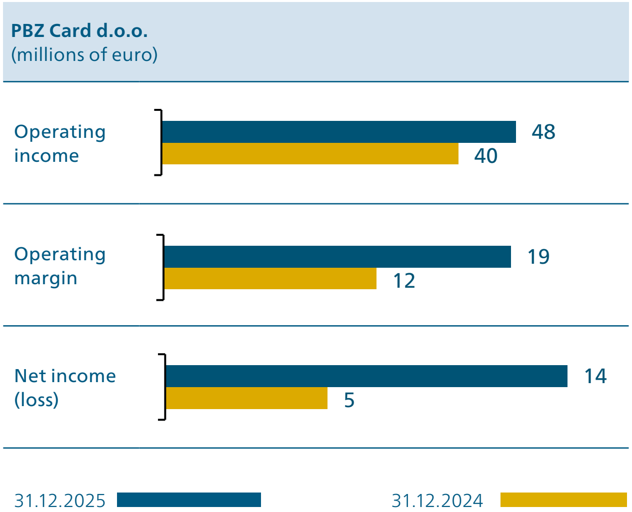
With regard to the main balance sheet aggregates, loans to customers amounted to EUR 1,062 million, representing an increase of 11.9% compared to the previous year. On the funding side, customer deposits totalled EUR 1,328 million, which is 13% higher than previous year.

PBZ CARD D.O.O.

Net fee and commission income amounted to EUR 42 million, an increase of EUR 2 million year-over-year. The growth was primarily driven by stronger net credit card results, mainly reflecting a higher Visa incentive, increased Interchange fee income from POS issuing due to stronger transaction volumes, and higher Membership fees following the February 2024 repricing. The real-estate segment also grew,

BRIEFLY FINANCIAL HIGHLIGHTS OF THE BANK'S SUBSIDIARIES (CONTINUED)

supported by the CNB's macroprudential measures tightening consumer lending and the implementation of the updated price list.

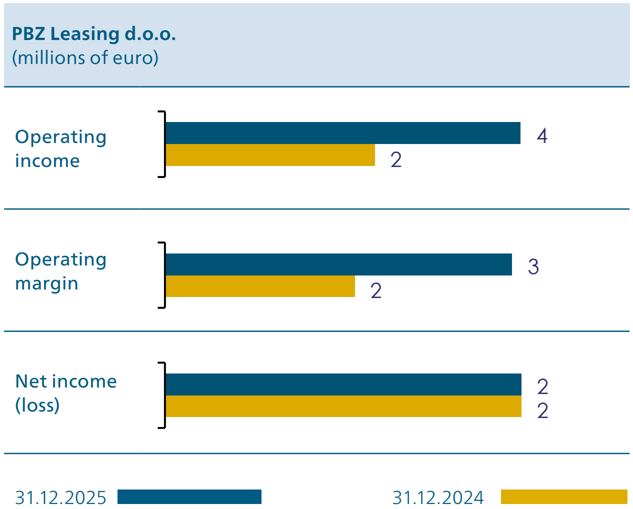


Net interest income is negative due to the utilized EUR 230 million of bank borrowings from ISP (EUR 135 million) and PBZ (EUR 95 million). Operating costs year-over-year are nearly EUR 1 million lower, with personnel and general administrative expenses contributing EUR 0.4 million and EUR 0.3 respectively.
Net adjustments to loan improved by EUR 10 million year-over-year, primarily due to the impact of two receivable sales completed in March and December 2025.
With regard to the main balance sheet aggregates, loans to customers, predominantly related to card receivables, show an average year-on-year increase of EUR 21 million (5.4%), reflecting higher card payments volumes.

PBZ LEASING D.O.O.

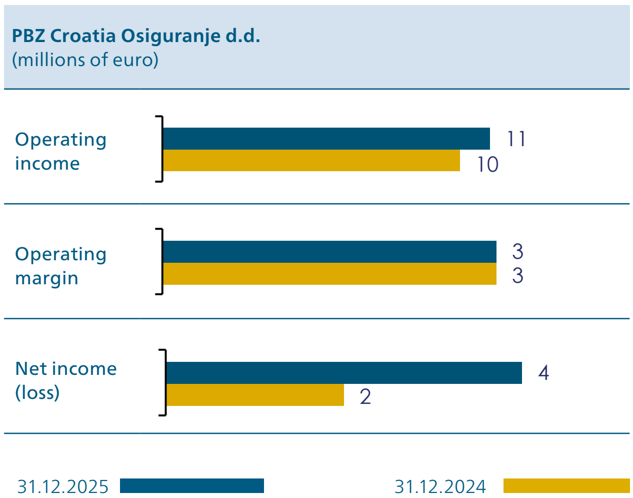
Interest income amounted to EUR 12 million, while income from business leases, reduced by the depreciation cost of assets under operating leases, amounted to EUR 3 million. Interest expenses amounted to EUR 8 million. Profit after tax amounted to EUR 2 million (2024: EUR 2 miilion).

Total assets at the end of the 2025 business year amounted to EUR 289 million (2024: EUR 261 million). The financial leasing portfolio, net of value adjustments, amounted to EUR 209 million (2024: EUR 165 million), while the net value of fixed assets placed under operating leases amounted to EUR 50 million (2024: EUR 48 million)



PBZ CROATIA OSIGURANJE D.D.

Operating income amounted to EUR 11 million, and profit before tax amounted to EUR 3 million. Operating expenses amounted to EUR 9 million. Profit after tax amounted to EUR 4 million.



BRIEFLY FINANCIAL HIGHLIGHTS OF THE BANK'S SUBSIDIARIES (CONTINUED)

Total assets amounted to EUR 21 million, and capital and reserves amounted to EUR 19 million.

As for the main balance sheet aggregates, they include the guarantee deposit (EUR 11 million) for pension fund members, which is mainly invested in treasury bills. The rest of the balance sheet consists of receivables arising from the management of pension funds and non-current assets.

On the financing side, they include short-term liabilities, as well as share capital and retained earnings. The development strategy for 2026 will focus on maintaining the current market position and successful asset management.

RISKS TO WHICH THE CREDIT INSTITUTION IS OR MIGHT BE EXPOSED

Bank directs particular attention to identification of risks to which is or might be exposed to. Identification is conducted through risk mapping – technique that is used to determine the existence of risks and assess risk significance for each of the defined units of observation. Units of observation can be:

- in a comprehensive risk identification: all legal entities in the PBZ Group, meaning that the existence and significance of all types of risks is determined for each member of the PBZ Group, or
- in a partial risk identification: individual members of the PBZ Group, introduction of new products, outsourced activities, and the like.

Identification is comprehensively conducted in cooperation with senior management of the PBZ Group and relevant control functions as one of the key phases of ICAAP process. The comprehensive risk identification and mapping is performed on annual basis, the procedure is also used partially in case of outsourcing, introduction of new products or implementation of significant business changes.

The risk mapping is based also on Risk catalogue containing risk definition used by the PBZ Group, which are aligned to risk definitions defined within CNB Decision on risk management and mapped to corresponding Intesa Sanpaolo Group risk.

Risk map of PBZ Group and their significance determined for 2025:

High significance	Medium significance	Low significance
Credit risk	Strategic risk	Market risk
Liquidity risk	Reputational risk	Equity risk in banking book
Operational risk		Real estate risk
Interest rate risk		Risk of excessive financial leverage
		Credit spread in the banking book
		ESG

Credit risk – As a credit institution, the Bank is primarily engaged in lending activities, with loans representing the largest portion of total assets. Consequently, credit risk is the most significant risk for the Bank, with capital requirements for credit risk accounting for the majority of total regulatory capital requirements. Given its importance, the Bank maintains a strong focus on credit risk management, ensuring a well-diversified and resilient credit portfolio through robust risk measurement, continuous monitoring, and proactive mitigation strategies.

The Bank closely monitors the quality and dynamics of its credit portfolio, assessing potential risks arising from geopolitical and macroeconomic developments. Key areas of focus include geopolitical tensions (Ukraine crisis, Middle East instability), economic challenges in key markets (Germany's economic slowdown, impact of eventual trade restrictions and tariffs), and broader financial uncertainties (inflationary pressures, rising energy costs, real estate valuation uncertainties, and declining housing affordability). While these factors present potential downside risks, effective monitoring and mitigation measures have supported portfolio stability in previous crisis, with no significant deterioration recorded. Nonetheless, given its fundamental role in the Bank's risk profile,

RISKS TO WHICH THE CREDIT INSTITUTION IS OR MIGHT BE EXPOSED (CONTINUED)

credit risk remains the most relevant risk for the Bank, requiring ongoing preparedness and adaptation to evolving challenges. Therefore, credit risk remains of high significance.

Dilution, country, residual, migration credit risk and counterparty risk - well defined guidelines and internal regulations aiming at establishment of processes and resources used in risk management process. Due to risks immateriality, risk significance is deemed as low.

Concentration risk - is very sensitive in terms of potential significant portfolio deterioration in case of defaulted events of clients with high exposure. Therefore, concentration risk significance is identified as medium. However, PBZ has well defined guidelines and internal regulations aiming at establishment of processes and resources used in risk management processes, as well as properly defined underwriting limits and delegation rules for managing concentration issues. Moreover, in line with ISP Risk Appetite framework PBZ has established several concentration related limits that are to be monitored on a continuous basis.

Currency induced credit risk was previously important due to FX-denominated loans. However, with the Republic of Croatia joining the Exchange Rate Mechanism (ERM II) and adopting the euro, this risk is now of low significance.

Interest rate induced credit risk - although Bank records increase of loans with fixed interest rates; the exposures with variable interest rate represent significant part of Bank's assets. Therefore, due to significant part of portfolio which is subject to exposure to interest rate induced risk and focusing also on newly emerging challenges and potential threats which are mostly identified through inflationary pressures, bank is addressing particular focus toward monitoring of risk evolution and potential impact on portfolio quality. Significance of this risk is deemed as medium.

Liquidity risk - Liquidity risk is assessed as high-significance due to its fundamental importance in maintaining financial stability and ensuring the Bank's ability to meet obligations at all times. While the Bank maintains a strong liquidity position, supported by a well-diversified funding structure and a high-quality liquid asset buffer, liquidity risk remains a key focus area given market uncertainties and evolving regulatory expectations. Therefore, due to its nature Bank will continue to treat liquidity risk as highly important also in future period, with ongoing focus on ensuring continuously sufficient level of liquidity and constant alignment with relevant regulation and requirements. Consequently, the Bank continuously enhances its liquidity management framework, both in terms of governance and technical capabilities, to strengthen resilience. A particular focus is placed on structural liquidity, ensuring a balanced alignment between long-term assets and available funding sources. Regular monitoring, stress testing, and proactive adjustments to the funding strategy further support liquidity stability. This ongoing improvement in liquidity risk management reinforces the Bank's ability to navigate potential challenges while maintaining a sound liquidity position.
Taking in consideration all above mentioned, liquidity risk is deemed as highly significant.

Operational risk - is a high-significance risk for the Bank due to its broad impact on business operations. To manage this, the Bank continuously strengthens its risk framework by ensuring clear roles, responsibilities, and control mechanisms for proactive risk identification, assessment, and mitigation. Regulatory requirements, technological advancements, and emerging risks are integrated to enhance resilience. Despite a comprehensive framework and given its significance, the Bank remains committed to continuously adapting its operational risk framework to evolving challenges

RISKS TO WHICH THE CREDIT INSTITUTION IS OR MIGHT BE EXPOSED (CONTINUED)

while maintaining effective risk control. Therefore, the Bank continuously refines risk reduction strategies, strengthens internal controls, and ensures awareness through transparent communication of operational risk regulations. Customer protection remains a key priority, particularly with the ongoing strengthening of EU and national regulations. In this context, the Bank is advancing the implementation of the DORA as well as third party risk management. Additionally, the increasing complexity of IT systems and cyber threats further reinforces the need for strong risk management. Therefore also in 2025, the Bank will continue enhancing its ICT and cyber risk framework while also addressing other key risks, ensuring a robust and resilient operational risk framework. Even though the comprehensive and rigorous operational risk management system is in place, due to its nature this risk is considered as highly significant.

Interest Rate in Banking Book risk – The Bank remains highly responsive to interest rate dynamics, ensuring timely adjustments in risk management and monitoring activities to effectively navigate market changes. In recent years, the continuous rise in interest rates has required proactive adaptation, particularly in loan structuring and interest rate risk mitigation.
To address these changes, the Bank has offered both floating and fixed-rate loans to SME and corporate clients, with creditworthiness assessments conducted under conservative assumptions, ensuring the ability to service debt even in the event of further rate increases. In alignment with EU regulations, the Bank transitioned the reference rate for new retail variable-rate loans from the previously stable NRS index to EURIBOR. Recognizing the potential risks for retail borrowers, the Bank revised its interest rate policy, offering only fixed-rate loans to protect clients from rate-induced credit risk.
Simultaneously, interest rate risk in the banking book has been managed through a macro hedge strategy using interest rate swaps, mitigating exposure to fluctuations in market rates. Throughout 2025, the Bank will remain focused on maintaining interest rate risk exposure within the accepted risk profile, ensuring a prudent balance between risk and return. Given the ongoing market volatility and the importance of effective risk management, interest rate risk continues to be regarded as a high-significance risk.

Strategic risk – Considering a broader perspective of the effects of strategic risk on the achievement of strategic goals, the Bank foresaw the need to establish a framework for managing and monitoring strategic risk. Strategic risk management includes both internal and external forces that can affect the achievement of the Bank's strategic goals. Likewise, the Bank continuously improves strategic risk management and the process of strategic planning. Furthermore, strategic planning and key related activities are carried out in close cooperation and under the leadership of the parent company ISP, which ensures the alignment of the Group's strategic principles within the entire ISP Group. Strategic risk analysis is an integral part of the process of defining the Bank's risk management strategy and the general framework for risk management. Strategic risk significance is deemed as medium.

Reputational risk – Adequate management of reputational risk represents a significant part of the general framework for risk management. Recognizing the importance of reputational risk management, the Bank established a reputational risk management system with clearly defined activities and responsibilities. In addition to defining the key functions of reputational risk management, additional efforts are directed towards defining preventive activities to control reputational risk as defined by internal regulations: a) Confidentiality of information (banking secret, business secret, classification of confidential data etc); b) Clear lines of public communication; c) Codes regarding ethical behavior of its employees; d) Anti-money laundering and prevention of terrorist financing; e) Exclusion of some activities from financing by the PBZ Group; f) Special scrutiny for financing political

RISKS TO WHICH THE CREDIT INSTITUTION IS OR MIGHT BE EXPOSED (CONTINUED)

parties and politically exposed persons; g) Assessment of reputational risk for clients subject to ESG clearing. All internal regulations related to reputational risk are clearly communicated and distributed to all employees of the Bank. By applying the principles of reputational risk management explained here, special efforts are made to integrate reputational risk prevention activities into core functions at all hierarchical levels. Reputational risk is considered to have a medium significance.

Market risk - The Bank's trading portfolio (trading book) remains relatively small, resulting in limited exposure to market risk. The most significant market risk exposures arise from trading positions in debt securities and currency risk related to the management of the Bank's open position. Despite the low overall exposure, the Bank has established a well-defined market risk management framework, ensuring a structured approach to identifying, measuring, monitoring, and controlling market risks. This framework includes clear roles and responsibilities, robust measurement methodologies, reporting principles, and a structured system of market risk exposure limits. Given the relatively limited size of the trading book and the effective risk management framework in place, market risk is considered to have low significance.

Equity risk in Banking Book - The Bank has an insignificant amount of ownership shares, so the significance of the risk of ownership shares in the bank's book is low.

Real Estate risk - The Bank does not hold real estate for speculative purposes and the majority of all assets owned by the Bank are used long-term as business premises (most of the book value of real estate refers to real estate used as business premises, while the remaining part refers to property acquired in the process of forced collection). For this reason, the significance of real estate risk is considered to be low.

Risk of excessive financial leverage – The financial leverage ratio is defined as one of the Bank's strategic limits that must be maintained above the prescribed minimum, and compliance with the limit is monitored on a quarterly basis. Considering that the Bank is well capitalized and that maintaining an adequate ratio of capital to total assets is of strategic importance for the Bank, this risk is considered to be of low significance.

CSRBB - Respecting the low materiality, the risk was considered to be of low significance. Nonetheless, the methods for measurement and monitoring were further improved and developed.

ESG risks (new risk definition included in risk catalogue in 2025) - In addition to awareness of ESG importance, growing regulatory requirements require a continued focus on strengthening ESG risk management. Based on internal materiality assessment, Bank did not identify the potential material impact of ESG risk factors (focusing primarily on physical and transition risk) on its financial position. Current risk assessment indicates low severity in a short to medium time frame considering only occasional physical risk events and their less significant materialization (based on experience of floods occurred in Slovenia, Bosnia and Croatia, extreme weather events including thunderstorms, severe rains and droughts, wildfires, as well as two earthquakes in Croatia), as well as gradually improving transition risk approach taken by majority of clients operating in ESG sensitive industries. However, considering climate change growing impacts, as well as enlarged regulatory expectations in EU incl. not only those towards the Bank, but also towards the clients (e.g. CSRD, greenwashing prevention etc.), this risk has a potential to evolve in medium significant in medium to long term, hence the Bank will continue to regularly monitor the its evolution and keep high level of focus and awareness for overall ESG importance and growing regulatory expectations. Therefore, ESG aspect will continue to be considered as of utmost

RISKS TO WHICH THE CREDIT INSTITUTION IS OR MIGHT BE EXPOSED (CONTINUED)

importance and particular focus will be directed to ensuring alignment with regulatory expectations and Bank's sustainability objectives, as well as maintaining the adequacy of the overall ESG framework and further enhancement of the ESG monitoring and reporting standards.

Respecting the fact that it is not recognized that ESG risk factors could have material impact on Bank, ESG risks are considered as of low importance – but remaining high level of focus an0nce and growing regulatory expectations.

CORPORATE GOVERNANCE STRUCTURE

In accordance with the Companies Act, the Credit Institutions Act, and the Bank's Articles of Association, the bodies of the Bank are the General Meeting, the Supervisory Board, and the Management Board. The mentioned acts also regulate their duties and responsibilities.

SUPERVISORY BOARD

The Supervisory Board of the Bank supervises the conduct of business affairs in the Bank and submits to the General Meeting of the Bank a written report on the supervision exercised with respect to the conduct of business affairs in the Bank. In 2025, the Supervisory Board of the Bank performed its duties as a body composed of nine (9) members and starting on 20 October 2025, due to the expiry of the term of office of Mr Christophe Velle and the resignation of Mr Luca Leoncibin Bartoli in the composition of seven (7) members. Twenty three Supervisory Board meetings were held in 2025 with the regular attendance of members. The members of the Supervisory Board of the Bank are elected for a three-year term of office.

Members of the Supervisory Board as of 31 December 2025 are the following:

Ignacio Jaquotot, President of the Supervisory Board – term of office from 14 May 2025

Draginja Đurić, Deputy President of the Supervisory Board – term of office from 3 April 2023

Beata Kissné Földi, independent Member of the Supervisory Board – term of office from 24 February 2023

Maja Martinović, independent Member of the Supervisory Board – term of office from 14 May 2025

Giulio Moreno, independent Member of the Supervisory Board – term of office from 1 December 2023

Massimiliano Cattozzi, Member of the Supervisory Board – term of office from 24 July 2024

Jacques Moscianese, Member of the Supervisory Board – term of office from 5 August 2024.

AUDIT COMMITTEE

Pursuant to the Articles of Association of Privredna banka Zagreb, the Supervisory Board established the Audit Committee at its 15th meeting held on 10 December 2002. The work of the Audit Committee is regulated by the Audit Committee Charter and the corresponding Operational Rules.

The Audit Committee has been appointed in accordance with the law and the Parent bank's rules. From 1 November 2019, Audit Committee is composed of three members of the Bank`s Supervisory Board appointed by the Supervisory Board who serve a three-year term of office. As of 31 December 2025, all the members of the Audit Committee are independent from the Bank. In 2025 eight meetings of the Audit Committee were held. The Audit Committee discussed at its meetings the issues within the competence of the Supervisory Board. The Audit Committee helped the Supervisory Board in carrying out its duties in accordance with the Audit Committee Charter.

Composition of the Audit Committee as of 31 December 2025:

Beata Kissné Földi, President from 24 February 2023 (new term of office)

Giulio Moreno, Member from 1 December 2023 (new term of office)

CORPORATE GOVERNANCE STRUCTURE (CONTINUED)

Maja Martinović, Member from 14 May 2025 (new term of office)

Permanent invitees attending Audit Committee meetings as of 31 December 2025:

Carlo Grazio from 26 May 2021

Florion Tefiku from 21 June 2024

Daniele Davini from 30 April 2025 (after the resignation of James Vason with a mandate until 20 March 2025)

MANAGEMENT BOARD OF THE BANK

The Management Board conducts business operations of the Bank. Members of the Management Board are appointed for a term of three years, during which they are in charge of certain areas of business. In 2025, the Management Board of the Bank initially performed its duties as a body composed of seven (7) members until 28 February 2025 when, due to the resignation of Mr D. Kopljar, the total number of members was reduced to six (6). From 17 October 2025, following the resignation of Mr D. Massimo Grassani, Deputy President of the Management Board, the Management Board of the Bank performed its duties as a body composed of five (5) members. Starting from 17 October 2025, Mr. G. Loforese, member of the Management Board, was appointed Deputy President of the Management Board. The Management Board regularly meets every two weeks, if necessary, more frequently, to reach management decisions.

Enlarged meetings of the Management Board of the Bank are held monthly and they include the participation of heads of subsidiaries in the Republic of Croatia (most often PBZ Card d.o.o.,) and subsidiary banks (Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina, Banka Intesa Sanpaolo d.d. Slovenia).

Members of the Management Board of the Bank as of 31 December 2025:

Dinko Lucić, President of the Management Board, who manages the activities of the Management Board, coordinates all business functions within the Bank and the PBZ Group, and is also responsible for the functions: Internal Audit Department, Compliance Department, and External Communications Department; Also, pending the appointment of the new member of the Management Board of the Bank, Mr Dinko Lucić, President of the Management Board of the Bank, shall be temporarily responsible for: Chief Governance Officer (CGO) area: HR and Organisation Department, General Counsel Department, Cybersecurity, BCM and Physical Security Department, Customer Satisfaction and Complaints Office, ESG Office. The term of office of Mr Lucić began on 13 February 2024.

Giuseppe Loforese, Deputy President of the Management Board responsible for: (i) Chief Financial Officer (CFO) area; (ii)coordination of PBZ Group companies in the segment of financial operations (CFO area); (iii) coordination of subsidiary banks in alignment with the Banking Subsidiaries Coordination Committee. Also, pending the appointment of the new members of the Management Board of the Bank, Mr Giuseppe Loforese, Deputy President of the Management Board of the Bank, shall be temporarily responsible for: (i) the functions: AML Department, Data and A.I. Office, (ii) Chief Operating and Transformation Officer (COTO) area: Cost Optimisation, Transformation and PMO Department, ICT Department, Back Office and Payments Department, Real Estate and Logistic Department; (iii) coordination of PBZ Group companies in the segment of information technology and operations. The term of office of Mr Loforese begun on 9 October 2024.

Vedrana Jelušić Kašić, Member of the Management Board responsible for: (i) Corporate Medium and Large Business and Investment Banking; (ii) coordination of subsidiary PBZ Croatia Osiguranje d.d. for the management of mandatory pension funds and PBZ Leasing d.o.o. The term of offce of Ms Jelušić Kašić begun on 17 September 2024.

MANAGEMENT BOARD OF THE BANK (CONTINUED)

Andrea Pavlović, Member of the Management Board responsible for: (i) Chief Risk Officer (CRO) area; (ii) coordination of PBZ Group companies in the segment of risk management and control. The term of office of Ms Pavlović begun on 17 May 2025.

Hrvoje Dajak, Member of the Management Board, responsible for: (i) Retail Division; (ii) coordination of PBZ Group companies in the segment of retail banking and card business. The term of office of Mr Dajak begun on 15 July 2025.

For and on behalf of Privredna banka Zagreb.

Dinko Lucić
President of the Management Board

Giuseppe Loforese
Deputy President of the Management Board

Vedrana Jelušić Kašić
Member of the Management Board

Andrea Pavlović
Member of the Management Board

Hrvoje Dajak
Member of the Management Board

10 February 2026

Macroeconomic developments in Croatia in 2025

Macroeconomic developments in Croatia in 2025

2025 – ONE STEP AWAY FROM 80% OF THE EUROPEAN UNION'S AVERAGE GDP PER CAPITA

On a global scale, the eventful and very uncertain 2025 will remain as the year in which, in an environment of elevated inflation, a still strong economic growth of around 3% was realised - still multiple times faster than the European Union average – thus bringing Croatia close to reaching 80% of the EU average. The turbulent geopolitical environment, which was further stirred up in late 2024 by the return of President Trump to the White House, causing a whole number of disruptive changes in trade policies, along with the continuation of the exhausting war in Ukraine – these are just some of the characteristics of the past year. From an economic point of view, it was a year in which central banks, led by the European Central Bank (ECB), continued the interest rate reduction cycle, the dollar weakened contrary to expectations, and gold prices and stock market indices reached new historical levels. The EU continues its moderate growth amid varying geopolitical and geoeconomic dynamics and new domestic challenges. The global trade environment remains volatile, mostly shaped by changes in the U.S. trade policy and reciprocal measures by other countries. Simultaneously, EU fiscal policy reflects increased demands for defence expenditures, further exacerbated by political uncertainty in certain Member States.

During 2025, EU growth nonetheless exceeded expectations, with real GDP increasing by 0.5% q-o-q in Q1 and 0.2% in Q2, while the eurozone grew by 0.6%, i.e., 0.1%. The majority of Member States, except for Denmark, Finland and Slovenia, recorded economic growth compared to the second half of 2024. Ireland stood out with exceptional growth of 10% in Q1, driven by sectors dominated by multinational companies. The GDP of the EU increased by 0.3% (0.2% in the eurozone) in Q3, fuelled by strong results in France, Spain, the Netherlands, Belgium and Portugal. By contrast, Germany and Italy stagnated and Ireland's GDP declined by 0.1%. Cumulatively, economic activity in the EU increased by 1% and in the eurozone by 0.9% during the first nine months. After real GDP growth exceeded expectations during the first three quarters, a mild slowdown is expected in Q4 2025, but the forecast is that the year-round growth in the eurozone will reach 1.4%. The 2026 GDP growth outlook predicts a slowdown to around 1.1%.

As expected, in line with the weakening of inflationary pressures, after reducing interest rates by 25 bps in January, March and April, the Governing Council further reduced the ECB's three key interest rates by 25 bps at its meeting on 5 June. The deposit facility rate was reduced to 2.0%, for the main refinancing operations to 2.15%, and the rate on the marginal lending facility to 2.40%. At subsequent meetings over the summer, in September and in late October and mid-December, the ECB Governing Council did not touch interest rates, assessing that monetary policy was "in a good place". Overall, since the beginning of the easing cycle in June 2024, the main interest rate has been reduced by 200 bps.

Despite the challenging environment, Croatian economy continued recording strong inter-annual growth rates for the gross domestic product in the first three quarters of 2025, thus accelerating the convergence towards the EU average.

The previous year's characteristic in the domestic economy is still an increased inflation rate, which accelerated from an average 4.0% recorded in 2024 to 4.4% in 2025 measured by the harmonised index, while per the national index it accelerated to 3.7% from 3.0%. The acceleration of the inflation rate is mostly the result of strengthening inflationary trends in food and energy, while service price growth slowed down only slightly, which has resulted in, along with the almost unchanged prices of non-energy industrial goods, a core inflation rate slowdown (from 4.8% in 2024 to 4.1% in 2025, measured by the harmonised index).

During the year, the number of registered unemployed persons averaged 81 thousand, while the number of Croatian Pension Insurance Institute's insured persons increased by 2.6% y-o-y, but the demand for labour (measured by the OVI index) continued to decrease, indicating a gradual labour market cool-down. The average gross monthly salary in the first ten months

2025 OVERVIEW: STILL STRONG ECONOMIC GROWTH FOLLOWED BY ELEVATED INFLATION

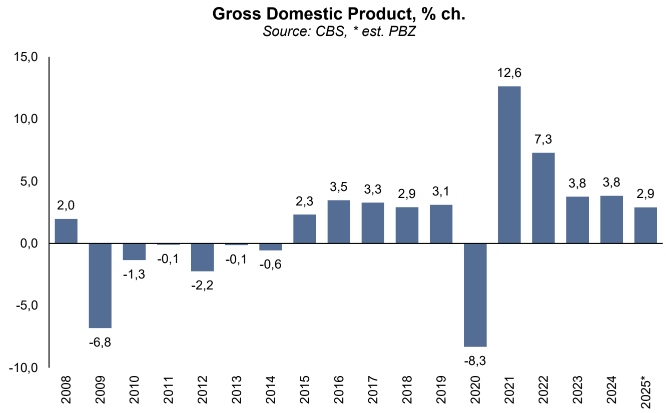
of 2025 was EUR 2,002 and was nominally increased by 10.8% and in real terms by 6.8%, while the average net monthly salary was EUR 1,440 and recorded a nominal growth of 10.1% and a real growth of 6.2% compared to the same period in 2024.

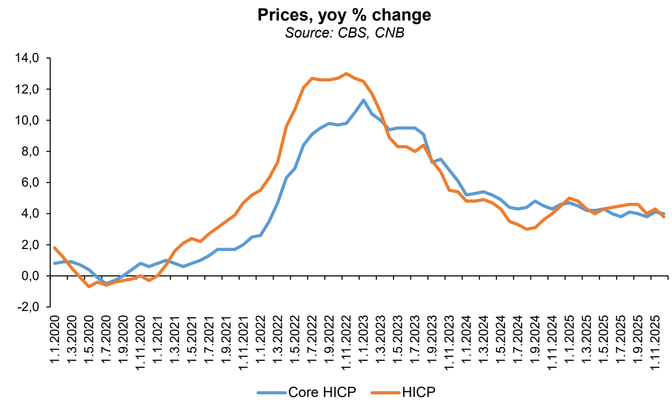
A stable labour market and growth in real disposable income supported household consumption, although it slowed down at the beginning of the year to 1.6% compared to the same period of the previous year, and related to temporary factors such as the retail chain boycott, which resulted in a personal consumption drop compared to the previous quarter. In Q2, personal consumption growth accelerated to 4.0%, only to slow down again to 1.9% in Q3. Accordingly, in the first three quarters, personal consumption grew 2.5%, which is a notably slower dynamics than the same period in 2024, when the growth was 5.7%.

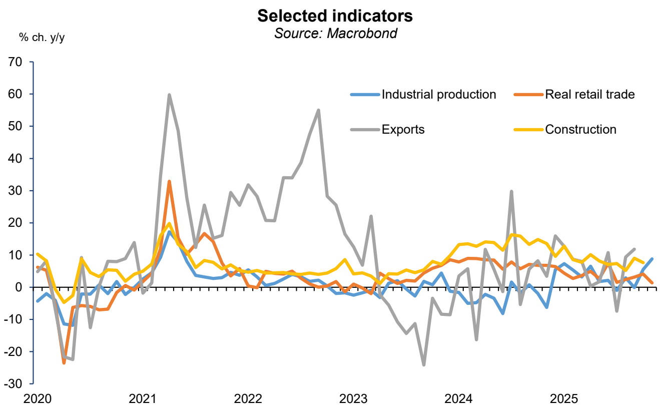
After a recovery in goods exports (6.4%) and a decline in services exports (-2.6%) was recorded during 2024, goods exports during the first three quarters of 2025 continued experiencing real growth (5.9%), however, considering that a real decline in services exports (-3.5%) was recorded at the same time, total exports during the observed period noted a mild growth of 0.8% compared to the same period in 2024. The decline in the real services exports can be related to the deterioration of competitiveness associated with price increase in tourism activities and suppressed demand linked to weaker economic developments on the main emissive markets.

During the first three quarters of 2025, a strong investment activity growth was also recorded by almost 6% compared to the last year's same period. It seems that the continued growth of investment activity is still affected by the high level of EU funds-supported public investments, although available data suggest a widespread growth of activity per asset type, with the largest contribution of investments in residential real estate and other buildings, but also investment growth in machinery and equipment.

Observed by sectors, the growth of gross value added in the first three quarters was recorded in all business activities except agriculture, where the fall deepened to -2.1%. The strongest growth of gross value added was recorded in Construction (7.3%), although compared to the same period in 2024, the growth rate was almost halved, the same as in the collectively observed segment of Wholesale and retail trade, Transport and storage, and Accommodation and food service (2.9%).





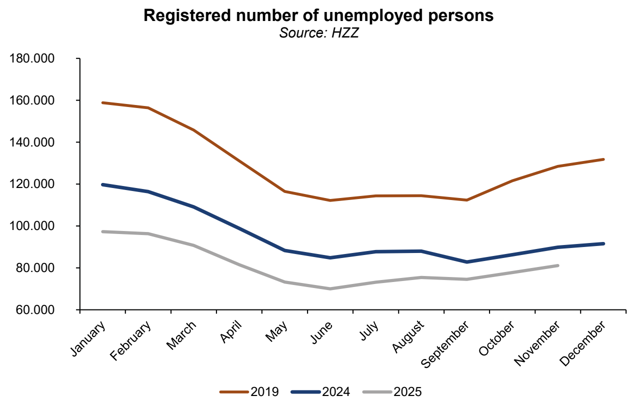


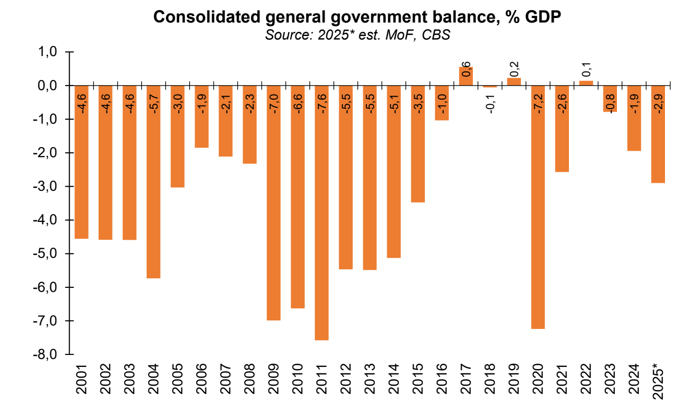
2025 OVERVIEW: STILL STRONG ECONOMIC GROWTH FOLLOWED BY ELEVATED INFLATION (CONTINUED)

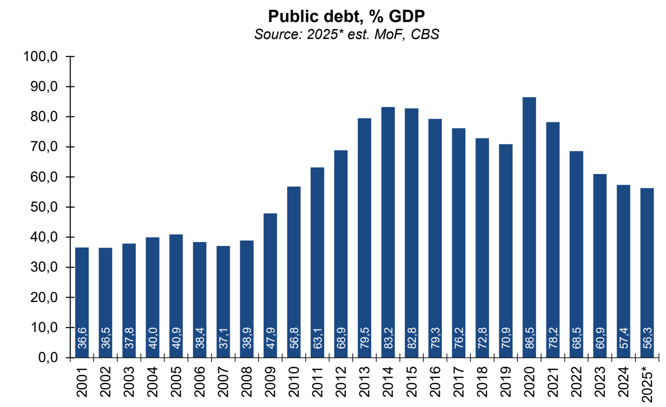
Manufacturing (3.1%) also noted sizeable growth after the fall recorded in the previous year.

And while Q3 brought a slowdown in economic growth to 2.3% after annual growth of 3.3%, i.e., 3.6% in Q1, i.e., Q2, available monthly data suggest somewhat better growth dynamics in the last quarter of 2025, which should ultimately round up the annual gross domestic product growth rate at around 3.0%. A continuation of growth slowdown is expected in 2026, and economic activity growth could amount to around 2.6%, supported by a still relatively strong domestic demand.

Despite the worsened fiscal position, i.e., planned deficit of -2.9% of GDP at the general government level in 2025, strong and stable economic growth supported the continued reduction of the public debt-to-GDP ratio to 56%. Per the projections of the Ministry of Finance, general government deficit should remain at the level only slightly below 3% of GDP in the next three-year period, while the pace of reduction in the public debt ratio would slow down, stabilizing at just below 56%.







SPREAD SHRINKING CONTINUED

In 2025, interest rates on the money market maintained a downward trend, in line with the trajectory of the ECB's key interest rates. Euribor 3M dropped from 2.7% at the beginning of the year to 2.0% at the end of the year, and Euribor 6M from 2.6% to 2.1%.

Rating increase in the autumn of 2024 and global developments during 2025 resulted in the continuation of shrinking of the yield spread between domestic and 10Y German Bunds from 70 bps at the beginning of the year to 30 bps at the end of December. Thus, the average spread declined by 40 bps y-oy to 50 bps, while the average yield declined by 0.1 p.p. to 3.1%. In March, the MoF refinanced a two-year bond on the domestic market offered also to natural persons (EUR 0.6 billion allocated) in the amount of EUR 1.75 billion with a 2.65% interest rate and a five-year bond in the amount of EUR 1.25 billion offered exclusively to institutional investors with a 3.00% interest rate. The MoF turned to the domestic capital market again in July with an EUR 1.0 billion worth of refinancing of a 10-year bond with a 3.00% interest rate. In February, EUR 2 billion of 12-year bonds were issued on the international capital market with a 3.25% interest rate. Spread reduction and the interest rate drop on

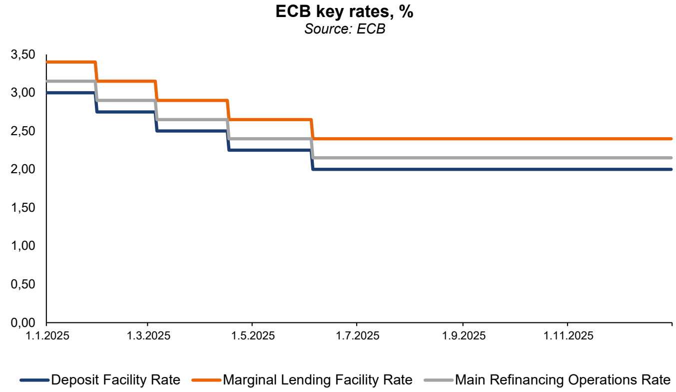
SPREAD SHRINKING CONTINUED (CONTINUED)

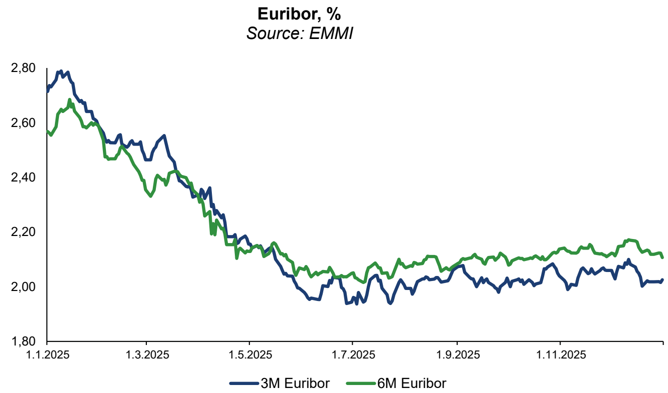
the money market resulted in lower interest rates on the government's short-term debt, so the yield on 1Y T-bills in November was down by 60 bps y-o-y and was 2.40%.

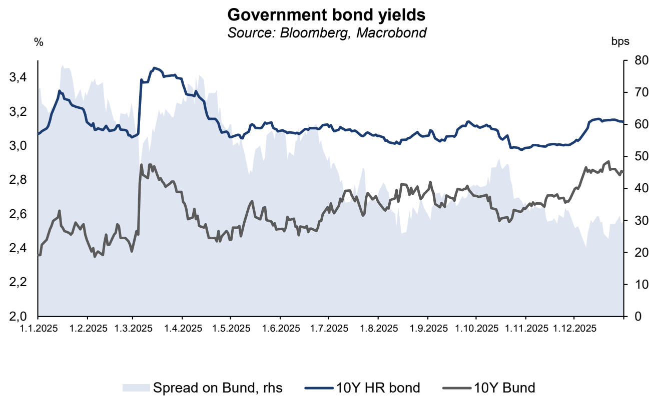
Heightened uncertainty regarding trade policies and geopolitical events, and a different direction of the ECB and Fed's monetary policies resulted in the dollar weakening against the euro in 2025. The dollar depreciated 4.4%, thus making the average exchange rate reach 1.13 dollars to the euro.

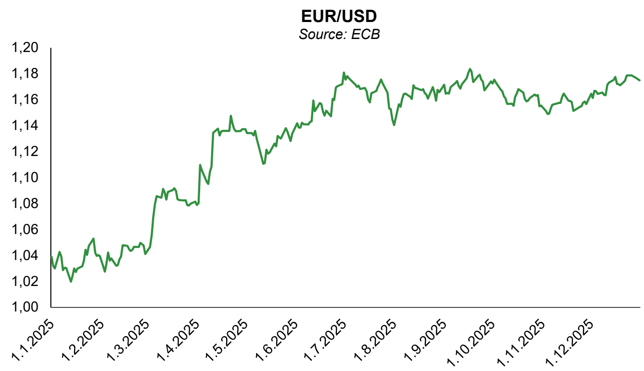
PRIVATE SECTOR'S STRONG CREDIT DEMAND

Growth of other MFIs' assets in 2025 remained strong due to the solid growth of deposits and increased lending, and in November it amounted to 8.2% y-o-y. Private sector's credit demand increased sharply, driven by decreasing financing costs, the strengthening of the investment activity of companies, and for households in the first part of the year, by the central bank's new macroprudential measures that came into force, which tightened the conditions for crediting citizens from 1 July. With this measure, the monthly debt service to income ratio (DSTI) is reduced to 45% for housing loans (from 50%-65%), and to 40% for non-purpose loans (from 40%-55%), while the loan to real estate value ratio (LTV) is limited to 90% (previously 100%). At the end of November 2025, total loans recorded growth of 9.7% y-o-y, with central government loans declining 15.6%, while private sector loans increased by 12.8% (households 12.5%, non-financial corporations 13.3%). Steep growth of new placements followed by a stable rate of decline of the amount of NPLs, as a result of strong economic activity and proactive bank policies, supported the continued decline in the non-performing loans-to-total loans ratio (NPL) in 2025. The latter was 2.3% at the end of September, down by 0.1 p.p. compared to the end of 2024 for the total portfolio, and 3.6%, i.e., down by 0.5 p.p. compared to the previous year's end for the private sector loan portfolio. The share in the corporate portfolio fell as much as 0.8 p.p. to 3.7%, where the decline in Construction and Manufacturing industry reached









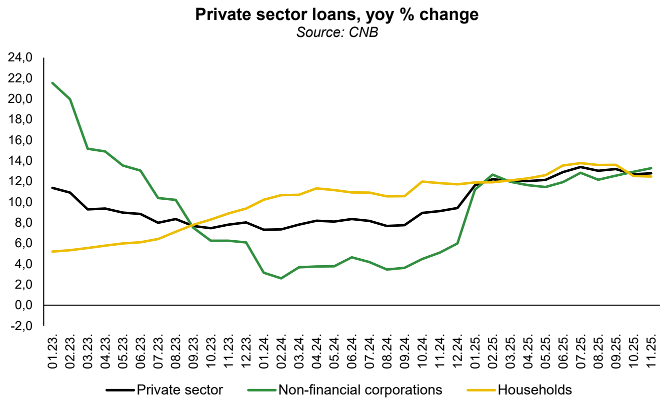
PRIVATE SECTOR'S STRONG CREDIT DEMAND (CONTINUED)

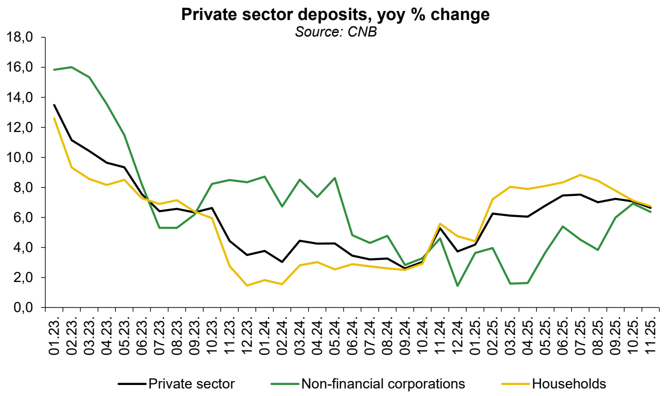
about 2 p.p. (to 5.9% and 6.2%), in the Accommodation and food service activities 1.2 p.p. (to 3.7%), and in Trade a more moderate 0.6 p.p. (to 3.5%). Regarding household loans, the trends were not so jumpy, so the total share decreased 0.2 p.p. to 3.5%, with cash loans stagnating at 5.0%, and housing loans slightly dropping 0.1 p.p. to 1.5%.

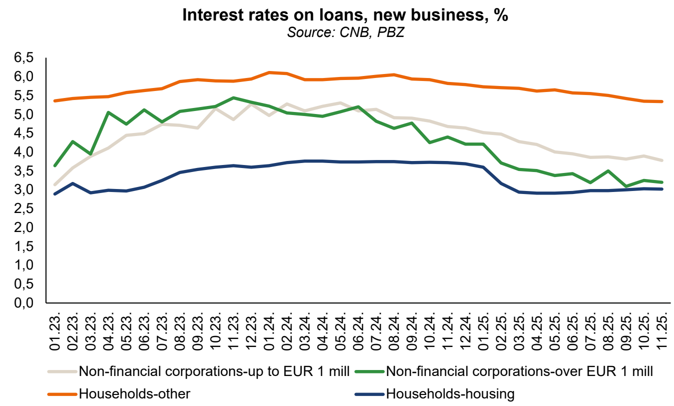
Deposit growth accelerated in 2025 due to strong economic growth, sharp rise in wages and stabilization of interest in government securities. In late November, total deposits were up by 6.5% y-o-y, with the private sector recording growth of 6.6% (households 6.8%, non-financial corporation's 6.4%). And while non-financial corporations' deposits with agreed maturity in 2025 slowed down their interannual growth, but continued recoding positive rates, the reduction of interest rates on household term deposits resulted in a trend reversal as early as March, so they met the end of November with a 5.3% lower annual level.

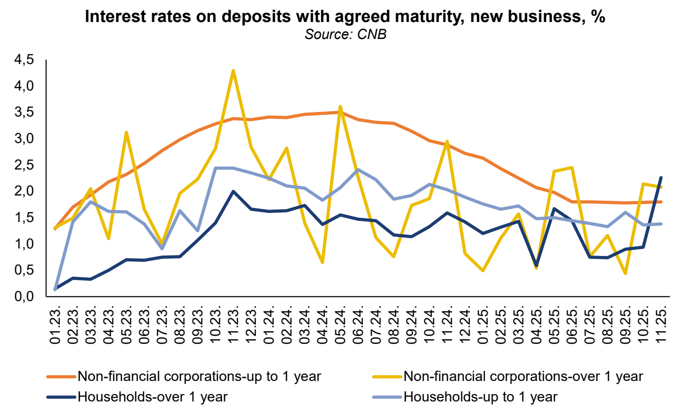
The banks' interest rates for new loans to private sector in 2025 recorded a significant decline. The average rate by the end of November was 3.9%, 1.1 p.p. lower than in 2024. Interest rates' decline for corporate loans was somewhat more pronounced (-1.3 p.p.) than for households (-0.8 p.p.) where fixed interest rates dominate, thus reducing the average interest rate for corporate loans to 3.6% and for household loans to 4.4% (for housing loans 3.0%). A similar trend was present in interest rates for the private sector's new term deposits, so the average rate in the first eleven months was down by 1.1 p.p. compared to 2024 and was 1.9%. The average interest rate for corporate term deposits fell to 2.0% (-1.2 p.p.), and for household term deposits to 1.5% (-0.5 p.p.).

The reduction of key interest rates and, consequently, interest rates on loans pressured the profits of credit institutions in the first nine months of 2025. Net profit declined 6.0% y-o-y due to 4.3% lower net interest income, while returns on assets and on equity declined to 1.7, i.e., 15.5%, down by 0.3, that is, 2.1 p.p. y-o-y. Capitalization remained strong with the total capital ratio up by 0.1 p.p. y-o-y, at 23.1%.

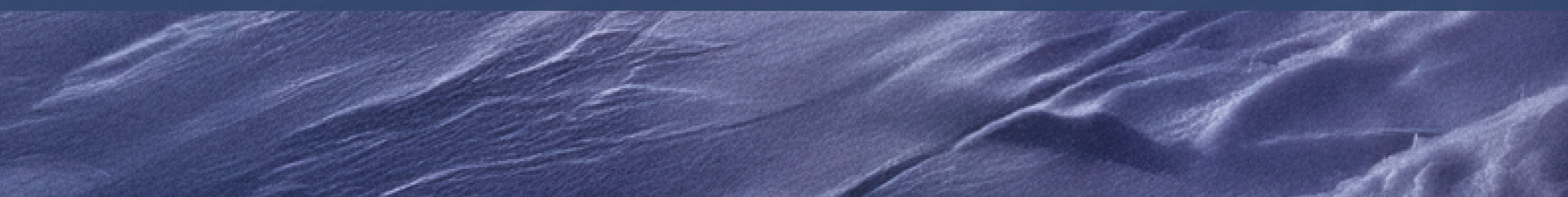








Business description of the Bank



Business description of the Bank

Privredna banka Zagreb was founded in 1966 and has consistently been a leading financial institution in the Croatian market, with an established business base and a highly recognized national brand name. During all periods of its history, PBZ supported the largest investment programs in tourism, agriculture, industrialisation, shipbuilding, electrification and road construction. PBZ has become a synonym for economic vitality, continuity and the Croatian identity.

Privredna banka Zagreb today is a modern and dynamic financial institution, which has actively sought and won the role of market leader on the financial markets in Croatia. It is a fully licensed bank with nationwide branch network. With its nationwide network of branches and outlets, as well as a broad group of banking and non-banking subsidiaries, PBZ is one of the universal banks that cover the whole territory of Croatia.

ORGANISATIONAL STRUCTURE AND BUSINESS ACTIVITIES

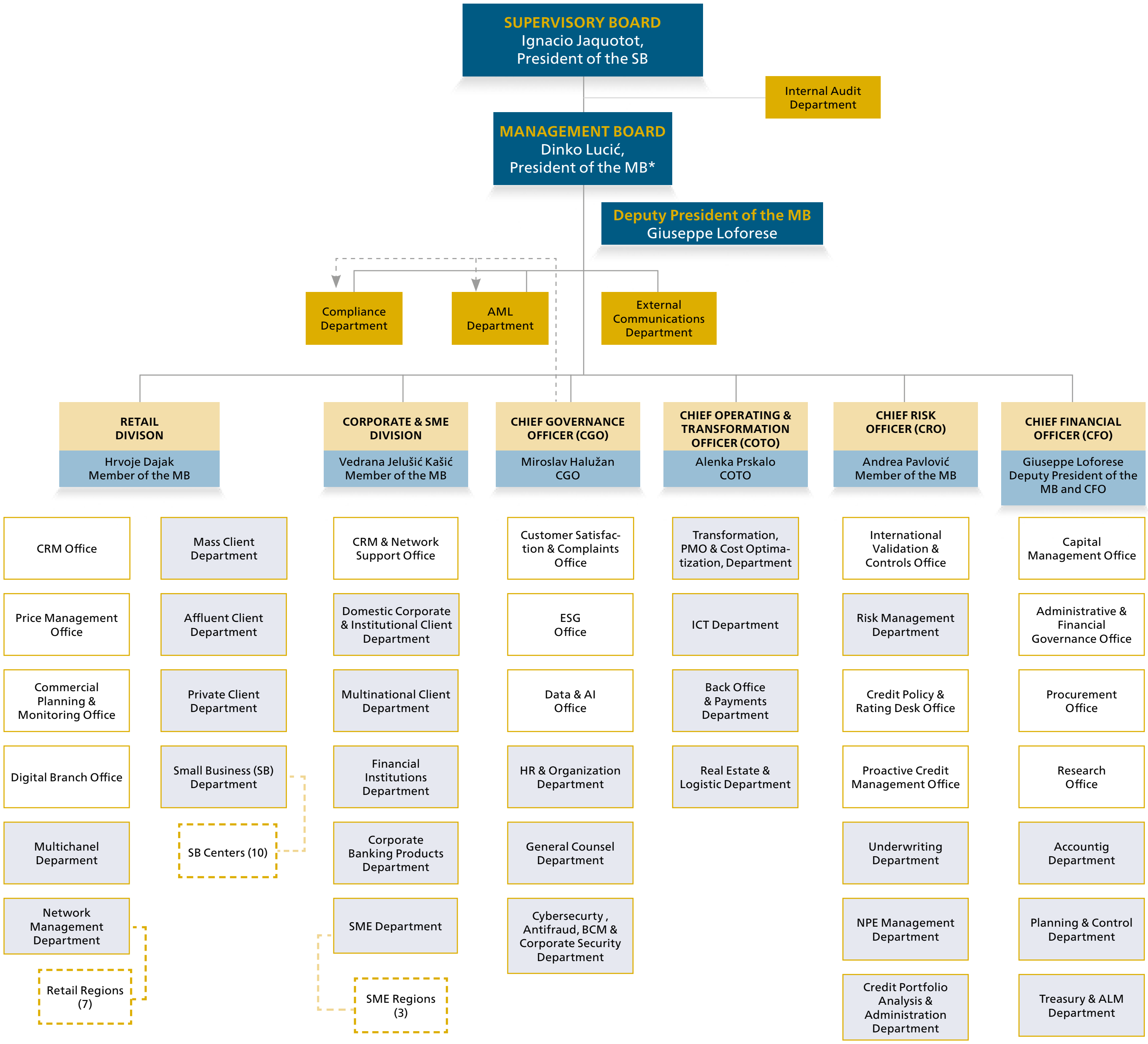
PBZ is the second bank in terms of total assets in Croatia and the fifth bank in terms of subscribed share capital. PBZ is also one of the largest Fixed Income and Foreign Exchange dealers in Croatia as well as a leading player on the domestic syndicated loan market. With an outstanding reputation for innovative financial solutions, the Bank has been consistently recognised as the leading Arranger of equity, debt and commercial papers issues in the Republic of Croatia. The Bank is strongly focused on customer satisfaction and a high-quality customer experience. Aware of its role and influence on society, PBZ's corporate values integrated in daily operations include not only business success, but also care for people, the sustainable development of its business and the overall improvement of quality of life in the community where it operates. It has consistently been a leading financial institution on the Croatian market with an established business base and recognised national brand name.

