



**Report in accordance with the Decision on disclosure of data and bank's information and Guidelines for disclosure of data and information of the bank related to the quality of assets**

**Adriatic Bank a.d. Beograd  
as of December 31, 2025**

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# 1. GENERAL INFORMATION

This Report has been prepared in accordance with the Decision on publishing data and information of the bank published in the Official Gazette No. 125/2014 and 4/2015 and 103/2016. and Guidelines for Disclosure of Bank Data and Information Related to Asset Quality.

The bank operates under the name Adriatic Bank a.d. Belgrade (hereinafter: the Bank). The Bank 's registered office is in Belgrade, Dalmatinska 22.

The document is mostly complementary to the Notes to the financial statements for 2025.

Responsible persons:

Djordje Lukic – President of the Executive Board

Marko Coric – Member of the Executive Board

Andrija Crnogorac – Member of the Executive Board

Marko Matic – Member of the Executive Board

## 2. BANK'S RISK MANAGEMENT STRATEGY AND POLICIES

The Risk Management Strategy and Policy of the Bank, the Bank defines a unique system for managing the risks to which it is exposed in its operations.

The Bank's business strategy is to develop its market share in Serbia, placing its products with clients, legal entities and individuals, without deviating from the adopted appetites for risks.

The main risks to which the Bank is exposed in its operations are:

- Credit risk
- Risk of exposure (concentration)
- Country risk
- Investment risk
- Market risks
- Liquidity risk
- Interest rate risk
- Operational risks
- Excessive leverage risk
- Other risks (settlement / delivery risk, counterparty risk, legal risk, business compliance risk, reputation risk, strategic risk, residual risk, information system risk, CVA risk and money laundering and terrorist financing risk, outsourcing risk, external factor risks etc.)

The subject of the Risk Management Policy are risks for the independent assessment of which the Risk Management Department is responsible, as well as the management of bad assets, which is under the jurisdiction of the Receivables Collection Department, and the details are regulated by special acts of the Bank.

Management of compliance risk, money laundering and terrorist financing risk, reputational risk, strategic risk and other risks are defined by special acts of the Bank.

Information system risk management is also regulated by special acts of the Bank in accordance with the Decision on minimum standards for information system management of a financial institution.

Credit risk is the possibility of negative effects on the financial result and capital of the bank due to non-fulfillment of the debtor's obligations to the bank.

Residual risk is the possibility of negative effects on the bank's financial result and capital due to the fact that credit risk mitigation techniques are less effective than expected or their application does not sufficiently reduce the risks to which the bank is exposed.

Dilution risk is the possibility of negative effects on the financial result and capital of the bank based on the reduction of the value of purchased receivables due to cash or non-cash liabilities of the previous creditor to the debtor.

Concentration risk is a risk that directly or indirectly arises from the bank's exposure to the same or similar source of risk or the same or similar type of risk.

Concentration risk relates to:

- large exposures (exposure of the bank to one person or group of related parties amounting to at least 10% of the bank's capital);
- groups of exposures with the same or similar risk factors, such as economic sectors, geographical areas, types of products, etc .;
- credit protection instruments, including maturity and currency mismatches between large exposures and credit protection instruments of those exposures.

The bank's exposure to one person is the total amount of receivables and off-balance sheet items related to that person or group of related parties (loans, investments in debt securities, equity investments and participations, issued guarantees and avals, etc.).

The investment risks of a bank include the risks of its investments in other legal entities and in fixed assets and investment property.

Country risk is the risk related to the country of origin of the person to whom the bank is exposed, ie the risk of possible negative effects on the bank's financial result and capital due to the bank's inability to collect receivables from this person due to political, economic or social circumstances, the country of origin of that person.

Country risk includes the following risks:

- political and economic risk, which means the possibility of incurring a loss due to the bank's inability to collect receivables due to restrictions set by acts of state and other authorities of the debtor's country of origin, as well as general and systemic circumstances in the country;
- transfer risk, which implies the possibility of incurring a loss due to the bank's inability to collect receivables denominated in a currency other than the official currency of the debtor's country of origin, due to restrictions on payment of obligations to creditors from other countries in certain currencies. countries of origin.

Settlement / delivery risk is the possibility of negative effects on the bank's financial result and capital based on outstanding transactions related to debt or equity securities (excluding repo and reverse repo agreements and securities lending and borrowing agreements) where there is a mismatch between the moment of payment and delivery or due to non-fulfillment of the obligation of the other contracting party for free delivery transactions on the agreed due date / delivery date.

Counterparty credit risk is the possibility of negative effects on the Bank's financial result and capital due to non-settlement of the counterparty's obligation in the transaction before the final settlement of the cash flows of the transaction, ie settlement of monetary obligations under that transaction.

Foreign exchange credit risk represents the probability that the Bank will suffer a loss due to non-performance of the debtor's obligations within the agreed deadlines, which arises due to the negative impact of the depreciation of the dinar exchange rate on the debtor's financial condition.

Operational risk is the risk of possible negative effects on the bank's financial result and capital due to unintentional and intentional omissions in the work of employees, inadequate internal procedures and processes, inadequate management of information and other systems in the bank, as well as unforeseen external events. Operational risk includes legal risk and does not include reputational and strategic.

Legal risk is the risk of possible negative effects on the financial result and capital of the Bank due to penalties and sanctions of the competent regulatory body or arising from litigation based on non-compliance with contractual and legal obligations.

Market risks are the possibility of negative effects on the financial result and capital of the bank based on changes in the value of balance sheet items and off-balance sheet items of the bank that occur due to market price movements.

Foreign exchange risk is the risk of negative effects on the financial result and capital of the Bank due to changes in the exchange rate, and the Bank is exposed to it due to items kept in the banking book and trading book.

Commodity risk is the risk of the possibility of negative effects on the financial result and capital of the bank based on losses within positions in commodities due to movements in commodity prices on the market.

Price risk represents the risk of the possibility of negative effects on the financial result and capital of the bank based on changes in the prices of securities that are allocated to the trading book.

Liquidity risk is the possibility of negative effects on the financial result and capital of the bank due to the inability of the bank to meet its due obligations, due to:

- withdrawal of existing sources of financing, ie inability to obtain new sources of financing (liquidity risk of sources of funds), or
- difficult conversion of assets into liquid assets due to market disturbances (market liquidity risk).

Interest rate risk is the risk of possible negative effects on the financial result and capital of the Bank based on positions in the banking book due to changes in interest rates.

The risk of compliance of the bank's operations is the possibility of negative effects on the financial result and capital of the bank due to failure to comply with the law and other regulations, business standards, procedures to prevent money laundering and terrorist financing and other procedures, as well as other acts governing banks, in particular, it covers the risk of regulatory sanctions, the risk of financial loss and reputational risk.

Money laundering and terrorist financing risk is the risk of possible negative effects on the bank's financial result, capital or reputation due to the bank's use (direct or indirect use of the bank's business relationship, transactions, services or products) for money laundering and / or terrorist financing. The risk of money laundering and terrorist financing arises especially as a consequence of failing to harmonize the bank's operations with the law, regulations and internal acts of the bank which regulate the prevention of money laundering and terrorist financing, ie as a consequence of mutual inconsistency of its internal acts.

Reputational risk is the possibility of negative effects on the bank's financial result and capital due to the loss of public confidence, ie the unfavorable public attitude towards the bank's operations, regardless of whether there is a basis for it or not.

Strategic risk is the possibility of negative effects on the financial result or capital of the bank due to the lack of appropriate policies and strategies, and their inadequate implementation, as well as due to changes in the environment in which the bank operates or lack of appropriate response to these changes.

Legal risk is the risk of negative effects on the bank's financial result and capital based on court or out-of-court proceedings related to the bank's operations.

The Bank defines its risk appetite through the following steps:

selection of key performance indicators (KPIs) that best reflect the current and future risk profile of the Bank;

defining preferences (target values) and tolerance (highest acceptable level).

The target value (appetite) represents the intended / desired level of risk. The bank actually believes that this level is the optimal level that should be in order to achieve specific business goals.

Risk Tolerance is defined as the most acceptable level of risk (limit) that the Bank is willing to take in order to achieve and implement its strategies and policies. In other words, the level of tolerance shows how much the Bank is ready to deviate from the defined risk appetite, in order to achieve the goals defined by the strategy and policies.

Exceeding the tolerance level, as a rule, means:

- corrective activities at the level of the Bank's Executive Board;
- simultaneous notification of the Board of Directors of the Bank and (if necessary, the NBS if it is a regulatory requirement);
- a comprehensive analysis of why there has been an increase in risk beyond tolerance levels;
- determining how to return the risk to the target value or at least within the defined tolerance.

The Bank adopts the RAS taking into account the best practices and recommendations for the given area, as well as the currently valid regulatory framework in the Republic of Serbia. The regulatory framework in particular includes the Bank's Risk Management Decision and other relevant NBS decisions.

The Executive Board of the Bank proposes to the Board of Directors of the Bank amendments to the RAS which is considered and adopted.

An overview of the risk appetite statement (RAS) is shown in the following table:

Risk Area	Key Risk Indicator	Level to be:	Appetite	Tolerance	31. 12. 2025.
Capital metrics	Common Equity Tier 1 ratio (CET1)	Above	12.94%	11.94%	24.92%
	Tier 1 ratio (T1)	Above	15.19%	14.19%	24.92%
	Total Capital ratio (TCR)	Above	18.16%	17.16%	24.92%
	Minimum requirement for eligible liabilities (MREL)	Above	6.84%	5.84%	14.24%
	Leverage ratio	Above	5%	4%	10.26%
Credit risk	NPL ratio	Below	5%	7%	3.85%
	NPL coverage by provisions	Above	100%	80%	87.13%
	Total NPL Coverage	Above	98%	90%	108.245%
	NPL coverage ratio	Above	60%	50%	50.36%
	Stage 2 coverage	Above	5%	4.5%	10.68%
	Stage 1 coverage	Above	1%	0.8%	0.84%
Concentration Risk	Top 10 borrowers' concentrations	Below	40%	50%	28.63%
	Single Name Concentration ratio	Below	22.00%	24.00%	21.83%
	Industry concentration ratio	Below	30%	40%	16.93%
	FX Loans concentration	Below	65%	70%	39.16%
Market Risk	FX Risk indicator	Below	15%	18%	11.25%
Liquidity Risk	Liquidity Coverage ratio (LCR)	Above	150%	120%	433.00%
	Net stable funding ratio (NSIF)	Above	120%	110%	235%
	Liquidity ratio (LIK)	Above	1.40	1.30	4.97
	Narrow liquidity ratio (narrow LIK)	Above	1.10	1.00	3.87
	Loan-to-deposit ratio (LTD gross)	Below	90%	100%	61.28%
	Top 10 depositors concentration	Below	30%	40%	23.99%
	Share of non-resident depositors concentration	Below	60%	80%	40.92%
Interest Rate Risk	EVE (Parallel shift 200bp)	Below	14%	14.5%	12.39%
	Delta NII	Below	4%	4.5%	1.09%
Operational Risk	Number of internal fraud cases	Below	0	1	0
	Operational risk losses ratio	Below	60.00%	90.00%	5.67%
ICT Risk	ICT availability and continuity	Above	98.5%	96.00%	99.00%
	Not detected virus events	Below	3	5	0
Compliance/AML	No. of justified complaints	Below	10	15	0
	No. of clients with temporary suspension of transactions by the Administration for the prevention of ML	Below	20	25	0

## 2.1 ORGANIZATION OF THE RISK MANAGEMENT FUNCTION

The implementation of the Risk Management Strategy is the responsibility of the competent bodies of the Bank and the organizational units that implement and participate in the risk management system as well as the organizational units that manage the Bank's bad assets.

The competencies of individual organizational units are regulated by the Rulebook on the organization and systematization of the Bank's operations. The Bank's Assembly, the Board of Directors, the Executive Board, the Bank's Business Monitoring Committee (Audit Committee), the Assets and Liabilities Management Committee (ALCO Committee) and the competent committees of the Bank that make decisions on approving the Bank's placements have competencies. Bank of Serbia, the Bank's Articles of Association and decisions of the Bank's Board of Directors.

### Assembly

- adopts the Bank's business policy and strategy, which define the Bank's business objectives for a period of at least the following three years;
- adopts the Bank's Articles of Association and approves amendments and supplements to the founding act and the Articles of Association of the Bank;
- adopts the Bank's financial statements and the external auditor's report on the audit of those financial statements, including the notes to the financial statements;
- decides on the use and allocation of generated profit, i.e. the coverage of losses;
- decides on increases in the Bank's capital, as well as on capital investments in another bank or other legal entities, on the amount of investments in the Bank's fixed assets and investment property, and on the acquisition of the Bank's own shares;
- appoints and dismisses the Chairman and members of the Bank's Board of Directors;

- determines the remuneration of the members of the Bank's Board of Directors;
- decides on the acquisition and disposal of high-value assets, i.e. assets whose market value at the time of the decision amounts to at least 30% of the book value of the assets shown in the latest annual balance sheet;
- reviews written information containing detailed data on all salaries, fees, and other compensation of the members of the Bank's Board of Directors and Executive Board, as well as on all agreements between the Bank and members of those boards and other persons connected with such members that result in financial benefit for those persons, together with the proposal of the Bank's Board of Directors regarding the salaries, fees, and other financial benefits of those persons for the following year;
- decides on status changes and on the termination of the Bank's operations;
- appoints and dismisses the external auditor;
- adopts the rules of procedure for its work and decides on other matters in accordance with the law and the Bank's Articles of Association.