Upon successful privatisation in December 1999, PBZ became a member of Gruppo Intesa Sanpaolo – the largest Italian banking group and one of the most significant financial institutions in Europe. With this partnership, PBZ has retained its business strategy aimed at modern forms of banking and new products, confirming its image of a dynamic and modern European bank, which meets the demands of the market and its clients. The benefits of strategic partnership are clearly visible in the continuously improving financial results of the Bank, as well as of the PBZ Group. Along with the adoption of the business and corporate governance standards set by its Parent bank, Privredna banka Zagreb has maintained the strategic development orientation of a modern, client oriented, technically innovative universal financial institution. PBZ is focused on the continued advancement of its economic performance well into the future, as well as strengthening its position as a product leader in offering the most progressive banking products, through the optimal mix of traditional and modern distribution channels. This ensures that PBZ will continue to be able to set standards of the highest quality for product innovations and services offered to both its domestic and international clients.

This commitment to quality and advanced banking practices is clearly seen by the fact that Privredna banka Zagreb received a numerous international and domestic awards and acknowledgments so far. In 2025, PBZ was honoured with several prestigious national awards, including the Golden Marten (Zlatna kuna) from the Croatian Chamber of Economy, the Golden Balance Sheet (Zlatna bilanca) presented by the Financial Agency, and The Coolest Brands Awards 2025 – recognizing PBZ as the coolest bank for Generation Z (powered by JOOMBOOS). The Bank also received the Volunteer Oscar 2025 (Volonterski Oskar) from the Volunteer Center Zagreb, earned the Top Employer 2025 certification from the Top Employers Institute, the global authority for excellence in human resources and received the Family-Friendly Employer award by the Ministry of Demography and Immigration of the Republic of Croatia, for continuous investment in the well-being of employees and encouraging work-life balance.

Privredna banka Zagreb currently employs 3,207 employees and provides a full range of specialized services in the areas of retail, corporate and investment banking services. The business activities of the Bank are organized into two principal client-oriented business groups and logistics area.

Organisational chart



RETAIL DIVISION

In the retail banking segment, the Bank has a comparative advantage over its competitors since it has the most extensive branch network in Croatia, consisting of 132 organizational units (branch offices and outlets) in 7 retail regions and 10 SB centres, which cover the entire territory of Croatia.

The bank continues with the transformation of the sales network and modernization of our service channels and functionalities in line with the clients' expectations, utilizing modern technological approaches to better service our clients and provide them a top-of-the-line solutions for their personal finance needs.

Thus, in 2025, a cashless branch model was introduced for the first time, but taking into account the proximity of an alternative branch for carrying out cash transactions.

In 2025, in light of the amendments to the Rules on Insurance Distribution of Privredna banka Zagreb, the Bank enabled the renegotiation of loans at a more favourable interest rate for CPI-linked loans.

In 2025, the Bank confirmed one of the leading positions in the market share of the retail lending by continuously adapting its loan product portfolio to evolving market conditions.

Also, during 2025, significant regulatory changes in consumer lending were implemented, designed to enhance consumers' financial resilience and reduce credit risk.

During 2025, intensive and systematic efforts continued to improve the credit process, with a particular focus on its simplification and further automation. In line with modern client needs and current banking trends, automated data retrieval.

PBZ started delivering cards to customers' home addresses last year, which brings greater convenience and saves time, as users no longer need to visit a branch. This reduces queues and administrative workload, while making the card issuance process faster and more efficient. Additionally, this delivery method improves service accessibility for customers who live outside major cities or have limited ability to visit the bank.

In addition to restructuring and repositioning the traditional distribution channels of the business network, PBZ continues to invest in the ATM network development and Bank is processing around 660 ATMs covering the entire territory of Croatia, with ATMs accepting variety of cards covering all customer needs (ATMs accept Visa, Maestro, Mastercard, Diners, American Express and UnionPay cards). There are also 22 self-service devices for the payment of coins available to clients as well as 5 self-service devices for payment of banknotes and coins.

In the new joint approach to points of sale, PBZ Card remained in charge of concluding contracts on card acceptance and maintaining business relations with merchants, performing these tasks in the name and on behalf of Nexi Croatia, and Nexi Croatia, as a new provider of card acceptance payment services, focused on the development of products and functionalities of the acceptance network, devices and channels and the provision of operational support for card acceptance. After excellent sales results in 2024, the cooperation with Privredna banka Zagreb's sales network continued in 2025 in the area related to contracting card acceptance on the POS network and the Nexi SoftPOS application. Thus, on December 31, 2025, the number of installed POS devices amounted to 21,591, and the Nexi SoftPOS application was installed on 6,791 devices, representing an exceptional increase compared to 1,722 devices at the end of 2024, confirming both the practicality and the remarkable acceptance of this application by merchants.

As a leader in modern technologies, PBZ has expanded its distribution channels and product offering by leveraging advanced digital solutions to deliver its Digital Banking service and enable prospects to become Bank clients fully online. Through the Mobile Banking application, prospects can easily and entirely online open a Current account in euro and contract Digital Banking service anytime and anywhere, thereby becoming new PBZ clients. The

RETAIL DIVISION (CONTINUED)

Digital Banking service provides clients with 24/7 access to their accounts from any location worldwide with an internet connection.

Clients have access to a whole range of innovative options and functionalities on-the-go such as #withKEY (a mobile token that enables access to internet banking, e-Citizens system and confirmation when making online purchases – 3D Secure), #withCASH (cardless cash withdrawal), #withPAY (a payment concept between the service users using a mobile phone number), #withSAVE (a small daily savings concept), #withSIGN (qualified electronic signature that allows a user to sign contracts online), Google Pay and Apple Pay (contactless payment at points of sale by mobile phone), the possibility of subsequent instalments via the mobile application of purchases with the Visa Inspire card online or at the point of sale domestic and abroad and payment of orders (credit transfers) made through Digital Banking or at a branch, app login using fingerprints or face identification, quick overview of the balance without logging into the app, the option to receive automated notifications to the mobile device on account and product changes according to the user's selection, contractual documentation and receipts of completed transactions all in one place in the application, the option to transfer funds between user accounts without authorization, Scan and Pay functionality (the option to pay payment slips which have a 2D bar code), cards PIN overview, CAP – capital accumulation plan etc. Thanks to the Remote Offer functionality, users can sign documentation online and carry out some transactions without going to a branch. Instant payments enable clients to transfer and receive funds in euro (sending and receiving instant credit transfers) in less than 10 seconds 24/7/365 in Croatia or abroad (inside SEPA euro zone).

PBZ recognized the strategic importance of incorporating ESG factors into banking operations and lending activities. Applying ESG principles, ESG rules and guidelines were defined to guide the Bank in creating, approving and classifying sustainable products in order to achieve a standardized and aligned approach. Based on identified needs, PBZ recognized its role in the environmental protection and social responsibility, and therefore amended and extended its product offer with loans such as Energo loans, Educa loans for financing tuition and student cost of living, non-purpose loans for retired persons, car loans for the purchase of electric vehicles, parental loans etc. In addition to responding to market requirements, PBZ is monitoring regulatory and legislative requirements and timely adjusting its products and services to them.

During 2025, the Bank continued to expand the range of financial products available through its Investment Advisory Service by introducing three new investment funds and four issuances of Intesa Sanpaolo Group Investment Certificates into distribution.

The Bank, conduct the partnership with Generali osiguranje d.d. in order to strengthen operations in the field of bancassurance on the Croatian market and provide a complete insurance offer for individuals, families and companies. During 2025, the Bank also entered into a partnership with Intesa Sanpaolo Assicurazioni S.p.A. related to the offering of Unit-linked insurance products.

In the area of savings, the PBZ Group holds 22.6% of all retail deposits in Croatia.

In the small business segment, the business network, consisting of 10 SB centres covering the entire territory of Croatia, enables a personalized approach to each client. We place special focus on the development of products and services tailored to the specific business needs of small entrepreneurs, providing them with support in everyday operations and growth.

To facilitate easier access to financing for small entrepreneurs, in 2025 the Bank continued its cooperation with the European Investment Fund (EIF) in implementing the investment credit program for sustainable business, R&D, and micro-entrepre-

RETAIL DIVISION (CONTINUED)

neurship financing through the InvestEU financial instrument, offering a limited portfolio guarantee, more favourable interest rates, and reduced collateral requirements. In order to strengthen sustainable growth and the competitiveness of SMEs and to encourage productive investments, a new quota of EFFR individual and portfolio guarantees has been secured in cooperation with HAMAG-BICRO, which will be available to entrepreneurs in the 2026-2029 programming period.

The bank has recognized the importance of women in entrepreneurship and has launched a program called Empowered. As part of the program, a series of trainings have been held, and numerous benefits in credit and transactional services have been provided to empower women entrepreneurs in starting and developing their own businesses. As a leading bank in financing residential buildings over the past two decades, we continuously monitor market needs and improve the credit lines of this business segment, with a particular emphasis on investments aimed at increasing energy efficiency as an important component of ESG.

In the area of improving and optimizing processes in the field of lending, deposit, and transaction services for small entrepreneurs, the focus in 2025 is on establishing a faster and simpler business account opening process and implementing automated credit models integrated with digital channels. The digitization of the credit process aims to make it even easier and more accessible for entrepreneurs to obtain loans and ensure quick disbursement of funds without the need to visit a bank branch.

The mission of the Retail Division is:

- to serve Retail clients (Mass, Affluent, Private and Small Business) by building, developing and managing sustainable business relations, with the goal of creating lasting values;
- to define and implement business strategies and policies related to Retail offering and pricing in order to meet the clients' needs, in line with the Bank's and the Parent Company's strategy;
- to develop and manage products and services for the segment;
- to lead and support the Branch Network and other sales channels in implementing Retail segments strategies and achieving the planned objectives;
- to ensure that the Bank's main business goals for Retail segments are achieved;
- to provide all requested analysis and reports concerning market potential, behaviours and needs of specific target clients for business analysis and decision-making purposes;
- to develop, in Digital Transformation context, a multichannel service model and identify valuable and innovative solutions, exploiting, where appropriate, synergies with the Parent Company;
- to support evolution of mobile offer and of digital payment products and services, supervising the activities and collaborating with competent structures for all the connected aspects;
- to enhance profitability, ensuring integrity and accuracy in all pricing matters.

The following organizational units of the Retail Division participate in the achievement of the stated mission:

- Head office structures: CRM Office, Price Management Office, Commercial Planning and Monitoring Office, Digital Branch Office, Network Management Department, Multichannel Department, Mass Client Department, Affluent Client Department, Private Client Department and SB Department.
- Business Network: 132 branch offices and outlets in 7 retail regions and 10 SB centres, covering the entire territory of Croatia

CORPORATE DIVISION

Privredna banka Zagreb is one of the leading Croatian banks in the field of corporate banking. Taking into account a wide range of products and services offered to its corporate clients both locally and internationally, it is difficult to find a major company

CORPORATE DIVISION (CONTINUED)

in Croatia today that does not bank with Privredna banka Zagreb. Supported by powerful electronic distribution channels, our network of well-organized branches is the key driving force in serving our clients efficiently. We strive to create additional value by providing integrated financial solutions designed to satisfy the individual requirements of our clients. Privredna banka Zagreb has developed a modern platform to support the execution of classic cash transactions as well as other transactions of its corporate clients. A wide network of correspondent banks, and its SEPA reachability, make it possible for the Bank to offer its clients fast and affordable services in the area of national, cross-border and international payment transactions. upgraded the Internet banking service for corporate clients - PBZ COM@NET, which supports all types of national, cross-border and international payments, also allowing access to a number of other products and services offered by Privredna banka Zagreb. In terms of investment banking, Privredna banka Zagreb is a dominant participant in the Croatian market. It has launched many contemporary products and has initiated and largely contributed to the development of the financial market in the country. Because of its active role in the primary and secondary capital market, PBZ has been recognized as a market leader. We are determined to keep the position of the best financial institution in the region. Such recognition has been given to us by our clients because of our ability to deliver the best service in everything we do.

The mission of the Corporate & SME Division is:

- to create lasting values with clients of respective segments (domestic / multinational large corporates, small/medium enterprises, public entities, municipalities, domestic and foreign financial institutions) by building, developing and managing sustainable business relations with clients of respective segments also by paying attention to the specificities of local market and the specific needs of individual customer segments;
- to define and implement business strategies and policies related to Corporate & SME offering and pricing of products / services that suit the clients' needs;
- to develop and manage the products and services for the reference customers;
- to ensure that Group's main business goals for Corporate & SME segments are achieved.

The following organizational units of the Corporate & SME Division participate in the achievement of the stated mission:

- Head office structures: Domestic Corporate & Institutional Client Department, Multinational Client Department, Financial Institutions Department, Corporate Banking Products Department, SME Department and CRM & Network Support Office;
- Business Network: 3 SME Regions with 9 SME Centres.

SUPPORT AREAS

Business areas focusing on client requirements can only fully exploit their potential if they are provided with a reliable and efficient infrastructure and support.

Chief Governance Officer (CGO) area is responsible to:

- guide strategic management of the employment policies, employee development, organizational culture and structure and compliance with labour legislation;
- maintain HR Industrial Relations & negotiations with labour representatives;
- define the strategies, solutions and initiatives regarding Cybersecurity, Antifraud, Business Continuity Management and Corporate Security activities;
- set up and maintain a proper Data Governance & A.I. Governance model;
- provide legal assistance to all organizational units of the Bank aiming at assuring a proper interpretation and application of laws and reg-

SUPPORT AREAS (CONTINUED)

ulations, as well as representation and defence of the Bank's interest in legal disputes and other legal proceedings;

- provide comprehensive support in effective functioning of the Bank' Bodies meetings, as well as other Internal Committees, and to manage relationship with the Parent Group, the Supervisory Authorities, and other regulators with reference to Bank governance;
- represent a point of reference the parent Bank in cross-functional strategic initiatives, impacting the Bank's governance model, as well as the coordination of the internal controls at the level of executive management;
- promote a customer-centric culture within the Bank, monitoring customer satisfaction and loyalty and addressing critical issues regarding complaints;
- cover the role of ESG Manager, contributing to definition and steering of the ESG strategy, in liaison with competent functions of the Bank and of Group Parent Company.

The Chief Governance Officer (CGO) area consists of the following structures: HR & Organization Department, General Counsel Department, Cybersecurity, Antifraud, Business Continuity Management & Corporate Security Department, Customer Satisfaction & Complaints Office, ESG Office and Data & AI Office.

Chief Operating & Transformation Officer (COTO) area is responsible to:

- define, coherently with the Group goals, the strategies, solutions and initiatives regarding ICT, Back Office & Payments and Real Estate & Logistic activities;
- ensure implementation of the identified strategies in accordance with defined budget and objectives;
- verify the effectiveness and the efficiency of the service level of the coordinated activities in term of costs synergy and excellence of the offered services;
- support the development of the Bank by providing support to the Bank in the project management and in transformation and cost optimization initiatives;
- ensure environmental protection in respect of local and Group requirements;
- perform, in a centralized way, certain AML analysis.

The Chief Operating & Transformation Officer (COTO) area consists of following structures: Transformation, PMO & Cost Optimization Department, ICT Department, Back Office & Payments Department and Real Estate & Logistic Department.

Chief Risk Officer (CRO) area is responsible to:

- ensure the highest quality standard of credit granting through an effective management of the credit process and definition of local Credit Strategies;
- adopt the relevant credit decisions regarding the assumption and the management of credit risks, according to the prerogatives in force;
- ensure proactive credit management and to guarantee the management and supervision of Non-Performing Exposures and to authorize the most appropriate recovery strategy / actions for management of Non-Performing Exposures, according to the prerogatives in force;
- analyse the evolution of the cost of credit of the Bank, also considering the application of the Credit Strategies;
- ensure systematic 1st level controls over portfolio, identifying trends and proposing appropriate risk mitigation actions to be taken;
- actively promote initiatives aimed at further spreading the Group's credit culture, in collaboration with the relevant local and, where applicable, Parent Company functions;
- maintain process of collateral management and contribute to the definition of regulatory framework regarding collaterals;

SUPPORT AREAS (CONTINUED)

- ensure the effectiveness of the credit process, disbursement and credit file management;
- govern macro-process of definition, approval, control and implementation of the Bank's Risk Appetite Framework (RAF) with the support of the other functions involved;
- coordinate the implementation of guidelines and policies on risk management by the relevant business units, also in the various corporate contexts;
- perform the 2nd level monitoring and controls for the various risks types;
- validate risk measurement and management systems continuously.

The Chief Risk Officer (CRO) area consists of the following structures: Credit Policy & Rating Desk Office, Proactive Credit Management Office, Underwriting Department, NPE Management Department, Credit Portfolio Analysis & Administration Department, Risk Management Department and Internal Validation & Controls Office.

Chief Financial Officer (CFO) area is responsible to:

- define the guidelines and policies concerning research, planning and control, capital management, treasury, financial strategies, budget, tax management, relations with investors and rating agencies, in line with Group strategies and objectives;
- facilitate generation for the Bank value and to perform the related controls, through the integrated management of research, planning and control, capital management, treasury, financial strategies, budget, tax management and optimization of the financial and credit portfolio activities;
- ensure the correct and timely preparation of the economic and financial the Bank's results in compliance with adequate quality control on accounting/financial information as per relevant legislation;
- maximize value creation through the government of Procurement process as per Group Guidelines and Rules;
- apply the Administrative and Financial Governance Model for verifying the adequacy and effective application of administrative and financial procedures within the Bank on a regular basis;
- ensure coordination of the ICT third-party management process, facilitating its execution and reporting to the relevant functions, corporate bodies and Supervisory authorities.

The Chief Financial Officer CFO) area consists of the following structures: Administrative & Financial Governance Office, Capital Management Office, Procurement Office, Research Office, Accounting Department, Planning & Control Department and Treasury & ALM Department.

Business description of the Group

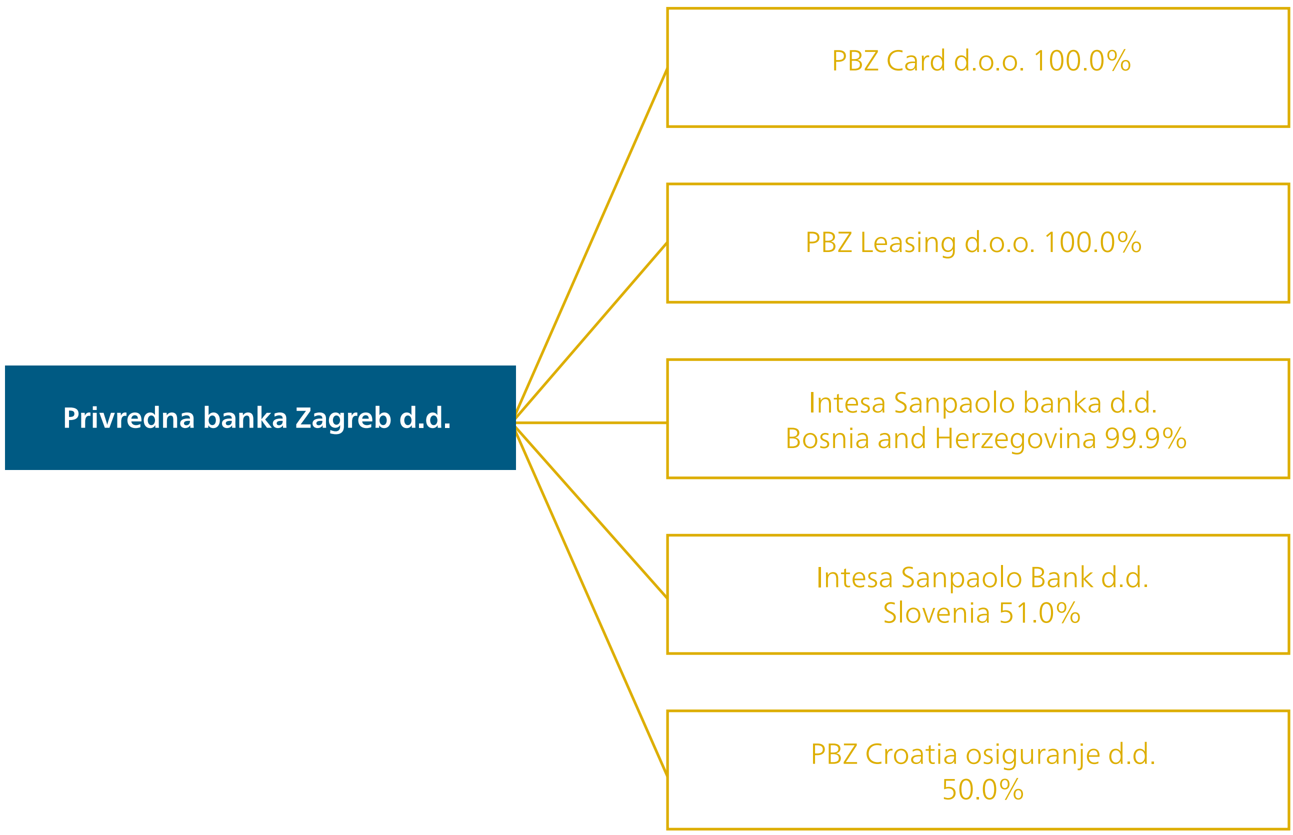
Business description of the Group

Privredna banka Zagreb Group is a multinational based financial services group which provides a full range of retail and corporate banking services to customers in Croatia, Bosnia and Herzegovina and Slovenia.

At the end of 2025 the Group employs 4,784 employees and serves 1.7 million both private and corporate clients in three countries. PBZ Group is a well-organised institution whose market share in the overall banking system stands at 20% in Croatia (data from November 2025), 7.3% in Bosnia and Herzegovina and 7.5% in Slovenia (data from November 2025).

On reporting date the Privredna banka Zagreb Group consisted of Privredna banka Zagreb d.d., 4 subsidiaries and one associate (previous reporting date: 4 subsidiaries and one associate).

The composition of the Group and a brief description of each subsidiary are set out below.



BANKA INTESA SANPAOLO D.D. SLOVENIA

With a heritage dating back to 1955, Banka Intesa Sanpaolo d.d. Slovenia—formerly Banka Koper—stands today as the country's third-largest commercial bank, recognized for its strength in total assets, loans, and deposits. It operates a nationwide network of 41 branch offices located in major cities across the country. Throughout its history, the Bank has played an active role in supporting the growth and development of the Slovenian economy. As one of the first banks in Slovenia to embrace digital transformation, the Bank remains committed to innovation and delivering modern banking solutions.

A key milestone came in 2017, when the Bank adopted the name Banka Intesa Sanpaolo d.d. Slovenia and majority ownership was transferred to Privredna banka Zagreb. This marked the beginning of a new chapter, strengthening Bank's foundation for future growth. Guided by the 2022–2025 Strategy and Business Plan, the Bank is focused on expanding its presence in retail banking, wealth management, and corporate finance. The Bank aims to position itself as a modern, efficient, and innovative bank—one that brings value, reliability, and forward-looking solutions to customers across the entire Slovenian market. In its operations, the Bank places a strong emphasis on sustainable development and responsible business practices. In addition to improving its own sustainability performance, the Bank continues to support the green transition of its customers by developing and offering a comprehensive range of sustainable financial solutions.

INTESA SANPAOLO BANKA D.D. BOSNIA AND HERZEGOVINA

Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina was established in Sarajevo in 2000 as UPI bank d.d. Sarajevo. In 2006 the main shareholder became Intesa Sanpaolo Holding S.A Luxembourg, with 94.9% of ownership. In July 2007, UPI banka finished the merger process with LT Gospodarska banka d.d. Sarajevo. In 2008 the Bank changed its name to Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina.

Part of Intesa Sanpaolo Group from Italy, the Bank's majority shareholding was purchased in July 2015 by former sister company Privredna Banka Zagreb, within the framework of an equity investments portfolio reorganization undertaken by the Parent bank, that during 2017 became 99.9% owner of the Bank.

The Bank maintains its commercial presence on the territory of Bosnia and Herzegovina through its agencies and ATM network and further strengthens its cooperation with merchants and clients with the expansion of POS network. Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina performs general banking business with Retail and Corporate clients offering all ranges of products and commercial services commonly traded in the industry at Bosnia and Herzegovina level.

As of September 2025, Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina is the 6th bank in Bosnia and Herzegovina by Total Assets, present in the country with 38 agencies in the Federation of Bosnia and Herzegovina and 5 agencies in Republika Srpska. Its business operations are mainly concentrated in Federation of Bosnia and Herzegovina, where the Bank ranks 4th in total assets, loans and deposits, with respective market shares of 9.6% in Total Assets, 10.1% in loans and 9.3% in Deposits.

PBZ CARD D.O.O.

PBZ Card d.o.o. is a leading card company in Croatia with over fifty years of experience in card issuing, acquiring support, and related services. The company serves both retail and corporate clients and is also active in the real estate services segment.

Following the strategic Danubio transaction in 2023, sale of acquiring business to Nexi Croatia, PBZ Card operates under a long-term partnership model with Nexi Croatia, a member of the Nexi Group. Under this model, PBZ Card remains responsible for merchant relationship management and the conclusion of card acceptance agreements on behalf of Nexi Croatia, while Nexi Croatia provides card acceptance services and focuses on the development and operation of the payment infrastructure. This model ensures service continuity for merchants and delivers advanced payment solutions aligned with international standards.

PBZ Card offers a broad portfolio of card products,

PBZ CARD D.O.O. (CONTINUED)

including charge, credit, debit, prepaid, and premium cards issued in cooperation with Privredna banka Zagreb. The company's strong market position is supported by long-standing expertise, a wide distribution network, and the backing of a leading banking group. The company continues to focus on strengthening its position in the issuing segment through product development, pricing optimization, and the expansion of card functionalities, including instalment payments and international usage options. Digital transformation remains a strategic priority, with continued investments in modern platforms, customer experience, and digital onboarding capabilities.

In parallel, PBZ Card places strong emphasis on cost management and operational efficiency by streamlining internal and external processes. Sustainability and responsible business practices are integrated into company operations, reflecting the broader ESG commitments of the PBZ Group and the Intesa Sanpaolo Group.

PBZ LEASING D.O.O.

PBZ Leasing d.o.o. is wholly owned by Privredna banka Zagreb. Company was founded in 1991 under the name of „PBZ Stan". In the beginning it dealt with property appraisals and restructuring of the public housing fund. From 1995 until 2004, the company commenced granting car purchase loans by placing funds of Privredna banka Zagreb.

From 2004, leasing has become core business activity of the company. Through finance and operating leases, the Company engaged in financing of real estates, personal and commercial vehicles, vessels, machinery and equipment. In the last year the Company made new leasing placements in amount of EUR 138 million. By the end of 2025, PBZ Leasing d.o.o. made over 11.2 thousand (previous reporting date: 9.8 thousand) lease arrangements with customers, which in financial terms reached EUR 231 million (previous reporting date: EUR 188 million).

PBZ CROATIA OSIGURANJE D.D.

PBZ Croatia Osiguranje d.d. a joint stock company for compulsory pension fund management. The company was incorporated on 26 July 2001 in accordance with changes in Croatian pension legislation and it is a mutual project of both Privredna banka Zagreb and Croatia osiguranje d.d. with ownership in the company of 50% belonging to each shareholder.

The principal activities of PBZ Croatia Osiguranje d.d. include establishing and management of the compulsory pension funds category A, B and C. Following the initial stages of gathering members PBZ Croatia Osiguranje d.d. fund category B became one of the three largest compulsory funds in the country. The company's pension funds continued to operate successfully during 2025 and achieve very good results.

At this point, pension funds under management have nearly 257 thousand members and net assets in personal accounts exceeding EUR 5.1 billion, which represents a sound base for the long-term stable and profitable operation of the company.

Sustainability
Report

Sustainability Report

In accordance with the provisions of the Accounting Act (Official Gazette 85/2024, 145/2024, 151/2025), which transposes the requirements of the Corporate Sustainability Reporting Directive (CSRD), (EU) 2022/2464, Privredna banka Zagreb hereby discloses that avails the exemption from the direct reporting requirements outlined in the both local and EU regulation. This exemption applies to the reporting for Privredna banka Zagreb and companies within PBZ Group, as all the subsidiaries of PBZ Group are fully included within the consolidated sustainability report of its Parent Company, Intesa Sanpaolo S.p.A.

Name and registered office of the parent undertaking: Intesa Sanpaolo S.P.A.
Registered office: Piazza San Carlo 156, 10121 Turin
Secondary registered office: Via Monte di Pietà 8, 20121 Milan

This exemption allows Privredna banka Zagreb not to submit a separate sustainability report as the bank's stakeholders can access relevant information directly through the Parent Company Consolidated report, which is accessible as per the CSRD and Croatian law provisions.
For further details on the Intesa Sanpaolo Group Consolidated sustainability report, please refer to the company's official website (https://group.intesasanpaolo.com/en/investor-relations/financial-reports). Certified Croatian translation of the Sustainability Report will be available at www.pbz.hr (https://www.pbz.hr/gradjani/nasa-grupa/Odrzivi-razvoj/Politike-i-kodeksi.html).

Responsibilities of the Management and Supervisory Board for the preparation and approval of the separate and consolidated financial statements, other information and supplementary forms

Responsibilities of the Management and Supervisory Board for the preparation and approval of the separate and consolidated financial statements, other information and supplementary forms

The Management Board of the Bank is required to prepare separate financial statements of Privredna banka Zagreb and consolidated financial statements of Privredna banka Zagreb Group for each financial year which give a true and fair view of the financial position of the Bank and the Group and of the results of their operations and cash flows, in accordance with International Financial Reporting Standards as adopted by European Union, and is responsible for maintaining proper accounting records to enable the preparation of such separate and consolidated financial statements at any time. It has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Bank and the Group and to prevent and detect fraud and other irregularities.

The Management Board is responsible for selecting suitable accounting policies to conform with applicable accounting standards and then apply them consistently; making judgements and estimates that are reasonable and prudent; and preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Bank and the Group will continue in business.

The Management Board is also responsible for the preparation and content of the Report for the Bank and the Group and the rest of other information (together „other information").

The Management Board is also responsible for the preparation and fair presentation of the supplementary information prepared in accordance with the Decision of the Croatian National Bank on the Structure and Content of the Annual Financial Statements of Credit Institutions (Official Gazette 80/2025).

The Management Board is responsible for the submission to the Supervisory Board of its Annual report which includes the separate and consolidated financial statements, other information and supplementary information for acceptance. If the Supervisory Board approves the Annual report it is deemed confirmed by the Management Board and Supervisory Board.

The separate and consolidated financial statements on pages 59 to 257 as well as supplementary forms requested by the local regulation and reconciliation of the statutory financial statements with the supplementary forms requested by the local regulation, set out on pages 258 to 285 and Report for the Bank and the Group on pages 11 to 27, Letter from the President of the Management Board on pages 7 to 10 and other information on pages 5 to 6 and 29 to 50 are approved by the Management Board on 10 February 2026 as confirmed by the signatures below.

For and on behalf of Privredna banka Zagreb.

Dinko Lucić
President of the Management Board

Giuseppe Loforese
Deputy President of the Management Board

Hrvoje Dajak
Member of the Management Board

Miroslav Haludžan
Member of the Management Board

Andrea Pavlović,
Member of the Management Board

Alenka Prskalo
Member of the Management Board

25 March 2026

Independent auditors’ report

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Jadranski trg 3A, 51000 Rijeka
Hrvatska / Croatia
IBAN: HR3324020061100280716
SWIFT: ESBCHR22

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Privredna banka Zagreb d.d.

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate financial statements of Privredna banka Zagreb d.d. (the Bank), and consolidated financial statements of Privredna banka Zagreb d.d. and its subsidiaries (together- the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2025, the separate and consolidated income statement and the separate and consolidated statement of other comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Bank and the Group as at 31 December 2025 and of their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

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 and consolidated financial statements* section of our report.

We are independent of the Bank and the Group in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the separate and consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

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Key audit matters (continued)

Impairment allowances of Loans and advances to customers	
See in the Notes Part B Section 4 – Financial assets measured at amortised cost – caption 40 and Part E Section 1-Credit risk Impairment allowances on Loans and advances from customers represent management's best estimate of the expected credit losses within the loan portfolios at the reporting date. For defaulted loans that are considered to be individually significant or non-performing corporate exposures exceeding EUR 400 thousand, the impairment assessment is based on the knowledge of each individual debtor and often on estimation of the fair value of the related collateral. Related impairment allowances are determined on an individual basis by means of a discounted cash flows analysis. Impairment allowances for retail exposures as well as corporate exposures below EUR 400 thousand individually (together "collective impairment allowance") are determined by modelling techniques. Historical experience, identification of exposures with a significant deterioration in credit quality, forward-looking information and management judgement are incorporated into the model. The Bank and the Group are continuously recalibrating the model parameters which also requires our increased attention in the audit. Furthermore, allocation of loan exposures in a proper stage depends on Bank's and Group's judgment and assumptions on selection of triggers for identification of significant increase in credit risk of customers. Additionally, uncertain economic outlook resulted in more complex assessment of this effect onto expected credit loss model. This area is determined to be a key audit matter as the determination of the appropriate amount of impairment losses requires the application of significant judgement and use of subjective and complex assumptions by management.	Our work covered impairment of both retail receivables and receivables from corporate counterparties. With the assistance of IT specialists, we assessed the design and tested the operating effectiveness of the controls, including the quality of underlying data and systems. With the assistance of credit risk specialists, we assessed the methodology developed to calculate loan loss provision, concentrating on such aspects as factors for determining a "significant increase in credit risk", allocating loans to stages, appropriateness of models used for calculation of Stage 1, Stage 2 and portion of Stage 3 allowances calculated on models (exposures below EUR 400 thousand) and estimation of key provisioning parameters. We evaluated appropriateness of calculation of probability of default ("PD") and loss given default ("LGD"). Additionally, with respect to models, we understood and assessed how the current macroeconomic expectations are incorporated in the model as part of forward- looking information. We examined a sample of exposures and performed procedures to evaluate the adequacy of classification of exposures in stages (including but not limited to recalculating the creditworthiness of clients, review of input parameters such as the PD, testing correctness of reported days past due, assessing adequacy of watch list status, forbearance status, assessing completeness of information on restructuring and moratoriums). For a selected sample of non-performing loans where impairment allowance is assessed on individual basis, we assessed the models, assumptions and data underlying the impairment identification and quantification including forecasts of future cash flows and valuation of underlying collateral. We engaged internal risk modelling specialists to review forward looking information ("FLI") and input parameters used and to assess if current economic outlook was adequately reflected on the PD and the FLI. We also assessed whether the separate and consolidated financial statement disclosures appropriately reflect the Bank's and Group's exposure to credit risk and are compliant with the IFRS as adopted by the EU.

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Key audit matters (continued)

Provision for litigations related to loans originally issued in or indexed to Swiss Franc	
See Part B Section 22 Allowances for risk and charges – caption 100 As of 31 December 2025, the Bank and the Group recorded provisions for litigation cases related to loans originally issued or indexed to Swiss Francs ("CHF"). The provision for litigation cases relates to loans that have been converted and to loans that have not been converted and are still denominated in CHF, including requests for nullifying loan agreements in full and requests for nullifying specific clauses of loan agreements. This area is determined to be a key audit matter as there are considerable judgements and estimates in applying the relevant requirements to estimating both timing and size of outflows of economic resources required to settle the Bank's and Group's obligations resulting from these specific litigation claims, given their inherent uncertainty and volume.	Our work included assessment of provisions for claims related to both converted and non-converted loans. We obtained understanding of the process and methodology applied to estimating the provisions for litigation related to loans originally granted in CHF. We assessed the methodology internally developed by the Bank and the Group for the provisioning of the converted and non-converted CHF loans. We obtained a detailed overview of the litigation claims against the Bank and the Group and the analytics of the provisions recognized for these cases. We reconciled this information to the information provided in the financial statements and to the information received from external law firms as part of legal confirmation procedures. We obtained independent overviews and opinions pertaining to the Bank's and Group's litigation cases from the external law firms used by the management and we assessed the amounts of provisions for reasonableness by comparing provisions made with the external law firm's opinions and available information. We tested the calculation of the provisions for mathematical accuracy. We also assessed adequacy of the disclosures in the separate and consolidated financial statements and if these are in line with requirements of IFRS as adopted by the EU.

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Other information

Management is responsible for the other information. Other information comprises information included in the Annual Report, but does not include separate and consolidated financial statements and our auditor's report thereon. Our opinion on the separate and consolidated financial statements does not cover the other information.

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

With respect to the Management Report we also performed procedures required by the Accounting Act. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the information given in the enclosed Management Report is consistent, in all material respects, with the enclosed separate and consolidated financial statements; and
2. the enclosed Management Report is prepared in accordance with requirements of Articles 22 and 24 of the Accounting Act.

In the light of the knowledge and understanding of the Bank and Group and its environment obtained in the course of the audit of separate and consolidated financial statements, we are also required to report if we have identified material misstatements in the other information. We have nothing to report in this respect.

Responsibilities of management and Audit Committee for the separate and consolidated financial statements

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

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

Audit Committee is responsible for overseeing the Bank's and the Group's financial reporting process.

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

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

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

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Auditor's responsibilities for the audit of the separate and consolidated financial statements (continued)

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

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

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of ISAs:

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Report on Other Legal and Regulaotry Requirements (continued)

Appointment of Auditor and Period of Engagement

We were initially appointed as auditors of the Bank on 26 April 2021. Our appointment has been renewed annually by Shareholder, with the most recent reappointment on 29 April 2025, representing a total period of uninterrupted engagement appointment of 5 years.

Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Bank, which we issued on 30 March 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Bank and its controlled undertakings within the European Union. In addition, there are no other non-audit services which were provided by us to the Bank and its controlled undertakings and which have not been disclosed in the separate and consolidated financial statements.

Report on Regulatory requirements

In accordance with the Decision on the structure and content of the annual financial statements of credit institutions (National Gazette no 80/2025) (hereinafter "the Decision") the Bank's management has prepared forms which are presented on pages 258 to 285, and which contain a statement of financial position as at 31 December 2025, income statement, statement on other comprehensive income, statement of changes in equity and cash flow statement for the year then ended together with reconciliation with the separate and consolidated financial statements of the Bank and the Group ("financial information"). This financial information is the responsibility of the Bank's management and is, pursuant to statutory accounting regulation as applicable to banks in Croatia, not a required part of the separate and consolidated financial statements but is required by the Ordinance.

Our responsibility with respect to this financial information is to perform the procedures we consider appropriate to conclude whether this financial information have been properly derived from the audited separate and consolidated financial statements. In our opinion based on the procedures performed the financial information presented in the forms has been properly derived, in all material respects, from the audited separate and consolidated financial statements of the Bank which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU) as presented on pages on pages 59 to 257 and are based on underlying accounting records of the Bank and the Group.

The partner in charge of the audit resulting in this independent auditor's report is Zvonimir Madunić.

Zvonimir Madunić

Member of the Management Board and Certified auditor

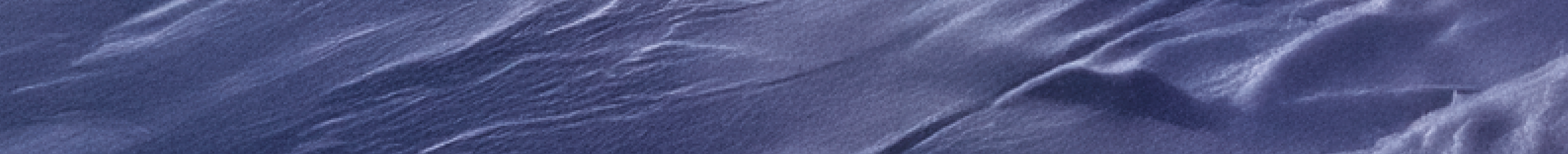
25 March 2026

Ernst & Young d.o.o.

Radnička cesta 50

10000 Zagreb, Republic of Croatia

Financial statements



Financial statements

Statement of financial position

(millions of euro)			BANK		GROUP
Assets		31.12.2025	31.12.2024	31.12.2025	31.12.2024
10.	Cash and cash equivalents	2,724	2,757	3,394	3,693
20.	Financial assets measured at fair value through profit or loss	38	57	42	62
	a) financial assets held for trading	33	51	34	53
	b) financial assets designed at fair value	-	-	-	-
	c) other financial assets mandatory measured at fair value	5	6	8	9
30.	Financial assets measured at fair value through other comprehensive income	2,083	1,548	2,715	2,145
40.	Financial assets measured at amortized cost	12,988	12,082	17,981	16,458
	a) due from banks	708	2,632	1,212	3,148
	b) loans to customers	9,991	8,985	14,187	12,823
	c) debt securities	2,289	465	2,582	487
50.	Hedge derivative financial assets	55	18	89	45
60.	Fair value change of financial assets in hedged portfolios (+/-)	-6	29	-20	25
70.	Investments in associates and companies subject to joint control	245	245	10	9
90.	Property and equipment	142	142	253	257
100.	Intangible assets	60	55	82	74
	a) goodwill	2	2	2	2
	b) other intangible assets	58	53	80	72
110.	Tax assets	20	18	32	30
	a) current	5	-	9	4
	b) deferred	15	18	23	26
120.	Non-current assets held for sale and discontinued operations	3	3	6	5
130.	Other assets	31	31	86	92
Total Assets		**18,383**	**16,985**	**24,670**	**22,895**

The accompanying accounting policies and notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

(millions of euro)			BANK		GROUP
Liabilities and shareholders' equity		31.12.2025	31.12.2024	31.12.2025	31.12.2024
10.	Financial liabilities measured at amortized cost	15,764	14,265	21,295	19,423
	a) due to banks	1,259	626	1,731	1,185
	b) due to customers	14,505	13,639	19,564	18,238
	c) securities issued	-	-	-	-
20.	Financial liabilities held for trading	-	-	1	2
30.	Financial liabilities designated at fair value	-	-	-	-
40.	Hedge derivative financial liabilities	23	42	26	50
50.	Fair value changes of financial liabilities in portfolios(+/-)	2	8	2	9
60.	Tax liabilities	4	28	13	38
	a) current	-	24	1	25
	b) deferred	4	4	12	13
70.	Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-
80.	Other liabilities	127	126	291	294
90.	Employee termination indemnities	2	8	4	10
100.	Allowances for risks and charges	72	81	81	95
	a) commitments and guarantees given	20	16	24	20
	b) post-employment benefits	-	-	-	-
	c) other allowances for risks and charges	52	65	57	75
120.	Valuation reserve	21	21	47	48
130.	Redeemable shares	-	-	-	-
140.	Equity instruments	-	-	-	-
150.	Reserves	1,582	1,517	1,882	1,877
160.	Share premium reserve	208	208	208	208
170.	Share capital	244	244	244	244
180.	Treasury shares (-)	-	-	-	-
190.	Minority interests (+/-)	-	-	221	220
200.	Net income (loss) (+/-)	334	437	355	377
Total liabilities and shareholders' equity		**18,383**	**16,985**	**24,670**	**22,895**

The accompanying accounting policies and notes are an integral part of these financial statements.

Income statement

(millions of euro)			BANK		GROUP
Item		31.12.2025	31.12.2024	31.12.2025	31.12.2024
10.	Interest and similar revenues	542	597	731	805
	of which: interest income calculated using the effective interest method	*547*	*579*	*736*	*777*
20.	Interest and similar expenses	-86	-89	-127	-129
30.	**Interest margin**	**456**	**508**	**604**	**676**
40.	Fee and commission income	171	165	284	272
50.	Fee and commission expenses	-38	-52	-57	-72
60.	**Net fee and commission income**	**133**	**113**	**227**	**200**
70.	Dividends and similar income	42	117	1	1
80.	Profits (Losses) on trading	15	17	20	22
90.	Fair value adjustment in hedge accounting	1	-1	1	-
100.	Profits (Losses) on disposal or repurchase of:	14	-	27	-
	a) financial assets at amortized cost	14	-	27	-
	b) financial assets at fair value through other comprehensive income	-	-	-	-
	c) financial liabilities	-	-	-	-
110.	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	1	2	2	2
	a) financial assets and liabilities designated at fair value	-	-	-	-
	b) other financial assets mandatorily measured at fair value	1	2	2	2
120.	**Net interest and other banking income**	**662**	**756**	**882**	**901**
130.	Net losses/recoveries for credit risks associated with:	6	-1	-14	-13
	a) financial assets measured at amortised cost	6	-1	-14	-13
	b) financial assets measured at fair value through other comprehensive income	-	-	-	-
140.	Profits (Losses) on changes in contracts without derecognition	-2	-1	-1	-1
150.	**Operating income**	**666**	**754**	**867**	**887**
160.	Administrative expenses:	-209	-194	-324	-309
	a) personnel expenses	-125	-124	-192	-190
	b) other administrative expenses	-84	-70	-132	-119
170.	Net provisions for risks and charges	-7	-3	-4	-6
	a) commitments and guarantees given	-4	2	-4	2
	b) other net provisions	-3	-5	-	-8
180.	Net adjustments to / recoveries on property and equipment	-22	-21	-33	-32
190.	Net adjustments to / recoveries on intangible assets	-8	-8	-11	-11
200.	Other operating expenses (income)	-21	-19	-26	-25
240.	**Operating expenses**	**-267**	**-245**	**-398**	**-383**
220.	Profits (Losses) on investments in associates and companies subject to joint control	-	-	2	1
230.	Valuation differences on property, equipment and intangible assets measured at fair value	-	-	-	-
240.	Goodwill impairment	-	-	-	-
250.	Profits (Losses) on disposal of investments	-	1	-	1
260.	**Income (Loss) before tax from continuing operations**	**399**	**510**	**471**	**506**
270.	Taxes on income from continuing operations	-65	-73	-87	-95
280.	**Income (Loss) after tax from continuing operations**	**334**	**437**	**384**	**411**
290.	Income (Loss) after tax from discontinued operations	-	-	-	-
310.	**Net income (loss)**	**334**	**437**	**384**	**411**
340.	Minority interests	-	-	-29	-34
350.	**Parent Company's net income (loss)**	**334**	**437**	**355**	**377**

The accompanying accounting policies and notes are an integral part of these financial statements.

Statement of comprehensive income

(millions of euro)			BANK		GROUP
Item		31.12.2025	31.12.2024	31.12.2025	31.12.2024
10.	**Net income (Loss)**	**334**	**437**	**384**	**411**
	Other comprehensive income (net of tax) that may not be reclassified to the income statement	**-**	**-**	**1**	**-2**
20.	Equity instruments designated at fair value through other comprehensive income	-	-	1	-
30.	Financial liabilities designated at fair value through profit or loss (change in own credit rating)	-	-	-	-
40.	Hedging of equity instruments designated at fair value through other comprehensive income	-	-	-	-
50.	Property and equipment	-	-	-	-3
60.	Intangible assets	-	-	-	-
70.	Defined benefit plans	-	-	-	-
80.	Non-current assets classified as held for sale	-	-	-	-
90.	Share of valuation reserves connected with investments carried at equity	-	-	-	-
	Related tax	-	-	-	1
	Other comprehensive income (net of tax) that may be reclassified to the income statement	**-**	**6**	**-4**	**12**
100.	Hedges of foreign investments	-	-	-	-
110.	Foreign exchange differences	-	-	-	-
120.	Cash flow hedges	-	-	-2	3
130.	Hedging instruments (not designated elements)	-	-	-	-
140.	Financial assets (other than equities) measured at fair value through other comprehensive income	-	7	-3	12
150.	Non-current assets held for sale and discontinued operations	-	-	-	-
160.	Share of valuation reserves connected with investments carried at equity	-	-	-	-
	Related tax	-	-1	1	-3
170.	**Total other comprehensive income (net of tax)**	**-**	**6**	**-3**	**10**
180.	**Total comprehensive income (capitation 10 + 170)**	**334**	**443**	**381**	**421**
	Total consolidated comprehensive income pertaining to minority interests	**-**	**-**	**28**	**37**
	Total consolidated comprehensive income pertaining to the Parent Company	**334**	**443**	**353**	**384**

The accompanying accounting policies and notes are an integral part of these financial statements.

Changes in shareholders' equity

BANK			**Reserves**							**31.12.2025**
(millions of euro)	**Share capital**	**Share premium reserve**	**retained earnings**	**other**	**Valuation reserves**	**Equity instruments**	**Interim dividend**	**Treasury shares**	**Net income (loss)**	**Shareholders' equity**
AMOUNTS AS AT 31.12.2024	**244**	**208**	**1,520**	**-3**	**21**	**-**	**-**	**-**	**437**	**2,427**
Changes in opening balances	-	-	-	-	-	-	-	-	-	-
AMOUNTS AS AT 1.1.2025	**244**	**208**	**1,520**	**-3**	**21**	**-**	**-**	**-**	**437**	**2,427**
Allocation of net income of the previous year										
Reserves	-	-	66	-	-	-	-	-	-66	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-371	-371
Changes in the period										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Operations on shareholders' equity										
Reduction of share capital	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-	-	-	-
Changes in debt securities	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Other	-	-	-1	-	-	-	-	-	-	-1
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**334**	**334**
SHAREHOLDERS' EQUITY AS AT 31.12.2025	**244**	**208**	**1,585**	**-3**	**21**	**-**	**-**	**-**	**334**	**2,389**

The accompanying accounting policies and notes are an integral part of these financial statements.

CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

BANK			**Reserves**							**31.12.2024**
(millions of euro)	**Share capital**	**Share premium reserve**	**retained earnings**	**other**	**Valuation reserves**	**Equity instruments**	**Interim dividend**	**Treasury shares**	**Net income (loss)**	**Shareholders' equity**
AMOUNTS AS AT 31.12.2023	**244**	**208**	**1,476**	**-3**	**15**	**-**	**-**	**-**	**314**	**2,254**
Changes in opening balances	-	-	-	-	-	-	-	-	-	-
AMOUNTS AS AT 1.1.2024	**244**	**208**	**1,476**	**-3**	**15**	**-**	**-**	**-**	**314**	**2,254**
Allocation of net income of the previous year										
Reserves	-	-	44	-	-	-	-	-	-44	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-270	-270
Changes in the period										
Changes in reserves	-	-	-	-	-	-	-	-	-	-
Operations on shareholders' equity										
Reduction of share capital	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Changes in equity instruments	-	-	-	-	-	-	-	-	-	-
Changes in debt securities	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**6**	**-**	**-**	**-**	**437**	**443**
SHAREHOLDERS' EQUITY AS AT 31.12.2024	**244**	**208**	**1,520**	**-3**	**21**	**-**	**-**	**-**	**437**	**2,427**

The accompanying accounting policies and notes are an integral part of these financial statements.

CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

GROUP			Reserves								31.12.2025
(millions of euro)	Share capital	Share premium reserve	retained earnings	other	Valuation reserves	Equity instru-ments	Interim dividend	Treasury shares	Net income (loss)	Minori-ty inter-est	Share-holders' equity
AMOUNTS AS AT 31.12.2024	**244**	**208**	**1,872**	**5**	**48**	**-**	**-**	**-**	**377**	**220**	**2,974**
Changes in opening balances	-	-	-	-	-	-	-	-	-	-	-
AMOUNTS AS AT 1.1.2025	**244**	**208**	**1,872**	**5**	**48**	**-**	**-**	**-**	**377**	**220**	**2,974**
Allocation of net income of the previous year											
Reserves	-	-	-	-	-	-	-	-	-	-	-
Dividends and other allocations	-	-	-2	7	-	-	-	-	-377	-	-372
Changes in the period											
Changes in reserves	-	-	-	-	-	-	-	-	-	-	-
Operations on shareholders' equity											
Reduction of share capital	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-27	-27
Changes in equity instruments	-	-	-	-	-	-	-	-	-	-	-
Changes in debt securities	-	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	1	-	-	-	-	-	1
Stock options	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-2**	**-**	**-**	**-**	**355**	**28**	**381**
SHAREHOLDERS' EQUITY AS AT 31.12.2025	**244**	**208**	**1,870**	**12**	**47**	**-**	**-**	**-**	**355**	**221**	**2,957**

The accompanying accounting policies and notes are an integral part of these financial statements.

CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

GROUP			Reserves								31.12.2024
(millions of euro)	Share capital	Share premium reserve	retained earnings	other	Valuation reserves	Equity instruments	Interim dividend	Treasury shares	Net income (loss)	Minority interest	Shareholders' equity
AMOUNTS AS AT 31.12.2023	**244**	**208**	**1,732**	**-21**	**40**	**-**	**-**	**-**	**437**	**194**	**2,834**
Changes in opening balances	-	-	-	-	-	-	-	-	-	-	-
AMOUNTS AS AT 1.1.2024	**244**	**208**	**1,732**	**-21**	**40**	**-**	**-**	**-**	**437**	**194**	**2,834**
Allocation of net income of the previous year											
Reserves	-	-	141	26	-	-	-	-	-167	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-270	-	-270
Changes in the period											
Changes in reserves	-	-	-	-	-	-	-	-	-	-	-
Operations on shareholders' equity											
Reduction of share capital	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-10	-10
Changes in equity instruments	-	-	-	-	-	-	-	-	-	-	-
Changes in debt securities	-	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-1	-	-	-	-	-	-	-	-1
Total comprehensive income for the period	**-**	**-**	-	**-**	**8**	**-**	**-**	**-**	**377**	**36**	**421**
SHAREHOLDERS' EQUITY AS AT 31.12.2024	**244**	**208**	**1,872**	**5**	**48**	**-**	**-**	**-**	**377**	**220**	**2,974**

The accompanying accounting policies and notes are an integral part of these financial statements.

Statement of cash flows

(millions of euro)		BANK		GROUP
Item	31.12.2025	31.12.2024	31.12.2025	31.12.2024
A. OPERATING ACTIVITIES				
1. Cash flow from operations	**428**	**541**	**523**	**572**
Net income (loss) (+/-)	334	437	384	411
Gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit and loss (-/+)	-1	-3	-3	-4
Gains/losses on hedging activities (-/+)	-1	1	-1	-
Net losses/recoveries for credit risk (+/-)	-6	1	14	13
Adjustments to/net recoveries on property, equipment and intangible assets (+/-)	30	29	44	43
Net provisions for risks and charges and other costs/revenues (+/-)	7	3	-2	14
Taxes, duties and tax credits to be paid/collected(+/-)	65	73	87	95
Net adjustments to/recoveries on discontinued operations net of tax effect (+/-)	-	-	-	-
Other adjustments (+/-)	-	-	-	-
2. Cash flow from / used in financial assets	**-1,541**	**-2,685**	**-2,190**	**-3,279**
Financial assets held for trading	-16	9	-22	11
Financial assets designated at fair value	-	-	-	-
Other financial assets mandatorily measured at fair value	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-535	-401	-571	-643
Financial assets measured amortized cost	-900	-2,065	-1,536	-2,478
Other assets	-90	-228	-61	-169
3. Cash flow from / used in financial liabilities	**1,429**	**656**	**1,765**	**1,051**
Financial liabilities measured at amortised cost	1,499	661	1,870	1,089
Other liabilities	-70	-5	-105	-38
Net cash flow from (used in) operating activities	**316**	**-1,488**	**98**	**-1,656**

STATEMENT OF CASH FLOWS (CONTINUED)

(millions of euro)	BANK		GROUP	
Item	31.12.2025	31.12.2024	31.12.2025	31.12.2024
B. INVESTING ACTIVITIES				
1. Cash flow from	**42**	**117**	**1**	**2**
Sales of investments in associates and companies subject to joint control	-	-	-	-
Dividends collected on investments in associates and companies subject to joint control	42	117	1	1
Sales of property and equipment	-	-	-	1
Sales of intangible assets	-	-	-	-
Sales of subsidiaries and business branches	-	-	-	-
2. Cash flow used in	**-20**	**-24**	**-27**	**-36**
Purchases of investments in associates and companies subject to joint control	-	-	-	-
Purchases of property and equipment	-17	-19	-21	-30
Purchases of intangible assets	-3	-5	-6	-6
Purchases of subsidiaries and business branches	-	-	-	-
Net cash flow from (used in) investing activities	**22**	**93**	**-26**	**-34**
C. FINANCING ACTIVITIES				
Issues/purchases of treasury shares	-	-	-	-
Share capital increases	-	-	-	-
Dividend distribution and other	-371	-270	-371	-270
Disposal/acquisition of minority interests in subsidiaries	-	-	-	-
Net cash flow from (used in) financing activities	**-371**	**-270**	**-371**	**-270**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**-33**	**-1,665**	**-299**	**-1,960**
RECONCILIATION				
Cash and cash equivalents at beginning of period	2,757	4,422	3,693	5,653
Net increase (decrease) in cash and cash equivalents	-33	-1,665	-299	-1,960
Cash and cash equivalents: foreign exchange effect	-	-	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,724**	**2,757**	**3,394**	**3,693**

The accompanying accounting policies and notes are an integral part of these financial statements.

Notes to the financial statements

Notes to the financial statements

Part A – Accounting policies

Section 1 - Reporting entity

Privredna banka Zagreb is a joint stock company incorporated and domiciled in the Republic of Croatia. The registered office is at Radnička cesta 50, Zagreb. The Bank has been assigned a personal identification number (OIB) 02535697732, and it is registered in the Court Register under registration number 89992917. The Bank is the Parent of the Privredna banka Zagreb Group, which has operations in the Republic of Croatia, Bosnia and Herzegovina and Republic of Slovenia. The Group provides a full range of retail and corporate banking services, as well as treasury, investment banking, asset management and leasing services.

These financial statements comprise both the separate and the consolidated financial statements of the Bank as defined in International Accounting Standard 27 *Separate Financial Statements* and International Financial Reporting Standard 10 *Consolidated Financial Statements*.

A summary of the Group's principal accounting policies is set out below.

Section 2 - Basis of preparation

a) Basis of accounting

These separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by European Union ("IFRS EU").

These separate and consolidated financial statements were authorised for issue by the Management Board on 10 February 2026 for approval by the Supervisory Board.

b) Basis of measurement

The separate and consolidated financial statements are prepared on the fair value basis for financial assets and liabilities at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property. Owner-occupied property is measured according to revaluation method. Other financial assets and liabilities, and non-financial assets and liabilities, are stated at amortised or historical cost.

c) Functional and presentation currency

Items included in the Bank's financial statement are expressed in the currency of the primary economic environment in which the Bank operates (functional currency).

The exchange rates used for translation at reporting date amounted to CHF 1 = EUR 0.9314, USD 1 = EUR 1.1750 and BAM 1 = EUR 1.95583. During reporting period, BAM (official currency of Bosnia and Herzegovina) was pegged with euro at 1 EUR = 1.9558 BAM.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS as adopted by EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities and disclosure of commitments and contingencies at the reporting date, as well as amounts of income and expense for the period and other comprehensive income. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about judgments made by management in the application of accounting policies that have a significant effect on the financial statements and information about estimates with a significant risk of resulting in a material adjustment in the next financial year are included in Part A, Section 5 – Accounting estimates and judgments in applying accounting policies.

Section 3 - Changes in accounting policies

a) Standards and Interpretations effective in the current period

The following new standards and amendments to the existing standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee and adopted by the EU are effective for the current period:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on 15 August 2023 (effective date for annual periods beginning on or after 1 January 2025).

The adoption of these Standards and Interpretations had no significant impact on the financial statements of the Bank and the Group.

b) Standards and Interpretations issued by International Accounting Standards Committee and endorsed by the EU but not yet effective

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instrument, issued on 30 May 24 (effective date for annual periods beginning on or after 1 January 2026).
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity, issued on 18 December 2024 (effective date for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11, issued on 18 July 2024 (effective date for annual periods beginning on or after 1 January 2026).

c) Standards and Interpretations issued by International Accounting Standards Committee but not yet adopted by the EU

At the date of authorization of these financial statements the following standards, revisions and interpretations were in issue by the International Accounting Standards Board but not yet adopted by the EU:

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024).
- IFRS 19, including Amendments Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and on 21 August 2025).
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025).

The Bank and the Group do not anticipate that the adoption of new and amended Standards and Interpretations that are issued but not yet effective will have a significant impact on the financial statements of the Bank and the Group.

Section 4 - Material accounting policy information

a) Basis of consolidation

i) *Business combinations*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Business combinations under common control are accounted for based on carrying values, with any effects directly recognised in equity.

ii) *Non-controlling interests*

Non-controlling interests in the net assets (excluding goodwill) of the consolidated subsidiaries are identified separately from the Group's equity therein. For each business combination, the Group elects to measure any non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

iii) *Subsidiaries*

Financial statements are prepared for the Bank and the Group, Financial statements of the Group include consolidated financial statements of the Bank and its entities under control (subsidiaries). In the Bank's separate financial statements, investments in subsidiaries are accounted for at cost less impairment.

iv) *Associates*

The Group's share of its associates" post-acquisition gains or losses is recognised in the income statement and its share of their post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dividends received from associates are treated as a decrease of investment in the associate in the Group's consolidated statement of financial position and as dividend income in the Bank's unconsolidated income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

v) *Acquisition of entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that ultimately controls the Group are accounted for using book value accounting at the date of acquisition. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements of the acquired entities. The components of equity of the acquired entities are added to the same components within Group equity except for issued capital.

Consolidated financial statements reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

Section 4 - Material accounting policy information (continued)

a) Basis of consolidation (continued)

vi) Transactions eliminated on consolidation

Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vii) *Fund management*

The Group manages and administers assets held in mutual funds on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity (during the reporting period). Information about the Group's fund management activities is set out in Part J, Section 3 – Managed funds for and on behalf of third parties.

b) Foreign currency

i) *Foreign currency translation*

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the mid-market exchange rate of the Croatian National Bank. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date on which the fair value was determined.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the income statement, except for differences arising on the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI, which are recognised in other comprehensive income.

Changes in the fair value of debt securities denominated in foreign currency classified as financial instruments measured at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences on financial instruments measured at FVOCI are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary securities denominated in foreign currency classified as financial instruments measured at FVOCI are recognised directly in other comprehensive income along with other changes, net of deferred tax. The Group does not have qualifying cash flow hedges and qualifying net investment hedges as defined in International Accounting Standard 39 Financial Instruments: Measurement and Recognition ("IAS 39") and International Financial Reporting Standard 9 Financial Instruments ("IFRS 9").

i) *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

Section 4 - Material accounting policy information (continued)

c) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability,

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost and interest expense on lease liabilities.

d) Fee and commission income and expense

Loan commitment fees for loans and advances that are likely to be drawn down are deferred and recognised as an adjustment to the effective interest rate on the loan. Commitment fees in relation to facilities that are not likely to be drawn down are recognised over the term of the commitment. Fee and commission income and expense mainly comprise fees and commissions related to domestic and foreign payments, the issue of guarantees and letters of credit, credit card business and asset management, and are recognised in the income statement upon performance of the relevant service, unless they have been included in the effective interest calculation.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part for itself or has retained a part at the same effective interest rate as the other participants. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees related to investment fund management are recognised on an accrual basis over the period in which the service is provided. The same principle is applied for custody services that are continuously provided over an extended period of time.

e) Net trading income and net gains and losses on translation of monetary assets and liabilities

Net trading income and net gains and losses on translation of monetary assets and liabilities include spreads earned from foreign exchange spot trading, trading income from forward and swap contracts, realised and unrealised gains on securities at fair value through profit or loss and net gains and losses from the translation of monetary assets and liabilities denominated in foreign currency and non-trading assets mandatorily measured at FVTPL.

Section 4 - Material accounting policy information (continued)

f) Other operating income

Other operating income includes net gains on disposal of securities classified as financial instruments measured at FVOCI, net gains on disposal of property and equipment, rental income from investment property and assets under operating lease and other income.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

g) Employee benefits

Employee entitlements to annual leave are recognised when they accrue. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

i) *Personnel social contributions*

According to local legislation, the Croatian entities of the Group are obliged to pay contributions to the Pension Fund and the State Health Care Fund. This obligation relates to full-time employees and provides for paying contributions in the amount of certain percentages determined on the basis of gross salary which are in the Republic of Croatia as follows:

	31.12.2025	31.12.2024
Contributions to the Pension Fund	20.00%	20.00%
Contributions to the State Health Care Fund	16.50%	16.50%

The Group is also obliged to withhold contributions from the gross salary on behalf of the employee for the same funds. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits in the income statement as they accrue.

ii) *Termination benefits*

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

iii) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Section 4 - Material accounting policy information (continued)

g) Employee benefits (continued)

iv) *Share-based payment transactions*

The Group has a share-based payment agreement which entitle the key employees to receive the cash payment, based on the price of the equity instrument (cash-settled transactions). The liability is initially measured by reference to the fair value of equity instruments at the grant date and re-measured until settlement. The fair value is determined as the market value of shares. The cost of cash-settled transactions is recognised over the period in which the performance and/or service conditions are fulfilled.

v) *Retirement benefit obligation*

Valuations of these obligations are carried out by independent qualified actuaries, by using the book reserve method.

The Group's obligation for the current service cost of providing pension benefits and the increment in the present value of the defined benefit obligation due to the approaching beginning of the defined benefit liability (interest cost) was assessed. The increase in the benefit scheme liabilities in excess of the above two assessments is recognised as the actuarial gain or loss. The defined benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method, which measures actuarial liabilities in accordance with the expected wage/salary increase from the valuation date until the foreseen retirement of the employed person.

h) Dividend income

Dividend income on equity securities is credited to the income statement when the right to receive the dividend is established except for dividend income from associates which is on consolidation credited to the carrying values of investments in associates in the Group's statement of financial position.

i) Income tax

The income tax expense comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

i) Current income tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainties related to income taxes, if any.

ii) Deferred income tax

Deferred taxes are calculated by using the balance sheet liability method.

At each reporting date, the Group reassesses unrecognised potential deferred tax assets and the carrying amount of recognised deferred tax assets.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

j) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with original maturity of less than 90 days, including cash and current accounts with banks and loans and advances to banks up to 90 days.

Section 4 - Material accounting policy information (continued)

k) Financial instruments

i) Recognition

The Group initially recognises loans and advances and other financial liabilities on the date at which they are originated, i.e. advanced to borrowers or received from lenders.

Regular way transactions with financial instruments are recognised at the date when they are transferred (settlement date). Under settlement date accounting, while the underlying asset or liability is not recognised until the settlement date, changes in fair value of the underlying asset or liability are recognised starting from the trade date. All other financial assets and liabilities (derivatives) are recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

ii) Classification

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment of business model

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

ii) *Classification (continued)*

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers a:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money (e.g., periodical reset of interest rates).

Loans and receivables in the balance sheet are disclosed depending on their measurement and include:

- loans and receivables measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and receivables mandatorily measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognised immediately in profit or loss; and
- finance lease receivables.

Investment securities in the balance sheet are disclosed depending on their measurement and include:

- debt investment securities measured at amortised cost;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

iii) *Derecognition*

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities, as explained in ii). Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Realised gains and losses from the disposal of financial instruments are calculated using the weighted average cost method.

iv) *Modifications of financial assets and liabilities*

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (see (xi)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method (see (c)).

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

iv) *Modifications of financial assets and liabilities (continued)*

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

v) Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

vi) *Offsetting of financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting regulations, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

vii) *Gains and losses*

Gains and losses arising from a change in the fair value of financial assets or financial liabilities at fair value through profit or loss as well as all related realised gains and losses arising upon a sale or other derecognition of such assets and liabilities are recognised in the income statement item *Net trading gains and losses and net gains and losses on translation of monetary assets and liabilities.* Gains and losses from a change in the fair value of financial instruments measured at FVOCI are recognised directly in a Fair value reserve in other comprehensive income, net of deferred tax, and are disclosed in the statement of changes in equity. Loss allowances, foreign exchange gains and losses, interest income and amortisation of premium or discount using the effective interest method on financial instruments measured at FVOCI monetary assets are recognised in the income statement. Loss allowances on non-monetary financial instruments measured at FVOCI assets are also recognised in the income statement (*Impairment gains and losses and provisions*). Foreign exchange differences on non-monetary financial instruments measured at FVOCI are recognised in other comprehensive income as Fair value reserve, net of deferred tax.

Dividend income is recognised in the income statement. Gains and losses on financial instruments carried at amortised cost may also arise, and are recognised in the income statement, when a financial instrument is derecognised or when its value is impaired (*Impairment gains and losses and provisions*).

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

viii) *Impairment of financial assets*

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments and financial assets at FVTPL.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

viii) *Impairment of financial assets (continued)*

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Section 4 - Material accounting policy information (continued)

k) Financial instruments (continued)

viii) *Impairment of financial assets (continued)*

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision,
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

l) Derivative financial assets

All derivatives are measured at fair value in the statement of financial position. If a derivative is not held for trading, and is not designated in a qualifying hedging relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net income from other financial instruments at FVTPL.

Section 4 - Material accounting policy information (continued)

m) Hedge accounting

The Group uses derivative financial instruments to manage its exposures to interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which they are entered to and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged items fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are tested regularly throughout their life to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated. The Group uses fair value hedge to cover exposure to changes in the fair value attributable to the different risk categories of assets and liabilities in the statement of financial position, or a portion of these or to cover portfolios of financial assets and liabilities.

n) Sale and repurchase agreements

The Group enters into purchases and sales of securities under agreements to resell or repurchase substantially identical securities at a certain date in the future at a fixed price. Investments purchased subject to such commitments to resell them at future dates are not recognised in the statement of financial position. The amounts paid are recognised as loans and advances to either banks or customers. The receivables are presented as collateralised by the underlying security. Securities sold under repurchase agreements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for the relevant financial asset at amortised cost or at fair value as appropriate. The proceeds from the sale of the securities are reported as collateralised liabilities to either banks or customers.

The difference between the sale and repurchase consideration is recognised on an accrual basis over the period of the transaction and is included in interest income or expense.

Section 4 - Material accounting policy information (continued)

o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

With regard to the discount rate, based on the requirements of IFRS 16, the Group uses the implicit interest rate for each lease contract, when it is available. The implicit interest rate cannot always be readily determined without using estimates and assumptions. In these cases, the Group has developed a methodology for setting the incremental interest rate as an alternative to the implicit interest rate and has decided to adopt the Funds Transfer Pricing (FTP) method. This is based on an unsecured and amortising rate curve, which envisages lease payments for the lease contract that are typically constant over the lease term, rather than a single payment upon maturity. The FTP method takes into account the creditworthiness of the lessee, the term of the lease, the nature and quality of the collateral provided and the economic environment in which the transaction takes place and is therefore in line with the requirements of the standard.

The Group presents right-of-use assets in "property and equipment" and lease liabilities in "interest bearing borrowings in the statement of financial position.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as lessor

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Section 4 - Material accounting policy information (continued)

p) Property and equipment

Property and equipment are stated at historical cost or deemed cost less accumulated depreciation and impairment losses, except for owner-occupied property which have been measured according to the revaluation method. The fair value of land and buildings is measured on the basis of market benchmarks, in an appraisal that is normally prepared by professionally qualified appraisers. The frequency of revaluations depends upon the changes in fair value of items of property being revalued.

Property and equipment are tangible items that are held for use in the provision of services, for rental or other administrative purposes.

Subsequent cost is included in the asset's carrying amount or is recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the period in which they have incurred.

Assets not yet brought into use are not depreciated until the relevant assets are completed and put into operational use and reclassified to the appropriate category of property and equipment.

Depreciation is provided on all assets except land and assets not yet brought into use on a straight-line basis at prescribed rates designed to write-off the cost over the estimated useful life of the asset. The estimated useful lives are as follows:

	31.12.2025	**31.12.2024**
Buildings	20 to 40 years	20 to 40 years
Office furniture	5 years	5 years
Computers	4 to 6 years	4 to 6 years
Motor vehicles	5 years	5 years
Equipment and other assets	2 to 10 years	2 to 10 years

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. When an item of property is revalued, the carrying value of that asset is adjusted to the revalued amount so that the accumulated depreciation is eliminated against the gross carrying amount of the asset.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When the use of property changes from owner-occupied to rented, the property is reclassified to investment property. When assets are sold or retired, their cost and accumulated depreciation are eliminated and any gain or loss resulting from their disposal is included in the income statement.

Section 4 - Material accounting policy information (continued)

q) Intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

	31.12.2025	31.12.2024
Licence fees	1 to 10 years	1 to 10 years
Computer software	1 to 10 years	1 to 10 years

The useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

r) Issued share capital

Issued share capital represents the nominal value of paid-in ordinary shares and is denominated in EUR.

Dividends are recognised as a liability in the period in which they are declared.

s) Retained earnings

Any profit for the year retained after appropriations is classified within retained earnings.

t) Off-balance-sheet commitments and contingent liabilities

In the ordinary course of business, the Group enters into credit-related commitments which are recorded in off-balance-sheet accounts and primarily comprise guarantees, letters of credit, undrawn loan commitments and credit-card limits. Such financial commitments are recorded in the Group's statement of financial position if and when they become payable.

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, being the premium received, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Financial guarantees are included within other liabilities.

u) Managed funds for and on behalf of third parties

The Group manages funds for and on behalf of corporate and retail customers, banks and other institutions. These amounts do not represent the Group's assets and are excluded from the statement of financial position. For the services rendered the Group charges a fee. For details please refer to Part J, Section 3 – Managed funds for and on behalf of third parties.

Section 5 - Accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumptions about uncertain events, including estimates and assumptions about the future. Such accounting assumptions and estimates are regularly evaluated and are based on historical experience and other factors such as the expected flow of future events that can be rationally assumed in the existing circumstances, but nevertheless necessarily represent sources of estimation uncertainty. Critical judgments relating to allowance for credit losses are particularly complex in the current uncertain environment. During 2025, the management monitored the geopolitical and economic situation caused by Russia-Ukraine conflict. This event caused slowdown in economic activities and uncertainties to macroeconomic projections, which negatively affected the fair value of financial instruments, and future developments may affect the quality of loan portfolio and real estate market. Although the accounting estimates and assumptions were made using reasonable and achievable information as of reporting date, they are subject to changes that are not possible to predict at the moment.

The estimation of allowance for credit losses represents management's best estimate of risk of default and ECLs on the financial assets, including any off-balance sheet exposures, at the reporting date and, as part of this, the estimation of the fair value of real estate collateral represents the major source of estimation uncertainty. This and other key sources of estimation uncertainty, that have a significant risk of causing a possible material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Classification of financial assets

Business Model Assessment

The Bank determines its business models based on the objective under which its portfolios of financial assets are managed. Refer to 4 k ii) for details on the Bank's business models. In determining its business models, the Bank considers the following:

- Management's intent and strategic objectives and the operation of the stated policies in practice;
- The primary risks that affect the performance of the business model and how these risks are managed;
- How the performance of the portfolio is evaluated and reported to management; and
- The frequency and significance of financial asset sales in prior periods, the reasons for such sales and the expected future sales activities.

Solely Payments of Principal and Interest Test

In assessing whether contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that they would not be consistent with a basic lending arrangement. In making the assessment, the Group considers the primary terms as follows and assess if the contractual cash flows of the instruments continue to meet the SPPI test:

- Performance-linked features;
- Terms that limit the Bank's claim to cash flows from specified assets (non-recourse terms);
- Prepayment and extension terms;
- Leverage features; and
- Features that modify elements of the time value of money.

Section 5 - Accounting estimates and judgments in applying accounting policies (continued)

b) Impairment of financial assets

Significant Increase in Credit Risk

Criteria for assessing significant increase in credit risk for retail exposures are based on the exposure's credit risk at origination and current characteristics of the client. The criteria include changes in internal credit risk rating, forbearance measures and delinquency backstop when contractual payments are materially more than 30 days past due. Credit risk has increased significantly since initial recognition when one of the aforementioned criteria is met. Significant increase in credit risk for corporate exposures is determined using similar stage 2 criteria as for retail portfolio, with additional criteria based on early warning signals (EWS colours) and internal watch list.

Measurement of Expected Credit Loss

Expected credit losses are calculated as the product of probability of default (PD), loss given default (LGD), and exposure at default (EAD) over the remaining expected life of the financial asset and discounted to the reporting date at the effective interest rate for exposures with significant increase in credit risk (i.e. stage 2 contracts). On the other hand, for exposures classified as stage 1, expected credit loss is calculated over 1 year horizon, i.e. 1 year expected credit loss is estimated. PD estimates represent the point-in-time PD, updated on a semi-annual basis based on the group's historical experience, current conditions, and relevant forward-looking expectations (i.e. macroeconomic scenarios). LGD estimates are determined based on historical recovery payments. EAD incorporates forward-looking expectations about repayments of drawn balances and expectations about future draws where applicable.

The Group first assesses whether evidence of impairment exists individually for assets that are individually significant, corporate exposures with total balance exceeding EUR 0.4 million, (previous reporting period: corporate exposure with total balance exceeding EUR 0.4 million) and collectively for assets that are not individually significant (retail exposures and corporate exposures below threshold of EUR 0.4 million).

Impairment allowance on assets individually assessed as credit-impaired is based on the management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and net realizable value of any underlying collateral. Each impaired asset is assessed separately, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Section 5 - Accounting estimates and judgments in applying accounting policies (continued)

b) Impairment of financial assets (continued)

Forward-Looking Information

In calculating the ECL, the Group employs internally developed models that utilize parameters for PD, LGD and EAD. Forward-looking macroeconomic factors determined at the regional level are incorporated in the risk parameters as relevant. Additional risk factors that are segment specific are also incorporated, where relevant. The measurement of the financial assets also reflects the best estimate of the effects of future conditions and in particular the economic conditions that affect the forward-looking PDs and LGDs.

In terms of method, various possible alternative approaches designed to take account of these elements have been analysed. Of the various alternatives considered, the Group has decided to adopt the “Most likely scenario+ Add-on” approach. According to this approach, the macroeconomic conditioning of PD and LGD is carried out through a baseline scenario (“Most Likely”) and then corrected with an Add-On to include any differences compared to downside and upside scenarios.

Expected Credit Losses

ECLs are recognized on initial recognition of the financial assets and on each subsequent reporting date, until maturity date, including balance and off-balance exposures. For exposures classified in stage 1, 1-year ECL is calculated, while for exposures in stage 2 and stage 3, lifetime expected credit loss is calculated. On top of ECL amounts, certain managerial overlays may be applied, in order to address the geopolitical uncertainty and risks on portfolio which are not segment/product/customer specific, but are broadly applied and might have spill-over across the board through the worsened macroeconomic conditions that could not be identified via IFRS9 models capturing emerging, novel and unmodelled risks .

c) Classification of lease contracts

The Group acts as a lessor in operating and finance leases. Where the Group, as a lessor, transfers substantially all the risks and rewards incidental to ownership to the lessee, the leases are classified as finance leases. All other leases are classified as operating and related assets are included in property and equipment under operating leases at cost net of accumulated depreciation. In determining whether leases should be classified as operating or finance, the Group considers the requirements of International Financial Reporting Standard 16 *Leases*.

Section 5 - Accounting estimates and judgments in applying accounting policies (continued)

d) Fair value of financial instruments

If a market for a financial instrument is not active, or, if for any reason, fair value cannot be reasonably measured by market price, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent to the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. The chosen valuation techniques are periodically reviewed by an independent expert who has not participated in their formation. All models are certified before use.

The determination of fair value of financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and for this reason, when calculating the fair value of a financial asset or liability all material risks that affect them must be identified and taken into consideration.

When measuring fair values, the Group takes into account the IFRS fair value hierarchy that reflects the significance of the inputs used in making the measurement. Each instrument is individually evaluated. The levels are determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The financial instruments carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy as follows:

Level 1: Instruments valued using quoted (unadjusted) prices in active markets for identical assets or liabilities; these are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets.

- These instruments include liquid debt and equity securities traded on liquid markets, and quoted units in investment funds.

Level 2: Instruments valued using valuation techniques using observable market data. These are instruments where fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable.

- These instruments include less-liquid debt, equity securities and derivatives valued by a model which uses Level 1 inputs.

Section 5 - Accounting estimates and judgments in applying accounting policies (continued)

d) Fair value of financial instruments (continued)

Level 3: Instruments valued using valuation techniques using market data which is not directly observable: these are instruments where fair value cannot be determined directly by reference to market-observable information, and some other pricing technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on fair value.

- These instruments include nonliquid debt securities and illiquid equity securities.

During reporting period and previous reporting period, no transfers from Level 1 to Level 2 or from Level 2 to Level 1 occurred, as there were no changes to the methodology used in determining levels of the fair value hierarchy, while the market activity of financial instruments in the Group's portfolios remained unchanged.

e) Taxation

The Group provides for tax liabilities in accordance with the tax laws of the Republic of Croatia and other jurisdictions (Slovenia and Bosnia and Herzegovina). Tax returns are subject to the approval of the tax authorities who are entitled to carry out subsequent inspections of taxpayer's records. Deferred tax assets are recognised only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized.

Global Minimum Corporate Income Tax Act

In 2023, the Global Minimum Corporate Income Tax Act was adopted, which introduces new taxation for large domestic groups and international groups of companies based in the Republic of Croatia. Minimum effective taxation of 15% applies to groups of companies with revenues exceeding 750 million euros, namely for business years starting after 31 December 2023.

The new concept of minimum taxation consists of two interrelated rules, through which an additional amount of tax will be calculated, the so-called Top-up tax, in cases where the effective tax rate relating to the income of the multinational companies in a given jurisdiction, lower than 15%. In such cases, the given jurisdiction will be considered to be (too) low taxed. The mentioned rules are:

- Income Inclusion Rule, which determines the payment of the so-called additional tax in relation to a (too) low-taxed subsidiary at the level of the last controlling company or intermediate parent entity. The rule applies to fiscal years starting on or after 31 December 2023.
- The Undertaxed Profit Rule, which distributes the Top-up tax to the controlling company and subsidiaries according to the ratio of tangible assets and the number of employees, namely in cases where the last controlling company will not pay Top-up tax in connection with (over)low-taxed subsidiaries through the application of the above-mentioned Income Inclusion Rule. The rule applies to fiscal years beginning on or after 31 December 2024.

Croatia has chosen the option to use the income from the Top-up tax collected from low-taxed subsidiaries located in its territory. The Global Minimum Corporate Income Tax Act introduces the Qualified Domestic Minimum Top-up Tax rule. This means paying additional tax to a member state for subsidiaries in that country that are low-tax entities in that country.

The calculations that have been conducted by ISP Group on a jurisdictional basis according to the Pillar II rules and based on the data for 2025 show that our jurisdiction successfully passed the Temporary Safe Harbour tests and therefore the Bank is not required to pay Top-up tax for 2025.

Section 5 - Accounting estimates and judgments in applying accounting policies (continued)

f) Litigation and claims

The Group makes an individual assessment of all court cases. The assessment is made by the special functions of the Bank and the Bank's subsidiaries and in certain cases external lawyers are engaged. As stated in Part B, Section 22 – Allowances for risk and charges the Bank and the Group provided EUR 51 million (previous reporting date: EUR 62 million) and EUR 55 million (previous reporting date: EUR 70 million) respectively for principal and interest in respect of liabilities for court cases, which the management estimates as sufficient. The above amounts represent the Group's best estimate of loss in respect of legal cases, although the actual outcome of court cases initiated against the Group can be significantly different. It is not practicable for management to estimate the financial impact of changes to the assumptions based on which management assesses the need for provisions.

g) Fair value of property and equipment and investment property

The Group uses the revaluation model for property and equipment and fair value model. The criterion of re-valuation model requires that the asset have to be amortized on the basis of new revalued value. Investment property at fair value will no longer be amortized.

h) Foreclosed assets

The Group occasionally acquires real estate in settlement of certain loans and advances. Real estate is stated at the lower of the gross carrying value of the related loans and advances and the current fair value of such assets. Gains or losses on disposal are recognised in the income statement.

i) Determination of control over investees

Management applies its judgement to determine whether the Group controls investees. In assessing whether the Group controls the investees, the Group performs the power analysis and takes into consideration purpose and design of the investee, the evidence of practical ability to direct the relevant activities of the investees etc.

As a result, the Group concluded that it does not control and therefore should not consolidate its special purpose vehicles and entities with receivables in default, as the Group does not have power over the relevant activities of those entities.

Part B - Information on the statement of financial position

Section 1 – Cash and cash equivalents - caption 10

1.1 Cash and cash equivalents: breakdown

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
a) Cash	584	540	638	593
b) Current accounts and on demand deposits with Central Banks	2,129	2,187	2,676	2,996
c) Current accounts and on demand deposits with banks	11	30	80	104
C. Saldo (A-B)	**2,724**	**2,757**	**3,394**	**3,693**

Section 2 – Financial assets measured at fair value through profit or loss – caption 20

2.1 Financial assets held for trading: breakdown

BANK (millions of euro) Captions			31.12.2025			31.12.2024
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1. Debt securities	33	-	-	51	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	33	-	-	51	-	-
2. Equities	-	-	-	-	-	-
3. Quotas of UCI	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**33**	**-**	**-**	**51**	**-**	**-**
B. Derivatives						
1. Financial derivatives	-	-	-	-	-	-
1.1 trading	-	-	-	-	-	-
1.2 fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**
Total(A+B)	**33**	**-**	**-**	**51**	**-**	**-**

Section 2 – Financial assets measured at fair value through profit or loss – caption 20 (continued)

2.1 Financial assets held for trading: breakdown (continued)

GROUP (millions of euro) **Captions**			**31.12.2025**			**31.12.2024**
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
A. Cash assets						
1. Debt securities	33	-	-	51	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	*33*	-	-	*51*	-	-
2. Equities	-	-	-	-	-	-
3. Quotas of UCI	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**33**	**-**	**-**	**51**	**-**	**-**
B. Derivatives						
1. Financial derivatives	-	1	-	-	2	-
1.1 trading	-	*1*	-	-	*2*	-
1.2 fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	**-**	**1**	**-**	**-**	**2**	**-**
Total(A+B)	**33**	**1**	**-**	**51**	**2**	**-**

Section 2 – Financial assets measured at fair value through profit or loss – caption 20 (continued)

2.2 Financial assets held for trading: borrower/issuer/counterparty breakdown

Captions (millions of euro)		**BANK**		**GROUP**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
A. Cash assets				
1. Debt securities	**33**	51	**33**	51
a) Central banks	-	-	-	-
b) Public administration	33	51	33	51
c) Banks	-	-	-	-
d) Other financial companies	-	-	-	-
- of which: insurance companies	-	-	-	-
e) Not financial entities	-	-	-	-
2. Equity instruments	**-**	-	**-**	-
a) Banks	-	-	-	-
b) Other financial companies	-	-	-	-
- of which: insurance companies	-	-	-	-
c) Non-financial companies	-	-	-	-
d) Other issuers	-	-	-	-
3. Quotas of UCI	**-**	-	**-**	-
4. Loans	**-**	-	**-**	-
a) Central Banks	-	-	-	-
b) Public administration	-	-	-	-
c) Banks	-	-	-	-
d) Other financial companies	-	-	-	-
- of which: insurance companies	-	-	-	-
e) Non-financial companies	-	-	-	-
f) Households	-	-	-	-
Total A	**33**	**51**	**33**	**51**
B. Derivatives				
a) Central counterparties	-	-	-	-
b) Others	-	-	1	2
Total B	**-**	**-**	**1**	**2**
Total(A+B)	**33**	**51**	**34**	**53**

Section 2 – Financial assets measured at fair value through profit or loss – caption 20 (continued)

2.3 Financial assets designated at fair value: breakdown

There were no financial assets designated at fair value on reporting date or previous reporting date.

2.4 Financial assets designated at fair value: borrower/issuer breakdown

There were no financial assets designated at fair value on reporting date or previous reporting date.

2.5 Other financial assets mandatorily measured at fair value: breakdown

BANK Captions (millions of euro)			31.12.2025			31.12.2024
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	-	1	-	-	3	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	1	-	-	3	-
2. Equities	4	-	-	3	-	-
3. Quotas of UCI	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	4	1	-	3	3	-

GROUP Captions (millions of euro)			31.12.2025			31.12.2024
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	-	1	-	-	4	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	1	-	-	4	-
2. Equities	6	1	-	4	1	-
3. Quotas of UCI	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	6	2	-	4	5	-

Section 2 – Financial assets measured at fair value through profit or loss – caption 20 (continued)

2.6 Other financial assets mandatorily measured at fair value: borrower/issuer breakdown

Captions (millions of euro)		**BANK**		**GROUP**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
1. Equities	**4**	**3**	**7**	**5**
of which: banks	4	3	6	4
of which: other financial companies	-	-	-	-
of which: non-financial companies	-	-	1	1
2. Debt securities	**1**	**3**	**1**	**4**
a) Central Banks	-	-	-	-
b) Public administration	-	-	-	-
c) Banks	-	-	-	-
d) Other financial companies	1	3	1	4
of which: insurance companies	-	-	-	-
e) Non-financial companies	-	-	-	-
3. Quotas of UCI	**-**	-	**-**	-
4. Loans	**-**	**-**	**-**	**-**
a) Central Banks	-	-	-	-
b) Public administration	-	-	-	-
c) Banks	-	-	-	-
d) Other financial companies	-	-	-	-
of which: insurance companies	-	-	-	-
e) Non-financial companies	-	-	-	-
f) Households	-	-	-	-
Total	**5**	**6**	**8**	**9**

Section 3 – Financial assets measured at fair value through other comprehensive income – caption 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown

BANK (millions of euro) **Captions**			**31.12.2025**			**31.12.2024**
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Debts securities	**2,007**	**75**	**-**	**1,320**	**228**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	2,007	75	-	1,320	228	-
2. Equity Instruments	**1**	**-**	**-**	**-**	**-**	**-**
3. Loans	-	-	-	-	-	-
Total	**2,008**	**75**	**-**	**1,320**	**228**	**-**

GROUP (millions of euro) **Captions**			**31.12.2025**			**31.12.2024**
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Debts securities	**2,569**	**135**	**-**	**1,846**	**288**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	2,569	135	-	1,846	288	-
2. Equity Instruments	**-**	**11**	**-**	**-**	**11**	**-**
3. Loans	-	-	-	-	-	-
Total	**2,569**	**146**	**-**	**1,846**	**299**	**-**

Section 3 – Financial assets measured at fair value through other comprehensive income – caption 30 (continued)

3.1 Financial assets measured at fair value through other comprehensive income: breakdown

Caption		**BANK**		**GROUP**
(millions of euro)	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
1. Debt securities	**2,082**	**1,548**	**2,704**	**2,134**
a) Central Banks	-	-	-	-
b) Public administration	1,711	1,249	2,245	1,699
c) Banks	371	196	459	243
d) Other financial companies	-	103	-	192
of which: insurance companies	-	-	-	-
e) Non-financial companies	-	-	-	-
2. Equities	**1**	**-**	**11**	**11**
a) Banks	-	-	-	-
b) Other issuers:	1	-	11	11
- other financial companies	1	-	1	-
- non-financial companies	-	-	-	-
- other	-	-	10	11
3. Loans	-	-	-	-
a) Central Banks	-	-	-	-
b) Public administration	-	-	-	-
c) Banks	-	-	-	-
d) Other financial companies	-	-	-	-
of which: insurance companies	-	-	-	-
e) Non-financial companies	-	-	-	-
f) Households	-	-	-	-
Total	**2,083**	**1,548**	**2,715**	**2,145**

Section 3 – Financial assets measured at fair value through other comprehensive income – caption 30 (continued)

3.2 Financial assets measured at fair value through other comprehensive income: gross amount and total adjustments

BANK	**Gross amount**					**Total adjustments**				**Total partial write-offs**
(millions of euro)	**Stage 1**	***of which: Instruments with low credit risk***	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	
Debt securities	2,082	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2025	**2,082**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt securities	1,548	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**1,548**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

GROUP	**Gross amount**					**Total adjustments**				**Total partial write-offs**
(millions of euro)	**Stage 1**	***of which: Instruments with low credit risk***	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	
Debt securities	2,704	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2025	**2,704**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt securities	2,134	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**2,134**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Section 4 – Financial assets measured at amortised cost – caption 40

4.1 Financial assets measured at amortised cost: breakdown of amounts due from banks

Transaction type/Amount			31.12.2025						31.12.2024			
BANK	Balance value			Fair value			Balance value			Fair value		
(millions of euro)	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3
A. Due from Central Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirement	-	-	-	X	X	X	-	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Due from banks	**708**	**-**	**-**	**-**	**713**	**-**	**2,632**	**-**	**-**	**-**	**2,633**	**-**
1. Loans	708	-	-	-	713	-	2,632	-	-	-	2,633	-
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	426	-	-	X	X	X	700	-	-	X	X	X
1.3 Other loans:	282	-	-	X	X	X	1,932	-	-	X	X	X
- Reverse repurchase agreements	184	-	-	X	X	X	1,880	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	98	-	-	X	X	X	52	-	-	X	X	X
2. Debts securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**708**	**-**	**-**	**-**	**713**	**-**	**2,632**	**-**	**-**	**-**	**2,633**	**-**

Section 4 – Financial assets measured at amortised cost – caption 40 (continued)

4.1 Financial assets measured at amortised cost: breakdown of amounts due from banks (continued)

Transaction type/Amount	31.12.2025						31.12.2024					
GROUP	Balance value			Fair value			Balance value			Fair value		
(millions of euro)	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3
A. Due from Central Banks	**178**	**-**	**-**	**-**	**178**	**-**	**161**	**-**	**-**	**36**	**-**	**125**
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirement	176	-	-	X	X	X	160	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	2	-	-	X	X	X	1	-	-	X	X	X
B. Due from banks	**1,034**	**-**	**-**	**-**	**827**	**211**	**2,987**	**-**	**-**	**-**	**2,766**	**221**
1. Loans	1,034	-	-	-	827	211	2,987	-	-	-	2,766	221
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	691	-	-	X	X	X	1,054	-	-	X	X	X
1.3 Other loans:	343	-	-	X	X	X	1,933	-	-	X	X	X
- Reverse repurchase agreements	235	-	-	X	X	X	1,880	-	-	X	X	X
- Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	108	-	-	X	X	X	53	-	-	X	X	X
2. Debts securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,212**	**-**	**-**	**-**	**1,005**	**211**	**3,148**	**-**	**-**	**36**	**2,766**	**346**

The Bank and the Group are required to maintain a mandatory reserve with the central banks (Croatian National Bank for the Bank and Bank of Slovenia for the Group), related to the volume and structure of its customer deposits.

The current requirement of central banks regarding the calculation of the amount to be held as mandatory reserve is 1% of sight and time deposits and issued debt securities with maturities up to two years.

The obligatory reserve with the Bosnia and Herzegovina central bank represents amounts required to be deposited with central bank. The minimum obligatory reserve is calculated as a percentage of the average balance of total deposits and borrowed funds for each business day during the 10 calendar days, in arrears. The obligatory reserve rate is 10% at, deposits and borrowed funds regardless of the currency in which the funds are denominated.

The Bank and the Group maintains sufficient liquid assets to fully comply with the central banks requirements.

Section 4 – Financial assets measured at amortised cost – caption 40 (continued)

4.2 Financial assets measured at amortised cost: breakdown of loans to customers

Transaction type/ Amount	31.12.2025						31.12.2024					
BANK	Balance value			Fair value			Balance value			Fair value		
(millions of euro)	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3
1. Loans	**9,862**	**126**	**3**	**-**	**10,361**	**127**	**8,865**	**117**	**3**	**-**	**8,843**	**118**
1.1. Current accounts	150	2	-	X	X	X	171	2	-	X	X	X
1.2. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgages	3,412	40	2	X	X	X	3,027	29	2	X	X	X
1.4. Credit card loans and personal loans	1,854	47	1	X	X	X	1,663	38	1	X	X	X
1.5. Finance leases	-	-	-	X	X	X	-	-	-	X	X	X
1.6. Factoring	27	-	-	X	X	X	19	-	-	X	X	X
1.7. Other loans	4,419	37	-	X	X	X	3,985	48	-	X	X	X
2. Debt securities	**2,289**	**-**	**-**	**2,098**	**-**	**221**	**465**	**-**	**-**	**310**	**-**	**153**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	2,289	-	-	2,098	-	221	465	-	-	310	-	153
Total	**12,151**	**126**	**3**	**2,098**	**10,361**	**348**	**9,330**	**117**	**3**	**310**	**8,843**	**271**

Section 4 – Financial assets measured at amortised cost – caption 40 (continued)

4.2 Financial assets measured at amortised cost: breakdown of loans to customers (continued)

Transaction type/Amount			31.12.2025						31.12.2024			
GROUP	Balance value			Fair value			Balance value			Fair value		
(millions of euro)	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	Level 1	Level 2	Level 3
1. Loans	**14,031**	**153**	**3**	**-**	**11,730**	**2,907**	**12,677**	**143**	**3**	**-**	**9,498**	**3,221**
1.1.Current accounts	224	3	-	X	X	X	245	3	-	X	X	X
1.2. Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgages	4,421	44	2	X	X	X	3,912	33	2	X	X	X
1.4. Credit card loans and personal loans	2,739	58	1	X	X	X	2,492	51	1	X	X	X
1.5. Finance leases	294	4	-	X	X	X	250	2	-	X	X	X
1.6. Factoring	28	-	-	X	X	X	21	-	-	X	X	X
1.7. Other loans	6,325	44	-	X	X	X	5,757	54	-	X	X	X
2. Debt securities	**2,582**	**-**	**-**	**2,348**	**45**	**223**	**487**	**-**	**-**	**331**	**-**	**155**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	2,582	-	-	2,348	45	223	487	-	-	331	-	155
Total	**16,613**	**153**	**3**	**2,348**	**11,775**	**3,130**	**13,164**	**143**	**3**	**331**	**9,498**	**3,376**

Other loans presented in table above mostly relates to loans to corporate clients. For more details on finance lease receivables please refer to Part I – Disclosure of leases.

Section 4 – Financial assets measured at amortised cost – caption 40 (continued)

4.2 Financial assets measured at amortised cost: breakdown of loans to customers (continued)

Collateral repossessed

Assets previously received as collateral, and during the reporting period recognised as foreclosed assets amounts to carrying value of nil for the Bank and nil for the Group (previous reporting date: nil for the Bank and EUR 1 million for the Group). The collaterals repossessed, which the Bank and the Group is in the process of selling, are disclosed within Section 12 – Other assets. In general, the Bank and the Group do not occupy repossessed properties for business use.

Sale of loans

During 2025 the Bank and the Group sold a part of its non-performing loans granted to the customers. The gross balance sheet exposure of sold loans amounted to EUR 45 million for the Bank and EUR 84 million for the Group (previous reporting date: nil for the Bank and nil for the Group). Realized gain from sale amounted to 15 EUR million for the Bank and 28 EUR million for the Group. The Group and the Bank transferred substantially all risks and the contractual rights to the cash flows from the loans have expired.

4.3 Financial assets measured at amortised cost: breakdown by borrower/issuer of loans to customers

BANK (millions of euro) **Transaction type/Amount**			**31.12.2025**			**31.12.2024**
	Stage 1 and 2	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1 and 2**	**Stage 3**	**Purchased or originated credit-impaired**
1. Debt securities	**2,289**	**-**	**-**	**465**	**-**	**-**
a) Public administration	2,077	-	-	317	-	-
b) Other financial companies	10	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	202	-	-	148	-	-
2. Loans:	**9,862**	**126**	**3**	**8,865**	**117**	**3**
a) Public administration	1,403	-	-	1,260	-	-
b) Other financial companies	258	-	-	164	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	2,671	35	-	2,472	46	-
d) Households	5,530	91	3	4,969	71	3
Total	**12,151**	**126**	**3**	**9,330**	**117**	**3**

GROUP (millions of euro) **Transaction type/Amount**			**31.12.2025**			**31.12.2024**
	Stage 1 and 2	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1 and 2**	**Stage 3**	**Purchased or originated credit-impaired**
1. Debt securities	**2,582**	**-**	**-**	**487**	**-**	**-**
a) Public administration	2,358	-	-	337	-	-
b) Other financial companies	10	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	214	-	-	150	-	-
2. Loans:	**14,031**	**153**	**3**	**12,677**	**143**	**3**
a) Public administration	1,845	-	-	1,520	-	-
b) Other financial companies	130	-	-	167	-	-
of which: insurance companies	1	-	-	-	-	-
c) Non-financial companies	4,541	47	-	4,212	54	-
d) Households	7,515	106	3	6,778	89	3
Total	**16,613**	**153**	**3**	**13,164**	**143**	**3**

Section 4 – Financial assets measured at amortised cost – caption 40 (continued)

4.4 Financial assets measured at amortised cost: gross amount and total adjustments

BANK (millions of euro)	**Gross amount**					**Total adjustments**				**Total partial write-offs**
	Stage 1	***of which: Instruments with low credit risk***	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	
Debt securities	2,278	-	15	-	-	-1	-3	-	-	-
Loans	10,162	479	497	250	5	-52	-37	-124	-2	-
Total 31.12.2025	**12,440**	**479**	**512**	**250**	**5**	**-53**	**-40**	**-124**	**-2**	**-**
Debt securities	436	-	32	-	-	-1	-2	-	-	-
Loans	10,775	2,023	817	295	6	-48	-46	-178	-3	-
Total 31.12.2024	**11,211**	**2,023**	**849**	**295**	**6**	**-49**	**-48**	**-178**	**-3**	**-**

GROUP (millions of euro)	**Gross amount**				**Total adjustments**					**Total partial write-offs**
	Stage 1	***of which: Instruments with low credit risk***	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	
Debt securities	2,573	-	15	-	-	-3	-3	-	-	-
Loans	14,593	857	802	333	5	-78	-74	-180	-2	37
Total 31.12.2025	**17,166**	**857**	**817**	**333**	**5**	**-81**	**-77**	**-180**	**-2**	**37**
Debt securities	458	-	32	-	-	-1	-2	-	-	-
Loans	14,888	2,265	1,095	392	6	-81	-77	-249	-3	44
Total 31.12.2024	**15,346**	**2,265**	**1,127**	**392**	**6**	**-82**	**-79**	**-249**	**-3**	**44**

Section 5 – Hedge derivative financial assets – caption 50

The Bank introduced hedge accounting with the aim of managing interest rate risk in the banking book. Within the Group, Intesa Sanpaolo banka d.d. Slovenia also applies hedge accounting. By using derivative financial instruments to hedge against exposure to interest rate changes, the Bank is also exposed to counterparty credit risk, which is not compensated by a hedged item. Since the interest rate swap belongs to the class of derivatives subject to the clearing obligation, clearing transactions are carried out by the CCP.

During 2025 hedging activities were performed in a dynamic way, respecting the RAF framework and Internal capital adequacy and in line with opportunities on the swap market for ensuring the minimum costs of hedging activities for the Bank as well as anticipating the overall balance sheet evolution and the interconnection of the management of NII and ΔEVE sensitivity limit.

To reduce exposure to changes in fair value, the Bank protects positions at fixed interest rate. The Bank hedges the following positions:

- retail mortgage loans portfolio denominated in EUR currency with a period of fixed interest rate (Macro FVH)
- retail consumer loans portfolio denominated in EUR currency with a period of fixed interest rate(Macro FVH)
- sight modelled deposits denominated in EUR currency(Macro FVH)
- fixed coupon bonds in both HTC and HTCS portfolio(Micro FVH)

The interest rate hedging activities carried out by the Bank aim to reduce exposure to changes in fair value and future cash flows. By using derivative financial instruments, such as interest rate swaps, the Bank can reduce the volatility of its cash flows, ensuring more stable and predictable financial results.

At the Group level, interest rate swaps are also used to protect exposure to changes in fair value fixed-rate loans and advances denominated in EUR and USD currency, at a micro level of protection (one to one), by Banka Intesa Sanpaolo d.d. Slovenia.