#### *Board of directors*

- convenes meetings of the Bank's Shareholders' Assembly;
- prepares draft resolutions for the Bank's Shareholders' Assembly and is responsible for the implementation of those resolutions;
- adopts the proposed business policy and strategy of the Bank and submits them to the Bank's Shareholders' Assembly for adoption;
- adopts the risk management strategy and policy, as well as the Bank's capital management strategy and plan;
- determines the Bank's general terms and conditions of business, as well as any amendments and supplements thereto;
- appoints and dismisses the Chairman and members of the Executive Board of the Bank;
- appoints and dismisses members of the Bank's Business Monitoring Committee (Audit Committee), Credit Committee, and Assets and Liabilities Management Committee;
- determines the amounts up to which the Executive Board of the Bank may decide on placements and borrowings of the Bank, and decides on placements and borrowings exceeding those amounts;
- grants prior approval for the Bank's exposure to any individual person or group of related persons exceeding 10% of the Bank's capital, or for increasing such exposure beyond 20% of the Bank's capital;
- supervises the work of the Executive Board of the Bank;
- establishes the system of internal controls and supervises its effectiveness;
- adopts the compliance risk management plan (identification and assessment of major risks together with the compliance monitoring program, which particularly includes the methodology of the relevant organizational unit, the manner and deadlines for preparing reports, the method of verifying compliance, as well as the training plan for employees responsible for monitoring the Bank's compliance);
- adopts the program and plan of the Bank's internal audit and the methodology of its work;
- reviews the reports of external and internal audit on the results of performed audits, reports on the activities and work of internal audit, as well as reports on the activities of the compliance control function, and approves the annual report on the adequacy of risk management and internal controls of the Bank;
- reviews the findings and recommendations contained in the external auditor's management letter and ensures monitoring of the Bank's actions in accordance with such findings and recommendations;
- adopts the quarterly and annual reports of the Executive Board on the Bank's operations, including quarterly risk management reports, and submits the adopted financial statements to the Shareholders' Assembly for final approval;
- adopts rules of procedure governing its work and the work of the Bank's Business Monitoring Committee (Audit Committee), Credit Committee, and Assets and Liabilities Management Committee;
- adopts the Bank's recovery plan;
- informs the National Bank of Serbia and other competent authorities of identified irregularities;
- determines the Bank's internal organization, i.e. organizational structure, ensuring a division of powers, duties, and responsibilities among employees, members of management bodies, and other persons in managerial positions within the Bank, in a manner that prevents conflicts of

interest and ensures a transparent and documented decision-making and implementation process;

- adopts the policy on salaries and other compensation of the Bank's employees;
- prepares proposals for the allocation of net profit and submits them to the Shareholders' Assembly for approval;
- prepares and submits to the National Bank of Serbia an annual report on the total number and venues of meetings of the Board of Directors;
- adopts the report on the inventory of assets and sources of assets;
- upon proposal of the Executive Board of the Bank, adopts decisions on the write-off of fixed assets and the write-off of doubtful and disputed receivables, provided that the Board of Directors may delegate part of these powers, up to a limit determined by a separate resolution of the Board of Directors, to the Executive Board;
- proposes to the Shareholders' Assembly the amount of investments in fixed assets for the Bank's needs and investment property, as well as the sale of fixed assets of significant value (real estate owned by the Bank);
- upon proposal of the Executive Board, decides on the purchase and sale of fixed assets and investment property within the amount determined by the Shareholders' Assembly, provided that such assets by their value do not fall within the competence of the Shareholders' Assembly, i.e. do not constitute high-value assets in accordance with Article 26 of the Articles of Association;
- adopts decisions on the transfer and/or sale of the Bank's receivables, with the possibility of delegating part of these powers to the Executive Board by a separate resolution;
- performs other activities in accordance with the Bank's Articles of Association.

Members of the Bank's Board of Directors are responsible for the above activities as well as decisions made in risk management, as well as for the accuracy of all reports on operations, financial condition and results of operations of the Bank sent to the Bank's shareholders, the public and the National Bank of Serbia.

#### *Executive Board*

- implements the decisions of the Bank's Shareholders' Assembly and the Board of Directors of the Bank;
- proposes to the Board of Directors the Bank's business policy and strategy, as well as the risk management strategy and policy and the Bank's capital management strategy and plan;
- decides on the Bank's placements and borrowings up to the amount determined by the Board of Directors of the Bank;
- decides, subject to the prior approval of the Board of Directors, on each increase in the Bank's exposure to a person connected with the Bank and informs the Board of Directors thereof;
- implements the Bank's business policy and strategy by adopting appropriate business decisions;
- implements the risk management strategy and policies, as well as the Bank's capital management strategy and plan, by adopting procedures for risk management, i.e. for identifying, measuring, and assessing risks, ensuring their implementation, and reporting to the Board of Directors regarding such activities;
- analyzes the risk management system and reports to the Board of Directors at least quarterly on the level of risk exposure and risk management;
- reviews reports on the activities of the compliance control function;
- adopts rules of procedure governing its work;
- ensures that all employees are familiar with regulations and other acts of the Bank governing their work duties;
- ensures the security and regular monitoring of the Bank's information technology systems and treasury operations;
- decides on the Bank's participation in reorganization proceedings and other proceedings involving companies that are debtors of the Bank;
- implements decisions of the Board of Directors relating to the establishment, merger, acquisition, and termination of the Bank's organizational units;
- appoints and dismisses the director of a company founded by the Bank, determines salary scales for positions, and decides on other matters relating to employment relations of employees and the operations of such company, as well as on other matters within the

- competence of the founder's body, unless any such matter falls within the competence of another founder's body;
- informs the Board of Directors of all actions that are not in compliance with regulations and other acts of the Bank;
  - organizes and manages the work of employees of the Bank and adopts acts on job classification and assignment of direct executors;
  - appoints and dismisses employees holding positions with special powers and responsibilities and determines their salaries;
  - proposes to the Board of Directors the adoption of decisions on the procurement, purchase, and sale of fixed assets and investment property whose value at the time of purchase and/or sale does not fall within the decision-making competence of the Shareholders' Assembly;
  - enters into employment contracts with all employees of the Bank;
  - decides in the first instance on employment-related rights of the Bank's employees;
  - at least once during each business quarter, submits to the Board of Directors an overview of business activities, the balance sheet, and the income statement of the Bank;
  - promptly informs the Board of Directors and the National Bank of Serbia of any deterioration in the Bank's financial condition or the existence of a risk of such deterioration, as well as of any other facts that may significantly affect the Bank's financial condition;
  - adopts the Decision on Interest Rates, as well as all decisions on amendments thereto;
  - within the limits determined by the decision of the Board of Directors, adopts decisions on the write-off of fixed assets and doubtful and disputed receivables proposed by the Bank's competent bodies responsible for preparing such proposals, including proposals of the Commission for Inventory and Valuation of the Bank's fixed assets and receivables;
  - in accordance with the decision of the Board of Directors, adopts decisions on the transfer and/or sale of the Bank's receivables;
  - decides on all matters that do not fall within the competence of the Bank's Shareholders' Assembly or the Board of Directors.

#### *Bank Monitoring Committee (Audit Committee)*

- analyzes the annual reports and other financial reports of the Bank that are submitted to the Board of Directors of the Bank for consideration and adoption;
- analyzes and adopts proposals of strategies and policies of the Bank related to risk management and the system of internal controls, which are submitted to the Board of Directors of the Bank for consideration and adoption;
- analyzes and monitors the implementation and adequate implementation of adopted strategies and policies for risk management and implementation of internal control systems;
- report at least once a month to the Board of Directors on its activities and identified irregularities, as well as to propose ways to eliminate these irregularities, ie improve policies and procedures for risk management and implementation of internal control systems;
- at the proposal of the Board of Directors or the Executive Board of the Bank or the external auditor of the Bank, evaluates the investments and activities of the Bank.

#### *Assets and Liabilities Management Committee*

- analyzes and monitors the Bank's balance sheet on a monthly basis from the point of view of security:
- maturity matching of assets and liabilities,
- liquidity and solvency,
- business security and profitability and
- monitors monthly developments in the Bank's balance sheet and income statement and proposes measures to increase the Bank's profitability:
- interest rate, commission and fee policies of the Bank,
- protection of the Bank from market risks (interest rate and currency risk);
- analyzes the quality of the Bank's assets from the point of view of collectability of loans and interest and proposes to the Executive Board of the Bank solutions and necessary measures to improve the quality of assets;
- analyzes changes in the liabilities of the Bank's balance sheet and proposes to the Executive Board of the Bank solutions and necessary measures to improve the quality of liabilities, from the point of view of:
- volume of deposits,

- the need for recapitalization, i.e. issue of the Bank's shares,
- justification of the issue of long-term and short-term securities of the Bank;
- monitors the indicators of early warning of the threat to the activities and financial position of the Bank and in accordance with the defined steps in the Recovery Plan, reports the Executive Board of the Bank
- considers the new development plans of the Bank and their impact on the balance sheet, ie assets and liabilities of the Bank;
- considers the implementation of the Bank's annual plans;
- submits to the Executive Board of the Bank reports on the balance and changes in assets and liabilities and proposes measures and activities for adjusting the maturity structure, maintaining liquidity, risk management, increasing profitability and other reports.

#### *Credit Committee*

- responsible for making decisions on approving all types of dinar and foreign currency loans, guarantees, letters of credit and other forms of collateral, based on the Bank's internal acts, within the prescribed decision limits, and in accordance with the Law on Banks and decisions of the National Bank of Serbia;
- submits monthly reports to the Executive Board on:
  - volume of approved loans,
  - the amount of approved loans,
  - other reports related to the work of the Credit Committee.
- performs other tasks as ordered by the Executive Board of the Bank.

*Risk management function*, an independent business function responsible for risk management, which:

- proposes to the Executive and Management Boards a risk management strategy and policy;
- proposes to the Executive Board risk management procedures;
- develops models and methodologies for identifying, measuring, mitigating, monitoring and controlling risks;
- monitors, identifies, measures, assesses the Bank's exposure to risks in accordance with regulatory requirements and internal acts, including monitoring of bad assets and limits defined by the Recovery Plan;
- reports to the competent bodies of the Bank on risk management, in accordance with the procedures for regular reporting of the Bank's bodies on risk management.

*The function of controlling the compliance of business* is in charge of:

- identification and monitoring of the bank's compliance risk and for the management of that risk, which in particular includes the risk of regulatory sanctions and financial losses, as well as reputational risk;
- at least once a year identifies and assesses the main compliance risks of the Bank's operations and proposes plans for managing those risks, on which it prepares a Report which is submitted to the Executive Board and the Bank's Monitoring Committee;

*The function of the risk of money laundering and terrorist financing* is in charge of:

- identification and monitoring of money laundering and terrorist financing risks in order to minimize negative effects on the bank's financial result, capital or reputation. It shall assess the Bank's exposure to this risk at least once a year and, if necessary, more frequently, and shall inform the Bank's Executive Board thereof.

#### *Internal audit function*

- provides the Board of Directors of the Bank with an independent and objective opinion on matters subject to audit;
- performs advisory activities aimed at improving the existing system of internal controls and operations of the Bank;
- applying a systematic, disciplined and documented approach to evaluating and improving the existing way of risk management, control and process management, assists the Bank's Board of Directors in achieving its goals;

- assesses the adequacy and reliability of the Bank's internal control system and the Bank's compliance function;
- ensures that risks are appropriately identified and controlled;
- identifies weaknesses in the operations of the Bank and its employees, as well as cases of non-fulfillment of obligations and exceeding of authority and prepares proposals for eliminating these weaknesses, as well as recommendations for their prevention;
- regularly prepares reports on internal audit activities and submits them to the Bank's Board of Directors, as well as to the Bank's Business Monitoring Committee.

#### *Bad asset management function*

- proposes to the Executive Board procedures for managing bad assets;
- implements activities, authorities and responsibilities related to early identification of potential problematic facilities
- precisely defines the activities, powers and responsibilities related to communication with debtors belonging to the portfolio of problem claims;
- undertakes activities and measures, and harmonizes the dynamics of their implementation, depending on the assessment of the debtor's capacity to settle liabilities to the bank, ie the assessment of the financial condition / creditworthiness of the debtor / credit protection provider and the number of days late in settling the debtor's liabilities;
- reports to the competent body of the bank (Commission for monitoring the collection of receivables) on the efficiency and effectiveness of the implementation of collection activities and measures for the management of bad assets (including the explanation of the choice of certain measures).

This function is divided into an organizational part whose responsibility is to take risks when it comes to early detection of potential problematic facilities and an organizational part whose responsibility is to monitor and collect problematic receivables or manage bad assets.

Objectives of the Bank's risk management system:

- maintaining the Bank's risk profile at the level of the Bank's predetermined risk appetite;
- ensuring the stability of the Bank and maximizing the return / risk ratio for the Bank;
- ensuring a sufficient level of regulatory capital in accordance with the Bank's risk appetite, and redistribution of residual capital in accordance with the risks assumed by the Bank;
- adequate reporting to the competent bodies of the Bank on risk management in the Bank;
- developing the necessary systems / infrastructure / methodologies for risk identification.

The basic principles of risk management are as follows:

- the existence of specially defined processes for managing all types of risks to which the Bank is exposed in its operations;
- clearly defining the competencies and responsibilities of all organizational units involved in the risk management system;
- clear organizational separation of basic functions within the risk management system: risk-taking functions, independent risk assessment functions, decision-making functions, support functions, collection functions, reporting functions and independent control and supervision functions;
- parallel and synchronized application of regulatory and internally defined risk management limits;
- implementation of adequate procedures for identification, assessment, monitoring, mitigation and control of risks, as well as setting up an adequate system for reporting on risk management.

The following subsystems are regulated within the Bank's comprehensive risk management system:

- credit risk management
- market risk management (trading book risks and foreign exchange risk),
- liquidity risk management,
- interest rate risk management,
- operational risk management,
- risk management in the process of introducing new products and services,

- risk management arising from the engagement of external associates (outsourcing)
- calculation of capital adequacy,
- internal controls of the risk management system
- management of the Bank's non-performing assets

Through specially adopted documents, the Bank's organizational structure, the Rulebook on systematization and organization of jobs, the categorization of the Bank's business, the List of managerial positions, etc. established an appropriate organizational structure adapted to the needs of the risk management system, ie the needs of managing all risks to which the Bank is exposed in its operations.

## 2.2 COVERAGE AND CHARACTERISTICS OF THE RISK REPORTING SYSTEM, AND METHOD OF MEASUREMENT AND RISK MITIGATION TECHNIQUES

The Bank reports on all types of risks: credit risk, including residual risk, impairment risk, settlement / delivery risk, as well as counterparty risk, concentration risk, which includes the risk of the Bank's exposure to one person or group of related parties, investment risk , country risk, market risks, which include interest rate, foreign exchange and other market risks, operational risk, liquidity risk, compliance risk of the Bank, strategic risk and other risks, in accordance with NBS decisions, internal policies and procedures, etc.

### 2.2.1. CREDIT RISK MANAGEMENT

Credit risk management is based on the application of NBS regulations in the field of credit risk management: Decision on risk management, Decision on classification of on-balance sheet assets and off-balance sheet items and Decision on capital adequacy.

The credit risk management process defines the organizational parts and bodies of the Bank that are responsible for taking over, independent assessment, decision-making, support, collection, and independent control and supervision within the credit risk management process at the level of individual placements.

Organizational parts of the Bank responsible for taking credit risk at the level of individual placements:

- Corporate Department,
- Retail and SME Department
- Banks and other financial institutions - Asset Management Division.

The organizational part of the Bank responsible for independent credit risk assessment at the level of individual placements is:

- Credit Applications Assessment Unit

The organizational part of the Bank responsible for independent assessment and credit risk management at the portfolio level is:

- Risk Management Department

The bodies of the Bank responsible for deciding on the approval of placements and the limits for deciding on the approval of placements are defined by a special decision of the Board of Directors of the Bank.

Organizational parts of the Bank in the function of supporting the credit risk management process of individual placements:

- Human Resources Department,
- Legal Department,

- Back Office Department,
- Information Systems & Infrastructure Department,
- Financial control Department

Monitoring and collection of problematic receivables, ie management of bad assets is organized within the Sector for collection of receivables, which consists of two departments, namely the Department for collection of receivables of private individuals and the Department for collection of receivables of legal entities and monitoring of collateral and sales.

Organizational parts of the Bank in the function of independent control and supervision over the risk management system:

- Internal Audit,
- Compliance Department
- Anti-Money Laundering & Prevention of Financing of Terrorism Unit

The following participate in credit risk management at the level of the Bank's portfolio:

- Executive and Management Board of the Bank
- Risk Management Department
- all organizational units of the Bank in whose competence are tasks related to approval and monitoring facilities

By monitoring and identifying credit risks at the portfolio level, the Bank, by analyzing the structure and characteristics of the portfolio, timely identifies factors that may lead to an increase in credit risk.

Identification of credit risk at the level of the Bank's portfolio is performed for legal entities and individuals through the internal rating system on a scale from 1 to 10; for banks based on an external credit rating or the rating of the country in which the parent bank has its registered office.

Internal reporting and external reporting according to the regulatory approach are carried out in the Financial Control Sector and in the Risk Management Sector.

Credit risk monitoring, a group of placements with similar characteristics in terms of credit risk, is conducted by monitoring the portfolio as a whole and by individual segments. Monitoring at the Bank level is carried out in the Risk Management Department with the participation of other competent organizational units of the Bank.

Internal reporting related to credit risks covers the following areas:

- portfolio quality - portfolio quality reports contain detailed descriptions of the portfolio structure and focus on key indicators of the Bank's portfolio quality, based on which suggestions/opinions are given about potential future effects and steps to be taken in order to improve the Bank's operations
- Large Debtors - The analysis of large engagements focuses on significant concentrations towards specific clients, as well as regulatory compliance; monitors exposure to economic sectors
- indicators of early warning signals about threatened activities and financial position of the Bank, defined by the Recovery Plan
- monitoring of the established key indicators that reflect the risk profile (RAF) through the established risk tolerance and risk tolerance limits (RAS)

The Risk Management Department informs the Executive Board and the Management Board on a monthly basis on the quality of the portfolio, proposing measures for protection against increased credit risk.

As of December 31, 2025, the bank's portfolio has the following structure:

**Table: Structure of the distribution of exposures based on the remaining maturity**

in 000 RSD

Exposure class	in 000 RSD				
	up to a month	up to three months	up to a year	up to five years	over five years
1. State and central bank	6,856,125	0	0	4,263,394	6,798,591
2. Banks	8,856,356	0	46,913	0	0
3. Equity investments	374	0	0	0	0
4. Public administrative bodies	11,130	0	0	0	0
5. Exposures secured by mortgages on rea	35,333	86,562	580,355	2,859,018	2,470,028
6. Companies	870,163	488,602	2,549,831	5,114,550	1,555,960
7. Overdue receivables	213,988	707	21,749	148,814	136,379
8. Individuals	964,074	9,424	51,171	130,561	124,093
9. Other exposures	1,114,079	0	17,424	11,743,827	1,823,014
<b>Total</b>	<b>18,921,624</b>	<b>585,296</b>	<b>3,267,442</b>	<b>24,260,163</b>	<b>12,908,064</b>

**Table: Exposure distribution structure by classification categories**

in 000 RSD

Classification category	Total on-balance sheet assets and off-balance sheet items that are classified	Impairment of balance sheet assets and provisions for off-balance sheet item losses	Total on-balance sheet assets and off-balance sheet items that are not classified	Total book value of on-balance sheet assets and off-balance sheet items *
A	17,686,044	81,084		
B	7,938,490	67,229		
V	3,282,409	29,574		
G	2,275,806	59,097		
D	1,055,475	209,265		
<b>Ukupno</b>	<b>32,238,224</b>	<b>446,249</b>	<b>28,327,131</b>	<b>60,565,355</b>

More details on the loan portfolio were presented by the bank in Part 9.

## 2.2.2. CREDIT RISK MITIGATION TECHNIQUES

The Bank adjusts credit risk weighted assets for the effects of the use of collateral in the form of financial assets by applying a simple method if the conditions for recognition of a credit protection instrument are met, in accordance with the provisions of the Decision on Bank Adequacy.

Eligible collateral in the form of financial assets are cash and cash equivalents deposited with a bank, debt securities, shares or convertible bonds, gold, balance sheet netting.

The bank may use guarantees / guarantees as eligible instruments of intangible credit protection, if the provider of intangible credit protection is eligible in accordance with the provisions of the Decision on the capital adequacy of the bank.

Valuation and management of credit protection instruments are defined by the Bank in an internal act - Methodology for calculation of capital requirements for credit risk and other counterparties.

**Table: Structure of exposure distribution before and after the use of credit protection**

in 000 RSD

Exposure class	Gross exposure	Value adjustment, provisions and required reserve	Net exposure	Non-material credit protection instruments	Material credit protection instruments (simple method)	Effects of application of credit protection instruments	Net exposure after application of credit protection instruments
1. State and central bank	17,918,109	10,845	17,907,264			165	17,907,429
2. Banks	8,903,269	35,245	8,868,024				8,868,024
3. Equity investments	374	1	373				373
4. Public administrative bodies	11,130	14	11,116				11,116
5. Exposures secured by mortgages on real estate	6,031,296	89,686	5,941,610		53,245		5,888,365
6. Companies	10,579,105	81,899	10,497,206	111	1,030,832		9,466,263
7. Overdue receivables	521,637	216,231	305,406				305,406
8. Individuals	1,279,324	12,037	1,267,287	54	21,853		1,245,380
9. Other exposures	14,698,344	749,628	13,948,716			1,105,929	15,054,645
<b>Total</b>	<b>59,942,588</b>	<b>1,195,586</b>	<b>58,747,002</b>		<b>1,105,930</b>	<b>1,106,094</b>	<b>58,747,001</b>

### 2.2.3. LIQUIDITY RISK MANAGEMENT

Liquidity risk implies the risk of negative effects on the bank's financial result and capital due to the bank's inability to meet its due obligations due to withdrawal of existing sources of financing, ie inability to obtain new sources of financing (liquidity risk of sources of funds) and difficult conversion of assets into liquid assets. due to market disturbances (market liquidity risk).

The level of the bank's liquidity is expressed by the liquidity ratio, which represents the ratio of the sum of the Bank's first and second tier liquid receivables, on the one hand, and the sum of the Bank's demand liabilities, without agreed maturity and the Bank's liabilities, on the other hand.

The Bank adopted the act "Liquidity Risk Management" which defines in more detail the liquidity risk management system to which the Bank is exposed in its operations, as well as techniques for measuring / assessing liquidity risk:

- analysis of regulatory liquidity reports,
- GAP liquidity analysis - which monitors the Bank's liquidity by significant currencies
- monitoring the liquidity coverage ratio (LCR) and net stable funding sources (NSFR),
- development of stress tests that monitor the effects of different scenarios on liquidity trends,
- analysis of the impact of the introduction of a new product on liquidity risk,
- preparation of the Bank's Business Plan in case of unforeseen events as well as the Bank's Recovery Plan.

The competent authorities of the Bank have also adopted the Methodology for the development of the GAP liquidity, as well as the appropriate internal limits that are continuously monitored and analyzed. The Risk Management Division monitors regulatory and internally defined indicators on monthly basis, which is reported by the Bank's Executive Board, the ALCO Board.

### 2.2.4. INTEREST RATE RISK MANAGEMENT

The Bank manages interest rate risk in accordance with the act "Interest Rate Risk Management" which defines the system and methodologies of interest rate risk management, competencies and responsibilities of system participants, but also controls that are undertaken in order to operate the system as efficiently as possible.

The subject of interest rate risk management is all positions in the banking book that may cause a negative effect on the Bank's result and capital due to changes in interest rates.

In order to manage interest rate risk exposure, the Bank uses the GAP interest rate methodology. Internal limits are defined by the Decision of the competent bodies of the Bank, they are regularly monitored and analyzed. The Risk Management Department informs the ALCO Board and the Bank's Executive Board on a monthly basis.

As an integral part of the interest rate risk assessment, the Bank conducts stress tests of the effects of changes in interest rates. In determining the exposure to interest rate risk in the banking book and the limit of this risk, the Bank assesses the effects of interest rate changes on the financial result of the bank (income statement), as well as on the economic value of the bank, applying the test - standard interest rate shock is exposed.

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#### 2.2.5. MARKET RISK MANAGEMENT

Market risks represent the possibility of negative effects on the bank's financial result and capital based on changes in the value of balance sheet items and off-balance sheet items of the bank that arise due to market price movements.

Market risks include foreign exchange risk, price risk on the basis of debt securities and on the basis of equity securities and commodity risk:

- Based on daily reports on the bank's foreign exchange risk indicator, stress tests and analysis of the impact of the introduction of new products on the bank's foreign exchange risk, exposure to foreign exchange risk is regularly monitored and assessed.
- Monitoring of price risk based on investments in securities is defined by the act "Risk management of investments in financial instruments" which monitors investments both at the individual level and at the level of the portfolio of financial instruments. The subject act defines the monitoring of settlement / delivery risk, counterparty risk but also price risk.
- The Bank does not invest in commodities so it is not exposed to commodity risk.

The Risk Management Division monitors the regulatory-defined indicator as well as internally defined limits on a monthly basis, which is reported by the Bank's Executive Board and ALCO Board.

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#### 2.2.6. OPERATIONAL RISK MANAGEMENT

The Bank's operational risk management structure is based on the "three levels of defense" model, ie:

- The first level of defense includes all organizational units of the Bank, each of which is directly responsible for controlling and minimizing operational risk within its business activities in accordance with the standards and procedures of the Bank.
- The second level of defense includes the Risk Management Division, which develops and provides methodologies, tools and guidelines related to operational risk management, which will be applied at the level of all organizational units for the purposes of operational risk management.
- The third level of defense is Internal Audit, which is responsible for ensuring at an independent level that operational risk management is effective, appropriate and fully implemented.

The subject of operational risk management is aimed at identifying critical processes and types of operational risks arising from these processes, regardless of whether the processes are periodic or frequent, manual or automated, related to products, communication, systems or people.

The Risk Management Department establishes mechanisms for the proper application and implementation of methodologies, calculation of capital requirements for operational risk, measurement and control of risk through the risk self-assessment and control (RCSA) process and monitoring of key risk indicators (KRI), as well as the use of IT applications for operational risk management.

By analyzing the results of these components of operational risk, an attempt is made to define procedures and actions that will achieve the minimization of costs caused by operational risk.

Operational risk management also considers the risks arising from the introduction of new products as well as the risks arising from activities entrusted by the Bank to third parties. The subtypes of operational risk are legal risk and IS risk.

The Risk Management Department informs the Executive Board of the Bank on a weekly, monthly and quarterly basis, and in case of extreme events immediately after their occurrence and National Bank of Serbia as well.

### 3. BANK'S CAPITAL

The Bank adopts the Capital Management Strategy and Plan (hereinafter: the Strategy) in order to provide such a level and structure of capital and available internal capital that can support the expected growth of placements, future sources of funds and their use, dividend policy and any changes in the minimum amount of capital. prescribed by the Decision on Capital Adequacy.

The main goal of the Bank is to maintain at all times a strong capital base that will enable it to:

- compliance with regulatory requirements set by the National Bank of Serbia;
- maintaining the ability to continue its business on a going concern basis;
- support business development and maintain flexibility in order to capitalize on potential business opportunities
- increase market share and ensure financial stability;

The Bank continuously manages capital, especially through:

1. Prescribed limits
2. Monitoring and reporting
3. Capital planning
4. ICAAP
5. Capital management measures

#### 3.1. LIMITS

The bank sets limits in terms of the absolute amount of capital and relative to the risk assets (where the bank distinguishes between regulatory / binding limits and internal limits or early warning limits). During the monitoring, the bank is obliged to report to the management if the bank approaches the internally prescribed limits.

The bank is not designated as a systemically significant bank, and it is not necessary to calculate the protective layers of capital for a systemically significant bank and a globally systemically significant bank.

#### 3.2. MONITORING AND REPORTING

Finance Department reports on a monthly basis to the Assets and Liabilities Management Committee on the amount and changes in the amount of regulatory capital, risk assets and the Bank's capital adequacy ratio.

Finance Department prepares capital adequacy projections for the remaining months of the current year as needed (depending on the actual level of capital adequacy). They are handed over to management in order to ensure that the Bank is in a position to achieve its objectives and regulatory capital adequacy ratio. As a result, the Bank's Capital Plan may be adjusted.

#### 3.3. CAPITAL PLANNING

In order to ensure the optimal level of capital in the medium and long term, the Bank conducts capital planning. Capital planning is done within the Finance Department. In capital planning, the Bank should cover a minimum of three years.