Also, as of December 2023, an interest swap has been concluded in the Group to protect cash flow changes (Cash Flow Hedge) on the mortgage loan portfolio with a variable interest rate. The entity's hedging activities, particularly through cash flow hedges, are designed to stabilize future cash flows by mitigating the risk of variability. By using hedging instruments such as interest rate swaps (IRS) to offset changes in the cash flows of variable rate mortgages, the entity can more predictably manage its financial outcomes. This leads to a reduction in the uncertainty of future cash flows, as the hedging relationship ensures that the hedged item's financial risks are effectively managed. Consequently, the timing and amount of cash flows become more stable and foreseeable.

Prior to applying hedge accounting by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship and evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks. As an example, when hedging retail mortgage loans with a period of fixed interest rate the Bank mitigates the risk of changes in fair value with a pay FIX/receive variable IRS, for which the fair value moves in the opposite direction then the underlaying portfolio, thus confirming the existence on an economic relationship. In the case of a cash flow hedge the pool of loans hedged are tied to a specific EURIBOR. Similarly, the IRS is tied to the same EURIBOR as the underlying. As such the hedged item and the hedging instrument are considered opposite deals, thus confirming the existence of an economic relationship.

The risk component designated as the hedged item relates to the item in its entirety and has historically covered a significant portion of the changes in the fair value of the item. According to the rules in the document *PBZ Rules for Testing and Measuring the Effectiveness of Interest Rate Risk Hedges*, effectiveness testing is performed to demonstrate that changes in the fair value or future cash flows of the hedged items are offset by corresponding changes in the fair value or cash flows of the hedging instruments.

Section 5 – Hedge derivative financial assets – caption 50 (continued)

All hedge relationships within the PBZ Group relate to interest rate risk and are executed using plain vanilla interest rate swaps. These hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are tested on a regular basis throughout their life to confirm that they remain highly effective for each financial reporting period in which they are designated. To date, there have been no instances in which hedge relationships have fallen outside the expected effectiveness range.

Prospective capacity and efficiency testing are performed before entering a hedging relationship. Hedge ratios are established by aligning the fair value of the fixed-rate loan, bond or deposit and the fair value of the interest rate swap designated as a hedging instrument and their fair value sensitivity. The hedges are designed to maintain the ratios within an 80%-125% range.

The profile of the timing of the nominal amount of the hedging instrument is defined in the documents on the formal designation of the hedging relationship and depends on the available capacity in the portfolio being hedged.

BANK (millions of euro)	**Notional (residual) amount)**	**Average original maturity in years**	**Average IRS fix rate**
Mortgage loans	1,562	11.1	2.326
Consumer loans	195	9.0	2.802
Sight deposits	1,900	1.5	2.143
HTC Bonds micro hedge	1,397	8.4	2.469
HTCS Bonds micro hedge	846	4.9	2.249
Total 31.12.2025	**5,900**		
Mortgage loans	1,395	10.0	2.244
Consumer loans	195	9.0	2.802
Sight deposits	600	2.5	2.863
HTC Bonds micro hedge	-	-	-
HTCS Bonds micro hedge	-	-	-
Total 31.12.2024	**2,190**		

GROUP (millions of euro)	**Notional (residual) amount)**	**Average original maturity in years**	**Average IRS fix rate**
Bonds IRS	2,481	7,3	2.404
Mortgage loans	1,988	14,3	2.284
Micro Hedge IRS	86	18,1	0.808
CF Hedge IRS	300	2,4	2.609
Sight deposits	2,625	1,5	2.110
Consumer loans	195	9,0	2.802
Total 31.12.2025	**7,674**		
Bonds IRS	18	8,1	0.063
Mortgage loans	1,730	12,1	2.011
Micro Hedge IRS	100	17,9	0.801
CF Hedge IRS	380	2,2	2.952
Sight deposits	1,075	2,0	2.730
Consumer loans	195	9,0	2.802
Total 31.12.2024	**3,497**		

Section 5 – Hedge derivative financial assets – caption 50 (continued)

The significant interest rate benchmarks to which the entity's hedging relationships are exposed include EURIBOR and ESTR. These benchmarks are used to determine the variable interest rates in interest rate swaps.

Gain/losses from fair value measurement are disclosed in Part C, Section 5.

5.1 Hedge derivative financial assets: breakdown by type of hedge and level

BANK (millions of euro)		**Fair value 31.12.2025**		**Notional amount**		**Fair value 31.12.2024**		**Notional amount**
	Level 1	Level 2	Level 3	**31.12.2025**	Level 1	Level 2	Level 3	**31.12.2024**
A. Financial derivatives								
1. Fair Value	-	55	-	3,539	-	18	-	1,029
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**55**	**-**	**3,539**	**-**	**18**	**-**	**1,029**

GROUP (millions of euro)		**Fair value 31.12.2025**		**Notional amount**		**Fair value 31.12.2024**		**Notional amount**
	Level 1	Level 2	Level 3	**31.12.2025**	Level 1	Level 2	Level 3	**31.12.2024**
A. Financial derivatives								
1. Fair Value	-	87	-	4,640	-	43	-	1,333
2. Cash flows	-	2	-	220	-	2	-	60
3. Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**89**	**-**	**4,860**	**-**	**45**	**-**	**1,393**

Section 5 – Hedge derivative financial assets – caption 50 (continued)

5.2 Hedge derivative financial assets: breakdown by hedged portfolio and type of hedge

BANK (millions of euro) **Transactions / Type of hedge**	**Fair Value**							**Cash-flow**		**31.12.2025** **Foreign investment**
	Specific						**Generic**	**Specific**	**Generic**	
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	4	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	18	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	26	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**22**	**-**	**-**	**-**	**-**	**-**	**26**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	7	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-
										31.12.2024
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	13	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	5	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 5 – Hedge derivative financial assets – caption 50 (continued)

5.2 Hedge derivative financial assets: breakdown by hedged portfolio and type of hedge (continued)

GROUP (millions of euro) **Transactions / Type of hedge**	**Fair Value**							**Cash-flow**		**31.12.2025** **Foreign investment**
	Specific						**Generic**			
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other		**Specific**	**Generic**	
1. Financial assets measured at fair value through other comprehensive income	4	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	28	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	42	X	2	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**32**	**-**	**-**	**-**	**-**	**-**	**42**	**-**	**2**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	13	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-
										31.12.2024
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	8	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	26	X	2	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**8**	**-**	**-**	**-**	**-**	**-**	**26**	**-**	**2**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	9	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 6 – Fair value change of financial assets in hedged portfolios – caption 60

6.1 Fair value change of hedged assets: breakdown by hedged portfolios

Fair value change of hedged assets / Amount		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Positive fair value change	**20**	**42**	**22**	**50**
1.1 of specific portfolios:	-	-	2	8
a) financial assets measured at amortised cost	*-*	*-*	*2*	*8*
b) financial assets measured at fair value through other comprehensive income	*-*	*-*	*-*	*-*
1.2 overall	20	42	20	42
2. Negative fair value change	**-26**	**-13**	**-42**	**-25**
2.1 of specific portfolios:	-	-	-16	-12
a) financial assets measured at amortised cost	*-*	*-*	*-16*	*-12*
b) financial assets measured at fair value through other comprehensive income	*-*	*-*	*-*	*-*
1.2 overall	-26	-13	-26	-13
Total	**-6**	**29**	**-20**	**25**

Section 7 – Investments in associates and investments and companies subject to joint control – caption 70

7.1 Investments in associates and investments and companies subject to joint control: information on equity interests

		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Consolidated subsidiaries	241	241	-	-
Associates accounted for under the equity method by the Group and at cost by the Bank	4	4	10	9
Total	**245**	**245**	**10**	**9**

Movements		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Initial amount	**245**	**245**	**9**	**9**
Share of profits from associates	-	-	2	1
Receipt of dividend	-	-	-1	-1
4. Final amount	**245**	**245**	**10**	**9**

The principal investments in subsidiaries and associates are as follows:

	Residence	Identification number	ID number	Nature of business	31.12.2025 holding %	31.12.2024 holding %
Consolidated subsidiaries						
PBZ Card d.o.o.	Croatia, Zagreb, Radnička cesta 44	80258649	28495895537	card services	100	100
PBZ Leasing d.o.o.	Croatia, Zagreb, Radnička cesta 44	3796540	57270798205	leasing	100	100
Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina	Bosnia and Herzegovina, Sarajevo, Obala Kulina bana 9a	6502000911	49307371766	credit institution	99	99
Banka Intesa Sanpaolo d.d. Slovenia	Slovenia, Koper, Pristaniška ulica 14	5092221000	98026305	credit institution	51	51
Associate						
PBZ Croatia Osiguranje d.d.	Croatia, Zagreb, Radnička cesta 44	8046496	20455535575	pension management	50	50

Section 7 – Investments in associates and companies subject to joint control – caption 70 (continued)

7.1 Investments in associates and investments and companies subject to joint control: information on equity interests (continued)

The amount of investments in subsidiaries and associates are as follows:

Amount		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
PBZ Card d.o.o.	6	6	-	-
PBZ Leasing d.o.o.	2	2	-	-
Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina	103	103	-	-
Banka Intesa Sanpaolo d.d. Slovenia	130	130	-	-
PBZ Croatia Osiguranje d.d.	4	4	10	9
Total	**245**	**245**	**10**	**9**

The Group considers that its 50% investment in PBZ Croatia Osiguranje d.d. represent investment in associates (previous reporting date: 50% investment in PBZ Croatia Osiguranje d.d.) as the Group does not have control over the company. Consequently, PBZ Croatia Osiguranje d.d. is accounted for using the equity method in the consolidated financial statements.

The following table illustrates summarised financial information of the PBZ Croatia Osiguranje d.d.:

PBZ Croatia Osiguranje d.d.	31.12.2025	31.12.2024
(millions of euro)		
Associates' balance sheet		
Current assets	21	19
Current liabilities	-1	-1
Net assets of associate	**20**	**18**
Attributable to the Group	**10**	**9**

7.2. Involvement in unconsolidated structured entities

The Group is involved in financing several special purpose entities that carry out various activities, such as real estate construction, tourism, etc. The Group concluded that it does not control, and therefore should not consolidate, the special purpose entities and its involvement is in all cases limited to providing finance with aim of collecting interest. Taken as a whole, the Group does not have power over the relevant activities of those entities.

Section 8 – Property and equipment – caption 90

8.1 Property and equipment used in operations: breakdown of assets measured at cost

Assets/Amounts (millions of euro)	BANK		GROUP	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Property and equipment owned	**20**	**22**	**52**	**53**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	7	9	8	9
d) electronic equipment	11	11	14	14
e) other	2	2	30	30
2. Rights of use acquired through the lease	**38**	**35**	**50**	**49**
a) land	-	-	-	-
b) buildings	20	21	31	33
c) furniture	-	-	-	-
d) electronic equipment	16	12	16	12
e) other	2	2	3	4
Total	**58**	**57**	**102**	**102**
of which: resulting from the enforcement of guarantees	-	-	-	-

8.2 Investment property: breakdown of assets measured at cost

As at reporting date and previous reporting date there was no investment property measured at cost in the Bank and the Group.

Section 8 – Property and equipment – caption 90 (continued)

8.3 Property and equipment used in operations: breakdown of revalued assets

BANK (millions of euro) **Assets/Amounts**			**31.12.2025**			**31.12.2024**
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Property and equipment owned	**-**	**-**	**82**	**-**	**-**	**83**
a) land	-	-	17	-	-	17
b) buildings	-	-	65	-	-	66
c) valuable art assets	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Rights of use acquired through the lease	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	**-**	**-**	**82**	**-**	**-**	**83**
of which: resulting from the enforcement of guarantees	-	-	-	-	-	-

GROUP (millions of euro) **Assets/Amounts**			**31.12.2025**			**31.12.2024**
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Property and equipment owned	**-**	**-**	**145**	**-**	**-**	**152**
a) land	-	-	27	-	-	27
b) buildings	-	-	118	-	-	125
c) valuable art assets	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
2. Rights of use acquired through the lease	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-
d) electronic equipment	-	-	-	-	-	-
e) other	-	-	-	-	-	-
Total	**-**	**-**	**145**	**-**	**-**	**152**
of which: resulting from the enforcement of guarantees	-	-	-	-	-	-

Section 8 – Property and equipment – caption 90 (continued)

8.4 Investment property: breakdown of assets measured at fair value

BANK (millions of euro) Assets/Amounts	31.12.2025 Level 1	Level 2	Level 3	31.12.2024 Level 1	Level 2	Level 3
1. Property and equipment owned	**-**	**-**	**1**	**-**	**-**	**1**
a) land	-	-	-	-	-	-
b) buildings	-	-	1	-	-	1
2. Rights of use acquired through the lease	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**1**	**-**	**-**	**1**
of which: resulting from the enforcement of guarantees	-	-	-	-	-	-

GROUP *(millions of euro)* Assets/Amounts	31.12.2025 Level 1	Level 2	Level 3	31.12.2024 Level 1	Level 2	Level 3
1. Property and equipment owned	**-**	**-**	**5**	**-**	**-**	**2**
a) land	-	-	1	-	-	-
b) buildings	-	-	4	-	-	2
2. Rights of use acquired through the lease	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**5**	**-**	**-**	**2**
of which: resulting from the enforcement of guarantees	-	-	-	-	-	-

8.5 Inventories of property and equipment governed by IAS 2: breakdown

BANK (millions of euro)	BANK 31.12.2025	31.12.2024	GROUP 31.12.2025	31.12.2024
Assets/Amounts	**1**	**1**	**1**	**1**
a) land	-	-	-	-
b) buildings	1	1	1	1
c) furniture	-	-	-	-
d) electronic equipment	-	-	-	-
e) other	-	-	-	-
2. Other inventories of property and equipment	**-**	**-**	**-**	**-**
Total	**1**	**1**	**1**	**1**
of which: measured at fair value less cost to sell	*1*	*1*	*1*	*1*

Section 8 – Property and equipment – caption 90 (continued)

8.6 Property and equipment used in operations: annual changes

BANK (millions of euro)							**31.12.2025**
	Land	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**Total**
A. Gross initial carrying amount	**17**	**69**	**57**	**45**	**-**	**8**	**196**
A.1 Total net adjustments	-	-3	-48	-34	-	-6	-91
A.2 Net initial carrying amount	**17**	**66**	**9**	**11**	**-**	**2**	**105**
B. Increases	**-**	**2**	**1**	**3**	**-**	**1**	**7**
B.1 Purchases	-	2	1	3	-	1	7
of which business combinations	-	-	-	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	-	-	-	-	-	-	-
C. Decreases	**-**	**-3**	**-3**	**-3**	**-**	**-1**	**-10**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-3	-3	-3	-	-1	-10
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-	-
D. Net final carrying amount	**17**	**65**	**7**	**11**	**-**	**2**	**102**
D.1 Total net adjustments	-	-5	-50	-35	-	-7	-97
D.2 Gross final carrying amount	**17**	**70**	**57**	**46**	**-**	**9**	**199**
E. Measurement at cost	**17**	**42**	**7**	**11**	**-**	**2**	**79**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Property and equipment used in operations: annual changes (continued)

BANK (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2024** **Total**
A. Gross initial carrying amount	**17**	**67**	**57**	**45**	**-**	**8**	**194**
A.1 Total net adjustments	-	-	-48	-32	-	-6	-86
A.2 Net initial carrying amount	**17**	**67**	**9**	**13**	**-**	**2**	**108**
B. Increases	**-**	**2**	**3**	**3**	**-**	**-**	**8**
B.1 Purchases	-	1	3	1	-	-	5
of which business combinations	-	-	-	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	1	-	-	1
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	-	1	-	1	-	-	2
C. Decreases	**-**	**-3**	**-3**	**-5**	**-**	**-**	**-11**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-3	-3	-4	-	-	-10
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-	-	-1	-	-	-1
D. Net final carrying amount	**17**	**66**	**9**	**11**	**-**	**2**	**105**
D.1 Total net adjustments	-	-3	-48	-34	-	-6	-91
D.2 Gross final carrying amount	**17**	**69**	**57**	**45**	**-**	**8**	**196**
E. Measurement at cost	**17**	**42**	**9**	**11**	**-**	**2**	**81**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Property and equipment used in operations: annual changes

GROUP (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2025 Total**
A. Gross initial carrying amount	**27**	**129**	**63**	**58**	**-**	**50**	**327**
A.1 Total net adjustments	-	-4	-54	-44	-	-20	-122
A.2 Net initial carrying amount	**27**	**125**	**9**	**14**	**-**	30	**205**
B. Increases	**1**	**4**	**2**	**4**	**-**	**6**	**17**
B.1 Purchases	-	3	2	4	-	1	10
of which business combinations	-	-	-	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	1	1	-	-	-	5	7
C. Decreases	**-1**	**-11**	**-3**	**-4**	**-**	**-6**	**-25**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-4	-3	-4	-	-6	-17
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-1	-5	-	-	-	-	-6
a) investment	-	-3	X	X	X	X	-3
b) non-current assets held for sale and discontinued operations	-1	-2	-	-	-	-	-3
C.7 Other changes	-	-2	-	-	-	-	-2
D. Net final carrying amount	**27**	**118**	**8**	**14**	**-**	**30**	**197**
D.1 Total net adjustments	-	-9	-55	-45	-	-25	-134
D.2 Gross final carrying amount	**27**	**127**	**63**	**59**	**-**	**55**	**331**
E. Measurement at cost	**27**	**69**	**8**	**14**	**-**	**31**	**149**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Property and equipment used in operations: annual changes (continued)

GROUP (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2024 Total**
A. Gross initial carrying amount	**27**	**128**	**62**	**57**	**-**	**45**	**319**
A.1 Total net adjustments	-	-3	-53	-41	-	-18	-115
A.2 Net initial carrying amount	**27**	**125**	**9**	**16**	**-**	**27**	**204**
B. Increases	**-**	**9**	**3**	**4**	**-**	**8**	**24**
B.1 Purchases	-	1	3	3	-	2	9
of which business combinations	-	-	-	*1*	-	-	*1*
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	X	X	X	X	X	-
B.7 Other changes	-	8	-	1	-	6	15
C. Decreases	**-**	**-9**	**-3**	**-6**	**-**	**-5**	**-23**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-5	-3	-5	-	-5	-18
C.3 Impairment losses recognised in:	-	-3	-	-	-	-	-3
a) shareholders' equity	-	*-3*	-	-	-	-	*-3*
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-1	-	-	-	-	-1
a) investment	-	*X*	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	*-1*	-	-	-	-	*-1*
C.7 Other changes	-	-	-	-1	-	-	-1
D. Net final carrying amount	**27**	**125**	**9**	**14**	**-**	**30**	**205**
D.1 Total net adjustments	-	-4	-54	-44	-	-20	-122
D.2 Gross final carrying amount	**27**	**129**	**63**	**58**	**-**	**50**	**327**
E. Measurement at cost	**27**	**68**	**9**	**14**	**-**	**30**	**148**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Of which - Property and equipment used in operations - Rights of use acquired under leases: annual changes

BANK (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2025 Total**
A. Gross initial carrying amount	**-**	**59**	**-**	**20**	**-**	**4**	**83**
A.1 Total net adjustments	-	-38	-	-8	-	-2	-48
A.2 Net initial carrying amount	**-**	**21**	**-**	**12**	**-**	**2**	**35**
B. Increases	**-**	**7**	**-**	**10**	**-**	**1**	**18**
B.1 Purchases	-	1	-	9	-	1	11
of which business combinations	-	-	-	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	-	6	-	1	-	-	7
C. Decreases	**-**	**-8**	**-**	**-6**	**-**	**-1**	**-15**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-7	-	-5	-	-1	-13
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-1	-	-1	-	-	-2
D. Net final carrying amount	**-**	**20**	**-**	**16**	**-**	**2**	**38**
D.1 Total net adjustments	-	-45	-	-11	-	-2	-58
D.2 Gross final carrying amount	**-**	**65**	**-**	**27**	**-**	**4**	**96**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Of which - Property and equipment used in operations - Rights of use acquired under leases: annual changes (continued)

BANK (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2024** **Total**
A. Gross initial carrying amount	**-**	**54**	**-**	**11**	**-**	**4**	**69**
A.1 Total net adjustments	-	-31	-	-6	-	-1	-38
A.2 Net initial carrying amount	**-**	**23**	**-**	**5**	**-**	**3**	**31**
B. Increases	**-**	**5**	**-**	**10**	**-**	**-**	**15**
B.1 Purchases	-	2	-	10	-	-	12
of which business combinations	-	-	-	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	*X*	*X*	*X*	*X*	-
B.7 Other changes	-	3	-	-	-	-	3
C. Decreases	**-**	**-7**	**-**	**-3**	**-**	**-1**	**-11**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-7	-	-3	-	-1	-11
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	*X*	*X*	*X*	*X*	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-	-
D. Net final carrying amount	**-**	**21**	**-**	**12**	**-**	**2**	**35**
D.1 Total net adjustments	-	-38	-	-8	-	-2	-48
D.2 Gross final carrying amount	**-**	**59**	**-**	**20**	**-**	**4**	**83**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Of which - Property and equipment used in operations - Rights of use acquired under leases: annual changes

GROUP (millions of euro)	**Land**	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**31.12.2025** **Total**
A. Gross initial carrying amount	**-**	**63**	**-**	**20**	**-**	**6**	**89**
A.1 Total net adjustments	-	-30	-	-8	-	-2	-40
A.2 Net initial carrying amount	**-**	**33**	**-**	**12**	**-**	**4**	**49**
B. Increases	**-**	**8**	**-**	**10**	**-**	**2**	**20**
B.1 Purchases	-	1	-	9	-	1	11
of which business combinations	-	1	-	-	-	1	2
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	-	7	-	1	-	1	9
C. Decreases	**-**	**-10**	**-**	**-6**	**-**	**-3**	**-19**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-9	-	-5	-	-2	-16
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-1	-	-1	-	-1	-3
D. Net final carrying amount	**-**	**31**	**-**	**16**	**-**	**3**	**50**
D.1 Total net adjustments	-	-37	-	-11	-	-3	-51
D.2 Gross final carrying amount	**-**	**68**	**-**	**27**	**-**	**6**	**101**

Section 8 – Property and equipment – caption 90 (continued)

8.6 Of which - Property and equipment used in operations - Rights of use acquired under leases: annual changes (continued)

GROUP (millions of euro)							**31.12.2024**
	Land	**Buildings**	**Furniture**	**Electronic equipment**	**Valuable art assets**	**Other**	**Total**
A. Gross initial carrying amount	**-**	**50**	**-**	**12**	**-**	**5**	**67**
A.1 Total net adjustments	-	-28	-	-6	-	-1	-35
A.2 Net initial carrying amount	**-**	**22**	**-**	**6**	**-**	**4**	**32**
B. Increases	**-**	**22**	**-**	**9**	**-**	**1**	**32**
B.1 Purchases	-	12	-	9	-	-	21
of which business combinations	-	*10*	-	-	-	-	10
B.2 Capitalised improvement costs	-	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-	-
B.4 Positive fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-	-
B.6 Transfer from investment property	-	-	X	X	X	X	-
B.7 Other changes	-	10	-	-	-	1	11
C. Decreases	**-**	**-11**	**-**	**-3**	**-**	**-1**	**-15**
C.1 Sales	-	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-	-
C.2 Depreciation	-	-10	-	-3	-	-1	-14
C.3 Impairment losses recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.4 Negative fair value differences recognised in:	-	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-	-
a) investment	-	-	X	X	X	X	-
b) non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
C.7 Other changes	-	-1	-	-	-	-	-1
D. Net final carrying amount	**-**	**33**	**-**	**12**	**-**	**4**	**49**
D.1 Total net adjustments	-	-30	-	-8	-	-2	-40
D.2 Gross final carrying amount	**-**	**63**	**-**	**20**	**-**	**6**	**89**

Section 8 – Property and equipment – caption 90 (continued)

8.7 Investment property: annual change

(millions of euro)				31.12.2025
		BANK		GROUP
	Land	Buildings	Land	Buildings
A. Initial carrying amount	**-**	**1**	**-**	**2**
B. Increases	**-**	**-**	**-**	**3**
B.1 Purchases	-	-	-	-
of which business combinations	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-
B.3 Positive fair value differences	-	-	-	-
B.4 Recoveries	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-
B.6 Transfer from investment property	-	-	-	-
B.7 Other changes	-	-	-	3
C. Decreases	**-**	**-**	**-**	**-**
C.1 Sales	-	-	-	-
of which business combinations	-	-	-	-
C.2 Depreciation	-	-	-	-
C.3 Negative fair value differences	-	-	-	-
C.4 Impairment losses	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-
C.6 Transfer to:	-	-	-	-
a) property used in operations	-	-	-	-
b) non-current assets held for sale and discontinued operations	-	-	-	-
C.7 Other changes	-	-	-	-
D. Final carrying amount	**-**	**1**	**-**	**5**

Section 8 – Property and equipment – caption 90 (continued)

8.7 Investment property: annual change

(millions of euro)				31.12.2024
		BANK		GROUP
	Land	Buildings	Land	Buildings
A. Initial carrying amount	**1**	**2**	**1**	**3**
B. Increases	**-**	**2**	**-**	**2**
B.1 Purchases	-	1	-	1
of which business combinations	-	-	-	-
B.2 Capitalised improvement costs	-	-	-	-
B.3 Positive fair value differences	-	1	-	1
B.4 Recoveries	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-
B.6 Transfer from investment property	-	-	-	-
B.7 Other changes	-	-	-	-
C. Decreases	**-1**	**-3**	**-1**	**-3**
C.1 Sales	-	-	-	-
of which business combinations	-	-	-	-
C.2 Depreciation	-	-	-	-
C.3 Negative fair value differences	-	-	-	-
C.4 Impairment losses	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-
C.6 Transfer to	-	-	-	-
a) property used in operations	-	-	-	-
b) non-current assets held for sale and discontinued operations	-	-	-	-
C.7 Other changes	-1	-3	-1	-3
D. Final carrying amount	**-**	**1**	**-**	**2**

Section 8 – Property and equipment – caption 90 (continued)

8.8 Inventories of property and equipment governed by IAS 2: annual changes

BANK (millions of euro) **Assets/Amounts**	**Inventories of property and equipment resulting from the enforcement of guarantees**					**Other inventories of property and equipment**	**31.12.2025** **Total**
	Land	Buildings	Furniture	Electric equipment	Other		
A. Initial carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**
B. Increases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-	-	-	-
B.2 Recoveries	-	-	-	-	-	-	-
B.3 Positive foreign exchange differences	-	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Sales	-	-	-	-	-	-	-
C.2 Impairment losses	-	-	-	-	-	-	-
C.3 Negative foreign exchange differences	-	-	-	-	-	-	-
C.4 Other changes	-	-	-	-	-	-	-
D. Final carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**

BANK (millions of euro) **Assets/Amounts**	**Inventories of property and equipment resulting from the enforcement of guarantees**					**Other inventories of property and equipment**	**31.12.2024** **Total**
	Land	Buildings	Furniture	Electric equipment	Other		
A. Initial carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**
B. Increases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-	-	-	-
B.2 Recoveries	-	-	-	-	-	-	-
B.3 Positive foreign exchange differences	-	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Sales	-	-	-	-	-	-	-
C.2 Impairment losses	-	-	-	-	-	-	-
C.3 Negative foreign exchange differences	-	-	-	-	-	-	-
C.4 Other changes	-	-	-	-	-	-	-
D. Final carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**

Section 8 – Property and equipment – caption 90 (continued)

8.8 Inventories of property and equipment governed by IAS 2: annual changes

GROUP (millions of euro) **Assets/Amounts**	**Inventories of property and equipment resulting from the enforcement of guarantees**					**Other inventories of property and equipment**	**31.12.2025** **Total**
	Land	Buildings	Furniture	Electric equipment	Other		
A. Initial carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**
B. Increases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-	-	-	-
B.2 Recoveries	-	-	-	-	-	-	-
B.3 Positive foreign exchange differences	-	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Sales	-	-	-	-	-	-	-
C.2 Impairment losses	-	-	-	-	-	-	-
C.3 Negative foreign exchange differences	-	-	-	-	-	-	-
C.4 Other changes	-	-	-	-	-	-	-
D. Final carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**

GROUP (millions of euro) **Assets/Amounts**	**Inventories of property and equipment resulting from the enforcement of guarantees**					**Other inventories of property and equipment**	**31.12.2024** **Total**
	Land	Buildings	Furniture	Electric equipment	Other		
A. Initial carrying amount	**-**	**1**	**-**	**-**	**-**	**7**	**8**
B. Increases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-	-	-	-
B.2 Recoveries	-	-	-	-	-	-	-
B.3 Positive foreign exchange differences	-	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**-**	**-**	**-7**	**-7**
C.1 Sales	-	-	-	-	-	-1	-1
C.2 Impairment losses	-	-	-	-	-	-	-
C.3 Negative foreign exchange differences	-	-	-	-	-	-	-
C.4 Other changes	-	-	-	-	-	-6	-6
D. Final carrying amount	**-**	**1**	**-**	**-**	**-**	**-**	**1**

Section 9 – Intangible assets – caption 100

9.1 Intangible assets: breakdown by type of asset

BANK (millions of euro)		31.12.2025		31.12.2024
	Finite useful life	**Indefinite useful life**	**Finite useful life**	**Indefinite useful life**
A.1 Goodwill	**X**	**2**	**X**	**2**
A.1.1 Group	X	2	X	2
A.1.2 Minority interests	X	-	X	-
A.2 Other intangible assets	**58**	**-**	**53**	**-**
of which: software	58	-	*53*	-
A.2.1 Assets measured at cost	58	-	53	-
a) Internally generated intangible assets	31	-	29	-
b) Other assets	27	-	24	-
A.2.2 Assets measured at fair value	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**58**	**2**	**53**	**2**

GROUP (millions of euro)		31.12.2025		31.12.2024
	Finite useful life	**Indefinite useful life**	**Finite useful life**	**Indefinite useful life**
A.1 Goodwill	**X**	**2**	**X**	**2**
A.1.1 Group	X	2	X	2
A.1.2 Minority interests	X	-	X	-
A.2 Other intangible assets	**80**	**-**	**72**	**-**
of which: software	78	-	*70*	-
A.2.1 Assets measured at cost	80	-	72	-
a) Internally generated intangible assets	44	-	39	-
b) Other assets	36	-	33	-
A.2.2 Assets measured at fair value	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**80**	**2**	**72**	**2**

Goodwill represents goodwill arising from the acquisition of Međimurska banka in the amount of EUR 2 million (previous reporting date: EUR 2 million), recognised as a purchased goodwill following the merger of Međimurska banka d.d. into Privredna banka Zagreb.

The Bank capitalised EUR 7 million and EUR 9 million for the Group (previous reporting period: EUR 5 million and EUR 6 million respectively) of internal costs for software development.

Section 9 – Intangible assets – caption 100 (continued)

9.2 Intangible assets: annual changes

BANK (millions of euro)						**31.12.2025**
	Goodwill	**Other intangible assets: internally generated**		**Other intangible assets: other**		**Total**
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Gross initial carrying amount	**2**	**61**	**-**	**101**	**-**	**164**
A.1 Total net adjustments	-	-32	-	-77	-	-109
A.2 Net initial carrying amount	**2**	**29**	**-**	**24**	**-**	**55**
B. Increases	**-**	**7**	**-**	**7**	**-**	**14**
B.1 Purchases	-	-	-	3	-	3
of which business combinations	-	-	-	-	-	-
B.2 Increases of internally generated intangible assets	X	7	-	-	-	7
B.3 Recoveries	X	-	-	-	-	-
B.4 Positive fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	4	-	4
C. Decreases	**-**	**-5**	**-**	**-4**	**-**	**-9**
C.1 Sales	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-
C.2 Impairment losses	-	-5	-	-3	-	-8
- Amortisation	X	-5	-	-3	-	-8
- Write-downs recognised in	-	-	-	-	-	-
shareholders' equity	X	-	-	-	-	-
income statement	-	-	-	-	-	-
C.3 Negative fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statemen	X	-	-	-	-	-
C.4 Transfer to non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-1	-	-1
D. Net final carrying amount	**2**	**31**	**-**	**27**	**-**	**60**
D.1 Total net adjustments	-	-37	-	-79	-	-116
E. Gross final carrying amount	**2**	**68**	**-**	**106**	**-**	**176**

Section 9 – Intangible assets – caption 100 (continued)

9.2 Intangible assets: annual changes (continued)

BANK (millions of euro)						**31.12.2024**
	Goodwill	**Other intangible assets: internally generated**		**Other intangible assets: other**		**Total**
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Gross initial carrying amount	**2**	**53**	**-**	**91**	**-**	**146**
A.1 Total net adjustments	-	-26	-	-72	-	-98
A.2 Net initial carrying amount	**2**	**27**	**-**	**19**	**-**	**48**
B. Increases	**-**	**8**	**-**	**8**	**-**	**16**
B.1 Purchases	-	*3*	-	3	-	6
of which business combinations	-	-	-	-	-	-
B.2 Increases of internally generated intangible assets	X	5	-	-	-	5
B.3 Recoveries	X	-	-	-	-	-
B.4 Positive fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	*X*	-	-	-	-	-
- income statement	*X*	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	5	-	5
C. Decreases	**-**	**-6**	**-**	**-3**	**-**	**-9**
C.1 Sales	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-
C.2 Impairment losses	-	-5	-	-3	-	-8
- Amortisation	*X*	*-5*	-	*-3*	-	*-8*
- Write-downs recognised in	-	-	-	-	-	-
shareholders' equity	*X*	-	-	-	-	-
income statement	-	-	-	-	-	-
C.3 Negative fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	*X*	-	-	-	-	-
- income statemen	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-1	-	-	-	-1
D. Net final carrying amount	**2**	**29**	**-**	**24**	**-**	**55**
D.1 Total net adjustments	-	-32	-	-77	-	-109
E. Gross final carrying amount	**2**	**61**	**-**	**101**	**-**	**164**

Section 9 – Intangible assets – caption 100 (continued)

9.2 Intangible assets: annual changes (continued)

GROUP (millions of euro)						**31.12.2025**
	Goodwill	**Other intangible assets: internally generated**		**Other intangible assets: other**		**Total**
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Gross initial carrying amount	**2**	**88**	**-**	**131**	**-**	**221**
A.1 Total net adjustments	-	-49	-	-98	-	-147
A.2 Net initial carrying amount	**2**	**39**	**-**	**33**	**-**	**74**
B. Increases	**-**	**12**	**-**	**9**	**-**	**21**
B.1 Purchases	-	3	-	4	-	7
of which business combinations	-	-	-	-	-	-
B.2 Increases of internally generated intangible assets	X	9	-	-	-	9
B.3 Recoveries	X	-	-	-	-	-
B.4 Positive fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	5	-	5
C. Decreases	**-**	**-7**	**-**	**-6**	**-**	**-13**
C.1 Sales	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-
C.2 Impairment losses	-	-6	-	-5	-	-11
- Amortisation	X	-6	-	-5	-	-11
- Write-downs recognised in	-	-	-	-	-	-
shareholders' equity	X	-	-	-	-	-
income statement	-	-	-	-	-	-
C.3 Negative fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	X	-	-	-	-	-
- income statement	X	-	-	-	-	-
C.4 Transfer to non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-1	-	-1	-	-2
D. Net final carrying amount	**2**	**44**	**-**	**36**	**-**	**82**
D.1 Total net adjustments	-	-56	-	-100	-	-156
E. Gross final carrying amount	**2**	**100**	**-**	**136**	**-**	**238**

Section 9 – Intangible assets – caption 100 (continued)

9.2 Intangible assets: annual changes (continued)

GROUP (millions of euro)						**31.12.2024**
	Goodwill	**Other intangible assets: internally generated**		**Other intangible assets: other**		**Total**
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Gross initial carrying amount	**2**	**79**	**-**	**122**	**-**	**203**
A.1 Total net adjustments	-	-43	-	-94	-	-137
A.2 Net initial carrying amount	**2**	**36**	**-**	**28**	**-**	**66**
B. Increases	**-**	**9**	**-**	**10**	**-**	**19**
B.1 Purchases	-	3	-	4	-	7
of which business combinations	-	*1*	-	-	-	*1*
B.2 Increases of internally generated intangible assets	X	6	-	-	-	6
B.3 Recoveries	X	-	-	-	-	-
B.4 Positive fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	*X*	-	-	-	-	-
- income statement	*X*	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	6	-	6
C. Decreases	**-**	**-6**	**-**	**-5**	**-**	**-11**
C.1 Sales	-	-	-	-	-	-
of which business combinations	-	-	-	-	-	-
C.2 Impairment losses	-	-6	-	-5	-	-11
- Amortisation	*X*	*-6*	-	*-5*	-	-11
- Write-downs recognised in	-	-	-	-	-	-
shareholders' equity	*X*	-	-	-	-	-
income statement	-	-	-	-	-	-
C.3 Negative fair value differences recognised in	-	-	-	-	-	-
- shareholders' equity	*X*	-	-	-	-	-
- income statemen	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net final carrying amount	**2**	**39**	**-**	**33**	**-**	**74**
D.1 Total net adjustments	-	-49	-	-98	-	-147
E. Gross final carrying amount	**2**	**88**	**-**	**131**	**-**	**221**

Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities

10.1 Deferred tax assets: breakdown

(millions of euro)		BANK		GROUP
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
Timing differences				
On deferred fees	1	1	1	1
On impairment of real estate	-	-	1	5
On unrealised losses on financial assets at fair value through profit or loss	2	-	2	-
On unrealised losses on financial assets at fair value through other comprehensive income	-	5	-	-
On provision for risk and charges	8	12	9	14
On accrued expenses	4	-	5	-
On impairment of loans	-	-	5	6
Total	**15**	**18**	**23**	**26**

10.2 Deferred tax liabilities: breakdown

(millions of euro)		BANK		GROUP
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
Timing differences				
On unrealised gains on financial assets at FVOCI	-	-	-	1
On unrealised gains on tangible assets	4	4	1	11
On credit losses	-	-	11	1
Total	**4**	**4**	**12**	**13**

Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities (continued)

10.3 Changes in deferred tax assets (through profit or loss)

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Initial amount	**18**	**15**	**25**	**20**
2. Increases	**-**	**11**	**1**	**12**
2.1 Deferred tax assets recognised in the period	-	11	1	12
a) related to previous years	-	-	*1*	-
b) due to changes in accounting criteria	-	-	-	-
c) value recoveries	-	-	-	-
d) other	-	*11*	-	*12*
2.2 New taxes or tax rate increases	-	-	-	-
2.3 Other increases	-	-	-	-
2.4 Business combinations	-	-	-	-
3. Decreases	**-3**	**-8**	**-4**	**-7**
3.1 Deferred tax assets eliminated in the period	-	-8	-1	-7
a) reversals	-	-8	-1	-7
b) write-offs	-	-	-	-
c) due to changes in accounting criteria	-	-	-	-
d) other	-	-	-	-
3.2 Tax rate reductions	-	-	-	-
3.3 Other decreases	-3	-	-3	-
3.4 Business combinations	-	-	-	-
4. Final amount	**15**	**18**	**22**	**25**

Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities (continued)

10.4 Changes in deferred tax liabilities (through profit or loss)

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Initial amount	**-**	**-**	**-**	**-**
2. Increases	**14**	**-**	**14**	**-**
2.1 Deferred tax liabilities recognised in the period	14	-	14	-
a) related to previous years	-	-	-	-
b) due to changes in accounting criteria	-	-	-	-
c) other	14	-	14	-
2.2 New taxes or tax rate increases	-	-	-	-
2.3 Other increases	-	-	-	-
2.4 Business combinations	-	-	-	-
3. Decreases	**-14**	**-**	**-14**	**-**
3.1 Deferred tax liabilities eliminated in the period	-10	-	-10	-
a) reversals	-10	-	-10	-
b) due to changes in accounting criteria	-	-	-	-
c) other	-	-	-	-
3.2 Tax rate reductions	-	-	-	-
3.3 Other decreases	-4	-	-4	-
3.4 Business combinations	-	-	-	-
4. Final amount	**-**	**-**	**-**	**-**

Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities (continued)

10.5 Changes in deferred tax assets (recorded in equity)

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Initial amount	**-**	**1**	**1**	**2**
2. Increases	**-**	-	**2**	5
2.1 Deferred tax assets recognised in the period	-	-	1	5
a) related to previous years	-	-	1	-
b) due to changes in accounting criteria	-	-	-	-
c) other	-	-	-	5
2.2 New taxes or tax rate increases	-	-	1	-
2.3 Other increases	-	-	-	-
2.4 Business combinations	-	-	-	-
3. Decreases	**-**	**-1**	**-2**	**-6**
3.1 Deferred tax assets eliminated in the period	-	-	-1	-5
a) reversals	-	-	-1	-
b) write-offs	-	-	-	-
c) due to changes in accounting criteria	-	-	-	-
d) other	-	-	-	-5
3.2 Tax rate reductions	-	-	-1	-
3.3 Other decreases	-	-1	-	-1
3.4 Business combinations	-	-	-	-
4. Final amount	**-**	**-**	**1**	**1**

Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities (continued)

10.6 Changes in deferred tax liabilities (recorded in equity)

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Initial amount	**4**	**4**	**13**	**11**
2. Increases	**1**	-	**6**	6
2.1 Deferred tax assets recognised in the period	1	-	6	6
a) related to previous years	-	-	-	-
b) due to changes in accounting criteria	-	-	-	-
c) other	1	-	6	6
2.2 New taxes or tax rate increases	-	-	-	-
2.3 Other increases	-	-	-	-
2.4 Business combinations	-	-	-	-
3. Decreases	**-1**	**-**	**-7**	**-4**
3.1 Deferred tax assets eliminated in the period	-1	-	-7	-4
a) reversals	-	-	-	-
b) due to changes in accounting criteria	-	-	-	-
c) other	-1	-	-7	-4
3.2 Tax rate reductions	-	-	-	-
3.3 Other decreases	-	-	-	-
3.4 Business combinations	-	-	-	-
4. Final amount	**4**	**4**	**12**	**13**

Section 11 – Non-current assets held for sale and discontinued operations and related liabilities – caption 120 of Assets and 70 of Liabilities

11.1 Non-current assets held for sale and discontinued operations: breakdown by type of asset

Captions		**BANK**		**GROUP**
(millions of euro)	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
A. Non-current assets held for sale				
A.1 Financial assets	-	-	-	-
A.2 Investments in associates and companies subject to joint control	-	-	-	-
A.3 Property and equipment	3	3	6	5
of which: resulting from the enforcement of guarantees	*3*	3	*5*	3
A.4 Intangible assets	-	-	-	-
A.5 Other	-	-	-	-
Total A	**3**	**3**	**6**	**5**
of which measured at cost	***3***	***3***	***5***	***3***
of which Fair value level 1	**-**	**-**	**-**	**-**
of which Fair value level 2	**-**	**-**	**-**	**-**
of which Fair value level 3	**-**	**-**	***1***	***2***
B. Discontinued operations		**-**		**-**
B.1 Financial assets measured at fair value through profit or loss	-	-	-	-
- Financial assets held for trading	-	-	-	-
- Financial assets designated at fair value	-	-	-	-
- Other financial assets mandatorily measured at fair value	-	-	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-	-	-
B.3 Financial assets measured at amortised cost	-	-	-	-
B.4 Investments in associates and companies subject to joint control	-	-	-	-
B.5 Property and equipment	-	-	-	-
of which: resulting from the enforcement of guarantees	-	-	-	-
B.6 Intangible assets	-	-	-	-
B.7 Other assets	-	-	-	-
Total B	**-**	**-**	**-**	**-**
of which measured at cost	**-**	**-**	**-**	**-**
of which Fair value level 1	**-**	**-**	**-**	**-**
of which Fair value level 2	**-**	**-**	**-**	**-**
of which Fair value level 3	**-**	**-**	**-**	**-**
C. Liabilities associated with non current assets held for sale		**-**		**-**
C.1 Debts	-	-	-	-
C.2 Securities	-	-	-	-
C.3 Other	-	-	-	-
Total C	**-**	**-**	**-**	**-**
of which measured at cost	**-**	**-**	**-**	**-**
of which Fair value level 1	**-**	**-**	**-**	**-**
of which Fair value level 2	**-**	**-**	**-**	**-**
of which Fair value level 3	**-**	**-**	**-**	**-**
D. Liabilities associated with discontinued operations		**-**		**-**
D.1 Financial liabilities measured at amortised cost	-	-	-	-
D.2 Financial liabilities held for trading	-	-	-	-
D.3 Financial liabilities designated at fair value	-	-	-	-
D.4 Allowances	-	-	-	-
D.5 Other	-	-	-	-
Total D	**-**	**-**	**-**	**-**
of which measured at cost	**-**	**-**	**-**	**-**
of which Fair value level 1	**-**	**-**	**-**	**-**
of which Fair value level 2	**-**	**-**	**-**	**-**
of which Fair value level 3	**-**	**-**	**-**	**-**

Section 12 – Other assets – caption 130

12.1 Other assets: breakdown

(millions of euro)	BANK		GROUP	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Amounts to tax authorities (excluding income tax)	-	-	3	6
Amounts to be credited and items under processing	3	13	35	52
Leasehold improvements	2	2	7	5
Accruals, prepayments and deferrals to be allocated	25	11	30	15
Other	1	5	11	14
Total	**31**	**31**	**86**	**92**

Section 13 – Financial liabilities measured at amortised cost – caption 10

13.1 Financial liabilities measured at amortised cost: breakdown of amounts due to banks

BANK (millions of euro) **Transaction type/Amount**	31.12.2025				31.12.2024			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and on demand deposits	**131**	**X**	**X**	**X**	**67**	**X**	**X**	**X**
2. Time deposits	**94**	**X**	**X**	**X**	**54**	**X**	**X**	**X**
3. Loans	**1,034**	**X**	**X**	**X**	**505**	**X**	**X**	**X**
3.1 Repurchase agreements	25	X	X	X	-	X	X	X
3.2 Other	1,009	X	X	X	505	X	X	X
4. Debts for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
6. Other debts	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
Total	**1,259**	**-**	**249**	**1,051**	**626**	**-**	**125**	**514**

GROUP (millions of euro) **Transaction type/Amount**	31.12.2025				31.12.2024			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and on demand deposits	**133**	**X**	**X**	**X**	**69**	**X**	**X**	**X**
2. Time deposits	**135**	**X**	**X**	**X**	**83**	**X**	**X**	**X**
3. Loans	**1,463**	**X**	**X**	**X**	**1,033**	**X**	**X**	**X**
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2 Other	1,463	X	X	X	1,033	X	X	X
4. Debts for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
6. Other debts	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
Total	**1,731**	**-**	**489**	**1,284**	**1,185**	**-**	**309**	**868**

Section 13 – Financial liabilities measured at amortised cost – caption 10 (continued)

13.1 Financial liabilities measured at amortised cost: breakdown of amounts due to banks (continued)

To ensure sound position and to anticipate primarily the impact of loans increase on RWA for credit risk, introduction of Basel IV and for the purpose of compliance to minimal requirement for eligible liabilities (MREL), the Bank and the Group have utilized several tranches of senior non preferred loans issued by Parent bank Intesa Sanpaolo. Additionally, and in order to strengthen the Group's capital adequacy position, but also to ensure compliance with new MREL regulatory requirement, a subordinated loan was issued by the Parent bank, Intesa Sanpaolo, to the Bank. Moreover, and to comply with transitional MREL regulatory requirement, senior debt to Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina was issued by the Parent bank Intesa Sanpaolo.

As the reporting date, the Bank had EUR 935 million of Senior Non Preferred instruments and EUR 50 million of Subordinated instruments (previous reporting date: EUR 335 million of Senior Non Preferred instruments and nul for the Subordinated instruments) and Group had EUR 997 million of Senior Non Preferred instruments, EUR 60 million of Subordinated instruments and EUR 58 million of Senior loans (previous reporting date: EUR 396 million for Senior Non Preferred instruments, EUR 10 million for the Subordinated instruments and EUR 31 million of Senior loans).

All categories of instruments are predominantly contracted at floating interest rates indexed to 3 month Euribor, increased by the applicable contractual margin. The instruments carry original maturities of at least five years, subject to specific terms applicable to each issuance. All instruments are denominated in EUR and include provisions permitting early redemption by the Borrower and/or conversion into equity, in accordance with the terms and conditions stipulated in the respective financing agreements.

The Bank and the Group has not had any defaults of principal, interest or other breaches with regard to any liabilities during reporting period or previous reporting period.

At reporting date, the Bank had available EUR 2,205 million (previous reporting date: EUR 700 million) and the Group EUR 3,760 million (previous reporting date: EUR 1,763 million) of undrawn committed borrowing facilities.

Section 13 – Financial liabilities measured at amortised cost – caption 10 (continued)

13.2 Financial liabilities measured at amortised cost: breakdown of amounts due to customers

BANK (millions of euro) **Transaction type/Amount**				**31.12.2025**				**31.12.2024**
	Book value			**Fair value**	**Book value**			**Fair value**
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and on demand deposits	**10,608**	**X**	**X**	**X**	**10,054**	**X**	**X**	**X**
2. Time deposits	**3,631**	**X**	**X**	**X**	**3,313**	**X**	**X**	**X**
3. Loans	**204**	**X**	**X**	**X**	**213**	**X**	**X**	**X**
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2 Other	204	X	X	X	213	X	X	X
4. Debts for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**40**	**X**	**X**	**X**	**37**	**X**	**X**	**X**
6. Other debts	**22**	**X**	**X**	**X**	**22**	**X**	**X**	**X**
Total	**14,505**	**-**	**13,562**	**945**	**13,639**	**-**	**12,518**	**1,095**

GROUP (millions of euro) **Transaction type/Amount**				**31.12.2025**				**31.12.2024**
	Book value			**Fair value**	**Book value**			**Fair value**
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and on demand deposits	**14,017**	**X**	**X**	**X**	**13,182**	**X**	**X**	**X**
2. Time deposits	**5,247**	**X**	**X**	**X**	**4,743**	**X**	**X**	**X**
3. Loans	**226**	**X**	**X**	**X**	**240**	**X**	**X**	**X**
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2 Other	226	X	X	X	240	X	X	X
4. Debts for commitments to repurchase own equity instruments	**-**	**X**	**X**	**X**	**-**	**X**	**X**	**X**
5. Lease liabilities	**52**	**X**	**X**	**X**	**51**	**X**	**X**	**X**
6. Other debts	**22**	**X**	**X**	**X**	**22**	**X**	**X**	**X**
Total	**19,564**	**-**	**17,837**	**1,724**	**18,238**	**-**	**16,549**	**1,659**

Loans of the Bank received from the Croatian Bank for Reconstruction and Development ("HBOR") in the amount of EUR 204 million (previous reporting date: EUR 214 million) are used to fund loans to customers for eligible construction and development projects at preferential interest rates.

13.3 Lease payables

As at reporting date, the Bank had EUR 40 million and the Group EUR 52 million (previous reporting date: EUR 37 million and EUR 51 million respectively) of lease payables.

Section 14 – Financial liabilities held for trading – caption 20

14.1 Financial liabilities held for trading: breakdown

BANK (millions of euro) **Transaction type/ Amount**	**31.12.2025**					**31.12.2024**				
	Nominal or notional amount value	**Fair value**			**Fair value (*)**	**Nominal or notional amount value**	**Fair value**			**Fair value (*)**
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. Cash liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	**X**	-	-	-	-	**X**
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	*X*	-	-	-	-	*X*
3.1.2 Other bonds	-	-	-	-	*X*	-	-	-	-	*X*
3.2 Other	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	*X*	-	-	-	-	*X*
3.2.2 Other	-	-	-	-	*X*	-	-	-	-	*X*
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives	**X**	-	-	-	**X**	**X**	-	-	-	**X**
1.1 Trading	X	-	-	-	X	X	-	-	-	X
1.2 Fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	**X**	-	-	-	**X**	**X**	-	-	-	**X**
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	-	-	-	**X**	**X**	-	-	-	**X**
Total (A+B)	-	-	-	-	**X**	-	-	-	-	**X**

(*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date

Section 14 – Financial liabilities held for trading – caption 20 (continued)

14.1 Financial liabilities held for trading: breakdown (continued)

GROUP (millions of euro) **Transaction type/ Amount**	**31.12.2025**					**31.12.2024**				
	Nominal or notional amount value	**Fair value**			**Fair value (*)**	**Nominal or notional amount value**	**Fair value**			**Fair value (*)**
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. Cash liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives	X	-	1	-	X	X	-	2	-	X
1.1 Trading	X	-	1	-	X	X	-	2	-	X
1.2 Fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	X	-	1	-	X	X	-	2	-	X
Total (A+B)	-	-	1	-	X	-	-	2	-	X

(*) Fair value calculated excluding changes in creditworthiness of the issuer after issue date

Section 15 – Financial liabilities designated at fair value – caption 30

At the reporting date, the Bank and the Group had no financial liabilities designated at fair value.