Once a year, the Finance Department prepares the Capital Plan on the basis of the appropriate Business Plan, which is approved by the Board of Directors. The Business Plan and the Capital Plan adequately cover the projected volume growth for loans and deposits, results and corresponding ratios, as well as future sources of financing and their use.

### 3.4. ICAAP

The bank is obliged to carry out the process of internal capital adequacy assessment (ICAAP), ie to determine the total internal capital requirements in accordance with its risk profile, as well as to determine the available internal capital and perform its distribution.

The Bank regulates this issue in more detail by an act of the Internal Capital Adequacy Assessment Process, and in accordance with the adopted risk management framework, ie the Risk Management Strategy, ie risk management policies. The process defined by it is based on the process of identification and measurement, ie risk assessment, whereby the Bank analyzes all risks to which it is exposed or may be exposed on the basis of operations. The act defines the manner of determining materially significant risks, as well as the manner of calculating internal capital requirements for those risks.

### 3.5. MEASURES

The Bank can implement two types of measures in order to improve capital adequacy: measures to reduce total capital requirements and measures to increase capital. When evaluating the options that will be used, the following criteria are taken into account:

- scope, i.e. the size of the change resulting from the exercise of the option;
- time/availability – the time frame for the implementation of the option must correspond to the urgency of the situation, and the option must be available;
- cost – the options will be compared according to the estimated cost;
- disruption of current operations – the implications for the Bank's operations are taken into account;
- reputation - the perception of the implemented options by the media, investors and key shareholders is taken into account.

## Data on Bank Capital

(RSD thousand)

No	Item	Amount
<b>Common Equity Tier 1: elements</b>		
1	CET1 capital instruments and the related share premium accounts	3,065,958
1.1.	<i>of which: shares and other capital instruments which fulfil the requirements as laid out in Section 8 of the DCA</i>	3,065,958
1.2.	<i>of which: relevant share premium with the instruments referred to in item 1.1, i.e. the amount paid above par value of those instruments</i>	
2	Profit from preceding years free of any future liabilities, to be allocated to CET 1 capital according to the decision of the bank's assembly	
3	Profit of the current year or profit from the preceding year which the bank's assembly still has not decided to allocate in CET 1 capital which fulfil the requirements as laid out in Section 10, paras 2 and 3 on inclusion into CET 1 capital	1,706,942
4	Revaluation reserves and other unrealised losses	332,045
5	Reserves from profit and other bank reserves, except for reserves for general banking risks	1,200,754
6	Reserves for general banking risks	
7	Non-controlling participations (minority interests) allowed in CET1**	
8	<b>Common Equity Tier 1 capital before regulatory adjustments and deductibles (sum of rows from 1 to 7)</b>	<b>4,598,757</b>
<b>Common Equity Tier 1 capital: regulatory adjustments and deductibles</b>		
9	Additional value adjustments (-)	-6,688
10	Intangible assets, including goodwill (net of deferred tax liabilities) (-)	-164,404
11	Deferred tax assets that rely on future profitability of the bank, excluding those arising from temporary differences (net of related deferred tax liability where the conditions referred to in Section 14, paragraph 1 of the DCA are met)	
12	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, including projected cash flows	
13	IRB Approach: Negative amount of difference resulting from the calculation in accordance with Section 134 of the DCA (-)	
14	Any increase in equity that results from securitisation exposures (-)	
15	Gains or losses on bank's liabilities valued at fair value resulting from changes in own credit standing	
16	Defined benefit pension fund assets on the balance sheet of the bank(-)	
17	Direct, indirect and synthetic holdings by a bank of own Common Equity Tier 1 instruments, including own CET 1 instruments that a bank is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation (-)	
18	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the bank, designed to inflate artificially the capital of the bank (-)	
19	Applicable amount of direct, indirect and synthetic holdings by the bank of the CET1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	
20	Applicable amount of direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities (-)	
21	Exposure amount of the following items which qualify for a risk weight of 1.250%, where the bank deducts that exposure amount from the amount of CET1 items as an alternative to applying a risk weight of 1.250%	
21.1.	<i>of which: holdings in entities outside the financial sector in the amount of over 10% of capital of those entities, i.e. holdings that allow exerting a significant impact on managing of a legal entity or on the business policy of that legal entity (-)</i>	
21.2.	<i>of which: securitisation positions (-)</i>	
21.3.	<i>of which: free deliveries (-)</i>	
22	Deferred tax assets that rely on the bank's future profitability arising from temporary differences (amount above 10% of bank's CET1 capital referred to in Section 21, paragraph 2, reduced by the amount of related tax liabilities where the requirements referred to in Section 14, paragraph 1 of the DCA are met (-)	
23	Sum of deferred tax assets and holdings of financial sector entities where the bank has a significant investment referred to in Section 21, paragraph 1 of the DCA in such entities, which exceeds the threshold referred to in Section 21, paragraph 3 of the DCA (-)	
23.1.	<i>of which: Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the bank has a significant investment in those entities</i>	
23.2.	<i>of which: Deferred tax assets arising from temporary differences</i>	
24	Losses for the current and previous years, and unrealised losses (-)	-100,375

25	Any tax charge relating to CET1 elements foreseeable at the moment of its calculation, except where the bank suitably adjusts the amount of CET1 elements insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (-)	
26	Amount of items required to be deducted from the bank's Additional Tier 1 items that exceeds Additional Tier 1 capital of the bank (-)	
27	Amount of required reserve for estimated losses on balance-sheet assets and off-balance sheet items of the bank	
28	<b>Total regulatory adjustments and deductibles from CET1 capital</b> (sum of rows from 9 to 27)	<b>-276,229</b>
29	<b>Common Equity Tier 1 capital</b> (difference between 8 and 28)	<b>4,322,528</b>
<b>Additional Tier 1 capital: elements</b>		
30	Shares and other capital instruments which fulfil the requirements as laid out in Section 23 of the DCA and related share premium	
31	Capital instruments issued by subsidiaries, which are recognised as Additional Tier 1 capital**	
32	<b>Additional Tier 1 capital before deductibles</b> (30+31)	
<b>Additional Tier 1 capital: deductibles</b>		
33	Direct, indirect and synthetic holdings by a bank of own Additional Tier 1 instruments, including the instruments that a bank is obliged to purchase as a result of existing contractual obligations (-)	
34	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	
35	Applicable amount of direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank does not have a significant investment in those entities (-)	
36	Direct, indirect and synthetic holdings by a bank of the Additional Tier 1 instruments of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for five working days or fewer (-)	
37	Amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank (-)	
38	<b>Total deductibles from Additional Tier 1 capital</b> (sum of rows from 33 to 37)	
39	<b>Additional Tier 1 capital</b> (difference between 32 and 38)	
40	<b>Tier 1 capital</b> (sum of rows 29 and 39)	<b>4,322,528</b>
<b>Tier 2: elements</b>		
41	Shares and other Tier 2 capital instruments and subordinated liabilities which fulfil the requirements as laid out in Section 28 of the DCA and related share premium accounts related to instruments	
42	Capital instruments issued by subsidiaries, which are recognised as Tier 2 capital**	
43	Credit risk adjustments that meet the requirements for the inclusion in Tier 2 capital	
44	<b>Tier 2 capital before deductibles</b> (sum of rows from 41 to 43)	
<b>Tier 2 capital: deductibles</b>		
45	Direct, indirect and synthetic holdings by a bank of own Tier 2 instruments and subordinated liabilities, including instruments that the bank is obliged to purchase as a result of existing contractual obligations (-)	
46	Direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities with which the bank has reciprocal cross holdings, designed to inflate artificially the capital of the bank (-)	
47	Applicable amount of direct, indirect and synthetic holdings of the Tier 2 instruments and subordinated liabilities of financial sector entities where a bank does not have a significant investment in those entities (-)	
48	Direct, indirect and synthetic holdings by the bank of the Tier 2 instruments and subordinated liabilities of financial sector entities where the bank has a significant investment in those entities, excluding underwriting positions held for fewer than five working days (-)	
49	<b>Total deductibles from Tier 2 capital</b> (sum of rows from 45 to 48)	
50	<b>Tier 2 capital</b> (difference between 44 and 49)	
51	<b>Total capital</b> (sum of rows 40 and 50)	<b>4,322,528</b>
52	<b>Total risk-weighted assets</b>	<b>17,338,138</b>
<b>Capital adequacy ratios and capital buffers</b>		
53	Common Equity Tier 1 capital ratio (%)	<b>24.93</b>
54	Tier 1 capital ratio (%)	<b>24.93</b>
55	Total capital ratio (%)	<b>24.93</b>
56	Total requirements for capital buffers (%)***	<b>3.38</b>
57	Common Equity Tier 1 capital available for capital buffers coverage (%)****	<b>16.93</b>

## Data on Main Features of Financial Instruments Included in Calculation of Bank's Capital

No	Instrument features	Description	
1.	Issuer	1. Centrobanka a.d. Beograd	7. Marfin bank a.d. Beograd
		2. Centrobanka a.d. Beograd	8. Marfin bank a.d. Beograd
		3. Centrobanka a.d. Beograd	9. Marfin bank a.d. Beograd
		4. Centrobanka a.d. Beograd	10. Expobank a.d. Beograd
		5. Laiki banka.d. Beograd	11. Adriatic bank ad Beograd
		6. Laiki banka.d. Beograd	
1.1.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	<b>ISIN RSCEBAE 31481</b>	
	<i>Regulatory treatment</i>		
2.	Treatment in accordance with the Decision on Capital Adequacy of Banks	Instrument osnovnog akcijskog kapitala	
3.	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated		
4.	Instrument type	Obične akcije	
5.	Amount recognised in regulatory capital (in RSD thousand, as of most recent reporting date)	3.065.958	
6.	Nominal amount of instrument	270,29 dinara	
6.1.	Issue price	1. RSD 629.095.500	7. RSD 1.110.000.000
		2. RSD 140.000.000	8. RSD 1.163.375.000
		3. RSD 150.000.000	9. RSD 1.241.875.000
		4. RSD 29.630.000	10. RSD 123.052.500
		5. RSD 316.056.000	11. RSD 2.877.486.670,74
		6. RSD 768.524.000	
6.2.	Redemption price	<b>NP</b>	
7.	Accounting classification	<b>akcijski kapital</b>	
8.	Original date of issuance	1. 11.06.2004.	7. 28.11.2008.
		2. 18.05.2004.	8. 01.09.2009.
		3. 06.12.2004.	9. 22.03.2010.
		4. 26.05.2005.	10. 06.11.2017.
		5. 27.07.2006.	11. 26.02.2024.
		6. 07.05.2007.	
9.	Perpetual or dated	<b>Bez datuma dospeća</b>	
9.1.	Original maturity date	<b>Bez datuma dospeća</b>	
10.	Issuer call subject to prior supervisory approval	<b>ne</b>	
10.1.	Optional call date, contingent call dates and redemption amount	<b>NP</b>	
10.2.	Subsequent call dates, if applicable	<b>NP</b>	
	<i>Coupons / dividends</i>		
11.	Fixed or floating dividend/coupon	<b>NP</b>	
12.	Coupon rate and any related index	<b>NP</b>	
13.	Existence of a dividend stopper	<b>NP</b>	
14.1.	Fully discretionary, partially discretionary or mandatory (in terms of timing)	<b>NP</b>	
14.2.	Fully discretionary, partially discretionary or mandatory (in terms of amount)	<b>NP</b>	
15.	Existence of step up or other incentive to redeem	<b>ne</b>	
16.	Noncumulative or cumulative dividend/coupon	<b>NP</b>	
17.	Convertible or non-convertible	<b>Nekonvertibilan</b>	
18.	If convertible, conversion trigger(s)	<b>NP</b>	
19.	If convertible, fully or partially	<b>NP</b>	
20.	If convertible, conversion rate	<b>NP</b>	
21.	If convertible, mandatory or optional conversion	<b>NP</b>	
22.	If convertible, specify instrument type convertible into	<b>NP</b>	
23.	If convertible, specify issuer of instrument it converts into	<b>NP</b>	
24.	Write-down features	<b>NP</b>	
25.	If write-down, write-down trigger(s)	<b>NP</b>	
26.	If write-down, full or partial	<b>NP</b>	
27.	If write-down, permanent or temporary	<b>NP</b>	
28.	If temporary write-down, description of write-up mechanism	<b>NP</b>	
29.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	<b>NP</b>	
30.	Non-compliant transitioned features	<b>Ne</b>	
31.	If yes, specify non-compliant features	<b>NP</b>	

## Data on connecting capital positions from the balance sheet positions from the form PI-KAP

## 1. Paring elements in the balance sheet

Position	Title position	Balance Sheet
A	ASSETS	33,391,248
A.I	Cash and assets held with the central bank	4,698,014
A.II	Pledged financial assets	0
A.III	Financial assets recognised at fair value through income statement and held for trading	0
A.IV	Financial assets available for sale	6,687,568
A.V	Loans and receivables from banks and other financial organisations	9,915,059
A.VI	Loans and receivables from clients	10,302,273
A.VII	Change in fair value of hedged items	0
A.VIII	Receivables arising from hedging derivatives	0
A.IX	Investments in associated companies and joint ventures	0
	<i>From which direct or indirect investments in banks and other financial sector entities</i>	0
A.X	Investments into subsidiaries	0
	<i>From which direct or indirect investments in banks and other financial sector entities</i>	0
A.XI	Intangible investments	164,404
A.XII	<i>Property, plant and equipment</i>	1,073,592
A.XIII	Investment property	195,190
A.XIV	Current tax assets	0
A.XV	Deferred tax assets	0
A.XVI	Non-current assets held for sale and discontinued operations	0
A.XVII	Other assets	355,148
	<i>From which direct or indirect investments in banks and other financial sector entities in the amount exceeding 10% of the capital of those banks, respectively</i>	0
A.XVIII	TOTAL ASSETS (positions under AOP labels from 0001 to 0019 in Consolidated balance sheet)	33,391,248
P	LIABILITIES	
PO	LIABILITIES	27,128,108
PO.I	Financial liabilities recognised at fair value through income statement and held for trading	0
PO.II	Deposits and other liabilities to banks, other financial organisations and central bank	252,721
PO.III	Deposits and other liabilities to other clients	25,604,529
PO.IV	Change in fair value of hedged items	0
PO.V	Liabilities arising from hedging derivatives	0
	<i>From what is the basis of the hybrid instruments</i>	0
PO.VI	Liabilities based on securities	0
PO.VII	Subordinated liabilities	0
	<i>Of which Subordinirane liabilities that are included in the supplementary capital of the bank</i>	0
PO.VIII	<i>Provisions</i>	393,317
PO.IX	Liabilities under assets held for sale and discontinued operations	0
PO.X	<i>Current tax liabilities</i>	89,784
PO.XI	Deferred tax liabilities	31,102
PO.XII	Other liabilities	756,655
PO.XIII	TOTAL LIABILITIES (positions under AOP labels from 0401 to 0413 in the Consolidated balance sheet)	27,128,108

	CAPITAL	4,322,528
PO.XIV	Share capital	4,322,528
	Of which the nominal value of the shares paid, except the preferential cumulative	3,065,958
	From which emission is a premium based on equity capital, except for preferential cumulative shares	0
	From what nominal value of preferential shares	0
	From which emission is a premium based on preferential cumulative shares	0
PO.XV	Own shares	0
	Of which the bank's own shares have been acquired, except for preferential cumulative actions	0
	From what is acquired its own apreferential cumulative action	0
PO.XVI	Profit	0
	Of which unallocated profits from previous years	0
	Of which the profit from the current year	1,706,942
PO.XVII	Loss	0
	From what losses from previous years	0
	The loss of the current year	0
PO.XVIII	Reserves	0
	From what reserves from the profit that constitute the base capital element	1,200,754
	What other positive consolidated reserves	0
	From which other negative consolidated reserves	0
	From which other net negative revaluation reserves	0
	From what is gained from the bank's obligations valued at fair value achieved due to a change in the bank's credit rating	0
	The positive revaluation reserves arising from the effects of changes in fair value of fixed assets, securities and other funds, in accordance with IFRS/IAS, are expressed in favour of these reserves	332,045
PO.XIX	Unrealized losses	-100,375
	Of which unrealized losses on securities available for sale	0
PO.XX	Participation without the right of control	0
	From which minority participation in child societies	0
PO.XXI	TOTAL CAPITAL	4,322,528
PO.XXII	TOTAL CAPITAL DEFICIENCY	0
PO.XXIII	TOTAL PASIVA	33,391,248
V.P.	NON-BALANCING POSITIONS	
V.P.A.	Off-Balance assets	25,560,183
	From which the amount of shares taken in collateral, except preferential cumulative actions	0
	From which the amount of preferential cumulative shares taken in the pledge	0
V.P.P.	Non-Bilene pasives	25,560,183
	From which the amount of shares taken in collateral, except preferential cumulative actions	0
	From which the amount of preferential cumulative shares taken in the pledge	0

## 2. Connecting positions in the balance sheet of State and position in the PI-PAK form

No	Item	Amount
	Basic share capital: elements	
1	Basic share capital instruments and the corresponding emission premium	3,065,958
1.1.	of which: Shares and other capital instruments that meet the conditions under the 8. OAK	3,065,958
1.2.	of which: the relevant emission premium with the instruments from point 1.1. That is. Amount is deposited above the nominal value of these instruments.	
2	Gains from previous years that are not burdened by any future obligations, and for which the Bank's Assembly decided to be deployed in basic equity capital	
3	Profit of the current year or profit from the previous year for which the bank's Assembly has not yet decided that it will be deployed in the basic equity capital that meets the requirements of point 10. St. 2. and three. For inclusion in basic equity capital	1,706,942
4	Revaluation reserves and other unrealized gains	332,045
5	Reserves from the profit and other bank reserves, except reserves for general banking risks	1,200,754
6	Reserves for general banking risks	
7	Participation without the right of control (minority participation) that are recognized in the basic equity capital * *	
8	Basic share capital before regulatory adjustments and unimportant items (the sum of 1 to 7)	4,598,757
	Basic share capital: regulatory adjustments and deductible items	
9	Additional value customizations (-)	-6,688
10	Intangible investments, including goodwill (minus the amount of deferred tax liabilities) (-)	-164,404
11	Deferred tax assets that depend on future profitability of the bank, except those arising from temporary differences, reduced to related deferred tax liabilities if the conditions are met in point 14. Paragraph 1. Oak	
12	Fair value of reserves related to gains or losses on the basis of protection instruments of cash flow for financial instruments which are not valued at fair value, including the projected cash flows	
13	IRB approach: Negative amount of the difference obtained by the calculation according to point 134. OAK (-)	
14	Capital increase resulting from securitization of exposure (-)	
15	Gains or losses on bank's liabilities valued at fair value resulting from changes in the bank's credit capacity	
16	Property in the pension fund with defined fees in the balance sheet of the bank (-)	
17	Direct, indirect and synthetic investment of the bank in its own instruments of basic equity capital, including its own instruments of basic equity capital that the bank is obliged to purchase, or may be obliged to buy on the basis of contractual obligations (-)	
18	"Direct, indirect and synthetic investments in the instruments of the basic equity equity of financial sector entities that have mutual investments in the bank, which have been carried out for the greater amount of capital of the Bank (-)	

19	Applicable amount of direct, indirect and synthetic investments of the bank in the instruments of the basic equity equity of persons in the financial sector where the bank does not have a significant investment (-) Applicable amount of direct, indirect and synthetic investments of the bank in the instruments of the financial sector entities where the bank has a significant investment (-)	
20		
21	The amount of exposure that meets the conditions for the risk ratio of 1,250%, which the bank decides to reject from the basic equity capital instead of applying that weight of which: participation in persons who are not entities in the financial sector in the amount of over 10% of the capital of these persons, i.e. participation that enable effective performance of a significant impact on the management of legal entities or the business policy of that legal entity (-) of which: securitized positions (-) of which: free shipments (-)	
21.1.	of which: participation in persons who are not entities in the financial sector in the amount of over 10% of the capital of these persons, i.e. participation that enable effective performance of a significant impact on the management of legal entities or the business policy of that legal entity (-)	
21.2.	of which: securitized positions (-)	
21.3.	of which: free shipments (-)	
22	Deferred tax assets that are dependent on future profitability of the bank and arising from temporary differences (amount above 10% of the bank's basic equity capital from the point 21 paragraph 2, reduced to the amount of related tax liabilities if the conditions in point 14 are fulfilled. Paragraph 1. OAK) (-)	
23	The sum of deferred tax assets and investments in financial sector entities where the bank has a significant investment in point 21. Paragraph 1. The KIA, which exceeds the limit in point 21. Paragraph 3. OAK (-)	
23.1.	of which: direct, indirect and synthetic investments in the instruments of the basic equity equity entities in which the bank has a significant investment	
23.2.	of which: deferred tax assets arising from temporary differences	
24	Loss of current and previous years, as with unrealized losses (-)	-100,375
25	The amount of tax related to the elements of the basic equity capital that can be predicted at the time of capital calculation, unless the bank has previously adjusted the amount of the fixed equity assets in the amount in which these taxes reduce the amount to which the elements The basic equity capital may be used to cover risk or losses (-)	
26	The amount for which the relevant entries from the additional base capital of the bank exceed the amount of the additional base capital of the Bank (-)	
27	Amount of the necessary reserves for estimated losses on balancing assets and off-balance bank items	
28	Total regulatory customizations and deductible entries from basic equity capital (total from 9 to 27)	-276,229
29	Basic equity capital (the difference between 8 and 28)	4,322,528
	<b>Additional Basic capital: elements</b>	
30	Shares and other capital instruments that meet the requirements of the 23. OAK and related emission premium	
31	Basic capital instruments issued by child societies that are recognized in the additional basic capital * *	
32	<b>Additional basic capital before items (30 + 31)</b>	
	<b>Additional basic capital: deductible items</b>	

33	Direct, indirect and synthetic investments of the bank in its own instruments of additional basic capital, including instruments that the Bank is obliged to purchase on the basis of an existing contractual obligation (-)	
34	Direct, indirect and synthetic investments in the instruments of additional basic capital of entities in the financial sector that have mutual investments in the bank that have been carried out for the greater amount of capital of the Bank (-)	
35	Applicable amount of direct, indirect and synthetic investments in the instruments of additional basic capital of financial sector entities where the bank does not have a significant investment (-)	
36	Direct, indirect and synthetic investments of the bank in the instruments of additional basic capital of financial sector entities where the bank has a significant investment, excluding positions on the basis of the patronage of the securities, which is held by five Working days or shorter (-)	
37	The amount for deductible items from supplementary capital of the bank exceeds the amount of the bank's supplementary capital (-)	
38	<b>Total deductible entries from additional base capital (total from 33 to 37)</b>	
39	<b>Additional basic capital (difference between 32 and 38)</b>	
40	<b>Basic capital (total 29 and 39)</b>	4,322,528
Supplementary equity: Elements		
41	Shares and other instruments of supplementary capital and Subotic obligations, which meet the requirements of the point 28. The KIA and the relevant emission premium with instruments	
42	Capital instruments issued by subordinates which are recognized in the supplementary capital	
43	Customizations for the credit risk that meet the conditions for inclusion in supplementary capital	
44	<b>Supplementary capital before item (total from 41 to 43)</b>	
Supplementary Capital: Deductible items		
45	Direct, indirect and synthetic investments of the bank in its own instruments of supplementary capital and subordinated obligations, including instruments that the Bank is obliged to purchase on the basis of an existing contractual obligation (-)	
46	Direct, indirect and synthetic investments in supplementary capital instruments and subordinated liabilities of financial sector entities that have mutual investments in the bank that have been carried out for the greater amount of capital of the Bank (-)	
47	Applicable amount of direct, indirect and synthetic investments in supplementary capital instruments and subordinated liabilities of financial sector entities where the bank does not have a significant investment (-)	
48	Direct, indirect and synthetic investments of the bank in the instruments of additional basic capital and subordinated liabilities of financial sector entities where the bank has a significant investment, excluding positions on the basis of the patronage of the securities emissions. Values that are held for five working days or a shorter	
49	<b>Total deductible items from supplementary capital (sum from 45 to 48)</b>	
50	<b>Supplementary capital (difference between 44 and 49)</b>	
51	<b>Total capital (sum 40 and 50)</b>	4,322,528
52	<b>Total risk assets</b>	17,338,138
Capital adequacy indicators and capital buffers		
53	The bank's basic Action Capital adequacy indicator (%)	24.93
54	The bank's core capital adequacy indicator (%)	24.93
55	Bank capital Adequacy indicator (%)	24.93
56	Total requirements for capital buffers (%) * * *	3.38
57	Basic action capital available to cover protective layers (%) * * * *	16.93

## 4. CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY

The bank's capital adequacy ratio is equal to the ratio of capital and risk assets of the bank. The supervisory requirement for maintaining the capital adequacy of the Bank on the 31.12.2025. is: 6.68% - core share capital adequacy ratio; 8.93% - core capital adequacy ratio; 11.90% - capital adequacy indicator. The bank is obliged to ensure in its operations that the amount of its capital is never less than

the dinar equivalent of EUR 10,000,000, according to the official exchange rate of the National Bank of Serbia.

The Bank shall at all times maintain the capital at the level necessary to cover all risks to which it is or may be exposed in its operations, and at least in the amount of the sum of the following capital requirements:

- Capital requirement for credit risk and counterparty risk for all business activities of the bank and capital requirement for settlement / delivery risk for activities from the trading book - capital requirement for credit risk;
- Capital requirement for market risks;
- Capital requirement for operational risk for all business activities.

#### 4.1. CAPITAL REQUIREMENT FOR CREDIT RISK AND COUNTERPARTY RISK

When calculating capital requirements for credit risk and counterparty risk, the Bank shall use a standardized approach, in the manner prescribed by the Decision on Capital Adequacy of the National Bank of Serbia.

The Bank uses a simple method to apply credit risk mitigation techniques.

The amount of exposure for balance sheet asset items is equal to the amount of the gross book value of these positions less specific credit risk adjustments, additional adjustments in accordance with item 12, paragraph 5 (Prudent valuation for FV) and item 36 of the Capital Adequacy Decision, the amount required provisions for estimated losses and other impairments in respect of that position.

The exposure amount for off-balance sheet items is equal to the amount of the gross carrying amount of those items less specific credit risk adjustments and the amount of the required allowance for estimated losses and multiplied by the conversion factors.

Exposures subject to the calculation of capital requirements for credit risk are reduced by deductions from:

1. share capital,
2. additional share capital and
3. additional capital

Within the exposures that are subject to the calculation of capital requirements for credit risks, the exposures to which the capital requirements for the risk of the other counterparty are calculated are singled out. Further, it is necessary to break down the exposures into those that represent exposures from the trading book and exposures that belong to the banking book.

The capital requirement for credit risk using a standardized approach applies to:

1. exposures from the banking book and exposures from the trading book (if the trading book is materially less significant),
2. exposures from the banking book if the trading book is materially significant (namely in that case it applies the capital requirement for price risk to the exposures from the trading book).

Calculated capital requirement for credit risk and counterparty risk in accordance with the Decision on capital adequacy on 31.12.2025. amounts to **RSD 1,012,746 thousand**.

#### 4.2. CAPITAL REQUIREMENT FOR MARKET RISKS

**Capital requirement for market risks** - is the sum of capital requirements:

- for price risk for business activities from the trading book,

- for foreign exchange risk for all business activities,
- for commodity risk for all business activities.

The Bank does not have a position within the trading book so it is not exposed to price risk. Also, the Bank does not invest in goods and is not exposed to commodity risk. In its operations, the Bank is exposed only to foreign exchange risk, therefore the capital requirement is calculated only for this type of risk.

#### 4.1.2. CAPITAL REQUIREMENT FOR FOREIGN EXCHANGE RISK

For the calculation of the capital requirement for foreign exchange risk, the Bank applies the approach in accordance with the Decision on the capital adequacy of the bank.