Section 16 – Hedge derivative financial liabilities – caption 40

16.1 Hedge derivative financial liabilities: breakdown by type of hedge and level

BANK (millions of euro)	31.12.2025				31.12.2024			
	Fair value			Notional value	Fair value			Notional value
	Level 1	Level 2	Level 3	31.12.2025	Level 1	Level 2	Level 3	31.12.2024
A) Financial derivatives	**-**	**23**	**-**	**2,362**	-	**42**	**-**	**1,161**
1) Fair value	-	23	-	2,362	-	42	-	1,161
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**23**	**-**	**2,362**	**-**	**42**	**-**	**1,161**

GROUP (millions of euro)	31.12.2025				31.12.2024			
	Fair value			Notional value	Fair value			Notional value
	Level 1	Level 2	Level 3	31.12.2025	Level 1	Level 2	Level 3	31.12.2024
A) Financial derivatives	**-**	**26**	**-**	**2,809**	-	**50**	**-**	**1,430**
1) Fair value	-	26	-	2,729	-	50	-	1,350
2) Cash flows	-	-	-	80	-	-	-	80
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**26**	**-**	**2,809**	**-**	**50**	**-**	**1,430**

Section 16 – Hedge derivative financial liabilities – caption 40 (continued)

16.2 Hedge derivative financial liabilities: breakdown by hedged portfolio and type of hedge

BANK (millions of euro) **Transactions/Type of hedge**	**Fair Value**							**Cash flow**		**31.12.2025** **Foreign Investment**
	Specific						**Generic**	**Specific**	**Generic**	
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	1	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	20	X	-	x
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**1**	**-**	**-**	**-**	**-**	**-**	**20**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	x	X	2	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 16 – Hedge derivative financial liabilities – caption 40 (continued)

16.2 Hedge derivative financial liabilities: breakdown by hedged portfolio and type of hedge (continued)

BANK (millions of euro) **Transactions/Type of hedge**										**31.12.2024**
	Fair Value							**Cash flow**		**Foreign Investment**
	Specific						**Generic**	**Specific**	**Generic**	
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	42	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**42**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 16 – Hedge derivative financial liabilities – caption 40 (continued)

16.2 Hedge derivative financial liabilities: breakdown by hedged portfolio and type of hedge (continued)

BANK (millions of euro) **Transactions/Type of hedge**	**Fair Value**							**Cash flow**		**31.12.2025** **Foreign Investment**
	Specific						**Generic**	**Specific**	**Generic**	
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	1	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	23	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**1**	**-**	**-**	**-**	**-**	**-**	**23**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	2	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

Section 16 – Hedge derivative financial liabilities – caption 40 (continued)

16.2 Hedge derivative financial liabilities: breakdown by hedged portfolio and type of hedge (continued)

GROUP (millions of euro) **Transactions/Type of hedge**	**Fair Value**							**Cash flow**		**31.12.2024** **Foreign Investment**
	Specific						**Generic**	**Specific**	**Generic**	
	debt securities and interest rates	equities and stock indices	foreign exchange rates and gold	credit risk	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	50	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	X	-	X	-	-

16.3 Hedge derivative financial liabilities: breakdown by residual maturity

Captions		**BANK**		**GROUP**
(millions of euro)	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
A vista	23	42	23	42
from 1 - 7 days	-	-	-	-
from 7 -15 days	-	-	-	-
from 15 days - 1 month	-	-	-	-
from 1 - 3 months	-	-	-	-
from 3 - 6 months	-	-	-	-
from 6 months - 1 year	-	-	-	-
from 1 - 5 year	-	-	-	-
over 5 years	-	-	3	8
Undefined maturity	-	-	-	-
Total	**23**	**42**	**26**	**50**

Section 17 – Fair value change of financial liabilities in hedged portfolios – caption 50

17.1 Fair value change of hedged liabilities

(millions of euro)		BANK		GROUP
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
1. Positive fair value change of financial liabilities	3	8	6	10
2. Negative fair value change of financial liabilities	-1	-	-4	-1
Total	**2**	**8**	**2**	**9**

Section 18 – Tax liabilities – caption 60

For information on this section, see Section 10 – Tax assets and liabilities – caption 110 of Assets and caption 60 of Liabilities.

Section 19 – Liabilities associated with non-current assets held for sale and discontinued operations – caption 70

For information on this section, see Section 11 – Non-current assets held for sale and discontinued operations and related liabilities – caption 120 of Assets and 70 of Liabilities.

Section 20 – Other liabilities – caption 80

20.1 Other liabilities: breakdown

Captions (millions of euro)		BANK		GROUP
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
Amounts to be credited and items under processing	58	64	77	78
Due to tax authorities	1	-	8	10
Due to suppliers	11	7	96	93
Amounts due to third parties	-	-	3	3
Debts due to financial services	-	-	1	1
Personnel charges	30	27	43	40
Accrued expenses and deferred income	17	25	44	53
Other	10	3	19	16
Total	**127**	**126**	**291**	**294**

Section 21 – Employee termination indemnities – caption 90

21.1 Employee termination indemnities: annual changes

Captions		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
A. Initial amount	**8**	**1**	**10**	**3**
B. Increases	**2**	**8**	**2**	**8**
B.1 Provisions in the year	-	-	-	-
B.2 Other	2	8	2	8
- of which business combinations	-	-	-	-
C. Decreases	**-8**	**-1**	**-8**	**-1**
C.1 Benefits paid	-7	-	-7	-
C.2 Other	-1	-1	-1	-1
- of which business combinations	-	-	-	-
D. Final amount	**2**	**8**	**4**	**10**
Total	**2**	**8**	**4**	**10**

Section 22 – Allowances for risk and charges – caption 100

22.1 Allowances for risks and charges: breakdown

Captions/Components		BANK		GROUP
(millions of euro)	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1. Allowances for credit risk associated with commitments and financial guarantees given	**20**	**16**	**24**	**20**
2. Allowances on other commitments and other guarantees given	**-**	**-**	**-**	**-**
3. Post-employment benefits	**-**	**-**	**-**	**-**
4. Other allowances for risks and charges	**52**	**65**	**57**	**75**
4.1 legal disputes	51	62	55	70
4.2 personnel charges	-	-	1	1
4.3 other	1	3	1	4
Total	**72**	**81**	**81**	**95**

Allowances for credit risk associated with commitments and financial guarantees given

Allowances for credit risk associated with commitments and financial guarantees given relate to impairment provisions on credit-related contingencies as disclosed under Part J – Other information (Section 1).

Section 22 – Allowances for risk and charges – caption 100 (continued)

22.1 Allowances for risks and charges: breakdown (continued)

Other allowances for risks and charges - legal disputes

As at reporting date there were several litigation cases taken against the Bank and the Group. In the opinion of management, there is a probability that the Bank and the Group may lose certain cases, in respect of which management has recognised provisions for court cases in the amount of EUR 51 million (previous reporting date: EUR 62 million) for the Bank and EUR 55 million (previous reporting date: EUR 70 million) for the Group, respectively.

As already noted in the prior year, Privredna Banka Zagreb and seven other Croatian banks are defending themselves within an action brought by Potrošač (Croatian Union of the Consumer Protection Association) in relation to loans denominated or indexed to Swiss francs granted in the past. According to the plaintiff, the defendant banks behaved improperly by allegedly using illegitimate interest rate forecasts, which could be changed unilaterally by the bank, and by denominating the loans granted in Swiss francs (or indexing them to Swiss francs) without allegedly duly informing consumers of the risks before the signing of the respective loan agreements. In September 2019, the Croatian Supreme Court rendered a ruling in the collective action proceedings, rejecting the appeals filed by the sued banks against the High Commercial Court ruling from 2018 and confirming the position of courts of lower instance that banks had breached collective interests and rights of consumers by incorporating unfair and null and void provisions on CHF currency clause. The decision of the Supreme Court was challenged by PBZ before the Constitutional Court, which rejected the claim at the beginning of 2021. The Bank thus lodged an appeal before the European Court of Human Rights, rejected in the last part of 2022. In connection with the mentioned proceedings for the protection of the collective interests of consumers, numerous individual proceedings have been brought by customers against PBZ, despite the fact that most of them voluntarily accepted the offer to convert their CHF loans into EUR denominated loans retroactively, in accordance with the Act on the Amendments to the Consumer Credit Act (Croatian Official Gazette 102/2015 - "Conversion Law"). In March 2020, the Croatian Supreme Court, within model case proceedings (a Supreme Court proceedings with obligatory effect on lower instance courts with the aim of unifying/harmonizing case law), ruled that the conversion agreements concluded between banks and borrowers under the Croatian Conversion Law of 2015 produce legal effects and are valid even in the case when the provisions of the underlying loan agreements on variable interest rate and currency clause are null and void.

In May 2022 the EU Court of Justice, within a proceedings involving another intermediary, rendered a preliminary ruling stating that the EU Court of Justice has jurisdiction with reference to the conversion agreement concluded consistently with the Conversion Law, because they have been concluded after Croatia's accession to the EU, and that the Unfair Contract Terms Directive is not applicable to said conversion agreements, whose contents reproduce provisions of national laws.

With regard to the PBZ" s appeal to the European Court of Human Rights, on 1 December 2022 the Court declared the application inadmissible.

The legal understanding adopted by the Supreme Court of Republic of Croatia on 20th December 2022 has not been confirmed by the Court Practice Records Department and therefore it is still no final and binding for lower instance courts.

In June 2024 the ECJ in case C-554/21 (Hahn-invest) ruled that the court decisions rendered by the judge or council of the judges are final and cannot be subject to any additional registration. The decision is relevant also for Supreme Court's 'legal understanding' (Dec 2022) in relation to converted loan cases which were mostly favourable for the banks but was not registered by the Court Practice Registration Department of Supreme Court (CPRD), so it never came into force.

Section 22 – Allowances for risk and charges – caption 100 (continued)

22.1 Allowances for risks and charges: breakdown (continued)

Other allowances for risks and charges - legal disputes (continued)

The number of new individual lawsuits filed against PBZ in 2025 was slightly lower than those in 2024. At the end of 2025, the total pending cases amounted to a few thousand. Since the statute of limitation for submitting the lawsuits related to CHF loans expired on 14th June 2023, no new lawsuits on the same legal ground is expected. . Due to the strike in judiciary in summer 2023 and at the beginning of 2024, the Bank still has not received all new lawsuits filed before the expiration date.

The management of the Bank is reasonably confident that the amount of provisions recognized as at reporting date is adequate – according to available information - to meet the obligations arising from the claims filed so far. The evolution of the overall matter is anyhow carefully monitored in order to take appropriate initiatives, if necessary, in consistence with any future developments.

The provisions for mentioned proceedings are not disclosed, due to the possibility that such disclosure might adversely influence the Bank's position in the active legal disputes. The management of the Bank deems that the provisions are adequately calculated.

Other allowances for risks and charges - other

Other allowances include defined benefit scheme liabilities that are measured on an actuarial basis using the book reserve method, which measures actuarial liabilities in accordance with the expected wage/salary increase from the valuation date until the foreseen retirement of the employed person. The wage/salary increase comprises promotion and inflation-related rise. Under IAS 19, the calculated current scheme liabilities are discounted using the rates equivalent to the market yields at the balance-sheet date on high quality 10-years corporate bonds that are denominated in the currency in which the benefits will be paid by the employer. For the calculation of actuarial gains and losses, the following assumptions have been used:

- The discount rate of 3.72% (previous reporting period: 3,64%), and
- Future salary increases of 1.8% p.a. from 2026 onwards (previous reporting period: 1.8%).

Section 22 – Allowances for risk and charges – caption 100 (continued)

22.2 Allowances for risks and charges: annual changes

BANK (millions of euro) **Captions**	**Allowances on other commitments and other guarantees given**	**Postemployment benefits**	**Other allowances for risks and charges**	**31.12.2025 Total**
A. Initial amount	**-**	**-**	**65**	**65**
B. Increases	**-**	**-**	**16**	**16**
B.1 Provisions in the year	-	-	16	16
B.2 Time value changes	-	-	-	-
B.3 Changes due to discount rate variations	-	-	-	-
B.4 Other	-	-	-	-
- of which business combinations	-	-	-	-
C. Decreases	**-**	**-**	**-29**	**-29**
C.1 Uses in the year	-	-	-29	-29
C.2 Changes due to discount rate variations	-	-	-	-
C.3 Other	-	-	-	-
- of which business combinations	-	-	-	-
D. Final amount	**-**	**-**	**52**	**52**

BANK (millions of euro) **Captions**	**Allowances on other commitments and other guarantees given**	**Postemployment benefits**	**Other allowances for risks and charges**	**31.12.2024 Total**
A. Initial amount	**-**	**-**	**69**	**69**
B. Increases	**-**	**-**	**15**	**15**
B.1 Provisions in the year	-	-	15	15
B.2 Time value changes	-	-	-	-
B.3 Changes due to discount rate variations	-	-	-	-
B.4 Other	-	-	-	-
- of which business combinations	-	-	-	-
C. Decreases	**-**	**-**	**-19**	**-19**
C.1 Uses in the year	-	-	-19	-19
C.2 Changes due to discount rate variations	-	-	-	-
C.3 Other	-	-	-	-
- of which business combinations	-	-	-	-
D. Final amount	**-**	**-**	**65**	**65**

Section 22 – Allowances for risk and charges – caption 100 (continued)

22.2 Allowances for risks and charges: annual changes (continued)

GROUP (millions of euro) **Captions**	**Allowances on other commitments and other guarantees given**	**Postemployment benefits**	**Other allowances for risks and charges**	**31.12.2025 Total**
A. Initial amount	**-**	**-**	**75**	**75**
B. Increases	**-**	**-**	**17**	**17**
B.1 Provisions in the year	-	-	17	17
B.2 Time value changes	-	-	-	-
B.3 Changes due to discount rate variations	-	-	-	-
B.4 Other	-	-	-	-
- of which business combinations	-	-	-	-
C. Decreases	**-**	**-**	**-35**	**-35**
C.1 Uses in the year	-	-	-35	-35
C.2 Changes due to discount rate variations	-	-	-	-
C.3 Other	-	-	-	-
- of which business combinations	-	-	-	-
D. Final amount	**-**	**-**	**57**	**57**

GROUP (millions of euro) **Captions**	**Allowances on other commitments and other guarantees given**	**Postemployment benefits**	**Other allowances for risks and charges**	**31.12.2024 Total**
A. Initial amount	**-**	**-**	**77**	**77**
B. Increases	**-**	**-**	**22**	**22**
B.1 Provisions in the year	-	-	21	21
B.2 Time value changes	-	-	-	-
B.3 Changes due to discount rate variations	-	-	-	-
B.4 Other	-	-	1	1
- of which business combinations	-	-	-	-
C. Decreases	**-**	**-**	**-24**	**-24**
C.1 Uses in the year	-	-	-24	-24
C.2 Changes due to discount rate variations	-	-	-	-
C.3 Other	-	-	-	-
- of which business combinations	-	-	-	-
D. Final amount	**-**	**-**	**75**	**75**

Annual changes of allowances for credit risk associated with commitments and financial guarantees given are disclosed in Part E – Information on financial risk management, Section 1.

Section 22 – Allowances for risk and charges – caption 100 (continued)

22.3 Allowances for credit risk associated with commitments and financial guarantees given

BANK (millions of euro)					31.12.2025
	Allowances for credit risk associated with commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
1. Commitments to disburse funds	6	4	10	-	**20**
2. Financial guarantees given	-	-	-	-	**-**
Total	**6**	**4**	**10**	**-**	**20**

BANK (millions of euro)					31.12.2024
	Allowances for credit risk associated with commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
1. Commitments to disburse funds	4	1	10	-	**15**
2. Financial guarantees given	-	1	-	-	**1**
Total	**4**	**2**	**10**	**-**	**16**

GROUP (millions of euro)					31.12.2025
	Allowances for credit risk associated with commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
1. Commitments to disburse funds	8	4	10	-	**22**
2. Financial guarantees given	-	1	1	-	**2**
Total	**8**	**5**	**11**	**-**	**24**

GROUP (millions of euro)					31.12.2024
	Allowances for credit risk associated with commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
1. Commitments to disburse funds	6	2	10	-	**18**
2. Financial guarantees given	1	1	-	-	**2**
Total	**7**	**3**	**10**	**-**	**20**

22.4 Allowances on other commitments and other guarantees given

As at reporting date and previous reporting date, there were no allowances on other commitments and guarantees given.

Section 23 – Shareholder's equity – captions 120, 130, 140, 150, 160, 170 and 180

23.1 Share capital

Issued share capital as at reporting date amounted to EUR 244 million (previous reporting date: EUR 244 million). The total number of authorised registered shares is provided in the table below, with a nominal value of EUR 13,00 per share (previous reporting date: EUR 13,00 per share).

The Parent Company of the Bank is Intesa Sanpaolo Holding International S.A. from Luxembourg, Luxembourg and the ultimate controlling party is Intesa Sanpaolo S.p.A. from Torino, Italy. Financial reports of the Parent Company are available on web page https://group.intesasanpaolo.com/en/investor-relations/financial-reports.

	REGISTERED SHARES			
		31.12.2025		31.12.2024
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
Intesa Sanpaolo Holding International	18,765,747	100.0%	18,765,747	100.0%
Total	**18,765,747**	**100.0%**	**18,765,747**	**100.0%**

Each share has an equal proportion in the share capital of the Bank and its participating value in the share capital as well. The proportion of each share in the share capital of the Bank is determined on the basis of the number of the issued shares.

23.2 Share premium reserve

The Bank recognises share premium in an amount of EUR 208 million (previous reporting date: EUR 208 million) representing the excess of the paid-in amount over the nominal value of the issued shares.

23.3 Valuation reserve

Valuation reserves are fair value reserve related to unrealised gains and losses on changes in the fair value of financial assets measured at fair value through other comprehensive income, net of income tax. Furthermore, these reserves contain valuation reserves from revaluation of property, translation reserves and other revaluation reserves.

23.4 Reserves

Reserves comprise of retained earnings and other reserves.

Retained earnings are retained profits generally available to shareholders, subject to their approval. During reporting period in respect to previous reporting period dividend was proposed. The amount of dividends distributed to equity holders during reporting period in respect of previous reporting period is EUR 19.79 per share.

Other reserves comprise of legal reserves, capital gains, treasury shares reserves and other reserves.

Section 24 – Minority interests– captions 190

Minority interest of the Group in the amount of EUR 221 million (previous reporting date: EUR 220 million) relates to investments in Banka Intesa Sanpaolo d.d. Slovenia and Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina.

Part C – Information on the income statement

Section 1 – Interest – captions 10 and 20

1.1. Interest and similar income: breakdown

BANK (millions of euro) Captions/Types	Debt securities	Loans	Other transactions	31.12.2025
1. Financial assets measured at fair value through profit or loss	**1**	**-**	**-**	**1**
1.1 Financial assets held for trading	1	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	**44**	**-**	**X**	**44**
3. Financial assets measured at amortised cost	**49**	**454**	**-**	**503**
3.1 Due from banks	-	94	X	94
3.2 Loans to customers	49	360	X	409
4. Hedging derivatives	**X**	**X**	**-6**	**-6**
5. Other assets	**X**	**X**	**-**	**-**
6. Financial liabilities	**X**	**X**	**X**	**-**
Total	**94**	**454**	**-6**	**542**
of which: interest income on impaired financial assets	*-*	*11*	*-*	*11*
of which: interest income on financial lease	*X*	*-*	*X*	*-*

BANK (millions of euro) Captions/Types	Debt securities	Loans	Other transactions	31.12.2024
1. Financial assets measured at fair value through profit or loss	**1**	**-**	**-**	**1**
1.1 Financial assets held for trading	1	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	**38**	**-**	**X**	**38**
3. Financial assets measured at amortised cost	**6**	**536**	**-**	**542**
3.1 Due from banks	-	183	X	183
3.2 Loans to customers	6	353	X	359
4. Hedging derivatives	**X**	**X**	**16**	**16**
5. Other assets	**X**	**X**	-	**-**
6. Financial liabilities	**X**	**X**	**X**	**-**
Total	**45**	**536**	**16**	**597**
of which: interest income on impaired financial assets	*-*	*13*	*-*	*13*
of which: interest income on financial lease	*X*	*-*	*X*	*-*

Section 1 – Interest – captions 10 and 20 (continued)

1.1. Interest and similar income: breakdown (continued)

GROUP (millions of euro) **Captions/Types**	**Debt securities**	**Loans**	**Other transactions**	**31.12.2025**
1. Financial assets measured at fair value through profit or loss	**1**	**-**	**-**	**1**
1.1 Financial assets held for trading	1	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	**61**	**-**	**X**	**61**
3. Financial assets measured at amortised cost	**55**	**617**	**-**	**672**
3.1 Due from banks	-	115	X	115
3.2 Loans to customers	55	502	X	557
4. Hedging derivatives	**X**	**X**	**-3**	**-3**
5. Other assets	**X**	**X**	**-**	**-**
6. Financial liabilities	**X**	**X**	**X**	**-**
Total	**117**	**617**	**-3**	**731**
of which: interest income on impaired financial assets	*-*	*16*	*-*	*16*
of which: interest income on financial lease	*X*	*16*	*X*	*16*

GROUP (millions of euro) **Captions/Types**	**Debt securities**	**Loans**	**Other transactions**	**31.12.2024**
1. Financial assets measured at fair value through profit or loss	**1**	**-**	**-**	**1**
1.1 Financial assets held for trading	1	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	**52**	**-**	**X**	**52**
3. Financial assets measured at amortised cost	**7**	**722**	**-**	**729**
3.1 Due from banks	-	222	X	222
3.2 Loans to customers	7	500	X	507
4. Hedging derivatives	**X**	**X**	**23**	**23**
5. Other assets	**X**	**X**	-	-
6. Financial liabilities	**X**	**X**	**X**	**-**
Total	**60**	**722**	**23**	**805**
of which: interest income on impaired financial assets	*-*	*19*	*-*	*19*
of which: interest income on financial lease	*X*	*14*	*X*	*14*

Section 1 – Interest – captions 10 and 20 (continued)

1.2 Interest and similar expense: breakdown

BANK (millions of euro) **Captions/Types**	**Deposits**	**Securities**	**Other transactions**	**31.12.2025**
1. Financial liabilities measured at amortised cost	**89**	**-**	**-**	**89**
1.1 Due to Central Banks	-	X	X	-
1.2 Due to banks	23	X	X	23
1.3 Due to customers	66	X	X	66
1.4 Securities issued	X	-	X	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**
3. Financial liabilities designated at fair value	**-**	**-**	**-**	**-**
4. Other liabilities and allowances	**X**	**X**	**-**	**-**
5. Hedging derivatives	**X**	**X**	**-3**	**-3**
6. Financial assets	**X**	**X**	**X**	**-**
Total	**89**	**-**	**-3**	**86**
of which: interest expense on lease liabilities	*1*	*X*	*X*	*1*

BANK (millions of euro) **Captions/Types**	**Deposits**	**Securities**	**Other transactions**	**31.12.2024**
1. Financial liabilities measured at amortised cost	**86**	**-**	**-**	**86**
1.1 Due to Central Banks	-	X	X	-
1.2 Due to banks	12	X	X	12
1.3 Due to customers	74	X	X	74
1.4 Securities issued	X	-	X	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**
3. Financial liabilities designated at fair value	**-**	**-**	**-**	**-**
4. Other liabilities and allowances	**X**	**X**	**-**	**-**
5. Hedging derivatives	**X**	**X**	**3**	**3**
6. Financial assets	**X**	**X**	**X**	**-**
Total	**86**	**-**	**-**	**89**
of which: interest expense on lease liabilities	*1*	*X*	*X*	*1*

Section 1 – Interest – captions 10 and 20 (continued)

1.2 Interest and similar expense: breakdown

GROUP (millions of euro) Captions/Types	Deposits	Securities	Other transactions	31.12.2025
1. Financial liabilities measured at amortised cost	**131**	**-**	**-**	**131**
1.1 Due to Central Banks	-	X	X	-
1.2 Due to banks	41	X	X	41
1.3 Due to customers	90	X	X	90
1.4 Securities issued	X	-	X	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**
3. Financial liabilities designated at fair value	**-**	**-**	**-**	**-**
4. Other liabilities and allowances	**X**	**X**	**-**	**-**
5. Hedging derivatives	**X**	**X**	**-4**	**-4**
6. Financial assets	**X**	**X**	**X**	**-**
Total	**131**	**-**	**-4**	**127**
of which: interest expense on lease liabilities	*1*	*X*	*X*	*1*

GROUP (millions of euro) Captions/Types	Deposits	Securities	Other transactions	31.12.2024
1. Financial liabilities measured at amortised cost	**125**	**-**	**-**	**125**
1.1 Due to Central Banks	-	X	X	-
1.2 Due to banks	25	X	X	25
1.3 Due to customers	100	X	X	100
1.4 Securities issued	-	-	X	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**
3. Financial liabilities designated at fair value	**-**	**-**	**-**	**-**
4. Other liabilities and allowances	**-**	**X**	**-**	**-**
5. Hedging derivatives	**-**	**X**	**4**	**4**
6. Financial assets	**-**	**X**	**X**	**-**
Total	**125**	**-**	**-**	**129**
of which: interest expense on lease liabilities	*1*	*X*	*X*	*1*

1.3 Differentials on hedging transactions

GROUP (millions of euro)	BANK		GROUP	
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
A. Positive differentials on hedging transactions	10	16	45	46
B. Negative differentials on hedging transactions	-13	-3	-44	-27
C. Saldo (A-B)	**-3**	**13**	**1**	**19**

Section 2 – Net fee and commission income – captions 40 and 50

2.1 Fee and commission income: breakdown

(millions of euro)		BANK		GROUP
Type of service/Amounts	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
a) Financial instruments	**3**	**1**	**5**	**3**
1. Placement of securities	2	1	4	3
1.1 Through underwriting and/or on a firm commitment basis	1	-	1	-
1.2 Without firm commitment	1	1	3	3
2. Reception and transmission of orders and execution of orders on behalf of customers	1	-	1	-
2.1 Reception and transmission of orders for one or more financial instruments	-	-	-	-
2.2 Execution of orders on behalf of customers	1	-	1	-
3. Other fee and commission income related to activities connected to financial instruments	-	-	-	-
of which: dealing on own account	-	-	-	-
of which: individual portfolio management	-	-	-	-
b) Corporate Finance	**-**	**-**	**-**	**-**
c) Investment advice	**1**	**-**	**1**	**-**
d) Clearing and settlement	**-**	**-**	**-**	**-**
e) Collective portfolio management	**-**	**-**	**1**	**1**
f) Custody and administration	**4**	**3**	**5**	**4**
1. Depositary bank	3	2	3	3
2. Other fee and commission income related to custody and administration services	1	1	2	1
g) Central administrative services for collective portfolio management	**-**	**-**	**-**	**-**
h) Fiduciary services	**-**	**-**	**-**	**-**
i) Payment services	**132**	**135**	**223**	**221**
1. Current accounts	56	53	68	63
2. Credit cards	40	46	75	79
3. Debit cards and other payment cards	2	2	11	11
4. Credit transfers and other payment orders	34	34	42	43
5. Other fee and commission income related to payment services	-	-	27	26
j) Distribution of third-party services	**16**	**14**	**17**	**14**
1. Collective portfolio management	-	-	-	-
2. Insurance products	8	7	9	8
3. Other products	8	7	8	6
of which: individual portfolio management	-	-	-	-
k) Structured finance	**-**	**-**	**-**	**-**
l) Servicing related to securitisations	**-**	**-**	**1**	**1**
m) Commitments to disburse funds	**-**	**-**	**-**	**-**
n) Financial guarantees given	**5**	**5**	**8**	**7**
of which: credit derivatives	-	-	-	-
o) Financing transactions	**6**	**4**	**14**	**9**
of which: for factoring transactions	-	-	-	-
p) Currency dealing	**-**	**-**	**1**	**1**
q) Commodities	**-**	**-**	**-**	**-**
r) Other fee and commission income	**4**	**3**	**8**	**11**
of which: for management of multilateral trading facilities	-	-	-	-
of which: for management of organised trading facilities	-	-	-	-
Total	**171**	**165**	**284**	**272**

Section 2 – Net fee and commission income – captions 40 and 50 (continued)

2.2 Fee and commission expense: breakdown

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
a) Financial instruments	**-**	**-**	**-**	**-**
of which: trading in financial instruments	-	-	-	-
of which: placement of financial instruments	-	-	-	-
of which: individual portfolio management	-	-	-	-
- Own portfolio	-	-	-	-
- Third-party portfolio	-	-	-	-
b) Clearing and settlement	**1**	**-**	**1**	**-**
c) Collective portfolio management	**-**	**-**	**-**	**-**
- Own portfolio	-	-	-	-
- Third-party portfolio	-	-	-	-
d) Custody and administration	**2**	**1**	**2**	**1**
e) Collection and payment services	**33**	**48**	**50**	**65**
of which: credit cards, debit cards and other payment cards	27	37	42	51
f) Servicing related to securitisations	**-**	**-**	**-**	**-**
g) Commitments to receive funds	**-**	**-**	**-**	**-**
h) Financial guarantees received	**-**	**-**	**-**	**-**
of which: credit derivatives	-	-	-	-
i) “Out-of-branch” offer of financial instruments, products and services	**-**	**-**	**-**	**-**
j) Currency dealing	**-**	**-**	**-**	**-**
k) Other fee and commission expense	**2**	**3**	**4**	**6**
Total	**38**	**52**	**57**	**72**

Section 3 – Dividend and similar income – caption 70

3.1 Dividend and similar income: breakdown

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	1
C. Financial assets measured at fair value through other comprehensive income	-	-	1	-
D. Investments in associates and companies subject to joint control	42	117	-	-
Total	**42**	**117**	**1**	**1**

Section 4 – Profits (Losses) on trading- caption 80

4.1 Profits (Losses) on trading: breakdown

BANK (millions of euro) **Transactions/Income components**	**Revaluations**	**Profits on trading**	**Write-downs**	**Losses on trading**	**31.12.2025** **Net result**
1. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	**X**	**X**	**X**	**X**	**14**
4. Derivatives	**-**	**-**	**-**	**-**	**1**
4.1 Financial derivatives:	-	-	-	-	1
- on debt securities and interest rates	-	-	-	-	-
- on equities and stock indexes	-	-	-	-	-
- on currencies and gold	X	X	X	X	1
- other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedging associated with the fair value option	*X*	*X*	*X*	*X*	-
Total	**-**	**-**	**-**	**-**	**15**

Section 4 – Profits (Losses) on trading- caption 80 (continued)

4.1 Profits (Losses) on trading: breakdown (continued)

BANK (millions of euro) **Transactions/Income components**	**Revaluations**	**Profits on trading**	**Write-downs**	**Losses on trading**	**31.12.2024** **Net result**
1. Financial assets held for trading	**1**	**-**	**-**	**-**	**1**
1.1 Debt securities	1	-	-	-	1
1.2 Equities	-	-	-	-	-
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	**X**	**X**	**X**	**X**	**17**
4. Derivatives	**-**	**-**	**-**	**-**	**-1**
4.1 Financial derivatives:	-	-	-	-	-1
- on debt securities and interest rates	-	-	-	-	-
- on equities and stock indexes	-	-	-	-	-
- on currencies and gold	X	X	X	X	-1
- other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedging associated with the fair value option	*X*	*X*	*X*	*X*	-
Total	**1**	**-**	**-**	**-**	**17**

Section 4 – Profits (Losses) on trading- caption 80 (continued)

4.1 Profits (Losses) on trading: breakdown (continued)

GROUP (millions of euro)					31.12.2025
Transactions/Income components	**Revaluations**	**Profits on trading**	**Write-downs**	**Losses on trading**	**Net result**
1. Financial assets held for trading	**-**	**2**	**-**	**-1**	**1**
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	2	-	-1	1
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	**X**	**X**	**X**	**X**	**19**
4. Derivatives	**-**	**-**	**-**	**-**	**-**
4.1 Financial derivatives:	-	-	-	-	-
- on debt securities and interest rates	-	-	-	-	-
- on equities and stock indexes	-	-	-	-	-
- on currencies and gold	X	X	X	X	-
- other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedging associated with the fair value option	*X*	*X*	*X*	*X*	-
Total	**-**	**2**	**-**	**-1**	**20**

Section 4 – Profits (Losses) on trading- caption 80 (continued)

4.1 Profits (Losses) on trading: breakdown (continued)

GROUP (millions of euro)					**31.12.2024**
Transactions/Income components	**Revalua-tions**	**Profits on trading**	**Write-downs**	**Losses on trading**	**Net result**
1. Financial assets held for trading	**1**	**2**	**-**	**-1**	**2**
1.1 Debt securities	1	-	-	-	1
1.2 Equities	-	-	-	-	-
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	2	-	-1	1
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	**X**	**X**	**X**	**X**	**20**
4. Derivatives	**1**	**-**	**-1**	**-**	**-**
4.1 Financial derivatives:	1	-	-1	-	-
- on debt securities and interest rates	1	-	-1	-	-
- on equities and stock indexes	-	-	-	-	-
- on currencies and gold	X	X	X	X	-
- other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedging associated with the fair value option	*X*	*X*	*X*	*X*	-
Total	**2**	**2**	**-1**	**-1**	**22**

Section 5 – Fair value adjustments in hedge accounting – caption 90

5.1 Fair value adjustments in hedge accounting: breakdown

(millions of euro)		BANK		GROUP
Income component/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
A. Income from:				
A.1 fair value hedge derivatives	76	8	107	44
A.2 financial assets hedged (fair value)	33	22	49	50
A.3 financial liabilities hedged (fair value)	9	-	12	1
A.4 cash flow hedge: derivatives	-	-	-	-
A.5 currency assets and liabilities	-	-	-	-
Total income from hedging (A)	**118**	**30**	**168**	**95**
B. Expenses for				
B.1 fair value hedge derivatives	-11	-22	-31	-69
B.2 financial assets hedged (fair value)	-103	-1	-131	-16
B.3 financial liabilities hedged (fair value)	-3	-8	-5	-10
B.4 cash flow hedge: derivatives	-	-	-	-
B.5 currency assets and liabilities	-	-	-	-
Total expense from hedging (B)	**-117**	**-31**	**-167**	**-95**
C. Fair value adjustments in hedge accounting (A - B)	**1**	**-1**	**1**	**-**

Section 6 – Profits (Losses) on disposal or repurchase – caption 100

6.1 Profits (Losses) on disposal or repurchase: breakdown

BANK (millions of euro)		31.12.2025			31.12.2024	
Captions/Income components	Profits	Losses	Net results	Profits	Losses	Net results
A. Financial assets						
1. Financial assets measured at amortised cost	15	-1	14	-	-	-
1.1 Due from banks	-	-	-	-	-	-
1.2 Loans to customers	*15*	*-1*	*14*	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets	**15**	**-1**	**14**	**-**	**-**	**-**
B. Financial liabilities measured at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

GROUP (millions of euro)		31.12.2025			31.12.2024	
Captions/Income components	Profits	Losses	Net results	Profits	Losses	Net results
A. Financial assets						
1. Financial assets measured at amortised cost	28	-1	27	-	-	-
1.1 Due from banks	-	-	-	-	-	-
1.2 Loans to customers	*28*	*-1*	*27*	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-	-
2.2 Loans	-	-	-	-	-	-
Total assets	**28**	**-1**	**27**	**-**	**-**	**-**
B. Financial liabilities measured at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Section 7 – Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss – caption 110

7.1 Net change in the value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

As at reporting date and previous reporting date, there were no net changes in the value of other financial assets and liabilities measured at fair value through profit or loss.

Section 7 – Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss – caption 110 (continued)

7.2 Net change in the value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

BANK (millions of euro) **Transactions/Income components**	Revaluations	Gains on disposal	Write-downs	Losses on trading	31.12.2025 Net results
1. Financial assets	**1**	**-**	**-**	**-**	**1**
1.1 Debt securities	-	-	-	-	-
1.2 Equities	1	-	-	-	1
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets: foreign exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**1**	**-**	**-**	**-**	**1**

BANK (millions of euro) **Transactions/Income components**	Revaluations	Gains on disposal	Write-downs	Losses on trading	31.12.2024 Net results
1. Financial assets	**2**	**-**	**-**	**-**	**2**
1.1 Debt securities	1	-	-	-	1
1.2 Equities	1	-	-	-	1
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets: foreign exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**2**	**-**	**-**	**-**	**2**

GROUP (millions of euro) **Transactions/Income components**	Revaluations	Gains on disposal	Write-downs	Losses on trading	31.12.2025 Net results
1. Financial assets	**2**	**-**	**-**	**-**	**2**
1.1 Debt securities	-	-	-	-	-
1.2 Equities	2	-	-	-	2
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets: foreign exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**2**	**-**	**-**	**-**	**2**

GROUP (millions of euro) **Transactions/Income components**	Revaluations	Gains on disposal	Write-downs	Losses on trading	31.12.2024 Net results
1. Financial assets	**2**	**-**	**-**	**-**	**2**
1.1 Debt securities	1	-	-	-	1
1.2 Equities	1	-	-	-	1
1.3 Quotas of UCI	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets: foreign exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**2**	**-**	**-**	**-**	**2**

Section 8 – Net losses/recoveries for credit risk – caption 130

8.1 Net adjustments for credit risk associated with financial assets measured at amortised cost: breakdown

BANK (millions of euro) **Transactions/Income components**	**IMPAIRMENT LOSSES**						**RECOVERIES**				**Total**
	Stage 1	**Stage 2**	**Stage 3**		**Purchased or originated credit-impaired**		**Stage 1**	**Stage 2**	**Stage 3**	**Purchased or originated credit-impaired**	
			Write-off	**Other**	**Write-off**	**Other**					
A. Credit to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**-48**	**-65**	**-**	**-92**	**-**	**-**	**43**	**73**	**94**	**1**	**6**
- Loans	-47	-63	-	-92	-	-	43	71	94	1	7
- Debt securities	-1	-2	-	-	-	-	-	2	-	-	-1
Total 31.12.2025	**-48**	**-65**	**-**	**-92**	**-**	**-**	**43**	**73**	**94**	**1**	**6**
A. Credit to banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**-44**	**-62**	**-**	**-94**	**-**	**-1**	**33**	**85**	**81**	**1**	**-1**
- Loans	-43	-62	-	-94	-	-1	33	81	81	1	-4
- Debt securities	-1	-	-	-	-	-	-	4	-	-	3
Total 31.12.2024	**-44**	**-62**	**-**	**-94**	**-**	**-1**	**33**	**85**	**81**	**1**	**-1**

Section 8 – Net losses/recoveries for credit risk – caption 130 (continued)

8.1 Net adjustments for credit risk associated with financial assets measured at amortised cost: breakdown (continued)

GROUP (millions of euro) Transactions/Income components	IMPAIRMENT LOSSES						RECOVERIES				Total
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
			Write-off	Other	Write-off	Other					
A. Credit to banks	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**1**
- Loans	-	-	-	-	-	-	1	-	-	-	1
- Debt securities	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**-102**	**-127**	**-1**	**-148**	**-**	**-1**	**108**	**120**	**135**	**1**	**-15**
- Loans	-99	-125	-1	-148	-	-1	107	118	135	1	-13
- Debt securities	-3	-2	-	-	-	-	1	2	-	-	-2
Total 31.12.2025	**-102**	**-127**	**-1**	**-148**	**-**	**-1**	**109**	**120**	**135**	**1**	**-14**
A. Credit to banks	**-1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-1**
- Loans	-1	-	-	-	-	-	-	-	-	-	-1
- Debt securities	-	-	-	-	-	-	-	-	-	-	-
B. Credit to clients	**-86**	**-103**	**-**	**-130**	**-**	**-1**	**85**	**116**	**106**	**1**	**-12**
- Loans	-86	-103	-	-130	-	-1	85	112	106	1	-16
- Debt securities	-	-	-	-	-	-	-	4	-	-	4
Total 31.12.2024	**-87**	**-103**	**-**	**-130**	**-**	**-1**	**85**	**116**	**106**	**1**	**-13**

Section 8 – Net losses/recoveries for credit risk – caption 130 (continued)

8.2 Net adjustments for credit risk associated with financial assets measured at fair value through other comprehensive income: breakdown

During reporting period and previous reporting period, there were no adjustments for credit risk associated with financial assets measured at fair value through other comprehensive income.

Section 9 – Administrative expenses - caption 190

9.1 Personnel expenses: breakdown

(millions of euro)		BANK		GROUP
Type of expense	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
1) Employees	**124**	**117**	**191**	**183**
a) wages and salaries	108	100	162	152
b) social security charges	14	13	26	25
c) termination indemnities	-	-	-	-
d) supplementary benefits	-	-	1	2
e) provisions for termination indemnities	-	-	-	-
f) provisions for post-employment benefits	-	-	-	-
- defined contribution plans	-	-	-	-
- defined benefit plans	-	-	-	-
g) payments to external pension funds	-	-	-	-
- defined contribution plans	-	-	-	-
- defined benefit plans	-	-	-	-
h) costs from share based payments	1	1	1	1
i) other benefits in favor of employees	1	3	1	3
2) Other non-retired personnel	-	-	-	-
3) Early retirement costs	**1**	**7**	**1**	**7**
Total	**125**	**124**	**192**	**190**

During the reporting period the average number of employees based on full-time employment equivalence was 2,978 for the Bank 4,527 for the Group (previous reporting period: 3,114 and 4,570 respectively).

Section 9 – Administrative expenses - caption 190 (continued)

9.2 Other administrative expenses: breakdown

(millions of euro)		BANK		GROUP
Type of expense/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Expenses for maintenance of information technology and electronic equipment	19	19	31	30
Telephonic, tele transmission and transmission expenses	2	2	4	4
Information technology expenses	**21**	**21**	**35**	**34**
Rentals and service charges - real estate	-	-	-	1
Security services	3	3	6	6
Cleaning of premises	2	1	2	2
Expenses for maintenance of real estate assets furniture and equipment	4	3	4	4
Energy costs	4	4	5	5
Property costs	-	-	-	-
Management of real estate assets expenses	**13**	**11**	**17**	**18**
Printing, stationery and consumables expenses	1	1	2	2
Transport and related services expenses (including counting of valuables)	5	6	6	6
Information expenses	-	-	-	-
Postal and telegraphic expenses	4	4	6	7
General structure costs	**10**	**11**	**14**	**15**
Expenses for consultancy fees	1	1	2	2
Legal and judiciary expenses	2	2	3	3
Insurance premiums - banks and customers	1	1	1	1
Professional and legal expenses	**4**	**4**	**6**	**6**
Advertising and promotional expenses	**3**	**3**	**6**	**7**
Services rendered by third parties	**16**	**17**	**17**	**17**
Indirect personnel costs	**6**	**5**	**8**	**7**
Other costs	**6**	**6**	**12**	**11**
Contributions to resolution funds and deposit guarantee schemes	**6**	**-5**	**10**	**-2**
Taxes and duties	**5**	**5**	**12**	**14**
Recovery of other expenses	**-6**	**-8**	**-5**	**-8**
Total	**84**	**70**	**132**	**119**

Other administrative expenses include fees payable to the auditor for audit services of EUR 0.4 million for the Bank (previous reporting period: EUR 0.4 million) and EUR 0.6 million for the Group (previous reporting period: EUR 0.6 million). Fees payable to the auditor for other audit related services amount to EUR 0.4 million for the Bank (previous reporting period: EUR 0.4 million) and EUR 0.6 million for the Group (previous reporting period: EUR 0.5 million). These fees are exclusive of Value Added tax.

Section 10 – Net provisions for risk and charges – caption 200

10.1 Net provisions for credit risk associated with loan commitments and financial guarantees given: breakdown

BANK (millions of euro)			**31.12.2025**			**31.12.2024**
	Provisions	**Reallocations**	**Net provision**	**Provisions**	**Reallocations**	**Net provision**
Stage 1	-12	10	-2	-8	7	-1
Stage 2	-6	4	-2	-2	3	1
Stage 3	-8	8	-	-7	9	2
Total	**-26**	**22**	**-4**	**-17**	**19**	**2**

GROUP (millions of euro)			**31.12.2025**			**31.12.2024**
	Provisions	**Reallocations**	**Net provision**	**Provisions**	**Reallocations**	**Net provision**
Stage 1	-18	17	-1	-14	13	-1
Stage 2	-8	6	-2	-5	5	-
Stage 3	-11	10	-1	-8	11	3
Total	**-37**	**33**	**-4**	**-27**	**29**	**2**

10.2 Net provisions associated with other commitments and other guarantees given: breakdown

There were no net provisions associated with other commitments during reporting period or previous reporting period.

10.3 Net provisions for other risks and charges: breakdown

BANK (millions of euro)			**31.12.2025**			**31.12.2024**
	Provisions	**Reallocations**	**Net provision**	**Provisions**	**Reallocations**	**Net provision**
Net provisions for legal disputes	-16	13	-3	-15	7	-8
Net provisions for other personnel charges	-	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-	3	3
Total	**-16**	**13**	**-3**	**-15**	**10**	**-5**

GROUP (millions of euro)			**31.12.2025**			**31.12.2024**
	Provisions	**Reallocations**	**Net provision**	**Provisions**	**Reallocations**	**Net provision**
Net provisions for legal disputes	-17	17	-	-21	9	-12
Net provisions for other personnel charges	-	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-1	5	4
Total	**-17**	**17**	**-**	**-22**	**14**	**-8**

Section 11 – Net adjustments to/recoveries on property and equipment – caption 210

11.1 Net adjustments to property and equipment: breakdown

BANK (millions of euro) **Assets/Income components**				**31.12.2025**				**31.12.2024**
	Depreciation	**Impairment losses**	**Recoveries**	**Net result**	**Depreciation**	**Impairment losses**	**Recoveries**	**Net result**
A. Property and equipment								
A.1 Used in operations	-22	-	-	-22	-21	-	-	-21
- Owned	-9	-	-	-9	-10	-	-	-10
- Licenses acquired through lease	-13	-	-	-13	-11	-	-	-11
A.2 Investment property	-	-	-	-	-	-	-	-
- Owned	-	-	-	-	-	-	-	-
- Licenses acquired through lease	-	-	-	-	-	-	-	-
A.3 Inventories	X	-	-	-	X	-	-	-
B. Non-current assets held for sale	X	-	-	-	**X**	**-**	**-**	**-**
Total	**-22**	**-**	**-**	**-22**	**-21**	**-**	**-**	**-21**

GROUP (millions of euro) **Assets/Income components**				**31.12.2025**				**31.12.2024**
	Depreciation	**Impairment losses**	**Recoveries**	**Net result**	**Depreciation**	**Impairment losses**	**Recoveries**	**Net result**
A. Property and equipment								
A.1 Used in operations	-33	-	-	-33	-32	-	-	-32
- Owned	-17	-	-	-17	-18	-	-	-18
- Licenses acquired through lease	-16	-	-	-16	-14	-	-	-14
A.2 Investment property	-	-	-	-	-	-	-	-
- Owned	-	-	-	-	-	-	-	-
- Licenses acquired through lease	-	-	-	-	-	-	-	-
A.3 Inventories	X	-	-	-	X	-	-	-
B. Non-current assets held for sale	X	-	-	-	**X**	**-**	**-**	**-**
Total	**-33**	**-**	**-**	**-33**	**-32**	**-**	**-**	**-32**

Section 12 – Net adjustments to/recoveries on intangible assets – caption 220

12.1 Net adjustments to intangible assets: breakdown

BANK (millions of euro) **Assets/Income components**				**31.12.2025**				**31.12.2024**
	Depreciation	**Impairment losses**	**Recoveries**	**Net result**	**Depreciation**	**Impairment losses**	**Recoveries**	**Net result**
A. Intangible assets								
of which: software	*-8*	*-*	*-*	*-8*	*-8*	*-*	*-*	*-8*
A.1 Owned	-8	-	-	-8	-8	-	-	-8
- Internally generated	-5	-	-	-5	-5	-	-	-5
- Others	-3	-	-	-3	-3	-	-	-3
A.2 Rights of use acquired through the lease	-	-	-	-	-	-	-	-
B. Non-current assets held for sale	**X**	**-**	**-**	**-**	**X**	**-**	**-**	**-**
Total	**-8**	**-**	**-**	**-8**	**-8**	**-**	**-**	**-8**

GROUP (millions of euro) **Assets/Income components**				**31.12.2025**				**31.12.2024**
	Depreciation	**Impairment losses**	**Recoveries**	**Net result**	**Deprecia-tion**	**Impairment losses**	**Recoveries**	**Net result**
A. Intangible assets								
of which: software	*-11*	*-*	*-*	*-11*	*-11*	*-*	*-*	*-11*
A.1 Owned	-11	-	-	-11	-11	-	-	-11
- Internally generated	-6	-	-	-6	-6	-	-	-6
- Others	-5	-	-	-5	-5	-	-	-5
A.2 Rights of use acquired through the lease	-	-	-	-	-	-	-	-
B. Non-current assets held for sale	**X**	**-**	**-**	**-**	**X**	**-**	**-**	**-**
Total	**-11**	**-**	**-**	**-11**	**-11**	**-**	**-**	**-11**

Section 13 – Other operating expenses (income) - caption 230

13.1 Other operating expenses: breakdown

(millions of euro)		BANK		GROUP
Type of expense/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Amortisation of leasehold improvements	1	1	1	1
Expenses of credit card and leasing transactions	-	-	1	16
Processing expenses	11	10	19	17
Other	13	12	22	19
Total	**25**	**23**	**43**	**53**

Other expenses comprises of multiple low-value expenses that cannot be categorized under a common heading, with the most significant items being cash handling, client compensation and real estate appraisal costs.

13.2 Other operating income: breakdown

(millions of euro)		BANK		GROUP
Type of income/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Income from credit card and leasing transactions	-	-	8	22
Rentals and recovery of expenses on real estate	-	-	1	1
Recovery of services rendered to third parties	-	-	1	-
Recovery of other expenses	-	-	1	-
Other	4	4	6	5
Total	**4**	**4**	**17**	**28**

Section 14 – Profits (Losses) on investments in associates and companies subject to joint control – caption 250

14.1 Profits (Losses) on investments in associates and companies subject to joint control: breakdown

The following table illustrates summarised financial information of the PBZ Croatia Osiguranje d.d.:

(millions of euro)		GROUP
Income components/Sectors	**31.12.2025**	**31.12.2024**
Investments in associates		
A. Revenues	13	10
B. Charges	9	8
Net result	**4**	**2**
Attributable to PBZ Group	**2**	**1**

Section 15 – Valuation differences on property, equipment and intangible assets measured at fair value – caption 260

15.1 Gains (losses) on property, equipment and intangible assets measured at fair value (or at revalued amount) or at the presumed net value: breakdown

During reporting period and previous reporting period there were no gains or losses on tangible and intangible assets measured at fair value.

Section 16 – Goodwill impairment – caption 270

16.1 Goodwill impairment: breakdown

The results of impairment testing on goodwill recorded in the financial statements did not lead to adjustments during reporting period and previous reporting period. See Part A – Accounting policies for details on the means of determination of goodwill impairment. For a description of the impairment testing methods for goodwill, reference should be made to Part B – Section 9 – Intangible Assets.

Section 17 – Profits (Losses) on disposal of investments – caption 280

17.1 Profits (Losses) on disposal of investments: breakdown

(millions of euro)		BANK		GROUP
Income components/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
A. Real estate assets	**-**	**1**	**-**	**1**
- profits on disposal	-	1	-	1
- losses on disposal	-	-	-	-
B. Other assets (a)	**-**	**-**	**-**	**-**
- profits on disposal	-	-	-	-
- losses on disposal	-	-	-	-
Net result	**-**	**1**	**-**	**1**

(a) Included profits and losses on disposal of acquiring business

Section 18 – Taxes on income from continuing operations – caption 300

18.1 Taxes on income from continuing operations: breakdown

(millions of euro)		BANK		GROUP
Income components/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
1. Current tax expense (-)	-63	-76	-84	-99
2. Adjustment to current tax of prior periods (+/-)	-	-	-	-
3. Reduction in current tax for the period (+)	-	-	-	-
4. Adjustment to deferred tax income (+/-)	-	3	-	4
5. Adjustment to deferred tax expense (+/-)	-2	-	-3	-
6. Tax expense for the year (-)	**-65**	**-73**	**-87**	**-95**

Section 18 – Taxes on income from continuing operations – caption 300 (continued)

18.2 Reconciliation of theoretical tax charge to total income tax expense for the period

(millions of euro)		BANK		GROUP
Income components/Amount	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
Income (Loss) before tax from continuing operations	399	510	471	506
Income (Loss) before tax from discontinued operations	-	-	-	-
Theoretical taxable income	**399**	**510**	**471**	**506**

	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Theoretical taxable profit (a)	399	510	471	506
Income taxes - theoretical tax charge (b)	72	92	87	91
Increase of taxes	**-12**	**-14**	**-13**	**-18**
Non-deductible cost	-1	-3	-2	-3
Effects of international companies higher rates	-	-	-	-4
Other	-11	-11	-11	-11
Decrease of taxes	**19**	**33**	**13**	**14**
Effects of the participation exemption	7	21	-	-
Effects of international companies lower rates	-	-	-	1
Other	12	12	13	13
Total changes in taxes	**7**	**19**	**-**	**-4**
Total income tax expense for the period	**-65**	**-73**	**-87**	**-95**
of which:				
- total income tax expense from continuing operations	-65	-73	-87	-95
- total income tax expense from discontinued operations	-	-	-	-

Section 19 – Income (loss) after tax from discontinued operations – caption 320

19.1 Income (loss) after tax from discontinued operations: breakdown

During reporting period and previous reporting period there was no income (loss) after tax from discontinued operations.