All positions of foreign currency assets and foreign currency liabilities of the bank are subject to the capital requirement for foreign exchange risk, and which include:

- assets and liabilities denominated in foreign currencies,
- assets and liabilities denominated in dinars indexed by a currency clause.

Based on the review of foreign currency assets and foreign currency liabilities, the Bank calculates the net open foreign exchange position, which is the input for calculating the capital requirement for foreign exchange risk.

All positions of the Bank are divided into categories Euro (EUR), US Dollar (USD), Swiss Franc (CHF), Other Currencies and Gold. For each category, the open position is determined as the sum of the net spot position, the net forward position and the option position. If for a certain currency the sum of the above items is greater than zero, the net position in that currency is long; otherwise the position is short.

The Bank's total long foreign exchange position represents the sum of all its net long positions in individual currencies, while the Bank's total short foreign exchange position represents the sum of all its net short positions in individual currencies.

The total net open foreign exchange position of the bank represents the absolute value of the total long, ie total short foreign exchange position, depending on which absolute value is higher.

The minimum capital requirement for foreign exchange risk is calculated by the Bank if the sum of the total net open position and the absolute value of the net open position in gold is greater than 2% of the Bank's capital. Since the Bank does not have positions in gold, they are not considered. By multiplying the total net open foreign exchange position by 8%, we get the amount of capital necessary to cover foreign exchange risk.

Calculated capital requirement for foreign exchange risk in accordance with the Decision on capital adequacy on 31.12.2025. is **RSD 40,254 thousands**.

#### 4.3. CAPITAL REQUIREMENT FOR OPERATIONAL RISK

**Capital requirement for operational risk** - the Bank uses the Basic Indicator (BIA) approach to calculate the capital requirement for operational risk. The minimum capital requirement for operational risk calculated using the Basic Indicator approach is equal to the amount of the three-year average of the exposure indicator multiplied by the capital requirement rate of 15%. The three-year average of the exposure indicator represents the arithmetic mean of the values of that indicator for the previous three years.

If for any of the previous three years, the exposure indicator was negative or equal to zero, this amount is not included in the calculation of the three-year average, but the average is calculated as the ratio of the sum of positive values of the exposure indicator and the number of years of positive values. .

Calculated capital requirement for operational risk in accordance with the Decision on capital adequacy on 31.12.2025. amounts to **RSD 334,051 thousands**.

## Data on Total Capital Requirements and Capital Adequacy Ratio

(RSD thousand)

No	Name	Amount 1
I	CAPITAL	4,322,528
1.	TOTAL COMMON EQUITY TIER 1 CAPITAL	4,322,528
2.	TOTAL ADDITIONAL TIER 1 CAPITAL	0
3.	TOTAL TIER 2 CAPITAL	0
II	CAPITAL REQUIREMENTS	1,387,051
1.	CAPITAL REQUIREMENT FOR CREDIT RISK, COUNTERPARTY RISK, DILUTION RISK AND SETTLEMENT/DELIVERY RISK TO FREE DELIVERIES	1,012,746
1.1.	Standardised Approach (SA)	12,659,330
1.1.1.	Exposures to central governments and central banks	0
1.1.2.	Exposures to territorial autonomies or local government units	0
1.1.3.	Exposures to public administrative bodies	0
1.1.4.	Exposures to multilateral development banks	0
1.1.5.	Exposures to international organisations	0
1.1.6.	Exposures to banks	1,810,502
1.1.7.	Exposures to companies	5,692,358
1.1.8.	Retail exposures	215,597
1.1.9.	Exposures secured by mortgages on immovable property	2,995,615
1.1.10.	Exposures in default	257,916
1.1.11.	Exposures associated with particularly high risk	0
1.1.12.	Exposures in the form of covered bonds	0
1.1.13.	Exposures in the form of securitisation positions	0
1.1.14.	Exposures to banks and companies with a short-term credit assessment	0
1.1.15.	Exposures in the form of units in open-ended investment funds	0
1.1.16.	Equity exposures	373
1.1.17.	Other items	1,686,969
1.2.	Internal Ratings Based Approach (IRB)	-
1.2.1.	Exposures to central governments and central banks	-
1.2.2.	Exposures to banks	-
1.2.3.	Exposures to companies	-
1.2.4.	Retail exposures	-
1.2.4.1.	of which: Exposures secured by mortgages on immovable property	-
1.2.4.2.	of which: Qualifying revolving retail exposures	-
1.2.4.3.	of which: Exposures to small and medium-sized enterprises classified as retail exposures	-
1.2.5.	Equity exposures	-
1.2.5.1.	Approach applied:	-
1.2.5.1.1.	Simple Risk-Weight Approach	-
1.2.5.1.2.	PD/LGD Approach	-
1.2.5.1.3.	Internal models approach	-
1.2.5.2.	Types of equity exposures	-
1.2.5.2.1.	Exchange traded equity exposures	-
1.2.5.2.2.	Non-exchange traded equity exposures in sufficiently diversified portfolios	-
1.2.5.2.3.	Other equity exposures	-
1.2.5.2.4.	Equity exposures to which a bank applies the Standardised Approach	-
1.2.6.	Exposures in the form of securitisation positions	-
1.2.7.	Exposures arising from other assets	-
2	CAPITAL REQUIREMENT FOR SETTLEMENT/DELIVERY RISK IN RESPECT OF UNSETTLED TRANSACTIONS	0
3	CAPITAL REQUIREMENT FOR MARKET RISKS	40,254
3.1.	Capital requirements for position, foreign exchange risk and commodities risk calculated under the Standardised Approach	40,254
3.1.1.	Capital requirement for position risk of debt securities	0
	of which capital requirement for position risk in respect of securitisation items	0
3.1.2.	Capital requirements for position risk arising from equity securities	0
3.1.3.	Additional capital requirement for large exposures from the trading book	0
3.1.4.	Capital requirement for foreign exchange risk	40,254
3.1.5.	Capital requirement for commodities risk	0
3.2.	Capital requirements for position, foreign exchange and commodities risk calculated under the internal models approach	-
4	CAPITAL REQUIREMENTS FOR OPERATIONAL RISK	334,051
4.1.	Capital requirement for operational risk calculated under the Basic Indicator Approach	334,051
4.2.	Capital requirement for operational risk calculated under the Standardised Approach/Alternative Standardised Approach	-
4.3.	Capital requirement for operational risk calculated under the Advanced Approach	-
III	COMMON EQUITY TIER 1 CAPITAL RATIO (%)	24.93
IV	TIER 1 CAPITAL RATIO (%)	24.93
V	TOTAL CAPITAL RATIO (%)	24.93

## 5. INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The internal capital adequacy assessment process (ICAAP) is based on the Bank's methodology and is in line with the requirements of the Bank's Risk Management Decision.

ICAAP is a documented process through which the Bank determines total internal capital requirements in accordance with its risk profile and determines available internal capital and performs its distribution.

This process includes the Bank's procedures and measures to ensure adequate identification, measurement, control and management of risks, as well as an adequate level of internal capital in relation to the risk profile of the bank, as well as the implementation and further development of risk management systems.

The Bank will perform a documented process of internal capital assessment in accordance with the regulatory framework - the Decision on Risk Management and the Decision on Capital Adequacy on a continuous basis and report to the National Bank of Serbia on an annual basis within the prescribed deadlines.

ICAAP takes place in a way that ensures that the following conditions are met:

- is based on the process of risk identification and measurement / assessment;
- provides a comprehensive risk assessment, as well as monitoring of all significant risks to which the Bank is exposed or may be exposed in its operations;
- provides an adequate level of available internal capital in accordance with the risk profile of the Bank;
- is embedded in the Bank's management process and decision-making process;
- is subject to regular analysis, monitoring and verification.

The ICAAP is designed and implemented in the following steps:

- identification of the risks to which the Bank is exposed;
- identification of material risks;
- calculation of internal capital requirements for individual material risks;
- determination of total internal capital requirements
- comparison of the following elements:
  - ✓ minimum capital requirements calculated in accordance with the Decision on capital adequacy and internal capital requirements for individual risks, and
  - ✓ sum of minimum capital requirements calculated in accordance with the Decision on capital adequacy and total internal capital requirements;
- stress testing of all material risks and their inclusion in internal capital requirements.

### 5.1. ROLES AND RESPONSIBILITIES

The following are the bodies and organizational units of the Bank, which have been assigned certain responsibilities in the process of internal capital adequacy assessment.

The responsibilities of the Board of Directors are:

- approves the annual Report on the process of internal assessment of the Bank's capital adequacy to be submitted to the National Bank of Serbia;

The responsibilities of the Executive Board are:

- ensures the implementation of the process of internal capital adequacy assessment and its compliance with the Bank's business policy and strategy;
- analyzes the risk management system and reports at least quarterly to the Bank's Board of Directors on the level of risk exposure and risk management;
- ensures that all employees are familiar with the regulations and other acts of the Bank governing their work obligations.

The responsibilities of the Risk Management Division are:

- defining quantitative and qualitative criteria, on the basis of which they will identify material risks for the needs of the process of internal capital adequacy assessment;
- defining methodologies / approaches for measuring and assessing individual risks in order to implement the process of internal capital adequacy assessment;
- conducting stress tests for all material risks and for internal capital requirements at least once a year, and more often if necessary;
- managing and updating the process of internal capital adequacy assessment, at least once a year, ie whenever the Bank is exposed to new risks and significant changes, and notifies the Executive Board thereof;
- proposes to the Executive Board all changes / amendments to the document regulating the process of internal capital adequacy assessment;
- analyzes and documents the differences between the internal capital requirements thus determined and the minimum capital requirements determined in accordance with the Decision on Capital Adequacy;
- informs the Executive Board of the Bank on the results of the process of internal capital adequacy assessment;
- in cooperation with the Finance Sector, prepares and submits to the NBS a report on ICAAP within the prescribed deadlines.

The responsibilities of the NBS Reporting Department are:

- calculates the Bank's capital, minimum capital requirements and capital adequacy ratio on a monthly basis in accordance with the Decision on the Bank's Capital Adequacy;
- informs the Assets and Liabilities Management Committee on the amount and changes in the amount of regulatory capital, risk assets and the capital adequacy ratio of the Bank.

Internal Audit reviews the internal capital adequacy process within its independent function and submits its findings to the Board of Directors and the Audit Committee.

## 5.2. MEASUREMENT AND RISK ASSESMENT WITHIN ICAAP

An important prerequisite for analyzing the Bank's ability to bear risks is to assess all material risks to which the Bank is exposed or may be exposed in its operations. The purpose of risk assessment is to show the significance and effects of the risks taken. To ensure that risks are conscientiously and systematically managed in accordance with the ICAAP, it is particularly important to distinguish between relevant risk categories.

In the process of material significance assessment, the above risks are divided into two groups:

1. Quantifiable risks in terms of exposure and potential loss (quantifiable risks):

- Credit risk (which includes settlement / delivery risk and counterparty risk)
- Credit and foreign exchange risk
- Credit risk induced by interest rate risk
- Operational risk
- Foreign exchange risk and other market risks
- Residual risk
- Liquidity risk
- Interest rate risk
- Concentration risk
- Investment risks
- Country risk
- Risk of impairment of receivables

2. Risks that cannot be quantified from the point of view of exposure and possible loss, more precisely their losses can potentially be quantified, but not the possible exposure:

- Business compliance risk
- Strategic risk
- Reputation risk,
- Money laundering and terrorist financing risk
- External factor risks

Risks for which the Bank calculates minimum capital requirements in accordance with the Decision on capital adequacy (credit risk, including counterparty risk and settlement / delivery risk, market risk and operational risk) are considered materially significant without additional assessment, given that the Bank for they already determine the capital requirements as well as the available capital and distribute it.

For quantifiable risks, the assessment of material significance is based on quantitative criteria, which will be listed under certain risks.

For risks that cannot be quantified (business compliance risk, strategic, reputational), the Bank calculates the reserve in the form of additional internal capital requirements. The reserve is set as a fixed percentage of total internal capital requirements for risks that are material and can be quantified.

## 5.3. INTERNAL CAPITAL AND CAPITAL DISTRIBUTION

### 5.3.1. INTERNAL CAPITAL REQUIREMENT FOR CREDIT RISK

To calculate the internal capital requirement for credit risk, the Bank has chosen a standardized approach within the first pillar of the Basel III standard for calculating the minimum capital requirement for credit risk.

The amount of the assessment of possible underestimation of the internal capital requirement for credit risk due to the application of the standardized approach is determined by the Bank by applying the modified standardized approach in accordance with the Decision on the capital adequacy of the bank. Modification of the standardized approach implies the application of more conservative credit risk weights for individual items of on-balance sheet assets and off-balance sheet items and conversion factors in relation to those defined by the Decision:

- Change in credit risk weighting for the class of receivables from natural persons not covered by a mortgage from 75% to 85%
- Change of CCF factor from 50% to 75%

The internal capital requirement for credit risk is equal to the sum of the internal modified capital requirement for credit risk and the result of the stress test.

### 5.3.2. INTERNAL CAPITAL REQUIREMENT FOR FOREIGN EXCHANGE RISK

For the calculation of internal capital requirements for foreign exchange risk, the Bank applies a standardized approach in accordance with the Decision on the capital adequacy of the bank, taking into account the current currency structure of the balance sheet.

The estimated amount of the possible underestimation of the internal capital requirement for foreign exchange risk due to the application of the standardized approach is determined by the Bank using the modified standardized approach. The internal capital requirement for foreign exchange risk according to this method is determined by multiplying the average maximum open position on a monthly basis in the last twelve months from the date of calculation of capital requirements with the current Total Supervisory Capital Requirements, if the value of the open foreign exchange position is greater than 2% in relation to the regulatory capital.

### 5.3.3. INTERNAL CAPITAL REQUIREMENT FOR OPERATIONAL RISK

To calculate the internal capital requirement for operational risk, the Bank applies the Basic Indicator (BIA) approach, which is also used to calculate the minimum capital requirement in accordance with the Bank's Capital Adequacy Decision and the Methodology for calculating the capital requirement for operational risk.

The minimum capital requirement for operational risk calculated using the BASIC INDICATOR approach is equal to the amount of the three-year average of the exposure indicator multiplied by the capital requirement rate of 15%.

The Bank evaluates the possible underestimation of the internal capital requirement for operational risk due to the application of the basic indicator approach by calculating the internal capital requirement as an amount of 15% in relation to the calculated regulatory capital requirement for credit risk. If the obtained amount is greater than the minimum capital requirement, it will be taken as the internal capital requirement for operational risk, otherwise, the internal capital requirement is equal to the minimum capital requirement calculated in accordance with the BIA.

#### 5.3.4. INTERNAL CAPITAL REQUIREMENT FOR CREDIT-FOREIGN EXCHANGE RISK

For the purposes of measuring / estimating internal capital for credit and foreign exchange risk, the Bank applies the FXAOF factor (FX add-on factor) which adjusts the internal capital requirement for credit risk.

The capital requirement for credit foreign exchange risk is equal to the product of the regulatory capital requirement for credit risk and the FXAOF factor. The FXAOF factor is obtained by multiplying the spillover factor (Fp) by the percentage of exposure of placements contracted in foreign currency or in dinars with a currency clause in the Bank's total exposure (which is determined in the manner defined above).

The spillover factor (Fp) is an established factor that measures the percentage increase in the default rate due to exchange rate fluctuations. In the case when the calculated overflow factor is less than 2%, a fixed percentage of 2% will be used for the calculation of capital requirements.

#### 5.3.5. INTERNAL CAPITAL REQUIREMENTS FOR INTEREST RATE RISK

The Bank determines the material significance of interest rate risk in the banking book based on the share of the absolute marginal gap by time zones in total balance sheet assets.

For each GAP time zone, the absolute difference of interest-bearing sensitive assets and liabilities is calculated, which is then multiplied by standardized sensitivity coefficients for each currency separately. Standardized sensitivity coefficients are obtained after applying interest rate shocks from the EBA's EU-wide stress test for the last available year, which by currency amount to:

Description	3M	1Y	5Y	10Y
Interest rate SWAP on the EUR (Euro)	127	115	97	79
Interest rate SWAP on the BGN (Bulgarian lev)	159	155	133	107
Interest rate SWAP on the CZK (Czech Koruna)	152	146	113	72
Interest rate SWAP on the DKK (Danish Krone)	133	128	100	66
Interest rate SWAP on the HUF (Hungarian Forint)	159	155	133	107
Interest rate SWAP on the PLN (Polish Zloty)	152	147	121	89
Interest rate SWAP on the RON (Romanian Leu)	152	148	126	98
Interest rate SWAP on the SEK (Swedish Krona)	122	119	102	80
Interest rate SWAP on the GBP (British Pound)	118	76	84	74
Interest rate SWAP on the NOK (Norwegian Krone)	90	89	87	84
Interest rate SWAP on the CHF (Swiss Franc)	52	34	39	30
Rest of Europe	271	154	314	160
Western Asia	271	154	314	160
Interest rate SWAP on the CAD (Canadian Dollar)	138	165	187	77
Interest rate SWAP on the USD (US Dollar)	156	121	88	86

The internal capital requirement for interest rate risk is equal to the sum of the effects of interest rate changes for each currency.

### 5.3.6. INTERNAL CAPITAL REQUIREMENT FOR LIQUIDITY RISK

The internal capital requirement for liquidity risk is calculated if, in the previous period of one year, the Bank's liquidity indicator (calculated in the manner defined by the Decision on Risk Management) was less than 1.3 for one working day.

The internal capital requirement for liquidity risk is determined as follows:

$$CIR = n$$

where n is the amount of shortfall in liquid assets on the day when the Liquidity Indicator was lower than 1.3

## 6. PROTECTIVE LAYERS OF CAPITAL

The Bank has no significant exposures in order to calculate the countercyclical capital buffer and is not a systemically important bank. Protective layers of capital for the Bank on 31.12.2025. stated:.

Zaštitni slojevi kapitala	Očuvanje kapitala		2.50%
	Kontraciklični		0.5%
	Sistemski značaj		0%
	Strukturni sistemski		1.76%
	<b>TOTAL</b>		<b>4.76%</b>

## 7. INFORMATION RELATED TO THE BANK'S EXPOSURE TO RISKS AND MEASUREMENT APPROACHES, OR RISK ASSESSMENT

### 7.1. EXPOSURE TO CREDIT RISK AND COUNTERPARTY RISK

#### 7.1.1. DEFAULT STATUS

The main criteria for determining the bad assets of the Bank of troubled receivables from debtors are:

- the debtor is in continuous arrears for more than 90 days after any material obligation to the bank
- Account blockade for more than 60 days in a row
- Reduction of repayment capacity which can be reflected in:
  - 50% reduction in operating income
  - Capital reduction of more than 50%
- For natural persons, receivables that have the status of defendants in the bank system
- For legal entities and entrepreneurs, the client has the status of defendant, bankruptcy, UPPR
- The client did not submit the last financial report to the register of business entities
- For legal entities, entrepreneurs and individuals if they are in the debt collection sector (WOD);
- Other information that indicates business problems or may affect the inability to service debt, such as:
  - frequent admonition of the client on settlement of obligations, difficult negotiations, hint that client have or will have business problems and
  - other type of information noticed during the monitoring by the credit officer regarding negative changes in the client's business, in relation to the circumstances that existed during the approval of the placement

#### 7.1.2. ASSESSMENT OF IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the Bank identifies financial assets for which the allowance will be calculated on an individual basis (individual assessment - individually significant exposures).

For the purposes of calculation on a group basis, claims in the Bank's credit portfolio are grouped based on similar characteristics from the aspect of credit risk.

#### Level 1 – expected credit losses

If, on the reporting date, the credit risk of a financial instrument has not significantly increased since initial recognition, the Bank measures the loss provision for that financial instrument at an amount equal to the maximum expected twelve-month credit losses. The maximum one-year portion of calculated credit losses represents the expected credit loss that is recognized for financial instruments in level 1 and can be shown by the following formula:

$$ECL = \sum_{t=1}^T (EAD_t * MPD_t * LGD_t)$$

ECL	Expected credit loss
EAD	Exposure at
MPD	Marginal Probability of default
LGD	Loss given default

Calculated in this way, the expected 12-month credit losses are part of the expected credit losses during the term and represent the cash shortfalls during the term that will result if a default occurs within 12 months after the reporting date (or a shorter period, if the expected term of the financial instrument is shorter than 12 months), weighted by the probability of such a default.

#### Level 2 - expected credit losses

At the reporting date, the Bank measures the impairment of a financial instrument at an amount equal to the expected credit losses over its life, if the credit risk for that financial instrument has increased significantly since initial recognition.

The Bank's general approach to calculating expected credit losses for the entire life of a financial instrument is presented by the formula:

$$ECL = \sum_{t=1}^T (EAD_t * MPD_t * LGD_t * DF_t)$$

ECL	Expected credit loss
EAD	Exposure at default
MPD	Marginal Probability of default
LGD	Loss given default
DF	EIR based discount factor

The expected credit losses calculated in this way for the entire period of the financial instrument represent the losses that the Bank recognizes for the purposes of calculating the allowance for level 2.

#### Level 3 - expected credit losses

##### **Criteria for level 3 - "Default" and objective evidence of impairment**

The bank uses the following criteria to determine the "default" status:

- Continuous delay in settlement of obligations for more than 90 days
- Existence of objective evidence of impairment

##### **Continuous arrears longer than 90 days**

The bank has established a system of counters of days of delay which is monitored on a regular basis and which Materially serves to identify clients with a continuous delay of more than 90 days. The counter of days of delay is based on the regulatory threshold of materiality, namely: 1% of claims, but not less than RSD 10,000 for a natural person, or RSD 50,000 for a legal person. In addition, counters

of days of delay are set at the individual claim level for natural persons, that is, at the client level for legal persons.

### **Objective evidence of impairment**

The default status can be identified even before the delay of 90 days if other qualitative criteria are identified that indicate the existence of objective evidence of impairment of the financial asset, i.e. the existence of certainty that the debtor will not be able to settle his obligations in full. The main criteria for determining the bad assets of the Bank of troubled receivables from debtors are:

- Account blockade for more than 60 days in a row
- Reduction of repayment capacity which can be reflected in:
  - 50% reduction in operating income
  - Capital reduction of more than 50%
- For legal entities and entrepreneurs, the client has the status of defendant, bankruptcy, UPPR
- The client did not submit the last financial report to the register of business entities
- For legal entities, entrepreneurs and individuals if they are in the debt collection sector (WOD);
- Other information that indicates business problems or may affect the inability to service debt, such as:
  - frequent admonition of the client on settlement of obligations, difficult negotiations, hint that client have or will have business problems and
  - other type of information noticed during the monitoring by the credit officer regarding negative changes in the client's business, in relation to the circumstances that existed during the approval of the placement
- For individuals, receivables that have the status of defendants in the bank system

### **Calculation of credit losses for Level 3**

The assessment of the allowance calculation in accordance with this Methodology for exposures located in level 3 is performed for all exposures with:

- identified default status, i.e. default status
- all financial instruments that meet the definition of POCI in accordance with IFRS 9;

For these financial instruments, the allowance is calculated as the difference between the gross book value of the asset and the present value of the estimated future cash flows discounted at the original effective interest rate of the financial asset.

### **Individual assessment**

The calculation of the value correction for level 3 exposure is done on an individual basis if the client meets the following conditions:

Legal entities and entrepreneurs - the total exposure in the bank is greater than EUR 50 thousand  
Natural persons - the total exposure in the bank is greater than EUR 30 thousand

As, in accordance with the standard, expected credit losses represent probability-weighted estimates of credit losses, the Bank recognizes the existence of several possible collection scenarios when assessing expected future cash flows.

On this occasion, the scenarios that are taken into account are:

- realization of collateral (and then separately judicially and extrajudicially),
- restructuring and reprogramming,
- bankruptcy,
- sale of receivables,
- everything else he considers relevant

When determining the probability percentages of certain scenarios, the Bank is guided by the history of the realization and collection of problematic claims, as well as the specifics of individual financial instruments, and accordingly assigns them appropriate weights, which in the sum of all scenarios must amount to 100%.

In this way, the final calculated credit losses meet the definition of the standard in such a way that they represent a probability weighted estimate of credit losses.

### Group assessment

For all other exposures, the group approach is applied, which involves grouping the remaining financial instruments in level 3 by appropriate sub-segments.

For borrowers on group assessment at level 3, the calculation of expected credit losses is calculated as the difference between the gross book value of the placement and the value obtained by discounting all available collateral by the initial effective interest rate, which is multiplied by LGD unsecured for S3.

The collateral value that is discounted is 100% of the allocated value after applying the haircut. The average collection from the collateral of 36 months is taken as the discount period.

Depending on the type of real estate over which the mortgage was established, its location and the date of the last assessment, the Bank uses the reduced market value of the real estate in the process of calculating the value adjustment, as follows:

#### Residential Real Estate and garages

Teritorija	Haircuts
Beograd i Novi Sad	20%
Ostalo	42.5%

#### Commerciale property and garages

Teritorija	Haircuts
Beograd i Novi Sad	30%
Ostalo	42.5%

#### Industrial property

Vrsta	Haircuts
Fabrike	35%
Skladišta	50%

#### Lend

Vrsta	Haircuts
Zemljište Vojvodina	25%
Zemljište ostalo	40%

#### Rest

Vrsta	Haircuts
Garantni depozit	0%
Državne obveznice, Hov koje država garantuje	0%
Državne garancije	0%
Prvoklasne garancije	0%

## 7.2. EXPOSURE TO MARKET RISKS

The Bank does not apply the approach of internal models for calculating capital requirements for market risks, so all information on market risks relevant to disclosure is covered through the previous segments of this instruction.

### 7.3. EXPOSURE TO OPERATIONAL RISKS

The Bank does not apply an advanced approach to calculating capital requirements for operational risks, so all information on operational risks relevant to disclosure is covered through the previous segments of this document.

### 7.4. EXPOSURE TO INTEREST RATE RISK

Interest rate risk management is based on a regulatory approach, that is, on the application of requirements defined by the NBS.

In order to manage exposure to interest rate risk, the Bank uses the GAP interest rate methodology, which represents the difference between interest-bearing sensitive assets and interest-bearing sensitive liabilities within defined time zones, which shows how the two sides of the balance sheet react to changes in interest rates.

Positions are allocated according to:

- maturity (for positions with a fixed interest rate) or
- the time remaining until the next interest rate change (for positions with variable interest rates).

Exposure to interest rate risk is monitored on a monthly basis, in the significant currencies and cumulatively for other currencies, but also on a consolidated level (combined for all currencies at the level of the Bank).

The limits for GAP interest rates are defined by the Decision of the competent authorities of the Bank, they are regularly monitored and analyzed.

As an integral part of the interest rate risk assessment, the Bank conducts stress tests of the effects of changes in interest rates. In determining the exposure to interest rate risk in the banking book and the limit of this risk, the Bank assesses the effects of interest rate changes on the financial result of the Bank (income statement), as well as on the economic value of the Bank, applying the standard interest shock test. is exposed.

The standard interest rate shock represents a positive and a negative parallel shift of interest rates by 200 basis points (1bp = 0.01%).

### 7.5. EXPOSURE BASED ON EQUITY INVESTMENTS IN THE BANKING BOOK

Equity investments in the banking book include investments in financial institutions. Bank on 31.12.2024. she had no such investments.

## 8. LEVERAGE INDICATOR

In accordance with the Decision on the capital adequacy of the bank, the Bank calculates the Leverage indicator as follows: as the ratio of share capital to the amount of the bank's exposure.

The Leverage indicator in accordance with the Decision on capital adequacy as of 31.12.2025 was 10,30%.