19.2 Breakdown of taxes on income from discontinued operations

During reporting period and previous reporting period there was no taxes on income from discontinued operations.

Section 20 – Minority interest – caption 340

20.1 Breakdown of caption 340 Minority interests

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Investments in consolidated companies with significant minority interests	**-**	**-**	**29**	**34**
Banka Intesa Sanpaolo d.d. Slovenia	-	-	29	34
Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina	-	-	-	-
Other investments	-	-	-	-
Total	**-**	**-**	**29**	**34**

Section 21 – Other information

There is no information further to that already provided in the previous sections.

Part D – Comprehensive income

(millions of euro) **Statement of comprehensive income**		BANK		GROUP	
		31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
10.	**Net income (loss)**	**334**	**437**	**384**	**411**
	Other comprehensive income that may not be reclassified to the income statement	**-**	**-**	**1**	**-2**
20.	Equity instruments measured at fair value through other comprehensive income	-	-	1	-
	a) fair value changes	-	-	*1*	-
	b) transfer to other components of shareholders' equity	-	-	-	-
30.	Financial liabilities designated at fair value through profit or loss (change in own credit rating)	-	-	-	-
	a) fair value changes	-	-	-	-
	b) transfer to other components of shareholders' equity	-	-	-	-
40.	Hedging of equity instruments measured at fair value through other comprehensive income	-	-	-	-
	a) fair value changes (hedged instrument)	-	-	-	-
	b) fair value changes (hedging instrument)	-	-	-	-
50.	Property and equipment	-	-	-	-3
60.	Intangible assets	-	-	-	-
70.	Defined benefit plans	-	-	-	-
80	Non-current assets held for sale and discontinued operations	-	-	-	-
90.	Share of valuation reserves connected with investments carried at equity	-	-	-	-
	Income taxes associated with other comprehensive income that may not be reclassified to the income statement	-	-	-	1

(millions of euro) **Statement of comprehensive income**		**BANK**		**GROUP**	
		31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	Other comprehensive income that may be reclassified to the income statement:	**-**	**6**	**-4**	**12**
100.	Hedges of foreign investments:	-	-	-	-
	a) fair value changes	-	-	-	-
	b) reclassification to the income statement	-	-	-	-
	c) other changes	-	-	-	-
110.	Foreign exchange differences:	-	-	-	-
	a) value change	-	-	-	-
	b) reclassification to the income statement	-	-	-	-
	c) other changes	-	-	-	-
120.	Cash flow hedges:	-	-	-2	3
	a) fair value changes	-	-	*-2*	*3*
	b) reclassification to the income statement	-	-	-	-
	c) other changes	-	-	-	-
	of which: gains (losses) on net positions	-	-	-	-
130.	Hedging instruments (not designated elements):	-	-	-	-
	a) value change	-	-	-	-
	b) reclassification to the income statement	-	-	-	-
	c) other changes	-	-	-	-
140.	Financial assets (other than equities) measured at fair value through other comprehensive income	-	7	-3	12
	a) fair value changes	-	*7*	*-3*	*13*
	b) reclassification to the income statement	-	-	-	-
	- adjustments for credit risk	-	-	-	-
	- gains/losses on disposals	-	-	-	-
	c) other changes	-	-	-	*-1*
150.	Non-current assets held for sale and discontinued operations	-	-	-	-
	a) fair value changes	-	-	-	-
	b) reclassification to the income statement	-	-	-	-
	c) other changes	-	-	-	-
160.	Share of valuation reserves connected with investments carried at equity:	-	-	-	-
	a) fair value changes	-	-	-	-
	b) reclassification to the income statement	-	-	-	-
	- impairment losses	-	-	-	-
	- gains / losses on disposal	-	-	-	-
	c) other changes	-	-	-	-
	Income taxes associated with other comprehensive income that may be reclassified to the income statement	-	-1	1	-3
170.	**Total other comprehensive income**	**-**	**6**	**-3**	**10**
180.	**Comprehensive income (Items 10+220)**	**334**	**443**	**381**	**421**
190.	**Total comprehensive income pertaining to minority interests**	**-**	**-**	**28**	**37**
200.	**Consolidated comprehensive income pertaining to Parent Company**	**334**	**443**	**353**	**384**

Part E – Information on financial risk management

This section provides details of the Bank's and the Group's exposure to risks and describes the methods used by the management to identify, measure and manage risks. The most important types of financial risk to which the Bank and the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate risk and equity price risk.

An integrated system of risk management has been established at the Bank and the Group level by introducing a set of policies and procedures, determining the limits of risk levels acceptable to the Bank and the Group and monitoring their implementation. With particular reference to risk taking preferences, the Bank and the Group defines its risk appetite through Risk Appetite Framework (RAF), i.e. set of strategic key limits ensuring stability of the Bank and the Group in the upcoming period and beyond.

Section 1 – Credit risk

The Bank and the Group is subject to credit risk through its trading, lending and investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. The risk that counterparties to both derivative and other instruments might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Bank and the Group deals with counterparties of good credit standing, and when appropriate, obtains collateral.

The Bank's and the Group's primary credit risk exposure arises through its loans and advances to customers. The amount of credit exposure in this regard is represented by the carrying amounts of the assets in the statement of financial position. In addition, the Bank and Group is exposed to off-balance-sheet credit risk through commitments to extend credit and guarantees issued – as disclosed in Part J – Other information (Section 2).

Lending commitments, including those based on guarantees issued by the Bank and the Group that are contingent upon customers maintaining specific standards (including the solvency position of customers not worsening), represent liabilities that can be revoked, Irrevocable liabilities are based on undrawn but approved loans and approved overdrafts because these liabilities are the result of terms determined by loan contracts.

Guarantees and approved letters of credit that commit the Bank and the Group to make payments on behalf of customers in the event of a specific act carry the same credit risk as loans. Standby letters of credit, which represent written guarantees of the Bank and the Group in a client's name such that a third party can withdraw funds up to the preapproved limit, are covered by collateral, being the goods for which they were issued. The credit risk for this type of product is significantly lower than for direct loans.

Exposure to credit risk has been managed in accordance with the Bank's and the Group's policies and with the regulatory requirements of the Croatian National Bank and European Central Bank. Credit exposures to portfolios and individual group exposures are reviewed on a regular basis against the limits set. Breaches are reported to the appropriate bodies and personnel within the Bank authorised to approve them. Any substantial increases in credit exposure are authorised by the Credit Committee. The Credit Risk Governance Committee monitors changes in the creditworthiness of credit exposures and reviews them for any proposed expected credit losses. Credit risk assessment is continuously monitored and reported, thus enabling an early identification of increase in credit risk or default in the credit portfolio. The Bank and the Group continually apply prudent methods and models used in the process of credit risk assessment.

Section 1 - Credit risk (continued)

The Bank and the Group is also continuously developing internal models compliant with an internal ratings-based approach ("IRB"), as prescribed by the Capital Requirement Regulation (EU Regulation 575/2013) and supplementing legislation, in order to quantify:

- default risk expressed in terms of internal rating which is periodically assigned to corporate and retail customers and quantified as probability of default (PD models);
- loss given default as an estimate of potential losses in the event of default, given the characteristics of the transaction and present collateral (LGD models).

Internal models are deeply embedded into credit processes and underwriting policies where they determine characteristics of the transaction such as lending limit, required collateral and price as well as an appropriate decision level within an internal scheme of delegation of powers. Furthermore, internal models are also used for calculation of an adequate level of internal capital (ICAAP) and within the stress testing framework.

For the purpose of measuring the Expected Credit Loss, the Bank and the Group aligned its macroeconomic forecasts with the indications. The table below shows the scenarios generated and used to measure ECL.

			Baseline			Mild			Severe
Macroeconomic indicator	2026	2027	2028	2026	2027	2028	2026	2027	2028
Real GDP y/y %	2.90	2.60	2.60	3.58	3.42	3.42	1.00	0.80	0.80
CPI y/y (average) %	1.75	1.96	1.98	1.68	2.25	2.44	1.85	1.84	2.65
Unemployment rate %	4.20	4.20	4.20	4.13	4.12	4.12	4.58	4.56	4.56
Real estate price index y/y %	4.23	2.98	2.78	6.58	4.89	4.58	4.01	2.37	1.90
Stock price index y/y %	4.94	3.51	3.99	6.57	6.08	6.61	4.79	2.98	3.16

Section 1 - Credit risk (continued)

Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Credit risk of financial assets and loan commitments and financial guarantee contracts is presented using internal classifications for the credit risk.

The Bank and the Group internally classifies the loan exposures into the following risk categories:

- Standard monitoring: the client is timely servicing its liabilities and there and the exposure is not classified as credit-impaired;
- Special monitoring: clients are analysed in detail within Proactive Credit Management (PCEM) office where individual client's strategies have been defined, implemented and their execution is closely monitored, In addition to corporate clients, Bank adopted monitoring of retail clients on portfolio level within PCEM office;
- Doubtful: exposures to borrowers being effectively insolvent (although not yet legally) or in comparable status, regardless of any loss forecasts made by the Bank and the Group;
- Unlikely to pay: exposures to borrowers which are experiencing financial or economic difficulties that are expected to be overcome in a reasonable period of time;
- Past due impaired: exposures other than those classified as unlikely to pay or doubtful that are past due for more than 90 days on a continuous basis above the established threshold.

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.1. Breakdown of financial assets by portfolio classification and credit quality (book values)

BANK (millions of euro) **Portfolios/quality**		Doubtful loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	TOTAL
1. Financial assets measured at amortised cost		51	67	9	138	12,723	12,988
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	2,082	2,082
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	1	1
5. Non-current financial assets held for sale		-	-	-	-	-	-
Total	**31.12.2025**	**51**	**67**	**9**	**138**	**14,806**	**15,071**
1. Financial assets measured at amortised cost		33	76	9	145	11,819	12,082
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	1,548	1,548
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	3	3
5. Non-current financial assets held for sale		-	-	-	-	-	-
Total	**31.12.2024**	**33**	**76**	**9**	**145**	**13,370**	**13,633**

GROUP (millions of euro) **Portfolios/quality**		Doubtful loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	TOTAL
1. Financial assets measured at amortised cost		56	82	16	253	17,574	17,981
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	2,704	2,704
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	1	1
5. Non-current financial assets held for sale		-	-	-	-	-	-
Total	**31.12.2025**	**56**	**82**	**16**	**253**	**20,279**	**20,686**
1. Financial assets measured at amortised cost		41	87	15	256	16,059	16,458
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	2,134	2,134
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	4	4
5. Non-current financial assets held for sale		-	-	-	-	-	-
Total	**31.12.2024**	**41**	**87**	**15**	**256**	**18,197**	**18,596**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.2. Breakdown of financial assets by portfolio classification and credit quality (gross and net values)

BANK (millions of euro)		NON-PERFORMING ASSETS				PERFORMING ASSETS			
Portfolios/quality		**Gross exposure**	**Adjustments**	**Net exposure**	**Total partial write-offs**	**Gross exposure**	**Adjustments**	**Net exposure**	**TOTAL (net exposure)**
1. Financial assets measured at amortised cost		253	-126	127	-	12,954	-93	12,861	12,988
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	2,082	-	2,082	2,082
3. Financial assets designated at fair value		-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	X	X	1	1
5. Non-current financial assets held for sale		-	-	-	-	-	-	-	-
Total	**31.12.2025**	**253**	**-126**	**127**	**-**	**15,036**	**-93**	**14,944**	**15,071**
1. Financial assets measured at amortised cost		299	-181	118	-	12,061	-97	11,964	12,082
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	1,548	-	1,548	1,548
3. Financial assets designated at fair value		-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	X	X	3	3
5. Non-current financial assets held for sale		-	-	-	-	-	-	-	-
Total	**31.12.2024**	**299**	**-181**	**118**	**-**	**13,609**	**-97**	**13,515**	**13,633**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.2. Breakdown of financial assets by portfolio classification and credit quality (gross and net values) (continued)

GROUP (millions of euro) **Portfolios/quality**	**NON-PERFORMING ASSETS**				**PERFORMING ASSETS**			
	Gross exposure	**Adjustments**	**Net exposure**	**Total partial write-offs**	**Gross exposure**	**Adjustments**	**Net exposure**	**TOTAL (net exposure)**
1. Financial assets measured at amortised cost	336	-182	154	37	17,985	-158	17,827	17,981
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	2,704	-	2,704	2,704
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	1	1
5. Non-current financial assets held for sale	-	-	-	-	-	-	-	-
Total 31,12,2025	**336**	**-182**	**154**	**37**	**20,689**	**-158**	**20,532**	**20,686**
1. Financial assets measured at amortised cost	395	-252	143	44	16,476	-161	16,315	16,458
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	2,134	-	2,134	2,134
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	4	4
5. Non-current financial assets held for sale	-	-	-	-	-	-	-	-
Total 31.12.2024	**395**	**-252**	**143**	**44**	**18,610**	**-161**	**18,453**	**18,596**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.3. Breakdown of financial assets by past-due brackets (book value)

BANK (millions of euro) Portfolios/risk stages	STAGE 1			STAGE 2			STAGE 3			PURCHASED OR ORIGINATED CREDIT-IMPAIRED			TOTAL
	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	
1. Financial assets measured at amortised cost	91	17	-	17	12	1	89	13	25	-	-	-	265
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Non-current financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2025	**91**	**17**	**-**	**17**	**12**	**1**	**89**	**13**	**25**	**-**	**-**	**-**	**265**
1. Financial assets measured at amortised cost	84	14	-	28	18	1	82	17	18	-	-	-	262
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Non-current financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**84**	**14**	**-**	**28**	**18**	**1**	**82**	**17**	**18**	**-**	**-**	**-**	**262**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.3. Breakdown of financial assets by past-due brackets (book value)(continued)

GROUP (millions of euro) **Portfolios/risk stages**	**STAGE 1**			**STAGE 2**			**STAGE 3**			**PURCHASED OR ORIGINATED CREDIT-IMPAIRED**			**TOTAL**
	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	Between 1 and 30 days	Between 30 and 90 days	Over 90 days	
1. Financial assets measured at amortised cost	162	18	-	54	17	2	91	17	33	-	-	-	394
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Non-current financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2025	**162**	**18**	**-**	**54**	**17**	**2**	**91**	**17**	**33**	**-**	**-**	**-**	**394**
1. Financial assets measured at amortised cost	156	15	-	62	21	1	85	20	29	-	-	-	389
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Non-current financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 31.12.2024	**156**	**15**	**-**	**62**	**21**	**1**	**85**	**20**	**29**	**-**	**-**	**-**	**389**

The values of assets more than 30 days past due, relating to exposures classified in stage 1 and 2 refer to loans with overdue amounts below the materiality thresholds (absolute and relative thresholds) defined by the EBA and the local regulator.

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information. Criteria for determining significant increase in credit risk are defined for the purpose of proper allocation of performing exposures in "Stage 1" or "Stage 2".

Regarding the monitoring of credit quality, and in line with the standard and guidelines of the supervisory body on the way of applying accounting standards for larger institutions, efforts have been made in conducting the timely credit quality analysis of each individual credit relationship (both in the form of card exposure and in the form of credit exposure) for the purpose of identifying any "significant deterioration" from the date of initial recognition and the consequent need for classification in Stage 2, as well as the conditions for returning to Stage 1 from Stage 2. In other words, the selected choice, for each case separately and for each reporting date, implies a comparison of the credit quality of the financial instrument at the time of origination and current reporting date with the purpose of determining whether the criteria for classification to Stage 2 have been met.

Credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's modelling, one of the following criteria is met:

- Probability of default at reporting date increased significantly in relation to the probability of default at initial recognition of the financial instrument;
- Clients that are under special monitoring treatment (PCEM);
- Eventual presence of due amount which remains overdue over 30 days (based on materiality thresholds);
- Existence of "forbearance" measures;
- Finally, certain indicators of the internal credit risk warning system are considered for the purpose of transition between "Stages" where appropriate.

Forward looking information

The measurement of the financial assets also reflects the best estimate of the effects of future conditions and in particular the economic conditions that affect the forward-looking PDs and LGDs. In order to take into account, the forward looking data and the macroeconomic scenarios that the Group could encounter, it was decided to adopt, as further detailed in the text below, the so-called „Most likely scenario + add on" approach.

The inclusion of "forward looking" factors, particularly macroeconomic scenarios, is absolutely important element for estimating expected credit losses. In relation to different options considered, the Group has decided to adopt the approach representing the so-called "Most likely scenario + Add-on" which, for the purpose of calculating expected credit loss (ECL) and "stage assignment", implies taking into account the loss by contracts set for the baseline scenario, with the attributed add-on aimed at reflecting the effects resulting from the possibility of the realisation of alternative macroeconomic scenarios.

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Forward looking information (continued)

According to this approach, the macroeconomic conditioning of PD and LGD is carried out through a baseline scenario ("Most Likely") and then corrected with an Add-On to include any differences compared to downside and upside scenarios. If the overall impact of the Add-On on the risk parameters is positive, the decision has been made to neutralise the effect for both staging and ECL calculation purposes. The macroeconomic scenario is determined by the Group based on adjusted publicly available information.

Modification of financial asset

In some cases, during the lifetime of these financial assets, and of loans in particular, the original contractual conditions may be subsequently modified by the parties to the contract. When the contractual clauses are subject to change during the lifetime of an instrument, it is necessary to verify whether the original asset should continue to be recognised in the balance sheet or whether, instead, the original instrument needs to be derecognised and a new financial instrument needs to be recognised. In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The assessment of the "substantial nature" of the change must be made using both qualitative and quantitative information.

The qualitative and quantitative analyses aimed at defining the "substantial nature" of contractual changes made to a financial asset must therefore consider:

- the purposes for which the changes were made: e.g. renegotiations for commercial reasons and forbearance measures due to financial difficulties of the counterparty:
  - the former, aimed at "retaining" the customer, involve a borrower that is not in financial difficulty,
  - the latter, carried out for "reasons of credit risk" (forbearance measures), relate to the bank's attempt to maximise the recovery of the cash flows of the original loan.
- the presence of specific triggers that affect the contractual characteristics and/or cash flows of the financial instrument.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables: probability of default (PD), loss given default (LGD) and exposure at default (EAD), while for stage 2 exposures remaining maturity and discounting rate should be given as well.

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD, Lifetime ECL (stage 2 exposures) is defined as the expected present value measure of losses that arise if a borrower defaults on their obligation throughout the life of financial instrument. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD properly discounted to the reporting date.

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

Inputs, assumptions and techniques used for estimating impairment (continued)

Measurement of ECL (continued)

The following definitions apply for PD, LGD and EAD:

- PD (Probability of Default): likelihood of migrating from performing to non-performing status over the period of one year, the PD values are derived from internal rating models where available.
- LGD (Loss Given Default): percentage loss in the event of default, LGD rates are derived from internally developed, collection models.
- EAD (Exposure At Default) or credit equivalent: amount of the exposure at the time of default.

The Bank and the Group derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

In last quarter of 2025 the Bank and the Group performed regular semi-annual update of overall IFRS9 parameters following parent bank's methodological approach, out of which the following might be outlined: 1) update of historical time series; 2) inclusion of new macroeconomic scenarios via newly developed PD and LGD satellite models or via EBA Path Generator tool; 3) inclusion of newly developed LGD models for Retail revolving exposures; 4) inclusion of recalibrated LGD models for Retail secured and unsecured exposures; and 5) complete revision of IFRS9 managerial overlays framework as outlined in the next paragraph.

In parallel with update of IFRS9 compliant risk parameters, Bank also implemented new managerial overlay framework in line with parent company approach. It consists of three main components: Risk component, Credit component and Local component. This novel and more sophisticated approach replaces the existing local managerial overlays based on sensitivity analysis for both Retail and non-Retail portfolios. Risk component of the managerial overlay represents in-model adjustment and is more appropriate to address the geopolitical uncertainty and risks on portfolio which are not segment/product/customer specific, but are broadly applied and might have spill-over across the board through the worsened macroeconomic conditions ("extreme scenarios" are used). On the other hand, credit component represents post-model adjustment and is specifically targeting most vulnerable portfolios and identifies emerging, novel and unmodelled risks that could have a spill-over to the portfolio highly relying on the internal sectorial view. Local component, is on the other hand, covering local peculiarities that can not be identified nor intercepted by parent company framework.

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions

BANK (millions of euro) **Reasons/risk stages**	**TOTAL ADJUSTMENTS**							**31.12.2025**
	Stage 1 assets				**Stage 2 assets**			
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**49**	**-**	**-**	**-**	**48**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	14	-	-	-	1	-	-
Cancellations other than write-offs	-	-	-	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	-11	-	-	-	-8	-	-
Contractual changes without cancellations	-	2	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-
Other variations	-	-1	-	-	-	-1	-	-
Total closing adjustments	**-**	**53**	**-**	**-**	**-**	**40**	**-**	**-**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

BANK (millions of euro) **Reasons/risk stages**	**TOTAL ADJUSTMENTS**						**31.12.2025**
	Stage 3 assets				**Purchased or originated credit-impaired financial assets**		
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**178**	**-**	**-**	**3**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	-	-	-	X	X	X
Cancellations other than write-offs	-	-37	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	3	-	-	-1	-	-
Contractual changes without cancellations	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-11	-	-	-	-	-
Other variations	-	-9	-	-	-	-	-
Total closing adjustments	**-**	**124**	**-**	**-**	**2**	**-**	**-**
Recoveries from financial assets subject to write-off	-	5	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

BANK (millions of euro) **Reasons/risk stages**	**TOTAL PROVISIONS ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN**				**31.12.2025 TOTAL**
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given impaired purchased or originated	
Total opening adjustments	**5**	**1**	**10**	**-**	**294**
Changes in increase from financial assets acquired or originated	8	1	-	-	24
Cancellations other than write-offs	-	-	-	-	-37
Net value adjustments / write-backs for credit risk	-6	1	-	-	-22
Contractual changes without cancellations	-	-	-	-	2
Changes in the estimation methodology	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-11
Other variations	-	-	-	-	-11
Total closing adjustments	**7**	**3**	**10**	**-**	**239**
Recoveries from financial assets subject to write-off	-	-	-	-	5
Write-offs recorded directly in the income statement	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

BANK (millions of euro) **Reasons/risk stages**	**TOTAL ADJUSTMENTS**							**31.12.2024**
	Stage 1 assets				**Stage 2 assets**			
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**60**	**-**	**-**	**-**	**49**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	12	-	-	-	1	-	-
Cancellations other than write-offs	-	-	-	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	-22	-	-	-	-3	-	-
Contractual changes without cancellations	-	-	-	-	-	1	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-
Other variations	-	-1	-	-	-	-	-	-
Total closing adjustments	**-**	**49**	**-**	**-**	**-**	**48**	**-**	**-**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

BANK (millions of euro) **Reasons/risk stages**							**31.12.2024**
	TOTAL ADJUSTMENTS						
	Stage 3 assets				**Purchased or originated credit-impaired financial assets**		
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**178**	**-**	**-**	**3**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	-	-	-	-	-	-
Cancellations other than write-offs	-	-	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	10	-	-	-	-	-
Contractual changes without cancellations	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-10	-	-	-	-	-
Other variations	-	-	-	-	-	-	-
Total closing adjustments	**-**	**178**	**-**	**-**	**3**	**-**	**-**
Recoveries from financial assets subject to write-off	-	2	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

BANK (millions of euro) **Reasons/risk stages**	**TOTAL PROVISIONS ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN**				**31.12.2024** **TOTAL**
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given impaired purchased or originated	
Total opening adjustments	**5**	**2**	**12**	**-**	**309**
Changes in increase from financial assets acquired or originated	4	-	-	-	17
Cancellations other than write-offs	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-4	-1	-2	-	-22
Contractual changes without cancellations	-	-	-	-	1
Changes in the estimation methodology	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-10
Other variations	-	-	-	-	-1
Total closing adjustments	**5**	**1**	**10**	**-**	**294**
Recoveries from financial assets subject to write-off	-	-	-	-	2
Write-offs recorded directly in the income statement	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions

GROUP (millions of euro) **Reasons/risk stages**	**TOTAL ADJUSTMENTS**							**31.12.2025**
	Stage 1 assets				**Stage 2 assets**			
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**82**	**-**	**-**	**-**	**79**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	22	-	-	-	9	-	-
Cancellations other than write-offs	-	-3	-	-	-	-1	-	-
Net value adjustments / write-backs for credit risk	-	-21	-	-	-	-10	-	-
Contractual changes without cancellations	-	2	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	1	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-
Other variations	-	-1	-	-	-	-1	-	-
Total closing adjustments	**-**	**81**	**-**	**-**	**-**	**77**	**-**	**-**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

GROUP (millions of euro) **Reasons/risk stages**							**31.12.2025**
	TOTAL ADJUSTMENTS						
	Stage 3 assets				**Purchased or originated credit-impaired financial assets**		
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**249**	**-**	**-**	**3**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	1	-	-	X	X	X
Cancellations other than write-offs	-	-62	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	17	-	-	-1	-	-
Contractual changes without cancellations	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-16	-	-	-	-	-
Other variations	-	-9	-	-	-	-	-
Total closing adjustments	**-**	**180**	**-**	**-**	**2**	**-**	**-**
Recoveries from financial assets subject to write-off	-	6	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

GROUP (millions of euro) **Reasons/risk stages**	**TOTAL PROVISIONS ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN**				**31.12.2025 TOTAL**
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given impaired purchased or originated	
Total opening adjustments	**6**	**3**	**11**	**-**	**433**
Changes in increase from financial assets acquired or originated	10	1	-	-	43
Cancellations other than write-offs	-1	-	-	-	-67
Net value adjustments / write-backs for credit risk	-8	1	1	-	-21
Contractual changes without cancellations	-	-	-	-	2
Changes in the estimation methodology	-	-	-	-	1
Write-offs non recorded directly in the income statement	-	-	-	-	-16
Other variations	-	-	-	-	-11
Total closing adjustments	**7**	**5**	**12**	**-**	**364**
Recoveries from financial assets subject to write-off	-	-	-	-	6
Write-offs recorded directly in the income statement	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

GROUP (millions of euro) **Reasons/risk stages**								**31.12.2024**
	TOTAL ADJUSTMENTS							
	Stage 1 assets				**Stage 2 assets**			
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**91**	**-**	**-**	**-**	**82**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	21	-	-	-	6	-	-
Cancellations other than write-offs	-	-2	-	-	-	-2	-	-
Net value adjustments / write-backs for credit risk	-	-28	-	-	-	-8	-	-
Contractual changes without cancellations	-	-	-	-	-	1	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-	-	-	-
Other variations	-	-	-	-	-	-	-	-
Total closing adjustments	**-**	**82**	**-**	**-**	**-**	**79**	**-**	**-**
Recoveries from financial assets subject to write-off	-	-	-	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

GROUP (millions of euro) Reasons/risk stages	TOTAL ADJUSTMENTS						31.12.2024
	Stage 3 assets				Purchased or originated credit-impaired financial assets		
	On demand due from banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-current financial assets held for sale
Total opening adjustments	**-**	**242**	**-**	**-**	**3**	**-**	**-**
Changes in increase from financial assets acquired or originated	-	1	-	-	-	-	-
Cancellations other than write-offs	-	-2	-	-	-	-	-
Net value adjustments / write-backs for credit risk	-	23	-	-	-	-	-
Contractual changes without cancellations	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-14	-	-	-	-	-
Other variations	-	-1	-	-	-	-	-
Total closing adjustments	**-**	**249**	**-**	**-**	**3**	**-**	**-**
Recoveries from financial assets subject to write-off	-	3	-	-	-	-	-
Write-offs recorded directly in the income statement	-	-	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.4. Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions (continued)

GROUP (millions of euro) **Reasons/risk stages**	**TOTAL PROVISIONS ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN**				**31.12.2024**
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given impaired purchased or originated	**TOTAL**
Total opening adjustments	**6**	**3**	**13**	**-**	**440**
Changes in increase from financial assets acquired or originated	6	1	-	-	35
Cancellations other than write-offs	-1	-	-	-	-7
Net value adjustments / write-backs for credit risk	-5	-1	-2	-	-21
Contractual changes without cancellations	-	-	-	-	1
Changes in the estimation methodology	-	-	-	-	-
Write-offs non recorded directly in the income statement	-	-	-	-	-14
Other variations	-	-	-	-	-1
Total closing adjustments	**6**	**3**	**11**	**-**	**433**
Recoveries from financial assets subject to write-off	-	-	-	-	3
Write-offs recorded directly in the income statement	-	-	-	-	-

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.5. – Financial assets, commitments to disburse funds and financial guarantees given: transfers between stages of credit risk (gross and nominal amounts)

GROUP (millions of euro) **Portfolios/risk stages**		**GROSS AMOUNTS/NOMINAL VALUE**					
		Transfers between Stage 1 and Stage 2		**Transfers between Stage 2 and Stage 3**		**Transfers between Stage 1 and Stage 3**	
		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
1. Financial assets measured at amortised cost		845	877	96	14	22	14
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
3. Non-current financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		343	326	8	1	2	1
Total	**31.12.2025**	**1,188**	**1,203**	**104**	**15**	**24**	**15**
1. Financial assets measured at amortised cost		1,040	801	83	25	13	16
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
3. Non-current financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		262	210	3	1	2	1
Total	**31.12.2024**	**1,302**	**1,011**	**86**	**26**	**15**	**17**

BANK (millions of euro) **Portfolios/risk stages**		**GROSS AMOUNTS/NOMINAL VALUE**					
		Transfers between Stage 1 and Stage 2		**Transfers between Stage 2 and Stage 3**		**Transfers between Stage 1 and Stage 3**	
		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
1. Financial assets measured at amortised cost		1,088	998	137	17	29	16
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
3. Non-current financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		360	334	9	1	3	1
Total	**31.12.2025**	**1,448**	**1,332**	**146**	**18**	**32**	**17**
1. Financial assets measured at amortised cost		1,226	932	106	28	26	18
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
3. Non-current financial assets held for sale		-	-	-	-	-	-
4. Commitments to provide funds and financial guarantees issued		274	227	3	1	2	1
Total	**31.12.2024**	**1,500**	**1,159**	**109**	**29**	**28**	**19**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.6 On and off-balance sheet credit exposures to banks: gross and net values

BANK (millions of euro) **Type of exposure/amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net exposure**	**31.12.2025 Total partial write-offs**
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
A.1 ON DEMAND	**2,140**	**2,140**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,140**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,140	2,140	-	X	-	-	-	-	X	-	2,140	-
A.2 OTHERS	**1,079**	**1,079**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,079**	**-**
a) Doubtful loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	1,079	1,079	-	X	-	-	-	-	X	-	1,079	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**3,219**	**3,219**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,219**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	-	-	-	-	-	-	X	-	-	-	-	-
b) Performing	82	80	-	X	-	-	-	-	X	-	82	-
TOTAL (B)	**82**	**80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**82**	**-**
TOTAL (A+B)	**3,301**	**3,299**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,301**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.6 On and off-balance sheet credit exposures to banks: gross and net values (continued)

BANK (millions of euro) **Type of exposure/amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net exposure**	**31.12.2024** **Total partial write-offs**
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
A.1 ON DEMAND	**2,217**	**2,217**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,217**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,217	2,217	-	X	-	-	-	-	X	-	2,217	-
A.2 OTHERS	**2,828**	**2,828**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,828**	**-**
a) Doubtful loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	2,828	2,828	-	X	-	-	-	-	X	-	2,828	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**5,045**	**5,045**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,045**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	105	105	-	X	-	-	-	-	X	-	105	-
TOTAL (B)	**105**	**105**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105**	**-**
TOTAL (A+B)	**5,150**	**5,150**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,150**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.6 On and off-balance sheet credit exposures to banks: gross and net values (continued)

GROUP (millions of euro) **Type of exposure/amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net exposure**	**31.12.2025** **Total partial write-offs**
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
A.1 ON DEMAND	**2,756**	**2,756**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,756**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,756	2,756	-	X	-	-	-	-	X	-	2,756	-
A.2 OTHERS	**1,671**	**1,670**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,671**	**-**
a) Doubtful loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	1,671	1,670	1	X	-	-	-	-	X	-	1,671	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**4,427**	**4,426**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,427**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	203	199	-	X	-	-	-	-	X	-	203	-
TOTAL (B)	**203**	**199**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**203**	**-**
TOTAL (A+B)	**4,630**	**4,625**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,630**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.6 On and off-balance sheet credit exposures to banks: gross and net values (continued)

GROUP (millions of euro) **Type of exposure/amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net exposure**	**31.12.2024** **Total partial write-offs**
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
A.1 ON DEMAND	**3,100**	**3,100**	**-**	**-**	**-**	**-**	**-**	**-**	**X**	**-**	**3,100**	**-**
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	3,100	3,100	-	X	-	-	-	-	X	-	3,100	-
A.2 OTHERS	**3,391**	**3,390**	**1**	**-**	**-**	**-**	**-**	**-**	**X**	**-**	**3,391**	**-**
a) Doubtful loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	*X*	-	-	-	-	*X*	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
e) Other performing exposures	3,391	3,390	1	X	-	-	-	-	X	-	3,391	-
- of which: forborne exposures	-	-	-	*X*	-	-	-	-	*X*	-	-	-
TOTAL (A)	**6,491**	**6,490**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,491**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	X	-	-	-	-
b) Performing	97	97	-	X	-	-	-	-	X	-	97	-
TOTAL (B)	**97**	**97**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**97**	**-**
TOTAL (A+B)	**6,588**	**6,587**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,588**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.7 On and off-balance-sheet exposures to customers: gross and net values

BANK (millions of euro) **Type of exposure/Amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net Exposure**	**Total partial write-offs**
												31.12.2025
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
a) Doubtful loans	146	X	-	143	3	-95	X	-	-93	-2	51	-
- of which: forborne exposures	23	X	-	22	1	-17	X	-	-16	-1	6	-
b) Unlikely to pay	96	X	-	96	-	-29	X	-	-29	-	67	-
- of which: forborne exposures	33	X	-	33	-	-12	X	-	-12	-	21	-
c) Non-performing past due exposures	11	X	-	11	-	-2	X	-	-2	-	9	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	143	109	34	X	-	-5	-1	-4	X	-	138	-
- of which: forborne exposures	3	-	3	X	-	-	-	-	X	-	3	-
e) Other performing exposures	13,848	13,364	478	X	2	-88	-52	-36	X	-	13,760	-
- of which: forborne exposures	16	-	16	X	-	-1	-	-1	X	-	15	-
TOTAL (A)	**14,244**	**13,473**	**512**	**250**	**5**	**-219**	**-53**	**-40**	**-124**	**-2**	**14,025**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	20	X	-	20	-	-10	X	-	-10	-	10	-
b) Performing	3,374	3,207	167	X	-	-10	-7	-3	X	-	3,364	-
TOTAL (B)	**3,394**	**3,207**	**167**	**20**	**-**	**-20**	**-7**	**-3**	**-10**	**-**	**3,374**	**-**
TOTAL (A+B)	**17,638**	**16,680**	**679**	**270**	**5**	**-239**	**-60**	**-43**	**-134**	**-2**	**17,399**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.7 On and off-balance-sheet exposures to customers: gross and net values (continued)

BANK (millions of euro) **Type of exposure/Amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net Exposure**	**Total partial write-offs**
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		**31.12.2024**
A. ON-BALANCE SHEET EXPOSURES												
a) Doubtful loans	169	X	-	166	3	-136	X	-	-133	-3	33	-
- of which: forborne exposures	28	X	-	27	1	-22	X	-	-21	-1	6	-
b) Unlikely to pay	118	X	-	117	1	-42	X	-	-42	-	76	-
- of which: forborne exposures	41	X	-	41	-	-19	X	-	-19	-	22	-
c) Non-performing past due exposures	12	X	-	12	-	-3	X	-	-3	-	9	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	151	100	51	X	-	-6	-1	-5	X	-	145	-
- of which: forborne exposures	5	-	5	X	-	-	-	-	X	-	5	-
e) Other performing exposures	10,684	9,831	797	X	2	-91	-48	-43	X	-	10,593	-
- of which: forborne exposures	50	-	50	X	-	-3	-	-3	X	-	47	-
TOTAL (A)	**11,134**	**9,931**	**848**	**295**	**6**	**-278**	**-49**	**-48**	**-178**	**-3**	**10,856**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	16	X	-	16	-	-10	X	-	-10	-	5	-
b) Performing	2,600	2,371	229	X	-	-6	-5	-1	X	-	2,594	-
TOTAL (B)	**2,616**	**2,371**	**229**	**16**	**-**	**-16**	**-5**	**-1**	**-10**	**-**	**2,599**	**-**
TOTAL (A+B)	**13,750**	**12,302**	**1,077**	**311**	**6**	**-294**	**-54**	**-49**	**-188**	**-3**	**13,455**	**-**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.7 On and off-balance-sheet exposures to customers: gross and net values (continued)

GROUP (millions of euro) **Type of exposure/Amounts**	**Gross exposure**					**Total adjustments and total provisions for credit risk**					**Net Exposure**	**Total partial write-offs**
											31.12.2025	
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. ON-BALANCE SHEET EXPOSURES												
a) Doubtful loans	179	X	-	176	3	-123	X	-	-121	-2	56	37
- of which: forborne exposures	27	X	-	26	1	-20	X	-	-19	-1	7	4
b) Unlikely to pay	133	X	-	133	-	-51	X	-	-51	-	82	-
- of which: forborne exposures	52	X	-	52	-	-25	X	-	-25	-	27	-
c) Non-performing past due exposures	24	X	-	24	-	-8	X	-	-8	-	16	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	267	183	84	X	-	-14	-2	-12	X	-	253	-
- of which: forborne exposures	4	-	4	X	-	-	-	-	X	-	4	-
e) Other performing exposures	18,785	18,049	733	X	2	-144	-79	-65	X	-	18,641	-
- of which: forborne exposures	47	-	47	X	-	-7	-	-7	X	-	40	-
TOTAL (A)	**19,388**	**18,232**	**817**	**333**	**5**	**-340**	**-81**	**-77**	**-180**	**-2**	**19,048**	**37**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	22	X	-	22	-	-12	X	-	-12	-	10	-
b) Performing	4,545	4,346	199	X	-	-12	-7	-5	X	-	4,533	-
TOTAL (B)	**4,567**	**4,346**	**199**	**22**	**-**	**-24**	**-7**	**-5**	**-12**	**-**	**4,543**	**-**
TOTAL (A+B)	**23,955**	**22,578**	**1,016**	**355**	**5**	**-364**	**-88**	**-82**	**-192**	**-2**	**23,591**	**37**

Section 1 - Credit risk (continued)

Credit quality analysis (continued)

A.1.7 On and off-balance-sheet exposures to customers: gross and net values (continued)

GROUP (millions of euro) Type of exposure/Amounts	Gross exposure					Total adjustments and total provisions for credit risk					Net Exposure	Total partial write-offs
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		31.12.2024
A. ON-BALANCE SHEET EXPOSURES												
a) Doubtful loans	227	X	X	224	3	-186	X	X	-183	-3	41	44
- of which: forborne exposures	33	X	X	32	1	-27	X	X	-26	-1	6	4
b) Unlikely to pay	146	X	X	145	1	-59	X	X	-59	-	87	-
- of which: forborne exposures	55	X	X	54	1	-27	X	X	-27	-	28	-
c) Non-performing past due exposures	22	X	X	22	-	-7	X	X	-7	-	15	-
- of which: forborne exposures	-	X	X	-	-	-	X	X	-	-	-	-
d) Performing past due exposures	270	173	97	X	-	-14	-2	-12	X	-	256	-
- of which: forborne exposures	6	-	6	X	-	-	-	-	X	-	6	-
e) Other performing exposures	15,004	13,918	1,029	X	2	-147	-80	-67	X	-	14,857	-
- of which: forborne exposures	58	-	58	X	-	-5	-	-5	X	-	53	-
TOTAL (A)	**15,669**	**14,091**	**1,126**	**391**	**6**	**-413**	**-82**	**-79**	**-249**	**-3**	**15,256**	**44**
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing	16	X	X	16	-	-11	X	X	-11	-	6	-
b) Performing	3,615	3,360	258	X	-	-9	-6	-3	X	-	3,608	-
TOTAL (B)	**3,631**	**3,360**	**258**	**16**	**-**	**-20**	**-6**	**-3**	**-11**	**-**	**3,614**	**-**
TOTAL (A+B)	**19,300**	**17,451**	**1,384**	**407**	**6**	**-433**	**-88**	**-82**	**-260**	**-3**	**18,870**	**44**

Other performing exposures include financial assets measured at fair value through profit or loss.

Section 1 - Credit risk (continued)

A.2. Financial assets at fair value through profit or loss per external risk classifications

The table below provides information of the credit quality of financial assets at fair value through profit or loss (excluding equity securities and units in investment funds); using external ratings of internationally recognized rating agencies:

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Government bonds and treasury bills				
A-	33	51	33	51
Total	**33**	**51**	**33**	**51**

A.3. Collateral held and other credit enhancements

In terms of credit risk mitigation, the Group's policy is to require suitable collateral to be provided by certain customers prior to the disbursement of approved loans. The Group approves a facility if there are two independent and viable repayment sources – cash flows generated by the borrower's activity and security instruments/collateral. The main types of collateral obtained are as follows:

- cash deposit for which the agreement stipulates that the Bank shall have the right to use the cash deposit for debt recovery and that the depositor may not use this deposit until the final settlement of all obligations under the approved facility;
- guarantee of the Government of the Republic of Croatia;
- pledge of securities issued by the Republic of Croatia or the Croatian National Bank;
- irrevocable guarantee or super guarantee issued by a domestic or foreign bank with adequate credit rating with the conditions of "payable on first demand" or "without objections" or similar;
- credit insurance policy issued by the Croatian Bank for Reconstruction and Development;
- credit insurance policy issued by an appropriate insurance company in accordance with the internal regulations of the Bank;
- pledge of units in investment funds managed by Eurizon;
- mortgage/lien/fiduciary transfer of ownership of property, movable property or securities of other issuers.

In general, a quality security instrument is an instrument with characteristics that provide a reasonable estimate of the Group's ability to recover its receivables secured by that instrument (in case of its activation), through market or court mechanisms, within a reasonable period of time. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its regular review of the adequacy of the allowance for provision for expected credit losses.

The majority of housing loans are secured by mortgages over residential property. A significant part of the corporate portfolio is secured by mortgages over different types of commercial property.

Section 1 - Credit risk (continued)

A.3. Collateral held and other credit enhancements (continued)

The Republic of Croatia has in the past issued guarantees for the repayment of loans and advances to qualifying customers in certain key industries which were provided for by the state budget. In addition, the Republic of Croatia has issued guarantees for a certain number of the Bank's loans and off-balance-sheet credit risks. The support and guarantee of the Republic of Croatia was taken into consideration when determining the level of impairment loss required against loans and off-balance-sheet credit risk exposure to certain entities.

Total Group balance-sheet and off-balance-sheet credit risks guaranteed by the Republic of Croatia or repayable from the state budget amounted to EUR 809 million (previous reporting date: EUR 842 million). Exposure to Croatian municipalities is included in the above analysis. The following table sets out the appraised value of collateral for loans and receivables to customers.

Section 1 - Credit risk (continued)

A.3. Breakdown of guaranteed credit exposures to customers by type of guarantee

BANK (millions of euro)																**31.12.2025**
	Gross expo-sure	**Net expo-sures**	**Collaterals (*) (1)**				**Personal guarantees (*) (2)**									**Total**
							Credit derivatives					**Commitments**				**(1)+(2)**
							CLN	**Other derivatives**								
			Real estate assets - mortgages	Real estate assets - finance leases	Securities	Other		Central counterparties	Banks	Other financial companies	Other counterparties	Public Administration	Banks	Other financial companies	Other counterparties	
1. Guaranteed on-balance sheet credit exposures:	**5,721**	**5,615**	**7,770**	**-**	**18**	**542**	**-**	**-**	**-**	**-**	**-**	**707**	**34**	**-**	**312**	**9,383**
1.1 totally guaranteed	5,056	4,970	7,599	-	18	402	-	-	-	-	-	696	28	-	312	9,055
- of which non-performing	118	71	294	-	-	19	-	-	-	-	-	-	-	-	5	318
1.2 partly guaranteed	665	645	171	-	-	140	-	-	-	-	-	11	6	-	-	328
- of which non-performing	23	9	6	-	-	2	-	-	-	-	-	-	1	-	-	9
2. Guaranteed off-balance sheet credit exposures:	**569**	**561**	**181**	**-**	**-**	**124**	**-**	**-**	**-**	**-**	**-**	**166**	**1**	**-**	**32**	**504**
2.1 totally guaranteed	272	271	106	-	-	15	-	-	-	-	-	166	1	-	32	320
- of which non-performing	1	1	2	-	-	-	-	-	-	-	-	-	-	-	-	2
2.2 partly guaranteed	297	290	75	-	-	109	-	-	-	-	-	-	-	-	-	184
- of which non-performing	12	6	2	-	-	-	-	-	-	-	-	-	-	-	-	2
																31.12.2024
1.Guaranteed on-balance sheet credit exposures:	**5,261**	**5,139**	**7,092**	**-**	**13**	**555**	**-**	**-**	**-**	**-**	**-**	**708**	**40**	**-**	**329**	**8,737**
1.1 totally guaranteed	4,487	4,400	6,914	-	13	481	-	-	-	-	-	596	25	-	274	8,303
- of which non-performing	125	71	338	-	-	16	-	-	-	-	-	-	1	-	7	362
1.2 partly guaranteed	774	739	178	-	-	74	-	-	-	-	-	112	15	-	55	434
- of which non-performing	36	12	14	-	-	3	-	-	-	-	-	-	1	-	-	18
2. Guaranteed off-balance sheet credit exposures:	**485**	**477**	**212**	**-**	**-**	**18**	**-**	**-**	**-**	**-**	**-**	**130**	**2**	**-**	**65**	**427**
2.1 totally guaranteed	261	260	111	-	-	16	-	-	-	-	-	130	2	-	65	324
- of which non-performing	2	1	5	-	-	-	-	-	-	-	-	-	-	-	-	5
2.2 partly guaranteed	224	217	101	-	-	2	-	-	-	-	-	-	-	-	-	103
- of which non-performing	8	3	4	-	-	-	-	-	-	-	-	-	-	-	-	4

(*) Fair value of the guarantee or, if difficult to determine, its contractual value; as required by the regulations, the latter is stated up to the net exposure value.

Section 1 - Credit risk (continued)

A.3. Breakdown of guaranteed credit exposures to customers by type of guarantee (continued)

GROUP (millions of euro)																**31.12.2025**
	Gross expo-sure	**Net ex-posures**	**Collaterals (*) (1)**				**Personal guarantees (*) (2)**									**Total**
							Credit derivatives						**Commitments**			**(1)+(2)**
							CLN		**Other derivatives**							
			Real estate assets - mort-gages	Real estate assets - finance leases	Securi-ties	Other		Central counter-parties	Banks	Other financial compa-nies	Other counter-parties	Public Admin-istra-tion	Banks	Other financial compa-nies	Other counter-parties	
1.Guaranteed on-balance sheet credit exposures:	**7,977**	**7,821**	**11,057**	**3**	**51**	**830**	**-**	**-**	**-**	**-**	**-**	**829**	**107**	**109**	**408**	**13,394**
1.1 totally guaranteed	6,939	6,813	10,719	3	42	677	-	-	-	-	-	808	94	108	356	12,807
- of which non-performing	140	78	330	1	-	25	-	-	-	-	-	-	-	1	5	362
1.2 partly guaranteed	1,038	1,008	338	-	9	153	-	-	-	-	-	21	13	1	52	587
- of which non-performing	25	10	7	-	-	2	-	-	-	-	-	1	1	-	-	11
2. Guaranteed off-balance sheet credit exposures:	**862**	**851**	**311**	**-**	**1**	**133**	**-**	**-**	**-**	**-**	**-**	**182**	**3**	**6**	**137**	**773**
2.1 totally guaranteed	434	431	197	-	1	17	-	-	-	-	-	181	1	6	123	526
- of which non-performing	1	1	2	-	-	-	-	-	-	-	-	-	-	-	-	2
2.2 partly guaranteed	428	420	114	-	-	116	-	-	-	-	-	1	2	-	14	247
- of which non-performing	12	6	2	-	-	-	-	-	-	-	-	-	-	-	-	2
																31.12.2024
1.Guaranteed on-balance sheet credit exposures:	**7,436**	**7,261**	**10,100**	**8**	**35**	**834**	**-**	**-**	**-**	**-**	**-**	**827**	**164**	**122**	**416**	**12,506**
1.1 totally guaranteed	6,254	6,123	9,682	8	26	742	-	-	-	-	-	703	113	121	347	11,742
- of which non-performing	154	82	385	3	-	25	-	-	-	-	-	-	1	1	7	422
1.2 partly guaranteed	1,182	1,138	418	-	9	92	-	-	-	-	-	124	51	1	69	764
- of which non-performing	39	13	17	-	-	4	-	-	-	-	-	-	1	-	-	22
2. Guaranteed off-balance sheet credit exposures:	**669**	**661**	**322**	**-**	**2**	**35**	**-**	**-**	**-**	**-**	**-**	**130**	**2**	**6**	**123**	**620**
2.1 totally guaranteed	358	356	185	-	2	25	-	-	-	-	-	130	2	6	113	463
- of which non-performing	2	1	5	-	-	-	-	-	-	-	-	-	-	-	-	5
2.2 partly guaranteed	311	305	137	-	-	10	-	-	-	-	-	-	-	-	10	157
- of which non-performing	8	3	4	-	-	-	-	-	-	-	-	-	-	-	-	4

(*) Fair value of the guarantee or, if difficult to determine, its contractual value; as required by the regulations, the latter is stated up to the net exposure value.

Section 1 - Credit risk (continued)

A.4. Refinanced loans

Loan refinancing is done for clients where the focus of the business relationship has shifted from regular payment to mitigating losses on lending exposure at a stage when legal action for mitigating losses is not yet needed. The goal is timely identification of clients where refinancing would enable them to continue in business and to mitigate or prevent further losses for the Bank and the Group.

Refinancing activities are based on cooperation with other organisational parts of the Bank and the Group, which identify clients/exposures that are the subject of refinancing and include: supporting of sales staff in defining the appropriate refinancing strategy, analysing refinancing applications, suggesting measures and making recommendations for refinancing, monitoring progress, monitoring the portfolio, assessing the level of impairment and the Bank's and the Group's proposing measures that would improve collateral coverage in order to strengthen its position in the collection of receivables.

All restructurings and rescheduling have been marked with forbearance flag in line with relevant regulation. The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification effect suffered by the Bank and the Group.

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Amortised cost of financial assets modified during the period	25	47	67	60
Net modification gain (loss)	-2	1	-1	1

The Bank and the Group is also continuously improving collection and workout processes (problem loan management framework) by introducing new application support boosting process efficiency and developing new collection strategies in the form of tailor-made products and offers to retail customers, refinancing standards and support for corporate clients, and finally sale of assets where further collection is deemed immaterial and therefore not appropriate/efficient to be executed within the Bank and the Group.

Section 2 - Market risk

All trading instruments are subject to market risk, which is the risk that changes in market prices, such as interest rates, equity securities prices, foreign exchange rates and credit spreads (not relating to changes in the obligator's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The Bank and the Group manages and controls market risk exposures within acceptable parameters to ensure the Bank's and the Group's solvency while optimising the return on risk.

Market risk limits are defined based on the Banks and the Group strategy and requirements, in accordance with senior management risk policy indicators.

Market risk measurement techniques

Exposure to market risk is formally managed by risk limits which are approved by senior management and revised at least annually. The Bank and the Group applies the following market risk management techniques: VaR ("Value at Risk"), issuer limits, positional (nominal) exposure, PV01 (the present value of the impact of a 1 bps movement in interest rate) and stop loss limits. The exposure figures and limit utilisations are delivered daily to the senior management and lower management levels within the Treasury & ALM Department, which enables informed decision-making at all management and operational levels.

Section 2 - Market risk (continued)

Market risk measurement techniques (continued)

The Bank and the Group follows market risk measurement and management principles set in cooperation with the Intesa Sanpaolo Group. VaR methodology is used as a basis for top management reporting on the Bank and the Group's market risk exposure. The Bank and the Group uses historical simulation (as the Bank and the Group standard VaR methodology) and RiskWatch (as a Bank and Group wide VaR calculation engine), and other supporting activities (pricing, back-testing, stress testing) to ensure compliance with Intesa Sanpaolo Group standards.

The major elements of the market risk management framework include:

- VaR Methodology and Backtesting;
- Sensitivity;
- Fair Value Measurement;
- Level measurements (nominal amount, open position, market value etc);
- Profit and loss indicators (P&L);
- Stress testing and scenario analysis;
- Monitoring and measurement of counterparty and delivery risk exposure.

VaR

The principal tool used to measure and control market risk exposure within the Bank's and the Group's trading portfolio is value-at-risk (VaR). VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) given an adverse movement with a specified probability (confidence level). The model used by the Bank and the Group is based upon a 99% confidence level, assumes a 1 day holding period and takes into account 250 historical scenarios. The use of a 99% confidence level means that losses exceeding the VaR figure should occur, on average, not more than once every one hundred days.

The Bank and the Group use VaR to measure the following market risks:

- general and specific interest rate risk in trading book;
- equity risk in trading book;
- foreign exchange risk on the statement of financial position level (both trading and banking book).

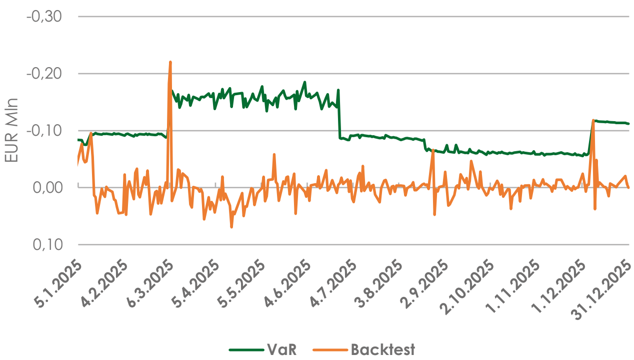
Section 2 - Market risk (continued)

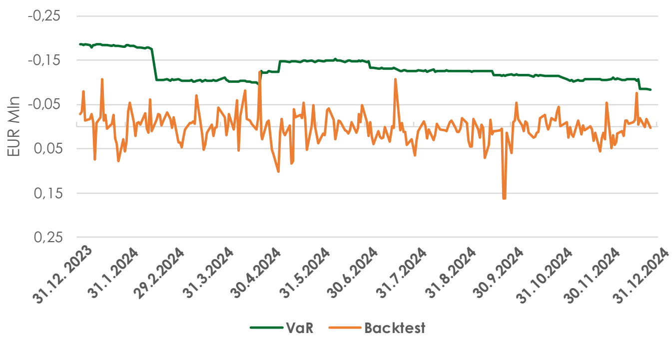
Var (continued)

GROUP *(thousands of euro)*	**Equity VaR**	**Interest rate VaR**	**Foreign exchange VaR**	**Effects of correlation**	**Total**
2025 – 2 January	-	84	6	-5	**85**
2025 – 31 December	-	114	2	-4	**112**
2025 – Average daily	-	98	8	-3	**103**
2025 – Lowest	-	58	5	-8	**55**
2025 – Highest	-	141	37	7	**185**
2024 – 2 January	-	182	24	-20	**186**
2024 – 31 December	-	84	5	-4	**85**
2024 – Average daily	-	127	11	-9	**129**
2024 – Lowest	-	84	12	-13	**83**
2024 – Highest	-	179	7	-	**186**

Note: historical simulation used for VaR calculations, lowest and highest amounts refer to Total VaR, while interest rate, foreign exchange and correlation effects are expressed as contributions in lowest/highest Total VaR.

Chart below presents Bank's Total VaR movements in reporting period and previous reporting period and corresponding backtest values:





In accordance with confidence level of VaR model, in period of one year some backtest breaches are expected, while in reporting year one Total VaR backtest breach was observed due to change in interest rates.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations:

- a one day holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for illiquid assets or in situations in which there is severe market illiquidity;
- a 99% confidence level does not reflect losses that may occur beyond this level;
- the use of historical data as a basis for determining the possible range of future outcomes may not cover all possible scenarios, especially those of an exceptional nature;
- the VaR measure is dependent upon the Bank's and the Group's position and the volatility of market prices.

Section 2 - Market risk (continued)

To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. As part of the validation process, the potential weaknesses of the models are analysed using statistical techniques, such as back-testing.

Currency risk

The Bank and the Group is exposed to currency risk through transactions in foreign currencies. Foreign currency exposure arises from credit, deposit-taking, investment and trading activities. It is monitored daily in accordance with regulations and internally set limits, for each currency and for the total assets and liabilities denominated in or linked to foreign currency.

The currency risk exposure is monitored at the overall statement-of-financial-position level by calculating the foreign exchange open position as prescribed by the regulatory provisions and daily through internal limits based on market risk models (foreign exchange VaR). The management of foreign exchange currency risk is supported by monitoring the sensitivity of the Bank's and the Group's financial assets and liabilities to fluctuation in foreign currencies exchange rates.

The tables below indicate the currencies to which the Bank and the Group had significant exposure on reporting date and previous reporting date and for other currencies summarize. FX open position represents net exposure in foreign currency, for both balance and off-balance sheet items, after adjustments for the effects of derivatives. The analysis calculates the effect of a reasonably possible movement of the currencies against the euro, with all other variables held constant on the income statement. A negative amount in the table reflects a potential net reduction in the income statement, while a positive amount reflects a net potential increase.

(millions of euro)			BANK			GROUP
Currency	FX Open position 31.12.2025*		Scenario 31.12.2025	FX Open position 31.12.2025*		Scenario 31.12.2025
		10% Move Up / 0%	10% Move Down / 0%		10% Move Up / 0%	10% Move Down / 0%
USD	1	-	-	1	-	-
Other**	3	-	-	105	-	-

(millions of euro)			BANK			GROUP
Currency	FX Open position 31.12.2024*		Scenario 31.12.2024	FX Open position 31.12.2024*		Scenario 31.12.2024
		10% Move Up / 0%	10% Move Down / 0%		10% Move Up / 0%	10% Move Down / 0%
USD	1	-	-	1	-	-
Other**	4	-	-	105	-	-

** Positive amounts represent long FX position while negative amounts represent short FX Position.*
***„Other" relates primarily to position in BAM currency, whose rate is fixed to EUR currency and therefore can be considered equal to EUR from FX risk perspective.*

Section 2 - Market risk (continued)

Currency risk (continued)

The Bank and the Group manages its exposure to currency risk through a variety of measures including the use of revaluation clauses, which have the same effect as denominating EUR assets in other currencies and foreign currency deals bought and sold forward.

The Bank's and the Group's open FX position is mitigated through the use of derivative financial instruments which are not shown in the tables below.

BANK (millions of euro)						**31.12.2025**
						CURRENCIES
	EUR and EUR linked	CHF and CHF linked	USD and USD linked	BAM and BAM linked	Other currencies	**Total**
Cash and cash equivalents	2,631	38	33	4	18	2,724
Financial assets measured at fair value through profit or loss	38	-	-	-	-	38
Financial assets valued measured at fair value through other comprehensive income	2,083	-	-	-	-	2,083
Financial assets measured at amortized cost	12,659	77	252	-	-	12,988
Hedge derivative financial assets	55	-	-	-	-	55
Fair value change of financial assets in hedged portfolios (+/-)	-6	-	-	-	-	-6
Investments in associates and companies subject to joint control	141	-	-	104	-	245
Property and equipment	142	-	-	-	-	142
Intangible assets	60	-	-	-	-	60
Tax assets	20	-	-	-	-	20
Non-current assets held for sale and discontinued operations	3	-	-	-	-	3
Other assets	31	-	-	-	-	31
TOTAL ASSETS	**17,857**	**115**	**285**	**108**	**18**	**18,383**
Financial liabilities measured at amortized cost	15,121	154	407	-	82	15,764
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Hedge derivative financial liabilities	23	-	-	-	-	23
Fair value changes of financial liabilities in portfolios(+/-)	2	-	-	-	-	2
Tax liabilities	4	-	-	-	-	4
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Other liabilities	126	-	1	-	-	127
Employee termination indemnities	2	-	-	-	-	2
Allowances for risks and charges	72	-	-	-	-	72
TOTAL LIABILITIES	**15,350**	**154**	**408**	**-**	**82**	**15,994**
DIFFERENCE (+/-)	**2,507**	**-39**	**-123**	**108**	**-64**	**2,389**

Section 2 - Market risk (continued)

Currency risk (continued)

BANK (millions of euro)						**31.12.2024**
						CURRENCIES
	EUR and EUR linked	CHF and CHF linked	USD and USD linked	BAM and BAM linked	Other currencies	**Total**
Cash and cash equivalents	2,648	34	33	5	37	2,757
Financial assets measured at fair value through profit or loss	54	-	3	-	-	57
Financial assets valued measured at fair value through other comprehensive income	1,548	-	-	-	-	1,548
Financial assets measured at amortized cost	11,598	87	362	-	35	12,082
Hedge derivative financial assets	18	-	-	-	-	18
Fair value change of financial assets in hedged portfolios (+/-)	29	-	-	-	-	29
Investments in associates and companies subject to joint control	141	-	-	104	-	245
Property and equipment	142	-	-	-	-	142
Intangible assets	55	-	-	-	-	55
Tax assets	18	-	-	-	-	18
Non-current assets held for sale and discontinued operations	3	-	-	-	-	3
Other assets	31	-	-	-	-	31
TOTAL ASSETS	**16,285**	**121**	**398**	**109**	**72**	**16,985**
Financial liabilities measured at amortized cost	13,553	150	471	-	91	14,265
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Hedge derivative financial liabilities	42	-	-	-	-	42
Fair value changes of financial liabilities in portfolios(+/-)	8	-	-	-	-	8
Tax liabilities	28	-	-	-	-	28
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Other liabilities	125	-	1	-	-	126
Employee termination indemnities	8	-	-	-	-	8
Allowances for risks and charges	78	-	2	-	1	81
TOTAL LIABILITIES	**13,842**	**150**	**474**	**-**	**92**	**14,558**
DIFFERENCE (+/-)	**2,443**	**-29**	**-76**	**109**	**-20**	**2,427**

Section 2 - Market risk (continued)

Currency risk (continued)

GROUP (millions of euro)						**31.12.2025**
						CURRENCIES
	EUR and EUR linked	CHF and CHF linked	USD and USD linked	BAM and BAM linked	Other currencies	**Total**
Cash and cash equivalents	3,044	44	70	206	30	3,394
Financial assets measured at fair value through profit or loss	41	-	1	-	-	42
Financial assets valued measured at fair value through other comprehensive income	2,692	-	20	3	-	2,715
Financial assets measured at amortized cost	16,712	95	297	875	2	17,981
Hedge derivative financial assets	89	-	-	-	-	89
Fair value change of financial assets in hedged portfolios (+/-)	-20	-	-	-	-	-20
Investments in associates and companies subject to joint control	10	-	-	-	-	10
Property and equipment	238	-	-	15	-	253
Intangible assets	79	-	-	3	-	82
Tax assets	30	-	-	2	-	32
Non-current assets held for sale and discontinued operations	4	-	-	2	-	6
Other assets	80	-	-	6	-	86
TOTAL ASSETS	**22,999**	**139**	**388**	**1,112**	**32**	**24,670**
Financial liabilities measured at amortized cost	19,624	178	506	892	95	21,295
Financial liabilities held for trading	-	-	1	-	-	1
Financial liabilities designated at fair value	-	-	-	-	-	-
Hedge derivative financial liabilities	26	-	-	-	-	26
Fair value changes of financial liabilities in portfolios(+/-)	2	-	-	-	-	2
Tax liabilities	13	-	-	-	-	13
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Other liabilities	272	-	4	15	-	291
Employee termination indemnities	4	-	-	-	-	4
Allowances for risks and charges	80	-	-	1	-	81
TOTAL LIABILITIES	**20,021**	**178**	**511**	**908**	**95**	**21,713**
DIFFERENCE (+/-)	**2,978**	**-39**	**-123**	**204**	**-63**	**2,957**

Section 2 - Market risk (continued)

Currency risk (continued)

GROUP (millions of euro)						31.12.2024
						CURRENCIES
	EUR and EUR linked	CHF and CHF linked	USD and USD linked	BAM and BAM linked	Other currencies	**Total**
Cash and cash equivalents	3,334	36	71	195	57	3,693
Financial assets measured at fair value through profit or loss	56	-	6	-	-	62
Financial assets valued measured at fair value through other comprehensive income	2,092	-	40	13	-	2,145
Financial assets measured at amortized cost	15,499	108	375	438	38	16,458
Hedge derivative financial assets	45	-	-	-	-	45
Fair value change of financial assets in hedged portfolios (+/-)	25	-	-	-	-	25
Investments in associates and companies subject to joint control	9	-	-	-	-	9
Property and equipment	238	-	-	19	-	257
Intangible assets	72	-	-	2	-	74
Tax assets	28	-	-	2	-	30
Non-current assets held for sale and discontinued operations	5	-	-	-	-	5
Other assets	89	-	-	3	-	92
TOTAL ASSETS	**21,492**	**144**	**492**	**672**	**95**	**22,895**
Financial liabilities measured at amortized cost	17,810	173	562	770	108	19,423
Financial liabilities held for trading	-	-	2	-	-	2
Financial liabilities designated at fair value	-	-	-	-	-	-
Hedge derivative financial liabilities	50	-	-	-	-	50
Fair value changes of financial liabilities in portfolios(+/-)	9	-	-	-	-	9
Tax liabilities	38	-	-	-	-	38
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Other liabilities	289	-	4	-	1	294
Employee termination indemnities	10	-	-	-	-	10
Allowances for risks and charges	90	-	2	2	1	95
TOTAL LIABILITIES	**18,296**	**173**	**570**	**772**	**110**	**19,921**
DIFFERENCE (+/-)	**3,196**	**-29**	**-78**	**-100**	**-15**	**2,974**

Section 2 - Market risk (continued)

Interest rate risk

Interest rate risk represents the risk of decrease in assets value and earnings caused by adverse interest rate changes. Interest rate changes affect future cash flows and their present value and consequently net interest income and economic value.

The sources of interest rate risk are:

- repricing risk (parallel gap risk) - arises from timing differences in the maturity (for fixed-rate) and repricing (for floating-rate) of interest rate sensitive banking book items;
- yield curve risk (non-parallel gap risk) - the risk of changes in shape and slope of yield curve;
- basis risk - risk arising from the imperfect correlation in the adjustment of the rates earned and paid on different interest rate sensitive instruments with otherwise similar rate change characteristics (e.g. EURIBOR3M vs EURIBOR6M);
- option risk - arises from embedded options in products (e.g., bond calls, prepayments, caps) that allow customers to alter cash flow levels and timing.

Asset and liability management activities are conducted to manage the Group's sensitivity to interest rate changes. Exposure to interest rate risk is monitored and measured using repricing gap analysis, net interest income and the economic value of capital. Risk management activities are aimed at monitoring, control and reporting to the competent bodies of the Bank on the interest rate risk.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates of the Bank and the Group income statements, with all other variables held constant. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the net interest income for one year, on the interest rate sensitive non-trading financial assets and financial liabilities held at reporting date. Items with floating interest rate are distributed according to next repricing date, while items with fixed interest rate according to their original maturity.

BANK (millions of euro)			**Change at 31.12.2025**			**Change at 31.12.2024**
Increase (decrease) in basis points	Interest income	Interest expenses	Net interest income	Interest income	Interest expenses	Net interest income
+25	23.3	-17.3	6.0	19.3	-10.0	9.3
+50	46.6	-34.6	12.0	38.6	-20.0	18.6
-25	-23.3	14.0	-9.3	-19.4	9.5	-9.9
-50	-46.7	28.0	-18.7	-38.8	19.0	-19.8

GROUP (millions of euro)			**Change at 31.12.2025**			**Change at 31.12.2024**
Increase (decrease) in basis points	Interest income	Interest expenses	Net interest income	Interest income	Interest expenses	Net interest income
+25	31.0	-24.0	7.0	26.7	-15.1	11.6
+50	62.0	-48.1	13.9	53.5	-30.1	23.4
-25	-31.1	19.9	-11.2	-26.9	14.3	-12.6
-50	-62.2	39.8	-22.3	-53.7	28.7	-25.0

Section 2 - Market risk (continued)

Interest rate risk (continued)

For the purpose of interest rate risk monitoring, the Bank and the Group uses a financial representation model for sight deposits aimed at adequately reflecting behavioural features, stability of deposits, and partial and delayed reaction to market interest rate fluctuations. Under the hypothesis of increasing interest rates shock, clients could move their current accounts volumes towards more remunerating alternative forms of investments/savings. This phenomenon is represented by path dependant component (greater is the shock amount, greater is the moving of volumes) which makes key difference between measurement of net interest income in positive and negative scenarios.

Interest rate risk is measured through change in the net present value of the portfolio in case of a shift in the reference curves. The tables below show the sensitivity based on the change of the interest rate for one basis point through the interest rate periods which are defined by the remaining contracted maturity or the contracted interest rate period, whichever is shorter, and does not include held for trading portfolio. Positions with currency clause are represented as in reference currency. In the tables below, increases in the net present value of all future cash flows are shown as positive values, while decreases are shown as a negative value, shown over the different currencies and interest rate periods.

The basis for the sensitivity analysis of the individual position are the contracted interest rate periods. For positions which do not have interest rate periods contracted (a vista position) or can be subject to prepayment, the Group uses assumptions which reflect the real interest sensitivity of the position.

BANK *(thousands of euro)*		Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 10 years	Over 10 years	**Total**
EUR		-25	-101	-449	-297	-31	-903
USD		-2	1	2	1	-	2
CHF		-1	-	1	-	-	-
Other		-	-	-	-	-	-
Total	**31.12.2025**	**-28**	**-100**	**-446**	**-296**	**-31**	**-901**
EUR		-31	-196	-226	-206	-22	-681
USD		-3	3	2	-	-	2
CHF		-1	1	-	-1	-	-1
Other		-	-	-	-	-	-
Total	**31.12.2024**	**-35**	**-192**	**-224**	**-207**	**-22**	**-680**

GROUP *(thousands of euro)*		Up to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 10 years	Over 10 years	**Total**
EUR		-29	-137	-510	-471	-29	-1,176
USD		-2	-1	2	2	-	1
CHF		-1	-	1	-	-	-
Other		4	-11	-12	-45	10	-54
Total	**31.12.2025**	**-28**	**-149**	**-519**	**-514**	**-19**	**-1,229**
EUR		-29	-218	-307	-275	-34	-863
USD		-3	1	3	1	-	2
CHF		-1	1	-	-1	-	-1
Other		1	-5	16	-48	7	-29
Total	**31.12.2024**	**-32**	**-221**	**-288**	**-323**	**-27**	**-891**

Section 2 - Market risk (continued)

Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment. The primary exposure to equity prices arises from equity securities held for trading and available for sale, which is not significant.

Derivative financial instruments

The Group enters into derivative financial instruments primarily to satisfy the needs and requirements of customers. Derivative financial instruments used by the Group include foreign exchange swaps and forwards. Derivatives are contracts which are individually negotiated over the counter.

Section 3 - Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk.

In order measure and manage operational risk exposure efficiently at the Group level, the Bank implemented and applied, by the end of 2024, an internal risk-based model (AMA) for operational risk exposure management in line with the Basel II framework. The Advanced Measurement Approach (AMA) consisted of the following components: Loss Distribution Approach (LDA) which relies on historical losses or ex-post measured exposure (a backward-looking measure) and an integrated self-diagnosis process (scenario analysis and risk control self assessment) which is based on subjective estimates of potential future operational losses (a forward-looking measure).

The AMA model was used exclusively for the calculation of the capital requirement for the Bank and was applied from 31 March 2011 until 31 December 2024. For all other Group members, the Standardised Approach (TSA) was used, which calculates capital requirement as a risk-weighted indicator for all regulatory business lines.

Following the introduction of the new Basel IV/CRR3 regulation effective from 1 January 2025, the new Standardized approach (SA) for calculating the operational risk regulatory capital requirement, based on the calculation of the Business Indicator (BI), replaces all previously permitted Basel II approaches (AMA, TSA, BIA) while AMA approach remains applicable only within the ICAAP process.

Section 4 – Liquidity risk

Liquidity risk is the risk of losses arising from the current or expected inability of a credit institution to meet its financial obligations when they become due. Liquidity risk arises in the Bank's and Group's financing activities and in managing positions. Liquidity risks are considered to be:

- Funding liquidity risk is the risk that a credit institution will not be able to meet efficiently both expected and unexpected current and future cash needs and collateral requirements without affecting its regular day-to-day operations or its financial results.
- Market liquidity risk is the risk arising from a credit institution's inability to easily offset or close positions at market prices due to a market disruption or insufficient market depth.

The Bank and the Group have access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, interest-bearing borrowings and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funding. The Bank and the Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank's and Group's strategy. In addition, the Bank and the Group holds a portfolio of liquid assets as part of its liquidity risk management.

The Bank and the Group adjust its business activities to manage liquidity risk according to regulatory and internal policies for the maintenance of liquidity reserves, matching of liabilities and assets, control of limits, preferred liquidity ratios and contingency planning procedures. Needs for short-term liquidity are planned every month for a period of one month and are controlled and maintained daily. The Treasury department manages liquidity reserves daily, ensuring also the fulfilment of all customer needs.

Apart from external requirements that include regulatory limits prescribed by central banks(minimum reserve for the Bank and Banka Intesa Sanpaolo d.d. Slovenia and obligatory reserve for Intesa Sanpaolo Banka d.d. Bosnia and Herzegovina), the Bank and the Group has defined a set of internal limits for measuring and monitoring liquidity risk exposure. Thus, the process of liquidity monitoring and control is defined through the following activities and indicators:

- monitoring of liquidity reserve levels;
- intraday liquidity risk indicators
- Liquidity coverage ratio;
- Net stable funding ratio;
- analysis of the Bank's funding structure;
- stress tests;
- survival period;
- money market debt exposure towards the overall deposit base
- concentration ratios;
- Loan to Deposit ratio;
- Asset Encumbrance ratio;
- Loan to stable funding ratio;
- cash flow projections;
- liquidity contingency plan indicators.

Section 4 – Liquidity risk (continued)

For the purpose of the Group's liquidity risk exposure reporting, the following four types of signals are defined:

- RAF limit - breach of a prescribed limit demands action in accordance with the Bank's liquidity risk management guidelines;
- Internal early warning limits and RAF early warning limit - breach of a prescribed early warning limit demands action in accordance with the Bank's liquidity risk management guidelines;
- Internal threshold of attention and other internal limit - breach of a threshold acts as an early warning signal, demanding additional attention and action if decided by responsible persons;
- Information on various measures and indicators - serving as information to the relevant decision-making bodies.

A maturity analysis of financial liabilities according to the remaining contractual maturity as well as an analysis of financial assets and financial liabilities according to their expected maturities are presented below.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with banks and holds unencumbered assets eligible for use as collateral.

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities

The tables below set out the remaining undiscounted contractual maturity of the Bank's and Group's on on-balance assets and liabilities and off-balance sheet exposures as at reporting date and previous reporting date.

BANK (millions of euro)					**31.12.2025**
	A vista	**from 1 - 7 days**	**from 7 -15 days**	**from 15 days - 1 month**	**from 1 - 3 months**
A. Assets	**202**	**2,056**	**395**	**303**	**946**
A.1 Government securities	-	-	2	108	216
A.2 Other debt securities	1	-	1	-	10
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	201	2,056	392	195	720
- Banks	11	2,043	267	65	292
- Customers	190	13	125	130	428
B. Liabilities	**10,833**	**773**	**543**	**330**	**605**
B.1 Deposits and current accounts	10,771	773	543	330	605
- Banks	131	84	1	5	3
- Customers	10,640	689	542	325	602
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	62	-	-	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.2 Cash settled financial derivatives					
- Long position	-	177	-	-	-
- Short position	-	-176	-	-	-
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	56	5	2	149	359
- Short position	-	-	-	-	-
C.5 Guarantee issued	18	4	5	24	82
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

BANK (millions of euro)	**from 3 - 6 months**	**from 6 months - 1 year**	**from 1 - 5 year**	**over 5 years**	**31.12.2025** **Undefined maturity**
A. Assets	**468**	**1,032**	**6,395**	**5,540**	**-**
A.1 Government securities	19	105	2,251	1,121	-
A.2 Other debt securities	-	72	378	125	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	449	855	3,766	4,294	-
- Banks	43	-	95	-	-
- Customers	406	855	3,671	4,294	-
B. Liabilities	**985**	**461**	**1,085**	**148**	**-**
B.1 Deposits and current accounts	960	461	1,085	148	-
- Banks	4	114	841	50	-
- Customers	956	347	244	98	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	25	-	-	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.2 Cash settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	1,020	488	636	46	-
- Short position	-	-	-	-	-
C.5 Guarantee issued	129	99	273	72	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

BANK (millions of euro)					**31.12.2024**
	A vista	**from 1 - 7 days**	**from 7 -15 days**	**from 15 days - 1 month**	**from 1 - 3 months**
A. Assets	**255**	**2,107**	**313**	**326**	**1,328**
A.1 Government securities	-	-	2	-	631
A.2 Other debt securities	3	-	1	-	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	252	2,107	310	326	697
- Banks	30	2,094	265	144	404
- Customers	222	13	45	182	293
B. Liabilities	**10,207**	**651**	**450**	**266**	**695**
B.1 Deposits and current accounts	10,148	651	450	266	695
- Banks	67	54	-	-	138
- Customers	10,081	597	450	266	557
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	59	-	-	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.2 Cash settled financial derivatives					
- Long position	-	36	-	-	-
- Short position	-	37	-	-	-
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	71	3	1	90	330
- Short position	-	-	-	-	-
C.5 Guarantee issued	28	3	3	14	68
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

BANK (millions of euro)	from 3 - 6 months	from 6 months - 1 year	from 1 - 5 year	over 5 years	31.12.2024 Undefined maturity
A. Assets	**396**	**3,132**	**4,138**	**4,004**	**-**
A.1 Government securities	-	386	468	130	-
A.2 Other debt securities	-	217	202	30	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	396	2,529	3,468	3,844	-
- Banks	51	1,811	50	-	-
- Customers	345	718	3,418	3,844	-
B. Liabilities	**815**	**405**	**667**	**108**	**-**
B.1 Deposits and current accounts	815	405	667	108	-
- Banks	5	5	356	1	-
- Customers	810	400	311	107	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.2 Cash settled financial derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	662	391	497	45	-
- Short position	-	-	-	-	-
C.5 Guarantee issued	61	120	239	82	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

GROUP (millions of euro)	**A vista**	**from 1 - 7 days**	**from 7 -15 days**	**from 15 days - 1 month**	**31.12.2025** **from 1 - 3 months**
A. Assets	**444**	**2,129**	**627**	**323**	**968**
A.1 Government securities	-	-	2	108	222
A.2 Other debt securities	1	-	1	-	20
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	443	2,129	624	215	726
- Banks	234	2,110	283	77	293
- Customers	209	19	341	138	433
B. Liabilities	**11,681**	**779**	**649**	**368**	**755**
B.1 Deposits and current accounts	11,624	779	544	368	755
- Banks	164	87	3	8	135
- Customers	11,460	692	541	360	620
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	57	-	105	-	-
C. Off-balance					
Physically settled financial derivatives	-	-	-	-	-
- Long position	-	4	-	4	22
- Short position	-	4	-	4	22
C.2 Cash settled financial derivatives	-	-	-	-	-
- Long position	-	177	-	5	6
- Short position	-	176	-	5	6
C.3 Deposits to be received	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan	-190	8	3	149	379
- Long position	56	8	3	149	379
- Short position	245	-	-	-	-
C.5 Guarantee issued	18	4	7	26	92
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

GROUP (millions of euro)	**from 3 - 6 months**	**from 6 months - 1 year**	**from 1 - 5 year**	**over 5 years**	**31.12.2025** **Undefined maturity**
A. Assets	**831**	**1,330**	**7,123**	**5,786**	**140**
A.1 Government securities	44	161	2,285	1,121	-
A.2 Other debt securities	5	72	383	125	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	782	1,097	4,455	4,540	140
- Banks	154	17	195	-	140
- Customers	628	1,080	4,260	4,540	-
B. Liabilities	**1,059**	**561**	**1,618**	**181**	**-**
B.1 Deposits and current accounts	1,059	561	1,618	181	-
- Banks	61	113	1,104	54	-
- Customers	998	448	514	127	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-
C. Off-balance					
Physically settled financial derivatives	-	-	-	-	-
- Long position	21	17	-	-	-
- Short position	21	17	-	-	-
C.2 Cash settled financial derivatives	-	3	8	19	-
- Long position	9	13	65	82	-
- Short position	9	9	57	63	-
C.3 Deposits to be received	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan	1,049	545	770	46	-
- Long position	1,049	545	770	46	-
- Short position	-	-	-	-	-
C.5 Guarantee issued	146	126	292	74	1
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives	-	-	-	-	-
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

GROUP (millions of euro)	**A vista**	**from 1 - 7 days**	**from 7 -15 days**	**from 15 days - 1 month**	**31.12.2024** **from 1 - 3 months**
A. Assets	**565**	**2,836**	**552**	**365**	**1,603**
A.1 Government securities	-	-	12	10	676
A.2 Other debt securities	3	-	1	-	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	562	2,836	539	355	927
- Banks	300	2,809	275	148	456
- Customers	262	27	264	207	471
B. Liabilities	**13,630**	**730**	**612**	**341**	**896**
B.1 Deposits and current accounts	13,571	730	503	341	896
- Banks	69	61	-	-	140
- Customers	13,502	669	503	341	756
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	59	-	109	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	-	-	-	16	27
- Short position	4	-	-	15	26
C.2 Cash settled financial derivatives					
- Long position	-	36	-	7	4
- Short position	-	37	-	8	5
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	173	10	11	136	374
- Short position	348	2	8	45	73
C.5 Guarantee issued	28	3	4	33	104
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Section 4 – Liquidity risk (continued)

Analysis by remaining undiscounted contractual maturities (continued)

GROUP (millions of euro)					31.12.2024
	from 3 - 6 months	from 6 months - 1 year	from 1 - 5 year	over 5 years	Undefined maturity
A. Assets	**813**	**3,825**	**6,096**	**5,083**	**160**
A.1 Government securities	43	532	664	150	-
A.2 Other debt securities	5	273	281	30	-
A.3 Units in investment funds	-	-	-	-	-
A.4 Loans	765	3,020	5,151	4,903	160
- Banks	103	1,887	111	-	160
- Customers	662	1,133	5,040	4,903	-
B. Liabilities	**1,120**	**767**	**1,370**	**138**	**-**
B.1 Deposits and current accounts	1,120	767	1,370	138	-
- Banks	34	144	791	19	-
- Customers	1,086	623	579	119	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-
C. Off-balance					
Physically settled financial derivatives					
- Long position	16	8	-	-	-
- Short position	15	8	-	-	-
C.2 Cash settled financial derivatives					
- Long position	9	9	41	35	-
- Short position	7	8	30	30	-
C.3 Deposits to be received					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.4 Irrevocable commitments loan					
- Long position	741	567	683	72	-
- Short position	50	138	15	-	-
C.5 Guarantee issued	106	211	275	85	19
C.6 Financial guarantees received	-	-	-	-	-
C.7 Physically settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-
C.8 Cash settled credit derivatives					
- Long position	-	-	-	-	-
- Short position	-	-	-	-	-

Part F - Information to capital

The Bank maintains an actively managed capital base to cover risks in the business. The adequacy of the Bank's capital is monitored using among other measures, the rules and ratios established by the Regulation of the European parliament on prudential requirements for credit institutions and Croatian National Bank in supervising the Bank. During reporting period and previous reporting period no regulatory requirements were breached.

Capital management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities.

Regulatory capital and capital ratios according to European Bank Authority requirements and CNB national discretions, calculated for the Bank only (as of the date of issuance of these financial statements information on regulatory capital and risk-weighted assets and other risk elements is unaudited), are as follows:

BANK (millions of euro)	**31.12.2025**	**31.12.2024**
Issued share capital	244	244
Share premium	208	208
Treasury shares (net of share premium on treasury shares)	-	-
Retained earnings (excluding profit for the period)	1,586	1,520
Accumulated other comprehensive income	21	21
Other reserves	22	22
Deductions in accordance with EBA regulations	-85	-75
Common Equity Tier 1 capital (unaudited)	**1,996**	**1,940**
Tier 1 capital	**1,996**	**1,940**
Tier 2 capital	**50**	**-**
Total regulatory capital (unaudited)	**2,046**	**1,940**
Risk weighted assets and other risk elements (unaudited)	**8,643**	**7,428**
Common Equity Tier 1 capital ratio (unaudited)	23.09%	26.12%
Tier 1 (unaudited)	23.09%	26.12%
Total capital ratio (unaudited)	23.67%	26.12%

Part G - Transactions with related parties

Information on balances with related parties

The Parent Company of Privredna banka Zagreb and its subsidiaries is Intesa Sanpaolo Holding International which holds 100,0% of the Bank's share capital as at reporting date (100.0% as at previous reporting date). The ultimate controlling party is Intesa Sanpaolo S.p.A, a bank incorporated in Italy. The Bank considers that it has an immediate related party relationship with: its ultimate Parent and its affiliates; other key shareholders and their affiliates; its subsidiaries and associates and the pension fund managed by its associate, PBZ Croatia Osiguranje d.d.; Supervisory Board members, Management Board members and other executive management (together "key management personnel"), in accordance with the International Accounting standard 24 "Related party Disclosures" ("IAS 24"). The Bank grants loans to or places deposits with related parties in the ordinary course of business.

The volumes of related party transactions during the year and outstanding balances at the year-end were as follows:

BANK (millions of euro)						**31.12.2025**
	Companies subject to joint control	**Members of the PBZ Group**	**Associates**	**Ultimate controlling party - Intesa Sanpaolo S.p.A**	**Other shareholders and their affiliates and affiliates of ultimate controlling party**	**Key management personnel**
Cash and cash equivalents	-	-	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortised cost	-	192	-	288	2	1
a) due from banks	-	-	-	288	1	-
b) loans to customers	-	192	-	-	1	1
Other assets	-	-	-	55	-	-
Investments in associates and companies subject to joint control	-	-	-	-	-	-
Financial liabilities measured at amortised cost	-	59	-	1,046	15	3
a) due to banks	-	25	-	1,046	2	-
b) due to customers	-	34	-	-	13	3
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Other financial liabilities	-	-	-	1	2	-
Guarantees and commitments given	-	-	-	11	8	-
Guarantees and commitments received	-	-	-	1	-	-
Total interest income	-	3	-	35	-	-
Total interest expense	-	-1	-	-18	-	-
Total fee and commission income	-	2	-	-	6	-
Total fee and commission expense	-	-	-	-	-	-
Total operating expenses (income)	1	42	-	-4	-7	-

Information on balances with related parties (continued)

BANK (millions of euro)	**Companies subject to joint control**	**Members of the PBZ Group**	**Associates**	**Ultimate controlling party - Intesa Sanpaolo S.p.A**	**Other shareholders and their affiliates and affiliates of ultimate controlling party**	**31.12.2024** **Key management personnel**
Cash and cash equivalents	-	-	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortised cost	-	81	-	1,944	1	1
a) due from banks	-	-	-	*1,944*	-	-
b) loans to customers	-	*81*			*1*	*1*
Other assets	-	-	-	-	-	-
Investments in associates and companies subject to joint control	-	-	-	-	-	-
Financial liabilities measured at amortised cost	-	45	-	386	14	3
a) due to banks	-	-	-	*344*	*2*	-
b) due to customers	-	*45*	-	*42*	*12*	*3*
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Other financial liabilities	-	-	-	1	3	-
Guarantees and commitments given	-	-	-	11	6	-
Guarantees and commitments received	-	21	-	22	-	-
Total interest income	-	4	-	53	-	-
Total interest expense	-	-1	-	-8	-	-
Total fee and commission income	-	2	-	-	6	-
Total fee and commission expense	-	-	-	-1	-	-
Total operating expenses (income)	-	113	-	-2	-7	-

Information on balances with related parties (continued)

GROUP (millions of euro)						**31.12.2025**
	Companies subject to joint control	**Members of the PBZ Group**	**Associates**	**Ultimate controlling party - Intesa Sanpaolo S.p.A**	**Other shareholders and their affiliates and affiliates of ultimate controlling party**	**Key management personnel**
Cash and cash equivalents	-	-	-	19	1	-
Financial assets measured at fair value through profit or loss	-	-	-	1	1	-
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	1	1	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortised cost	-	-	-	641	32	1
a) due from banks	-	-	-	641	31	-
b) loans to customers	-	-	-	-	1	1
Other assets	-	-	-	62	1	-
Investments in associates and companies subject to joint control	-	-	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	1,468	16	3
a) due to banks	-	-	-	1,468	3	-
b) due to customers	-	-	-	-	13	3
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Other financial liabilities	-	-	-	2	2	-
Guarantees and commitments given	-	-	-	81	8	-
Guarantees and commitments received	-	-	-	82	30	-
Total interest income	-	-	-	42	1	-
Total interest expense	-	-	-	-34	-	-
Total fee and commission income	-	-	-	-	6	-
Total fee and commission expense	-	-	-	-1	-	-
Total operating expenses (income)	1	-	-	2	-6	-

Information on balances with related parties (continued)

GROUP (millions of euro)	Companies subject to joint control	Members of the PBZ Group	Associates	Ultimate controlling party - Intesa Sanpaolo S.p.A	Other shareholders and their affiliates and affiliates of ultimate controlling party	31.12.2024 Key management personnel
Cash and cash equivalents	-	-	-	23	2	-
Financial assets measured at fair value through profit or loss	-	-	-	3	1	-
a) financial assets held for trading	-	-	-	*2*	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	*1*	*1*	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortised cost	-	-	-	2,237	57	1
a) due from banks	-	-	-	*2,237*	-	-
b) loans to customers	-	-	-	-	*57*	*1*
Other assets	-	-	-	-	1	-
Investments in associates and companies subject to joint control	-	-	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	834	50	3
a) due to banks	-	-	-	*792*	*38*	-
b) due to customers	-	-	-	*42*	*12*	*3*
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities designated at fair value	-	-	-	-	-	-
Other financial liabilities	-	-	-	2	5	-
Guarantees and commitments given	-	-	-	18	6	-
Guarantees and commitments received	-	-	-	127	32	-
Total interest income	-	-	-	62	2	-
Total interest expense	-	-	-	-19	-	-
Total fee and commission income	-	-	-	-	6	-
Total fee and commission expense	-	-	-	-2	-	-
Total operating expenses (income)	-	-	-	-2	-8	-

During reporting period and previous reporting period no provisions were recognised in respect of deposits and loans given to related parties.

Annual key management remuneration

The following tables show the amounts of compensation paid in 2025 to key management personnel, which include the management body in its management function, the management body in its supervisory function, and the executive directors responsible for areas of strategic relevance, collectively referred to as the Group risk takers. The total number of key management personnel of the Group as at the reporting date was 44 (previous reporting date: 47).

Bonuses paid in 2025 were mostly settled in cash, while for 10 risk takers the bonus components also included share allocations on a deferred basis. The bonuses in scope refer to the up-front component of the 2024 performance bonus paid in cash in 2025, the up-front component of the 2023 performance bonus paid in shares in 2025 (after a one-year retention period), as well as the deferred components of bonuses for 2019–2022 paid either in cash, shares, or both during 2025, in line with the defined bonus allocation plan for each respective year.

The bonus grant for the 2025 business year is currently in progress, and the payment will be executed during 2026 (either in full or only as the up-front component), based on the Group's remuneration and incentive policy and subject to verification of the achievement of assigned targets and the decisions of the competent bodies.

(millions of euro)	BANK		GROUP	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Short-term benefits[1]	**6**	**6**	**9**	**10**
- fixed remuneration paid for the current year	5	5	7	8
- variable remuneration paid in cash during the current year in respect of earlier years	1	1	2	2
Long-term benefits	-	-	-	-
Termination benefits[2]	-	-	-	-
Share-based payments[3]	**1**	**1**	**1**	**1**
Total	**7**	**7**	**10**	**11**

[1] *Includes fixed and variable remuneration of Directors that may be treated as equivalent to labour cost and social security charges paid by the company for its employees*
[2] *Includes benefits due under the employment contract for termination of employment*
[3] *Includes the cost referring to the variable portion of short-term remuneration to be paid in Intesa Sanpaolo shares*

Part H - Share-based payments

Annual incentive plan based on financial instruments

In accordance with the applicable regulatory framework in the Republic of Croatia and in line with the internal acts of the Bank, the PBZ Group and the Intesa Sanpaolo Group, it is required, inter alia, that a portion of the annual incentives paid to "Risk Takers" be granted through the assignment of financial instruments over a multi-year time horizon. As a result, the PBZ Group establishes annual performance-based incentive plans. In fulfilment of these plans, the PBZ Group annually purchases Intesa Sanpaolo ordinary shares during an ordinary share buyback programme launched by the parent company. Those shares shall be assigned to the beneficiaries in compliance with the implementing regulations set forth in the respective incentive systems.

Generally, the beneficiaries must remain in service until the time the shares are actually delivered to them, and the deferred portion of the incentive (whether in cash or in financial instruments) is subject to an ex-post correction mechanism – the "malus condition" – according to which the amount paid and the number of shares assigned, if any, may be reduced depending on the level of achievement, in the year to which the deferred portion refers, of specific profit-and-loss and balance-sheet targets that measure the sustainability of the results achieved over time.

Evolution of the annual incentive plans based on financial instruments in 2025

		BANK		GROUP
	Nr. of shares	Residual life	Nr. of shares	Residual life
Financial instruments outstanding as at 31 December 2024	785.342	2025-2029	1.089.509	2025-2029
Financial instruments granted during the year	239.424	2026-2030	314.583	2026-2030
Financial instruments no longer assignable	-	-	-	-
Financial instruments vested during the year and assigned	367.820	-	487.693	-
Financial instruments outstanding as at 31 December 2025	699.314	2026-2030	946.204	2026-2030

In addition to the shares specified above, in accordance with the Provisions of the Croatian National Bank regarding remuneration and the Remuneration and Incentive Policies of the Group, during 2025, 46,200 shares were granted with reference to remuneration awarded in the event of early termination (severance). The retention period of these shares, assigned over a multi-year time horizon, ends between March 2026 and March 2030. Furthermore, during 2025, an additional 3,850 shares were assigned, also in connection with severance-related remuneration, as part of the multi-year time horizon ending in February 2026.

In addition to the Bank's related transactions, at the PBZ Group level there was an additional assignment of 12,563 ISP shares, on top of shares specified above, also connected with severance-related remuneration. These shares were assigned as part of a multi-year time horizon, with a retention period ending in May 2029.

Part I – Disclosure of leases

This section provides the information required by IFRS 16 that is not included in other parts of the financial statements, divided between lessee and lessor.

Section 1 – Lessee

The Bank and the Group leases a number of office premises. The leases typically run for a period of three to five years with the option to renew the lease after that time.

The table below provides a breakdown of the amortisation and depreciation charges for assets consisting of the right of use among the various categories, in line with the disclosure of property and equipment/intangible assets.

(millions of euro)		BANK		GROUP
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Depreciation charges by asset class				
Property and equipment used in operations	**13**	**11**	**16**	**14**
a) buildings	7	7	9	9
b) furniture	-	-	-	-
c) electronic equipment	5	3	5	3
d) other	1	1	2	2
Property and equipment for investment	**-**	**-**	**-**	**-**
a) buildings	-	-	-	-
Total	**13**	**11**	**16**	**14**

Section 2 – Lessor

Group members, PBZ Leasing d.o.o. and Banka Intesa Sanpaolo d.d. Slovenia, are engaged in providing finance and operating lease arrangements to its clients of various items of vehicles, vessels, real estate and equipment in its capacity of a lessor.

2.1. Finance leases

2.1.1. Breakdown by time bands of payments to be received and reconciliation with finance leases recorded as assets

This table provides the breakdown by time bands of lease payments to be received and the reconciliation between lease payments to be received and finance leases in accordance with IFRS 16. In particular, the lease payments to be received, representing the sum of the minimum payments due as principal and interest, are shown net of the adjustment allowances and the unguaranteed residual value due to the lessor. The reconciliation with finance leases, shown in the financial statements under financial assets measured at amortised cost, is performed by subtracting the unearned finance income and adding the unguaranteed residual value.

(millions of euro) **Time bands**	**31.12.2025**	**31.12.2024**
	Payments to be received	**Payments to be received**
Up to one year	108	97
Between one and two years	83	71
Between two and three years	63	53
Between three and four years	44	35
Between four and five years	20	18
Over five years	11	5
Total lease payments to be received	**329**	**279**
Reconciliation with loans	**31**	**27**
Not accrued gains (+)	31	27
Unguaranteed residual value (-)	-	-
Net investment in finance lease	**298**	**252**

2.2. Operating leases under IFRS 16

2.2.1 Breakdown of payments to be received by time bands

This refers to lease instalments to be received for owned real estate assets.

(millions of euro) **Time bands**	**31.12.2025**	**31.12.2024**
	Payments to be received	**Payments to be received**
Up to one year	6	6
Between one and two years	5	5
Between two and three years	3	4
Between three and four years	2	2
Between four and five years	1	1
Over five years	3	3
Total	**20**	**21**

Part J – Other information

Section 1 - Commitments and financial guarantees given

Commitments and financial guarantees given arise from various banking products, the primary purpose of which is to ensure that funds are available to a customer when required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank and the Group will make payments in the event that customers cannot meet their obligations to third parties, carry the same credit risk as loans and advances. Documentary and commercial letters of credit, which are written undertakings by the Bank and the Group on behalf of a customer authorising a third party to draw funds on the Bank and the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore have significantly lower risk.

Management has assessed a provision that it believes are sufficient to cover risks due to the default of the respective counterparties. For more information refer to Part E Section 1 – Credit risk).

BANK (millions of euro)	**Commitments and financial guarantees given - nominal amount**				**31.12.2025**
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	TOTAL
1. Commitments to disburse funds	**2,650**	**108**	**6**	**-**	**2,764**
a) Central Banks	-	-	-	-	-
b) Public Administration	195	-	-	-	195
c) Banks	14	-	-	-	14
d) Other financial companies	11	-	-	-	11
e) Non-financial companies	1,158	41	3	-	1,202
f) Households	1,272	67	3	-	1,342
2. Financial guarantees given	**636**	**62**	**14**	**-**	**712**
a) Central Banks	-	-	-	-	-
b) Public Administration	-	-	-	-	-
c) Banks	66	2	-	-	68
d) Other financial companies	6	-	-	-	6
e) Non-financial companies	556	60	14	-	630
f) Households	8	-	-	-	8

GROUP (millions of euro)	**Commitments and financial guarantees given - nominal amount**				**31.12.2025**
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	TOTAL
1. Commitments to disburse funds	**3,464**	**126**	**7**	**-**	**3,597**
a) Central Banks	-	-	-	-	-
b) Public Administration	204	-	-	-	204
c) Banks	64	-	-	-	64
d) Other financial companies	14	-	-	-	14
e) Non-financial companies	1,714	53	3	-	1,770
f) Households	1,468	73	4	-	1,545
2. Financial guarantees given	**1,083**	**75**	**15**	**-**	**1,173**
a) Central Banks	-	-	-	-	-
b) Public Administration	1	-	-	-	1
c) Banks	137	2	-	-	139
d) Other financial companies	5	-	-	-	5
e) Non-financial companies	930	73	15	-	1,018
f) Households	10	-	-	-	10

Section 1 - Commitments and financial guarantees given (continued)

BANK (millions of euro)	**Commitments and financial guarantees given nominal amount**				**31.12.2024**
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	TOTAL
1. Commitments to disburse funds	**1,948**	**141**	**5**	**-**	**2,094**
a) Central Banks	-	-	-	-	-
b) Public Administration	199	-	-	-	199
c) Banks	33	-	-	-	33
d) Other financial companies	8	-	-	-	8
e) Non-financial companies	975	70	3	-	1,048
f) Households	733	71	2	-	806
2. Financial guarantees given	**528**	**88**	**11**	**-**	**627**
a) Central Banks	-	-	-	-	-
b) Public Administration	-	-	-	-	-
c) Banks	72	-	-	-	72
d) Other financial companies	3	-	-	-	3
e) Non-financial companies	449	86	9	-	544
f) Households	4	2	2	-	8

GROUP (millions of euro)	**Commitments and financial guarantees given nominal amount**				**31.12.2024**
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	TOTAL
1. Commitments to disburse funds	**2,601**	**163**	**6**	**-**	**2,770**
a) Central Banks	-	-	-	-	-
b) Public Administration	201	-	-	-	201
c) Banks	33	-	-	-	33
d) Other financial companies	7	-	-	-	7
e) Non-financial companies	1,442	87	3	-	1,532
f) Households	918	76	3	-	997
2. Financial guarantees given	**853**	**94**	**11**	**-**	**958**
a) Central Banks	-	-	-	-	-
b) Public Administration	-	-	-	-	-
c) Banks	64	-	-	-	64
d) Other financial companies	3	-	-	-	3
e) Non-financial companies	781	92	9	-	882
f) Households	5	2	2	-	9

Section 2 - Offsetting financial assets and financial liabilities

The disclosures set out below include financial assets and financial liabilities that are offset in the Bank's and the Group's statement of financial position; or are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables unless they are offset in the statement of financial position.

The Group receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase, and reverse sale and repurchase agreements and
- securities lending and borrowing.

Derivative financial instruments

Derivative financial instruments include foreign exchange forward contracts, foreign exchange swaps and embedded derivatives in contracts with a single-sided currency clause. All derivatives are classified as held for trading and carried as assets when their fair value is positive and as liabilities when negative.

For more information refer to Part B – Information on the balance sheet (Section 2 and Section 15).

Sale and repurchase agreement, and reverse sale and repurchase transaction

Sale and repurchase agreements are transactions in which the Bank and the Group sells a security and simultaneously agrees to repurchase it at a fixed price on a future date. The Bank and the Group continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and a financial liability is recognised for the obligation to repay at the repurchase price.

Reverse sale and repurchase agreements are transactions in which the Bank and the Group purchases a security and simultaneously agrees to sell it at a fixed price on a future date. The Bank and the Group holds collateral in the form of marketable securities in respect of loans given. Sale and repurchase agreements as well as reverse sale and repurchase agreements give the Group possibility for offsetting on a net basis, in case of default of any counterparty.

Section 2 - Offsetting financial assets and financial liabilities (continued)

Financial assets subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

BANK (millions of euro) **Types**		**Gross amount of financial assets (a)**	**Amount of financial liabilities offset in the balance sheet (b)**	**Net amount of financial assets presented in the balance sheet (c = a-b)**	**Related amounts not subject to offsetting in the balance sheet**		**Net amount**
					Financial instruments (d)	Cash collateral (e)	**(f=c-d-e)**
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		184	-	184	191	-	-7
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2025**	**184**	**-**	**184**	**191**	**-**	**-7**
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		1,880	-	1,880	1,934	-	-54
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2024**	**1,880**	**-**	**1,880**	**1,934**	**-**	**-54**

GROUP (millions of euro) **Types**		**Gross amount of financial assets (a)**	**Amount of financial liabilities offset in the balance sheet (b)**	**Net amount of financial assets presented in the balance sheet (c = a-b)**	**Related amounts not subject to offsetting in the balance sheet**		**Net amount**
					Financial instruments (d)	Cash collateral (e)	**(f=c-d-e)**
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		184	-	184	191	-	-7
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2025**	**184**	**-**	**184**	**191**	**-**	**-7**
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		1,880	-	1,880	1,934	-	-54
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2024**	**1,880**	**-**	**1,880**	**1,934**	**-**	**-54**

Section 2 - Offsetting financial assets and financial liabilities (continued)

Financial liabilities subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

BANK (millions of euro) Types		Gross amount of financial liabilities (a)	Amount of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c = a-b)	Related amounts not subject to offsetting in the balance sheet		Net amount
					Financial instruments (d)	Cash deposits pledged as collateral (e)	(f=c-d-e)
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		25	-	25	25	-	-
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2025**	**25**	**-**	**25**	**25**	**-**	**-**
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		-	-	-	-	-	-
3. Securities lending		-	-	-	-	-	-
4. Other		134	-	134	157	-	-23
TOTAL	**31.12.2024**	**134**	**-**	**134**	**157**	**-**	**-23**

GROUP (millions of euro) Types		Gross amount of financial liabilities (a)	Amount of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c = a-b)	Related amounts not subject to offsetting in the balance sheet		Net amount
					Financial instruments (d)	Cash deposits pledged as collateral (e)	(f=c-d-e)
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		-	-	-	-	-	-
3. Securities lending		-	-	-	-	-	-
4. Other		-	-	-	-	-	-
TOTAL	**31.12.2025**	-	-	-	-	-	-
1. Derivatives		-	-	-	-	-	-
2. Repurchase agreements		-	-	-	-	-	-
3. Securities lending		-	-	-	-	-	-
4. Other		134	-	134	157	-	-23
TOTAL	**31.12.2024**	**134**	**-**	**134**	**157**	**-**	**-23**

Section 3 - Managed funds for and on behalf of third parties

Type of service		**BANK**		**GROUP**
(millions of euro)	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
1. Trading on behalf of customers	**-**	**-**	**-**	**-**
a) Purchases	-	-	-	-
1. settled	-	-	-	-
2. to be settled	-	-	-	-
b) Sales	-	-	-	-
1. settled	-	-	-	-
2. to be settled	-	-	-	-
2. Portfolio management	**-**	**-**	**268**	**206**
a) individual	-	-	-	-
b) collective	-	-	268	206
3. Custody and administration of securities	**15,487**	**10,474**	**16,833**	**11,377**
a) third party securities held in deposit: related to depositary bank activities (excluding portfolio management)	-	-	730	440
b) third party securities held in deposit	15,487	10,474	15,317	10,397
c) third party securities deposited with third parties	-	-	-	-
d) portfolio securities deposited with third parties	-	-	786	540
4. Other	**-**	**-**	**-**	**-**

The Bank and the Group provide custody services to banks and customers, including investment and pension funds. These assets are accounted for separately from those of the Bank and the Group and kept off-balance sheet. The Bank and the Group are compensated for its services by fees chargeable to the clients.

Fees earned from custody services, assets under management in investment funds and portfolio management amounted to EUR 4 million for the Bank and EUR 5 million for the Group (previous reporting date: EUR 3 million for the Bank and EUR 4 million for the Group).

As at reporting date, funds under management in the obligatory pension fund managed by the Bank’s associate PBZ Croatia Osiguranje d.d. amounts to EUR 2,598 million (previous reporting date: EUR 2,172 million). These funds are held by a custody bank which is not a member of the Group.

Section 4 - Other legal and regulatory requirements

In accordance with Article 164 of the Credit Institutions Act following information are disclosed:

The Bank and the Group are providing the following banking services and core and ancillary financial services:

- acceptance of deposits or other repayable funds from the public and the approval of loans out of such funds, for its own account;
- acceptance of deposits or other repayable funds;
- lending, including consumer credit, mortgage credit and, where permitted by a special law, financing of commercial transactions, including export financing based on the purchase at a discount without recourse of noncurrent, non-matured receivables collateralised with a financial instrument (forfeiting);
- repurchase of receivables with or without recourse (factoring);
- financial leasing;
- issuance of guarantees or other commitments;
- trading for own account or for the account of clients in: money market instruments; transferable securities; foreign exchange, including currency exchange transactions; financial futures and options; exchange and interest-rate instruments;
- payment services, in accordance with special laws;
- credit reference services, such as collection, analysis and provision of information on the creditworthiness of legal and natural persons that conduct their business independently;
- issuing and administering other means of payment, if the provision of such services is not considered the provision of money transmission services in the country and abroad;
- safe custody services;
- money broking;
- activities related to the sale of insurance policies in accordance with the law governing insurance;
- advice on capital structure, industrial strategy and related matters, and advice and services relating to mergers and the purchase of shareholdings;
- investment and ancillary services and activities prescribed by a special act governing the capital market that are not included in the previously listed core financial services;
- issuance of electronic money;
- property transaction services, real estate valuation, financial and technical supervision over the construction of real estate;
- compulsory pension fund management.

The Group operates on markets of Croatia, Slovenia and Bosnia and Herzegovina.

			31.12.2025
	Croatia	Bosnia and Herzegovina	Slovenia
Total gross revenue	857	74	183
Profit before tax	419	17	76
Profit after tax	350	15	60
Paid income tax	92	1	19
The number of workers on the basis of equivalent full working time	3,238	588	701
Total net income with affiliated companies	1	-	-

Appendix 1

Appendix 1 - Unaudited supplementary forms required by local regulation

Supplementary financial statements of the Bank and the Group prepared in accordance with the framework for reporting set out in the Decision of the Croatian National Bank on the Structure and Content of the Annual Financial Statements of credit institutions (Official Gazette 80/2025):

Form "Balance sheet"

(millions of euro)			BANK		GROUP
	Assets	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
1.	Cash in hand and balances with central banks	2,682	2,728	3,319	3,624
2.	Treasury bills and other bills eligible for refinancing with central banks (2.1. + 2.2.):	409	1,229	545	1,338
2.1.	*(a) treasury bills and similar securities*	*75*	*651*	*130*	*720*
2.2.	*(b) other short term bills*	*334*	*578*	*415*	*618*
3.	Loans and advances to credit institutions (3.1. + 3.2):	719	2,661	1,271	3,231
3.1.	*(a) repayable on demand*	*11*	*29*	*80*	*105*
3.2.	*(b) other loans and advances*	*708*	*2,632*	*1,191*	*3,126*
4.	Loans and advances to customers	10,033	8,990	14,234	12,852
5.	Debt securities including fixed- income securities (5.1. + 5.2.):	3,997	838	888	1,337
5.1.	*(a) Issued by public bodies*	*3,193*	*603*	-	*962*
5.2.	*(b) Issued by other borrowers*	*804*	*235*	*888*	*375*
6.	Shares and other variable-yield securities	5	3	19	17
7.	Participating interests	4	4	10	9
8.	Shares in affiliated undertakings	241	241	-	-
9.	Intangible assets	60	55	82	74
10.	Tangible assets (10.1. + 10.2.):	144	144	260	261
10.1.	*(a) land, buildings and equipment*	*143*	*143*	*255*	*259*
10.2.	*(b) investment property*	*1*	*1*	*5*	*2*
11.	Tax assets (11.1. + 11.2.):	20	18	32	30
11.1.	*(a) current tax assets*	*5*	-	*9*	*4*
11.2.	*(b) deferred tax assets*	*15*	*18*	*23*	*26*
12.	Other assets	55	65	98	108
13.	Prepaid expenses and other accrued income	19	11	26	14
14.	Non-current assets and disposal groups classified as held for sale	3	3	6	5
15.	**Total assets (from 1. to 14.)**	**18,391**	**16,990**	**20,790**	**22,900**

Form "Balance sheet"(continued)

(millions of euro)			BANK		GROUP
	Liabilities and equity	**31.12.2025**	**31.12.2024**	**31.12.2025**	**31.12.2024**
16.	Amounts owed to credit institutions (16.1. + 16.2.):	271	595	672	1,143
16.1.	*(a) repayable on demand*	*65*	*47*	*67*	*49*
16.2.	*(b) with agreed maturity dates or periods of notice*	*207*	*547*	*605*	*1,094*
17.	Amounts owed to customers (17.1. 17.2.):	14,443	13,610	19,489	18,197
17.1.	*(a) covered deposits (17.1.1. + 17.1.2.):*	*13,119*	*12,112*	*17,781*	*16,390*
17.1.1.	*(aa) repayable on demand*	*9,610*	*8,985*	*12,762*	*11,899*
17.1.2.	*(ab) with agreed maturity dates or periods of notice*	*3,509*	*3,127*	*5,019*	*4,491*
17.2.	*(b) other debts to customers (17.2.1. + 17.2.2.);*	*1,324*	*1,498*	*1,708*	*1,807*
17.2.1.	*(ba) repayable on demand*	*605*	*701*	*868*	*931*
17.2.2.	*(bb) with agreed maturity dates or periods of notice*	*719*	*797*	*840*	*876*
18.	Issued debt securities	-	-	-	-
19.	Other liabilities	195	208	338	366
20.	Deferred expense payments and other accrued liabilities	20	28	55	62
21.	Provisions for risk and charges (21.1. + 21.2.):	82	94	94	110
21.1.	*(a) provisions for pensions and similar obligations*	-	-	*2*	*2*
21.2.	*(b) other provisions*	*82*	*94*	*92*	*108*
22.	Tax liabilities (22.1. + 22.2.):	4	28	13	38
22.1.	*(a) current tax liabilities*	-	*24*	*1*	*25*
22.2.	*(b) deferred tax liabilities*	*4*	*4*	*12*	*13*
23.	Liabilities included in disposal groups classified as held for sale	-	-	-	-
24.	Subordinated liabilities	987	-	1,059	10
25.	Shareholders' equity (25.1. + 25.2.):	244	244	244	244
25.1.	*(a) share capital*	*244*	*244*	*244*	*244*
25.2.	*(b)unpaid capital called for payment*	-	-	-	-
26.	Share premium	183	183	183	183
27.	Other equity items	-	-	-	-
28.	(-) Treasury shares	-	-	-	-
29.	Reserves (29.1. + 29.2. + 29.3. + 29.4.):	22	22	37	30
29.1.	*(a) legal reserves*	*19*	*19*	*19*	*19*
29.2.	*(b) statutory reserves*	-	-	-	-
29.3.	*(c) treasury share reserves*	-	-	-	-
29.4.	*(d) other reserves*	*3*	*3*	*18*	*11*
30.	Revaluation reserves	-	-	-	-
31.	Accumulated other comprehensive income	21	21	47	48
32.	Retained earnings	1,585	1,520	1,870	1,872
33.	Net income (loss)	334	437	355	377
34.	Minority interests	-	-	221	220
35.	**Total liabilities and equity (from 16. to 34.)**	**18,391**	**16,990**	**24,677**	**22,900**
36.	Undrawn lending commitments	2,764	2,094	3,489	2,770
37.	Financial guarantees given	679	620	923	832
38.	Other undrawn commitments	33	7	358	126
39.	**Total off-balance sheet items (from 36. to 38.)**	**3,476**	**2,721**	**4,770**	**3,728**

The balance sheet form is prepared in accordance with the CNB Decision on the Structure and Content of Annual Financial Statements for Banks.

The following tables provide reconciliation between statutory financial statements and supplementary schedules for CNB.

Balance sheet reconciliation as at 31 December 2025

BANK (millions of euro) **Assets**	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	Cash and cash equivalents	**Per IFRS** Financial assets measured at fair value through profit or loss
Cash in hand and balances with central banks	2,682	-	2,682	2,682	-
Treasury bills and other bills eligible for refinancing with central banks	409	-	409	-	11
Loans and advances to credit institutions	719	-	719	11	-
Loans and advances to customers	10,033	-8	10,025	31	-
Debt securities including fixed- income securities	3,997	-	3,997	-	23
Shares and other variable-yield securities	5	-	5	-	4
Participating interests	4	-	4	-	-
Shares in affiliated undertakings	241	-	241	-	-
Intangible assets	60	-	60	-	-
Tangible assets	144	-	144	-	-
Tax assets	20	-	20	-	-
Other assets	55	-	55	-	-
Prepaid expenses and other accrued income	19	-	19	-	-
Non-current assets and disposal groups classified as held for sale	3	-	3	-	-
Total assets	**18,391**	**-8**	**18,383**	**2,724**	**38**

BANK (millions of euro) **Assets**	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Hedge derivative financial assets	Fair value change of financial assets in hedged portfolios (+/-)	**Per IFRS** Investments in associates and companies subject to joint control
Cash in hand and balances with central banks	-	-	-	-	-
Treasury bills and other bills eligible for refinancing with central banks	398	-	-	-	-
Loans and advances to credit institutions	-	708	-	-	-
Loans and advances to customers	-	9,990	-	-	-
Debt securities including fixed- income securities	1,684	2,290	-	-	-
Shares and other variable-yield securities	1	-	-	-	-
Participating interests	-	-	-	-	4
Shares in affiliated undertakings	-	-	-	-	241
Intangible assets	-	-	-	-	-
Tangible assets	-	-	-	-	-
Tax assets	-	-	-	-	-
Other assets	-	-	55	-6	-
Prepaid expenses and other accrued income	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale	-	-	-	-	-
Total assets	**2,083**	**12,988**	**55**	**-6**	**245**

Balance sheet reconciliation as at 31 December 2025 (continued)

BANK (millions of euro) **Assets**	Property and equipment	Intangible assets	Tax assets	Non-current assets held for sale and discontinued operations	Other assets	Total assets	**Per IFRS** Difference
Cash in hand and balances with central banks	-	-	-	-	-	2,682	-
Treasury bills and other bills eligible for refinancing with central banks	-	-	-	-	-	409	-
Loans and advances to credit institutions	-	-	-	-	-	719	-
Loans and advances to customers	-	-	-	-	4	10,025	-
Debt securities including fixed- income securities	-	-	-	-	-	3,997	-
Shares and other variable-yield securities	-	-	-	-	-	5	-
Participating interests	-	-	-	-	-	4	-
Shares in affiliated undertakings	-	-	-	-	-	241	-
Intangible assets	-	60	-	-	-	60	-
Tangible assets	142	-	-	-	2	144	-
Tax assets	-	-	20	-	-	20	-
Other assets	-	-	-	-	6	55	-
Prepaid expenses and other accrued income	-	-	-	-	19	19	-
Non-current assets and disposal groups classified as held for sale	-	-	-	3	-	3	-
Total assets	**142**	**60**	**20**	**3**	**31**	**18,383**	**-**

BANK (millions of euro) **Liabilities and Shareholders' equity**	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	Financial liabilities measured at amortized cost	Financial liabilities held for trading	**Per IFRS** Hedge derivative financial liabilities
Amounts owed to credit institutions	271	-	271	271	-	-
Amounts owed to customers	14,443	-	14,443	14,441	-	-
Issued debt securities	-	-	-	-	-	-
Other liabilities	195	-	195	65	-	23
Deferred expense payments and other accrued liabilities	20	-	20	-	-	-
Provisions for risk and charges	82	-8	74	-	-	-
Tax liabilities	4	-	4	-	-	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	987	-	987	987	-	-
Shareholders' equity	244	-	244	-	-	-
Share premium	183	-	183	-	-	-
Other equity items	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-		-
Reserves	22	-	22	-		-
Revaluation reserves	-	-	-	-		-
Accumulated other comprehensive income	21	-	21	-		-
Retained earnings	1,585	-	1,585	-		-
Net income (loss)	334	-	334	-		-
Minority interests	-	-	-	-		-
Total liabilities and Shareholders' Equity	**18,391**	**-8**	**18,383**	**15,764**	**-**	**23**

Balance sheet reconciliation as at 31 December 2025 (continued)

BANK (millions of euro) **Liabilities and Shareholders' equity**	Fair value changes of financial liabilities in portfolios(+/-)	Tax liabilities	Other liabilities	Employee termination indemnities	Allowances for risks and charges	**Per IFRS** Valuation reserve
Amounts owed to credit institutions	-	-	-	-	-	-
Amounts owed to customers	-	-	2	-	-	-
Issued debt securities	-	-	-	-	-	-
Other liabilities	2	-	105	-	-	-
Deferred expense payments and other accrued liabilities	-	-	20	-	-	-
Provisions for risk and charges	-	-	-	2	72	-
Tax liabilities	-	4	-	-	-	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Shareholders' equity	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Other equity items	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Revaluation reserves	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	-	-	21
Retained earnings	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-
Total liabilities and Shareholders' Equity	**2**	**4**	**127**	**2**	**72**	**21**

BANK (millions of euro) **Liabilities and Shareholders' equity**	Reserves	Share premium reserve	Share capital	Net income (loss) (+/-)	Total liabilities and shareholders' equity	**Per IFRS** Difference
Amounts owed to credit institutions	-	-	-	-	271	-
Amounts owed to customers	-	-	-	-	14,443	-
Issued debt securities	-	-	-	-	-	-
Other liabilities	-	-	-	-	195	-
Deferred expense payments and other accrued liabilities	-	-	-	-	20	-
Provisions for risk and charges	-	-	-	-	74	-
Tax liabilities	-	-	-	-	4	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	987	-
Shareholders' equity	-	-	244	-	244	-
Share premium	-	183	-	-	183	-
Other equity items	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Reserves	22	-	-	-	22	-
Revaluation reserves	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	-	21	-
Retained earnings	1,560	25	-	-	1,585	-
Net income (loss)	-	-	-	334	334	-
Minority interests	-	-	-	-	-	-
Total liabilities and Shareholders' Equity	**1,582**	**208**	**244**	**334**	**18,383**	**-**

Balance sheet reconciliation as at 31 December 2025 (continued)

GROUP (millions of euro) **Assets**	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	**Per IFRS** Cash and cash equivalents	Financial assets measured at fair value through profit or loss
Cash in hand and balances with central banks	3,319	-	3,319	3,319	-
Treasury bills and other bills eligible for refinancing with central banks	545	-	545	-	13
Loans and advances to credit institutions	1,271	-	1,271	11	-
Loans and advances to customers	14,234	-8	14,226	62	-
Debt securities including fixed- income securities	4,777	-	4,777	-	22
Shares and other variable-yield securities	19	-	19	-	7
Participating interests	10	-	10	-	-
Shares in affiliated undertakings	-	-	-	-	-
Intangible assets	82	-	82	-	-
Tangible assets	260	-	260	-	-
Tax assets	32	-	32	-	-
Other assets	97	-	97	-	-
Prepaid expenses and other accrued income	26	-	26	2	-
Non-current assets and disposal groups classified as held for sale	6	-	6	-	-
Total assets	**24,678**	**-8**	**24,670**	**3,394**	**42**

GROUP (millions of euro) **Assets**	**Per IFRS** Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Hedge derivative financial assets	Fair value change of financial assets in hedged portfolios (+/-)	Investments in associates and companies subject to joint control
Cash in hand and balances with central banks	-	-	-	-	-
Treasury bills and other bills eligible for refinancing with central banks	532	-	-	-	-
Loans and advances to credit institutions	-	1,260	-	-	-
Loans and advances to customers	-	14,137	-	-	-
Debt securities including fixed- income securities	2,171	2,584	-	-	-
Shares and other variable-yield securities	12	-	-	-	-
Participating interests	-	-	-	-	10
Shares in affiliated undertakings	-	-	-	-	-
Intangible assets	-	-	-	-	-
Tangible assets	-	-	-	-	-
Tax assets	-	-	-	-	-
Other assets	-	-	89	-20	-
Prepaid expenses and other accrued income	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale	-	-	-	-	-
Total assets	**2,715**	**17,981**	**89**	**-20**	**10**

Balance sheet reconciliation as at 31 December 2025 (continued)

GROUP (millions of euro) **Assets**	Property and equipment	Intangible assets	Tax assets	Non-current assets held for sale and discontinued operations	Other assets	Total assets	**Per IFRS** Difference
Cash in hand and balances with central banks	-	-	-	-	-	3,319	-
Treasury bills and other bills eligible for refinancing with central banks	-	-	-	-	-	545	-
Loans and advances to credit institutions	-	-	-	-	-	1,271	-
Loans and advances to customers	-	-	-	-	27	14,226	-
Debt securities including fixed- income securities	-	-	-	-	-	4,777	-
Shares and other variable-yield securities	-	-	-	-	-	19	-
Participating interests	-	-	-	-	-	10	-
Shares in affiliated undertakings	-	-	-	-	-	-	-
Intangible assets	-	82	-	-	-	82	-
Tangible assets	253	-	-	-	7	260	-
Tax assets	-	-	32	-	-	32	-
Other assets	-	-	-	-	28	97	-
Prepaid expenses and other accrued income	-	-	-	-	24	26	-
Non-current assets and disposal groups classified as held for sale	-	-	-	6	-	6	-
Total assets	**253**	**82**	**32**	**6**	**86**	**24,670**	**-**

GROUP (millions of euro) **Liabilities and Shareholders' equity**	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	Financial liabilities measured at amortized cost	Financial liabilities held for trading	**Per IFRS** Hedge derivative financial liabilities
Amounts owed to credit institutions	672	**-**	672	671	1	-
Amounts owed to customers	19,489	**-**	19,489	19,487	-	-
Issued debt securities	-	**-**	-	-	-	-
Other liabilities	339	**-**	339	78	-	26
Deferred expense payments and other accrued liabilities	55	**-**	55	-	-	-
Provisions for risk and charges	94	**-8**	86	-	-	-
Tax liabilities	13	**-**	13	-	-	-
Liabilities included in disposal groups classified as held for sale	-	**-**	-	-	-	-
Subordinated liabilities	1,059	**-**	1,059	1,059	-	-
Shareholders' equity	244	**-**	244	-	-	-
Share premium	183	**-**	183	-	-	-
Other equity items	-	**-**	-	-	-	-
(-) Treasury shares	-	**-**	-	-	-	-
Reserves	37	**-**	37	-	-	-
Revaluation reserves	-	**-**	-	-	-	-
Accumulated other comprehensive income	47	**-**	47	-	-	-
Retained earnings	1,870	**-**	1,870	-	-	-
Net income (loss)	355	**-**	355	-	-	-
Minority interests	221	**-**	221	-	-	-
Total liabilities and Shareholders' Equity	**24,678**	**-8**	**24,670**	**21,295**	**1**	**26**

Balance sheet reconciliation as at 31 December 2025 (continued)

GROUP (millions of euro) **Liabilities and Shareholders' equity**	Fair value changes of financial liabilities in portfolios(+/-)	Tax liabilities	Other liabilities	Employee termination indemnities	Allowances for risks and charges	**Per IFRS** Valuation reserve
Amounts owed to credit institutions	-	-	-	-	-	-
Amounts owed to customers	-	-	2	-	-	-
Issued debt securities	-	-	-	-	-	-
Other liabilities	2	-	148	4	81	-
Deferred expense payments and other accrued liabilities	-	-	55	-	-	-
Provisions for risk and charges	-	-	86	-	-	-
Tax liabilities	-	13	-	-	-	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Shareholders' equity	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Other equity items	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Revaluation reserves	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	-	-	47
Retained earnings	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-
Total liabilities and Shareholders' Equity	**2**	**13**	**291**	**4**	**81**	**47**

Balance sheet reconciliation as at 31 December 2025 (continued)

GROUP (millions of euro) **Liabilities and Shareholders' equity**	Reserves	Share premium reserve	Share capital	Net income (loss) (+/-)	Minority interests (+/-)	Total liabilities and shareholders' equity	**Per IFRS** Difference
Amounts owed to credit institutions	-	-	-	-	-	672	-
Amounts owed to customers	-	-	-	-	-	19,489	-
Issued debt securities	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	339	-
Deferred expense payments and other accrued liabilities	-	-	-	-	-	55	-
Provisions for risk and charges	-	-	-	-	-	86	-
Tax liabilities	-	-	-	-	-	13	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	1,059	-
Shareholders' equity	-	-	244	-	-	244	-
Share premium	-	183	-	-	-	183	-
Other equity items	-	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-	-
Reserves	37	-	-	-	-	37	-
Revaluation reserves	-	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	-	-	47	-
Retained earnings	1,845	25	-	-	-	1,870	-
Net income (loss)	-	-	-	-	355	355	-
Minority interests	-	-	-	221	-	221	-
Total liabilities and Shareholders' Equity	**1,882**	**208**	**244**	**221**	**355**	**24,670**	**-**

Balance sheet reconciliation as at 31 December 2025 (continued)

The main differences between the Statements of financial position captions disclosed in the statutory financial statements, and those prescribed by the CNB Decision relate to the following categories:

- Financial assets at FV with effects on P&L in statutory financial statements include Financial assets held for trading and Non-trading financial assets mandatorily at fair value through profit or loss that are separately disclosed in CNB report;
- Tangible assets in statutory financial statements include foreclosed assets that are in CNB report disclosed as Other assets;
- Other assets in statutory financial statements include leasehold improvements that are in CNB report disclosed as Tangible assets;
- Other liabilities in statutory financial statements include other financial liabilities that are in CNB report disclosed as Financial liabilities measured at amortised cost;
- Provisions in CNB report are separately disclosed in statutory financial statements as Provision for employee severance pay and Provisions for risks and charges;
- Revaluation reserves in statutory financial statements include Accumulated other comprehensive income and Revaluation reserves that are separately disclosed in CNB report;
- Reserves in statutory financial statements include Retained earnings and Other reserves that are separately disclosed in CNB report.

Form "Income statement"

	(millions of euro)		BANK		GROUP
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
1.	Interest receivable and similar income	541	597	730	805
1.1.	*off which: income arising from fixed-income securities*	*94*	*45*	116	*61*
2.	Interest payable and similar charges	86	89	127	129
3.	Income from securities (3.1. + 3.2. + 3.3.):	42	117	3	1
3.1.	*(a) income from shares and other variable-yield securities*	-	-	1	-
3.2.	*(b) income from participating interests*	*41*	*116*	-	-
3.3.	*(c) income from shares in affiliated undertakings*	*1*	*1*	2	*1*
4.	Commissions receivable	171	165	284	272
5.	Commissions payable	38	52	57	72
6.	Net profit or net loss on financial operations	15	16	15	18
7.	Other operating income	24	17	57	46
7.1.	*of which: gains or losses on derecognition of financial assets measured at amortised cost*	*15*	-	27	-
8.	General administrative expenses (8.1. + 8.2.):	246	241	366	361
8.1.	*(a) staff costs*	*125*	*124*	192	*190*
8.2.	*(b) other administrative expenses*	*121*	*117*	174	*171*
9.	Impairment or reversal of impairment on non-financial assets	-	-	-	-
10.	Other operating charges	27	21	54	60
11.	Provisions or reversal of provisions (11.1. + 11.2.):	9	1	6	5
11.1.	*(a) commitments and guarantees given*	*6*	*-4*	6	*-3*
11.2.	*(b) other provisions*	*3*	*5*	-	*8*
12.	Impairment or reversal of impairment of loans and advances	-12	1	8	12
13.	Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-3	-	-3
14.	Profit or loss before taxation from continuing operations (1. – 2. + 3. + 4. – 5. + 6. + 7. – 8. – 9. – 10. – 11. – 12. – 13.)	399	510	471	506
15.	Tax expense or income related to profit or loss from continuing operations	65	73	87	95
16.	**Profit or loss before tax from continuing operations (14. - 15.)**	**334**	**437**	**384**	**411**
17.	Profit or (-) loss before tax from discontinued operations	-	-	-	-
18.	Tax expense or (-) income related to discontinued operations	-	-	-	-
19.	**Profit or loss after tax from discontinued operations (17. - 18.)**	**-**	**-**	**-**	**-**
20.	**Profit or loss for the year (16. + 19.; 21. + 22.)**	**334**	**437**	**384**	**411**
21.	Attributable to minority interest [non-controlling interests]	-	-	29	34
22.	Attributable to owners of the parent	334	437	355	377

The income statement form is prepared in accordance with the CNB Decision on the Structure and Content of Annual Financial Statements for Banks.

The following tables provide reconciliation between statutory financial statements and supplementary schedules for CNB.

Income statement reconciliation for the year ended 31 December 2025

BANK (millions of euro)	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	Per IFRS Interest and similar revenues	Interest and similar expenses
Interest receivable and similar income	541	1	542	542	-
Interest payable and similar charges	-86	-	-86	-	-86
Income from securities	42	-	42	-	-
Commissions receivable	171	-	171	-	-
Commissions payable	-38	-	-38	-	-
Net profit or net loss on financial operations	15	-	15	-	-
Other operating income	24	-1	23	-	-
General administrative expenses	-246	-	-246	-	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-
Other operating charges	-27	-	-27	-	-
Provisions or reversal of provisions	-9	2	-7	-	-
Impairment or reversal of impairment of loans and advances	12	-2	10	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-65	-	-65	-	-
Profit or (-) loss for the year	**334**	**-**	**334**	**542**	**-86**

BANK (millions of euro)	Per IFRS Fee and commission income	Fee and commission expenses	Dividends and similar revenues	Profits (Losses) on trading	Fair value adjustment in hedge accounting	Profits (Losses) on disposal or repurchase
Interest receivable and similar income	-	-	-	-	-	-
Interest payable and similar charges	-	-	-	-	-	-
Income from securities	-	-	42	-	-	-
Commissions receivable	171	-	-	-	-	-
Commissions payable	-	-38	-	-	-	-
Net profit or net loss on financial operations	-	-	-	-	15	-
Other operating income	-	-	-	-	-	14
General administrative expenses	-	-	-	-	-	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-	-
Other operating charges	-	-	-	-	-	-
Provisions or reversal of provisions	-	-	-	-	-	-
Impairment or reversal of impairment of loans and advances	-	-	-	-	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-	-
Profit or (-) loss for the year	**171**	**-38**	**42**	**-**	**15**	**14**

Income statement reconciliation for the year ended 31 December 2025 (continued)

BANK (millions of euro)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	Net losses/ recoveries for credit risks	Profits (Losses) on changes in contracts without derecognition	Administrative expenses:	Net provisions for risks and charges
					Per IFRS
Interest receivable and similar income	-	-	-	-	-
Interest payable and similar charges	-	-	-	-	-
Income from securities	-	-	-	-	-
Commissions receivable	-	-	-	-	-
Commissions payable	-	-	-	-	-
Net profit or net loss on financial operations	-	-	-	-	-
Other operating income	1	-	-2	5	-
General administrative expenses	-	-	-	-215	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-
Other operating charges	-	-4	-	1	-
Provisions or reversal of provisions	-	-	-	-	-7
Impairment or reversal of impairment of loans and advances	-	10	-	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-
Profit or (-) loss for the year	**1**	**6**	**-2**	**-209**	**-7**

BANK (millions of euro)	Net adjustments to / recoveries on property and equipment	Net adjustments to / recoveries on intangible assets	Other operating expenses (income)	Profits (Losses) on disposal of investments	Taxes on income from continuing operations	Parent Company's net income (loss
						Per IFRS
Interest receivable and similar income	-	-	-	-	-	542
Interest payable and similar charges	-	-	-	-	-	-86
Income from securities	-	-	-	-	-	42
Commissions receivable	-	-	-	-	-	171
Commissions payable	-	-	-	-	-	-38
Net profit or net loss on financial operations	-	-	-	-	-	15
Other operating income	-	-	4	-	-	23
General administrative expenses	-22	-8	-1	-	-	-246
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-	0
Other operating charges	-	-	-24	-	-	-27
Provisions or reversal of provisions	-	-	-	-	-	-7
Impairment or reversal of impairment of loans and advances	-	-	-	-	-	10
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-	0
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-65	-65
Profit or (-) loss for the year	**-22**	**-8**	**-21**	**-**	**-65**	**334**

Income statement reconciliation for the year ended 31 December 2025 (continued)

GROUP (millions of euro)	**Amounts as per local GAAP**	IAS Adjustment	**Amount to be reported**	**Per IFRS** Interest and similar revenues	Interest and similar expenses
Interest receivable and similar income	730	1	731	731	-
Interest payable and similar charges	-127	-	-127	-	-127
Income from securities	3	-	3	-	-
Commissions receivable	284	-	284	-	-
Commissions payable	-57	-	-57	-	-
Net profit or net loss on financial operations	15	-	15	-	-
Other operating income	57	-1	56	-	-
General administrative expenses	-366	-1	-367	-	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-
Other operating charges	-54	-	-54	-	-
Provisions or reversal of provisions	-6	2	-4	-	-
Impairment or reversal of impairment of loans and advances	-8	-2	-10	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-87	-	-87	-	-
Profit or (-) loss for the year	**384**	**-1**	**384**	**731**	**-127**

GROUP (millions of euro)	**Per IFRS** Fee and commission income	Fee and commission expenses	Dividends and similar revenues	Profits (Losses) on trading	Fair value adjustment in hedge accounting	Profits (Losses) on disposal or repurchase
Interest receivable and similar income	-	-	-	-	-	-
Interest payable and similar charges	-	-	-	-	-	-
Income from securities	-	-	1	-	-	-
Commissions receivable	284	-	-	-	-	-
Commissions payable	-	-57	-	-	-	-
Net profit or net loss on financial operations	-	-	-	15	-	-
Other operating income	-	-	-	5	1	27
General administrative expenses	-	-	-	-	-	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-	-
Other operating charges	-	-	-	-	-	-
Provisions or reversal of provisions	-	-	-	-	-	-
Impairment or reversal of impairment of loans and advances	-	-	-	-	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-	-
Profit or (-) loss for the year	**284**	**-57**	**1**	**20**	**1**	**27**

Income statement reconciliation for the year ended 31 December 2025 (continued)

GROUP (millions of euro)	Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	Net losses/ recoveries for credit risks	Profits (Losses) on changes in contracts without derecognition	Administrative expenses:	**Per IFRS** Net provisions for risks and charges
Interest receivable and similar income	-	-	-	-	-
Interest payable and similar charges	-	-	-	-	-
Income from securities	-	-	-	-	-
Commissions receivable	-	-	-	-	-
Commissions payable	-	-	-	-	-
Net profit or net loss on financial operations	-	-	-	-	-
Other operating income	2	-	-1	5	-
General administrative expenses	-	-	-	-330	-
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-
Other operating charges	-	-5	-	1	-
Provisions or reversal of provisions	-	-	-	-	-4
Impairment or reversal of impairment of loans and advances	-	-9	-	-	-
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-
Profit or (-) loss for the year	**2**	**-14**	**-1**	**-324**	**-4**

GROUP (millions of euro)	Net adjustments to / recoveries on property and equipment	Net adjustments to / recoveries on intangible assets	Other operating expenses (income)	Profits (Losses) on disposal of investments	Taxes on income from continuing operations	Minority interests	**Per IFRS** Parent Company's net income (loss
Interest receivable and similar income	-	-	-	-	-		731
Interest payable and similar charges	-	-	-	-	-		-127
Income from securities	-	-	-	2	-		3
Commissions receivable	-	-	-	-	-		284
Commissions payable	-	-	-	-	-		-57
Net profit or net loss on financial operations	-	-	-	-	-		15
Other operating income	-	-	17	-	-		56
General administrative expenses	-33	-11	7	-	-		-367
Impairment or reversal of impairment on non-financial assets	-	-	-	-	-		0
Other operating charges	-	-	-50	-	-		-54
Provisions or reversal of provisions	-	-	-	-	-		-4
Impairment or reversal of impairment of loans and advances	-	-	-	-	-		-9
Impairment or reversal of impairment of shares and investments in subsidiaries, joint ventures and associates	-	-	-	-	-		0
Tax expense or income related to profit or loss from continuing operations	-	-	-	-	-87		-87
Profit or (-) loss for the year	**-33**	**-11**	**-26**	**2**	**-87**	**29**	**384**

Income statement reconciliation for the year ended 31 December 2025 (continued)

The main differences between the Income statement captions disclosed in the statutory financial statements, and those prescribed by the CNB Decision relate to the following categories:

- Effects arising from unwinding of discount related to loss allowance ("time value") are disclosed as interest income in statutory financial statements, while in CNB report are presented as impairments of financial assets;
- Administrative expenses in statutory financial statements contain other operating income that are in CNB report separately disclosed;
- Other operating expenses (income) in statutory financial statements are in CNB report separately disclosed as Other operating income; Other operating expenses and Administrative expenses;
- Depreciation in statutory financial statements is separately disclosed per asset type while in CNB report depreciation in aggregated in one caption.

Form "Statement of comprehensive income"

	(millions of euro)	BANK		GROUP	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
1.	**Net income or (-) loss**	**334**	**437**	**384**	**411**
2.	**Other comprehensive income (3. + 15.)**	**-**	**6**	**-3**	**10**
3.	**Items that will not be reclassified to profit or loss (from 4. to 10. + 13. + 14.)**	**-**	**-**	**1**	**-2**
4.	Tangible assets	-	-	-	-3
5.	Intangible assets	-	-	-	-
6.	Actuarial gains (losses) on defined benefit pensions plans	-	-	-	-
7.	Non-current assets and disposal groups classified as held for sale	-	-	-	-
8.	Share of other recognized revenues and costs from entities accounted by equity method	-	-	-	-
9.	Fair value changes of equity instruments measured at fair value through other comprehensive income	-	-	1	-
10.	Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-	-	-
11.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	-	-	-	-
12.	Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	-	-	-	-
13.	Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-	-	-
14.	Income tax relating to items that will not be reclassified	-	-	-	1
15.	**Items that are or may be reclassified to profit or loss (from 16. to 23.)**	**-**	**6**	**-4**	**12**
16.	Hedge of net investments in foreign operations [effective portion]	-	-	-	-
17.	Foreign currency translation	-	-	-	-
18.	Cash flow hedges [effective portion]	-	-	-2	3
19.	Hedging instruments [not designated elements]	-	-	-	-
20.	Debt instruments at fair value through other comprehensive income	-	7	-3	12
21.	Non-current assets and disposal groups held for sale	-	-	-	-
22.	Share of other recognised income and expense of Investments in subsidiaries, joint ventures and associates	-	-	-	-
23.	Income tax relating to items that may be reclassified to profit or (-) loss	-	-1	1	-3
24.	**Total comprehensive income for the year (1. + 2.; 25. + 26.)**	**334**	**443**	**381**	**421**
25.	Non-controlling interests	-	-	29	34
26.	Equity holders of the Bank	334	443	352	387

The Statement of comprehensive income form is prepared in accordance with the CNB Decision on the Structure and Content of Annual Financial Statements for Banks.

Statement of comprehensive income reconciliation for the year ended 31 December 2025

The main difference between the Statement of comprehensive income disclosed in the statutory financial statements, and those prescribed by the CNB Decision relate to the following category:

- Comprehensive income of non-controlling interest in statutory financial statements includes profit or loss related to non-controlling interest and its part of gains or losses related to comprehensive income, while in CNB report (row 25) only profit or loss from non-controlling interest are included.

Form "Cash flow statement"

	(millions of euro)		BANK		GROUP
		31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
1.	**Operating activities according to direct method**		-		-
2.	Interest and similar income received	-	-	-	-
3.	Fees and commissions received	-	-	-	-
4.	(Interest and similar expenses paid)	-	-	-	-
5.	(Fees and commissions paid)	-	-	-	-
6.	(Operating expenses paid)	-	-	-	-
7.	Net gains/(losses) from financial instruments at fair value through profit or loss	-	-	-	-
8.	Other income	-	-	-	-
	(Other expenses)	-	-	-	-
	Operating activities according to indirect method		-		-
9.	Profit/(loss) before tax	399	510	471	506
	Adjustments:	-	-	-	-
10.	Impairment losses	-4	-	13	14
11.	Depreciation and amortization	31	29	45	43
12.	Net unrealised (gains)/losses on securities at fair value through profit or loss	-66	-4	-67	-4
13.	(Gains)/losses from sale of tangible assets	-	1	-	-1
14.	Other non-monetary items	1	1	1	1
	Cash flow from operating activities				
15.	Funds with the Croatian national bank	-	-	-	-
16.	Deposits with banking institutions and loans to financial institutions	1,794	-1,157	1,943	-1,346
17.	Loans and advances to other clients	-913	-684	-1,386	-905
18.	Securities and other financial instruments at FVOCI	-577	-532	-573	-642
19.	Securities and other financial instruments held for trading	83	2	84	1
20.	Securities and other financial instruments at fair value through profit or loss which are not actively traded	-	-	-	-
21.	Securities and other financial instruments mandatorily at FVTPL	2	5	3	5
22.	Securities and other financial instruments at amortised cost	-1,826	-242	-2,095	-250
23.	Other operating assets	-540	-552	-783	-810
24.	Financial institutions deposits	-114	128	250	132
25.	Other clients demand deposits	687	475	950	572
26.	Other clients savings deposits	-132	-344	-10	-342
27.	Other clients term deposits	326	239	435	281
28.	Derivative financial liabilities and other liabilities held for trading	-19	13	-34	29
29.	Other operating liabilities	25	229	-93	344
30.	Interest received from operating activities [indirect method]	548	575	737	774
31.	Dividend received from operating activities [indirect method]	-	-	-	-
32.	Interest paid from operating activities [indirect method]	-103	-87	-119	-130
33.	(Income tax paid)	-92	-82	-114	-109
34.	**Net cash flow from operating activities (from 1. to 33.)**	**-490**	**-1,477**	**-342**	**-1,837**

Form "Cash flow statement" (continued)

	(millions of euro)		BANK		GROUP
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Investing activities				
35.	Cash receipts from / (payments to acquire) tangible and intangible assets	-36	-35	-51	-67
36.	Cash receipts from the disposal of / (payments to acquire) for the investing in subsidiaries, associates and joint ventures	-	-	-	-
37.	Cash receipts from sales of / (cash payments to acquire) securities and other financial instruments from investing activities	-	-	-	-
38.	Dividend received from investing activities	42	117	1	1
39.	Other receipts from / (payments) from investing activities	-	-	-	-
40.	**Net cash flow from investing activities (from 35. to 39.)**	**6**	**82**	**-50**	**-66**
	Financing activities				
41.	Net increase/(decrease) in received loans from financial activities	791	-	433	213
42.	Net increase/(decrease) in issued debt securities	-	-	-	-
43.	Net increase/(decrease) in subordinated and hybrid instruments	-	-	-	-
44.	Proceeds from issue of share capital	-	-	-	-
45.	(Dividends paid)	-371	-270	-371	-270
46.	Other proceeds/(payments) from financing activities	-	-	-	-
47.	**Net cash flow from financing activities (from 41. to 46.)**	**420**	**-270**	**62**	**-57**
48.	**Net increase/(decrease) in cash and cash equivalents (34. + 40. + 47.)**	**-64**	**-1,665**	**-330**	**-1,960**
49.	**Cash and cash equivalents at the beginning of the year**	2,757	4,422	3,693	5,653
50.	Effect of foreign exchange differences on cash and cash equivalents	-	-	-	-
51.	**Cash and cash equivalents at the end of the year (48. + 49. + 50.)**	**2,693**	**2,757**	**3,363**	**3,693**

The Cash flow statement is prepared in accordance with the CNB Decision on the Structure and Content of Annual Financial Statements for Banks.

The following tables provide reconciliation between statutory financial statements and supplementary schedules for CNB.

Cash flow statement reconciliation for the year ended 31 December 2025

(millions of euro)			BANK			GROUP
			31.12.2025			31.12.2025
Cash flows from operating activities	CNB schedules	per IFRS	Differences	CNB schedules	per IFRS	Differences
Profit/(loss) before tax	399	-	-399	471	-	-471
Net income (loss) (+/-)	-	334	334	-	384	384
Net losses/recoveries for credit risk (+/-)	-	-6	-6	-	14	14
Impairment losses	-4	-	4	13	-	-13
Net provisions for risks and charges and other costs/revenues (+/-)	-	7	7	-	-2	-2
(Gains)/losses from sale of tangible assets	-	-	-	-	-	-
Depreciation and amortisation	31	-	-31	45	-	-45
Adjustments to/net recoveries on property, equipment and intangible assets (+/-)	-	30	30	-	44	44
Unrealised (gains)/losses on securities at fair value through profit or loss	-66	-	66	-67	-	67
Gains/losses on financial assets held for trading and on other financial assets/ liabilities measured at fair value through profit and loss (-/+)	-	-1	-1	-	-3	-3
Gains/losses on hedging activities (-/+)	-	-1	-1	-	-1	-1
Taxes, duties and tax credits to be paid/collected(+/-)	-	65	65	-	87	87
Other gains/(losses)	1	-	-1	1	-	-1
	361	**428**	**67**	**463**	**523**	**60**
Decrease/(increase) in operating assets						
Deposits with banking institutions and loans to financial institutions	1,794	-	-1,794	1,943	-	-1,943
Loans to other clients	-913	-	913	-1,386	-	1,386
Financial assets at amortized cost	-	-900	-900	-	-1,536	-1,536
Financial assets measured at fair value through other comprehensive income	-	-535	-535	-	-571	-571
Securities and other financial instruments at FVOCI	-577	-	577	-573	-	573
Securities and other financial instruments held for trading	83	-	-83	84	-	-84
Financial assets held for trading	-	-16	-16	-	-22	-22
Securities and other financial instruments mandatorily at FVTPL	2	-	-2	3	-	-3
Securities and other financial instruments at amortised cost	-1,826	-	1,826	-2,095	-	2,095
Other assets/Other operating assets	-540	-90	450	-783	-61	722
Decrease/(increase) in operating assets	**-1,977**	**-1,541**	**436**	**-2,807**	**-2,190**	**617**
Increase/(decrease) in operating liabilities						
Financial institutions deposits	-114	-	114	250	-	-250
Financial liabilities measured at amortised cost	-	1,499	1,499	-	1,870	1,870
Other clients demand deposits	687	-	-687	950	-	-950
Other clients savings deposits	-132	-	132	-10	-	10
Other clients term deposits	326	-	-326	435	-	-435
Derivative financial liabilities and other liabilities held for trading	-19	-	19	-34	-	34
Other liabilities	25	-70	-95	-93	-105	-12
Increase/(decrease) in operating liabilities	**773**	**1,429**	**656**	**1,498**	**1,765**	**267**

Cash flow statement reconciliation for the year ended 31 December 2025 (continued)

(millions of euro)			BANK			GROUP
			31.12.2025			**31.12.2025**
	CNB schedules	per IFRS	Differences	CNB schedules	per IFRS	Differences
Interest received	548	-	-548	737	-	-737
Interest paid	-103	-	103	-119	-	119
Net cash inflow/(outflow) from operating activities before income taxes paid	**-398**	**316**	**714**	**-228**	**98**	**326**
Income tax paid	-92	-	92	-114	-	114
Net cash from/(used in) operating activities	**-490**	**316**	**806**	**-342**	**98**	**440**
Cash flows from investing activities						
Cash receipts from/(payments to acquire) tangible and intangible assets	-36	-	36	-51	-	51
Purchases of property and equipment	-	-17	-17	-	-21	-21
Purchases of intangible assets	-	-3	-3	-	-6	-6
Sales of property and equipment	-	-	-	-	-	-
Dividends received	42	-	-42	1	-	-1
Dividends collected on investments in associates and companies subject to joint control	-	42	42	-	1	1
Net cash (used in)/from investing activities	**6**	**22**	**16**	**-50**	**-26**	**24**
Cash flows from financing activities						
Net increase/(decrease) in received loans	791	-	-791	433	-	-433
Dividends paid	-371	-	371	-371	-	371
Dividend distribution and other	-	-371	-371	-	-371	-371
Net cash used in financing activities	**420**	**-371**	**-791**	**62**	**-371**	**-433**
Net decrease in cash and cash equivalents	**-64**	**-33**	**31**	**-330**	**-299**	**31**
Cash and cash equivalents as at 1 January	**2,757**	**2,757**	**-**	**3,693**	**3,693**	**-**
Cash and cash equivalents as at 31 December	**2,693**	**2,724**	**31**	**3,363**	**3,394**	**31**

Form "Statement of changes in equity"

	BANK (millions of euro)														**31.12.2025.**
		Capital	**Share premium**	**Equity instruments issued other than capital**	**Other equity**	**Accumulated other comprehensive income**	**Retained earnings**	**Revaluation reserves**	**Other reserves**	**(-) Treasury shares**	**Profit or (-) loss attributable to owners of the parent**	**(-) Interim dividends**	**Minority interest** Accumulated other comprehensive income	**Minority interest** Other items	**Total**
1.	**Opening balance 31.12.2024**	**244**	**183**	**-**	**-**	**21**	**1,520**	**-**	**22**	**-**	**437**	**-**	**-**	**-**	**2,427**
2.	Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	**Opening balance 01.01.2025. (1. + 2. + 3.)**	**244**	**183**	**-**	**-**	**21**	**1,520**	**-**	**22**	**-**	**437**	**-**	**-**	**-**	**2,427**
5.	Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.	Dividends	-	-	-	-	-	-371	-	-	-	-	-	-	-	-371
12.	Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.	Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.	Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.	Transfers among components of equity	-	-	-	-	-	371	-	-	-	-437	-	-	-	-66
17.	Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.	Other increase or (-) decrease in equity	-	-	-	-	-	65	-	-	-	-	-	-	-	65
20.	Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	334	-	-	-	334
21.	**Closing balance 31.12.2025. (from 4. to 20.)**	**244**	**183**	**-**	**-**	**21**	**1,585**	**-**	**22**	**-**	**334**	**-**	**-**	**-**	**2,389**

Form "Statement of changes in equity" (continued)

	BANK (millions of euro)	**Capital**	**Share premium**	**Equity instruments issued other than capital**	**Other equity**	**Accumulated other comprehensive income**	**Retained earnings**	**Revaluation reserves**	**Other reserves**	**(-) Treasury shares**	**Profit or (-) loss attributable to owners of the parent**	**(-) Interim dividends**	**Minority interest**		**Total**
													Accumulated other comprehensive income	Other items	**31.12.2024.**
1.	**Opening balance 31.12.2023**	**244**	**183**	**-**	**-**	**15**	**1,476**	**-**	**22**	**-**	**314**	**-**	**-**	**-**	**2,254**
2.	Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	**Opening balance 01.01.2024. (1. + 2. + 3.)**	**244**	**183**	**-**	**-**	**15**	**1,476**	**-**	**22**	**-**	**314**	**-**	**-**	**-**	**2,254**
5.	Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.	Dividends	-	-	-	-	-	-270	-	-	-	-	-	-	-	-270
12.	Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.	Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.	Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.	Transfers among components of equity	-	-	-	-	-	270	-	-	-	-314	-	-	-	-44
17.	Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.	Other increase or (-) decrease in equity	-	-	-	-	-	44	-	-	-	-	-	-	-	44
20.	Total comprehensive income for the year	-	-	-	-	6	-	-	-	-	437	-	-	-	443
21.	**Closing balance 31.12.2024. (from 4. to 20.)**	**244**	**183**	**-**	**-**	**21**	**1,520**	**-**	**22**	**-**	**437**	**-**	**-**	**-**	**2,427**

Form "Statement of changes in equity" (continued)

	GROUP (millions of euro)	Capital	Share premium	Equity instruments issued other than capital	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Minority interest: Accumulated other comprehensive income	Minority interest: Other items	31.12.2025. Total
1.	**Opening balance 31.12.2024**	**244**	**183**	-	-	**48**	**1,873**	-	**29**	-	**377**	-	**34**	**186**	**2,974**
2.	Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	**Opening balance 01.01.2025. (1. + 2. + 3.)**	**244**	**183**	-	-	**48**	**1,873**	-	**29**	-	**377**	-	**34**	**186**	**2,974**
5.	Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.	Dividends	-	-	-	-	-	-371	-	-	-	-	-	-	-	-371
12.	Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.	Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.	Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.	Transfers among components of equity	-	-	-	-	-	371	-	-	-	-377	-	-	-	-6
17.	Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.	Other increase or (-) decrease in equity	-	-	-	-	2	-2	-	7	-	-	-	-34	6	-21
20.	Total comprehensive income for the year	-	-	-	-	-3	-1	-	1	-	355	-	29	-	381
21.	**Closing balance 31.12.2025. (from 4. to 20.)**	**244**	**183**	-	-	**47**	**1,870**	-	**37**	-	**355**	-	**29**	**192**	**2,957**

Form "Statement of changes in equity" (continued)

	GROUP (millions of euro)	**Capital**	**Share premium**	**Equity instruments issued other than capital**	**Other equity**	**Accumulated other comprehensive income**	**Retained earnings**	**Revaluation reserves**	**Other reserves**	**(-) Treasury shares**	**Profit or (-) loss attributable to owners of the parent**	**(-) Interim dividends**	**Minority interest**		**31.12.2024. Total**
													Accumulated other comprehensive income	Other items	
1.	**Opening balance 31.12.2023**	**244**	**183**	**-**	**-**	**41**	**1,732**	**-**	**3**	**-**	**437**	**-**	**35**	**159**	**2,834**
2.	Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	**Opening balance 01.01.2024. (1. + 2. + 3.)**	**244**	**183**	**-**	**-**	**41**	**1,732**	**-**	**3**	**-**	**437**	**-**	**35**	**159**	**2,834**
5.	Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.	Dividends	-	-	-	-	-	-270	-	-	-	-	-	-	-	-270
12.	Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.	Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.	Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16.	Transfers among components of equity	-	-	-	-	-	270	-	-	-	-437	-	-	-	-167
17.	Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.	Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.	Other increase or (-) decrease in equity	-	-	-	-	-3	140	-	27	-	-	-	-35	27	156
20.	Total comprehensive income for the year	-	-	-	-	10	-	-	-	-	377	-	34	-	421
21.	**Closing balance 31.12.2024. (from 4. to 20.)**	**244**	**183**	**-**	**-**	**48**	**1,872**	**-**	**30**	**-**	**377**	**-**	**34**	**186**	**2,974**

The Statement of changes in equity form is prepared in accordance with the CNB Decision on the Structure and Content of Annual Financial Statements for Banks.

Main differences between statutory financial report and supplementary forms required by local regulation

The main differences between the Statement of changes in equity captions disclosed in the statutory financial statements, and those prescribed by the CNB Decision relate to the following categories:

- Capital loss from treasury share is disclosed as Share premium in CNB report, while in statutory financial statements is presented in Other reserves;
- Accumulated other comprehensive income in CNB report is in statutory financial statements presented as Valuation reserve.

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