Below is a table showing the Leverage indicator:

Врсте изложености	Износ изложености
Изложености по основу репо и reverse репо трансакција, трансакција кредитирања трговине хартијама од вредности, уговора о узимању и давању у зајам хартија од вредности или робе и трансакција са дугим роком измирења	1,106,450
Ванбилансне изложености распоређене у категорију умереног ризика (са фактором конверзије од 20%)	656,266
Ванбилансне изложености распоређене у категорију средњег ризика (са фактором конверзије од 50%)	744,368
Ванбилансне изложености распоређене у категорију високог ризика (са фактором конверзије од 100%)	7,365,453
Остале изложености	32,275,088
(-) Изложености које представљају одбитну ставку од основног акцијског капитала или додатног основног капитала у складу са одлуком којом се уређује адекватност капитала банке	-169,167.00
Укупан износ изложености за потребе обрачуна показатеља степена задужености (левериџа)	41,978,458.00
Основни капитал у складу са одлуком којом се уређује адекватност капитала банке	4,322,528.00
<b>ПОКАЗАТЕЉ СТЕПЕНА ЗАДУЖЕНОСТИ (ЛЕВЕРИџА)</b>	<b>10.30</b>

### PREGLED IZLOŽENOSTI BANKE KOJE ULAZE U OBRAČUN POKAZATELJA STEPENA ZADUŽENOSTI (LEVERIDŽA) PO PONDERIMA RIZIKA

	Износ изложености по основу билансне активе и ванбилансних ставки (Стандардизовани приступ)	Износ изложености по основу билансне активе и ванбилансних ставки (IRB приступ)	Износ изложености по основу ванбилансних ставки пре примене фактора конверзије
Укупан износ изложености по основу билансне активе и ванбилансних ставки из банкарске књиге, као и изложености из књиге трговања по основу ризика друге уговорне стране (преглед изложености по пондерима ризика):	41,963,073	0	
=0%	19,450,109	0	
> 0 и ≤ 12%	0	0	
>12 и ≤ 20%	8,935,041	0	
>20 и ≤ 50%	3,637,142	0	
>50 и ≤ 75%	300,335	0	
>75 и ≤ 100%	9,423,955	0	
> 100 и ≤ 425%	0	0	
> 425 и ≤ 1250%	0	0	
Изложености у статусу неизмирења обавеза	216,492	0	
Износ изложености за ванбилансне ставке распоређене у категорију ниског ризика (фактор конверзије од 0%)			13,424,662

**PREGLED VRSTA IZLOŽENOSTI BANKE KOJE SE UKLJUČUJU U OBRAČUN POKAZATELJA STEPENA ZADUŽENOSTI (LEVERIDŽA)**

Врста ванбилансне изложениости	Износ изложениости које улазе у обрачун показатеља степена задужениости (леверица)		Износ ризиком пондерисане активе	
	Стандардизовани приступ	IRB приступ	Стандардизовани приступ	IRB приступ
Ванбилансне ставке	8,766,087		1,522,613	
<i>Финансирање трговине</i>	0		0	
<i>У оквиру званичног аранжмана за осигурање кредитирања извоза</i>	0		0	
Деривати и репо и reverse репо трансакције, трансакције кредитирања трговине хартијама од вредности, уговори о узимању и давању у зајам хартија од вредности или робе и трансакције са дугим роком измирења, који су предмет уговора о нетирању између различитих категорија производа	0		0	
Деривати који нису предмет уговора о нетирању између различитих категорија производа	0		0	
Репо и reverse репо трансакције, трансакције кредитирања трговине хартијама од вредности, уговори о узимању и давању у зајам хартија од вредности или робе и трансакције са дугим роком измирења, које нису предмет уговора о нетирању између различитих категорија производа	1,106,450		0	
Износ изложениости настао као резултат додатног обрачуна за кредитне деривате (позиција 13. образац ЛР1 - позиција 14. образац ЛР1)	0			
Остале изложениости из књиге трговања	0		0	
Остале изложениости из банкарске књиге	Износ изложениости које улазе у обрачун показатеља степена задужениости (леверица)		Износ ризиком пондерисане активе	
	Стандардизовани приступ	IRB приступ	Стандардизовани приступ	IRB приступ
Изложениости по основу покривених обвезница	0	0	0	0
Изложениости према државама и централним банкама и изложениости које имају третман као изложениости према тим лицима	10,419,118	0	0	0
<i>Изложениости према државама и централним банкама</i>	10,419,118	0	0	0
<i>Изложениости према територијалним аутономијама и јединицама локалне самоуправе</i>	0	0	0	0
<i>Изложениости према јавним административним телима</i>	0	0	0	0
<i>Изложениости према међународним развојним банкама</i>	0	0	0	0
<i>Изложениости према међународним организацијама</i>	0	0	0	0
Изложениости према територијалним аутономијама, јединицама локалне самоуправе, међународним развојним банкама, међународним организацијама и јавним административним телима које немају третман као изложениости према државама	0	0	0	0
<i>Изложениости према територијалним аутономијама и јединицама локалне самоуправе</i>	0	0	0	0
<i>Изложениости према јавним административним телима</i>	0	0	0	0
<i>Изложениости према међународним развојним банкама</i>	0	0	0	0
Изложениости према банкама	8,821,007	0	1,764,201	0
Изложениости обезбеђене хипотекама на непокретностима	5,049,901	0	2,812,435	0
<i>Изложениости обезбеђене хипотекама на стамбеним непокретностима</i>	2,106,845	0	713,692	0
Изложениости према физичким лицима	293,756	0	209,244	0
<i>Изложениости према малим и средњим предузећима из класе изложениости према физичким лицима</i>	62,243	0	37,566	0
Изложениости према привредним друштвима	5,072,284	0	4,433,076	0
<i>Изложениости према лицима у финансијском сектору из класе изложениости према привредним друштвима</i>	371,841	0	371,841	0
<i>Изложениости према лицима која нису лица у финансијском сектору из класе изложениости према привредним друштвима</i>	4,700,444	0	4,061,235	0
<i>Изложениост према малим и средњим предузећима</i>	4,068,656	0	3,480,286	0
<i>Изложениост према осталим привредним друштвима</i>	631,788	0	580,949	0
Изложениости у статусу неизмирења обавеза	206,085	0	242,306	0
Остале изложениости	2,243,769	0	1,675,455	0
<i>од чега изложениости по основу сејуритизованих позиција</i>	0	0	0	0
Изложениости по основу финансирања трговине	0	0	0	0
<i>У оквиру званичног аранжмана за осигурање кредитирања извоза</i>	0	0	0	0

## 9. ADDITIONAL INFORMATION

In accordance with the Guidelines for publishing data and information of the bank related to the quality of assets of the National Bank of Serbia, within this item it presents the following tables.

### 1. Data on total credit risk exposure

in 000 RSD

Balance sheet position	Assets on the basis of which the bank is exposed to credit risk			Assets exposed to credit risk	Value in balance sheet
	Gross value	Acumulated provisions/reserves	Net value		
	1	2	3(1-2)	4	5(3+4)
Cash and funds with the central bank	4,698,014	0	4,698,014	0	4,698,014
Pledged financial resources	0	0	0	0	0
Financial assets at fair value through profit or loss intended for trading	0	0	0	0	0
Financial assets that are initially recognized at fair value through profit or loss	0	0	0	0	0
Financial resources available for sale	6,698,413	10,845	6,687,568	0	6,687,568
Held-to-maturity financial assets	0	0	0	0	0
Loans and receivables from banks and other financial organizations	10,290,531	28,362	10,262,169	0	10,262,169
Loans and receivables from customers	10,318,087	362,924	9,955,163	0	9,955,163
Change in the fair value of items that are subject to hedging	0	0	0	0	0
Receivables from financial derivatives intended for risk protection	0	0	0	0	0
Investments in associates and joint ventures	0	0	0	0	0
Investments in subsidiaries	0	0	0	0	0
Intangible assets	0	0	0	164,404	164,404
Property, plant and equipment	0	0	0	1,073,592	1,073,592
Investment property	0	0	0	195,190	195,190
Current tax assets	0	0	0	0	0
Deferred tax assets	0	0	0	0	0
Fixed assets held for sale and assets of discontinued operations	0	0	0	0	0
Other funds	373,714	18,566	355,148	0	355,148
<b>Balance sheet exposure</b>	<b>32,378,759</b>	<b>420,697</b>	<b>31,958,062</b>	<b>1,433,186</b>	<b>33,391,248</b>
Guarantees and warranties provided	3,139,533	19,562	3,119,971	0	3,119,971
Future commitments	2,531,887	5,989	2,525,898	0	2,525,898
Other off-balance sheet exposures	0	0	0	19,888,763	19,888,763
<b>Off-balance sheet exposure</b>	<b>5,671,420</b>	<b>25,551</b>	<b>5,645,869</b>	<b>19,888,763</b>	<b>25,534,632</b>
<b>Total exposure</b>	<b>38,050,179</b>	<b>446,248</b>	<b>37,603,931</b>	<b>21,321,949</b>	<b>58,925,880</b>

## 2. Data on gross and net exposure to credit risk by sectors and categories of receivables, by impairment, maturity and value of collateral

u 000 RSD

	Not-impaired receivables		Impaired receivables		Total Gross receivables *	Accumulated value adjustments		Total Net receivables	Value of collateral	
	Non-due obligation	Due obligations	Individual level	Group level		Individual level	Group level		not-impaired receivables	Impaired receivables
<b>By sectors</b>										
Receivables from private individuals										
Housing loans	1,703,875	15,376	31,509	13,729	1,764,488	3,737	42,024	1,718,727	1,517	39
Consumer and cash loans	498,642	2,367	0	8,387	509,397	0	22,611	486,786	92	0
Transaction and credit cards	3,879	135	0	106	4,120	0	188	3,932	0	0
<b>Receivables from the Legal entities</b>										
Large companies	372,122	1,692	0	0	373,814	0	14,009	359,805	21	0
Small and medium-sized enterprises	4,743,891	39,980	292,038	9,726	5,085,635	162,256	61,292	4,862,087	2,609	163
Micro enterprises and entrepreneurs	2,507,445	9,816	58,092	5,279	2,580,633	23,958	32,849	2,523,826	1,370	52
<b>Total exposure</b>	<b>9,829,854</b>	<b>69,366</b>	<b>381,639</b>	<b>37,228</b>	<b>10,318,087</b>	<b>189,951</b>	<b>172,973</b>	<b>9,955,163</b>	<b>5,608</b>	<b>254</b>
<b>By categories of receivables</b>										
Unproblematic claims	9,829,854	69,366	0	0	9,899,220	0	149,402	9,749,818	5,608	0
of which restructured	34,115	110	0	0	34,225	0	3,268	30,957	26	0
Problematic claims	0	0	381,639	37,228	418,866	189,951	23,571	205,345	0	254
of which restructured	0	0	82,541	2,688	85,229	37,613	2,639	44,977	0	39
<b>Total exposure</b>	<b>9,829,854</b>	<b>69,366</b>	<b>381,639</b>	<b>37,228</b>	<b>10,318,087</b>	<b>189,951</b>	<b>172,973</b>	<b>9,955,163</b>	<b>5,608</b>	<b>254</b>

\* Total gross receivables represent on-balance sheet assets classified (AOP 0006)

### 3. Data on sector and geographical concentration of exposure

u 000 RSD

	Belgrade region		Region of Vojvodina		Regions of Šumadija and West Serbia		Region South and East Serbia	
	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables	Performing receivables	Non performing receivables
<b>Receivables from private individuals</b>								
Housing loans	1,359,172	31,422	55,084	9,079	161,703	3,296	143,290	1,441
Consumer and cash loans	334,659	2,726	21,273	804	86,837	3,347	58,240	1,511
Transaction acc. and credit cards	2,501	17	260	9	989	36	264	44
<b>Receivables from the Legal entities *</b>								
Sector A	35,014	0	0	0	0	0	212	0
Sectors B, C and E	962,251	95,276	132,637	384	191,917	0	385,603	3,338
Sector D	398,022	0	0	0	0	0	0	0
Sector F	1,564,893	695	1,005	0	0	0	37,494	10,038
Sector G	1,058,299	68,728	162,501	2,968	122,155	36,272	21,596	0
Sectors H, I and J.	151,409	36,993	25,379	4	2,998	25	14,167	0
Sectors L, M and N	1,985,346	24,114	0	0	23,138	476	227,972	0
Receivables from other clients	31,518	24,816	10,335	16,366	96,377	28,772	32,707	15,870
<b>Total exposure</b>	<b>7,883,086</b>	<b>284,788</b>	<b>408,475</b>	<b>29,613</b>	<b>686,114</b>	<b>72,224</b>	<b>921,546</b>	<b>32,240</b>

Sector A	Agriculture, forestry, fishing
Sectors B, C and E	Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities
Sector D	Electricity, gas and steam supply and air conditioning
Sector F	Construction
Sector G	Wholesale and retail trade, repair of motor vehicles and motorcycles
Sectors H, I and J	Traffic and storage, accommodation and food services, information and communication
Sectors L, M and N	Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

#### 4. Data on credit risk exposure by sectors and categories of receivables, by impairment status and number of DPD \*

in 000 RSD

	Un impaired receivables					Devalued receivables				
	No delay	up to 30 days	from 31 to 60 days	from 61 and 90 days	over 90 days	No delay	up to 90 days	from 91 to 180 days	from 181 to 360 days	over 360 days
<b>By sectors</b>										
<b>Receivables from private individuals</b>										
Housing loans	1,656,566	61,635	1,003	47	0	0	7,867	0	1,147	36,224
Consumer and cash loans	486,569	3,720	10,720	0	0	211	0	456	721	7,000
Transaction and credit cards	3,893	111	10	0	0	41	0	0	23	42
<b>Receivables from the Legal entities</b>										
Large companies	373,814	0	0	0	0	0	0	0	0	0
Small and medium-sized enterpris	4,216,966	544,533	22,372	0	0	68,728	154,021	19,199	36,725	23,090
Micro enterprises and entrepreneu	2,484,490	32,262	510	0	0	14,082	0	1,117	21,576	26,597
<b>Total exposure</b>	<b>9,222,298</b>	<b>642,261</b>	<b>34,614</b>	<b>47</b>	<b>0</b>	<b>83,062</b>	<b>161,888</b>	<b>20,771</b>	<b>60,192</b>	<b>92,952</b>
<b>By categories of receivables</b>										
Unproblematic claims	9,222,298	642,261	34,614	47	0	0	0	0	0	0
of which restructured	34,225	0	0	0	0	0	0	0	0	0
Problematic claims	0	0	0	0	0	83,062	161,888	20,771	60,192	92,952
of which restructured	0	0	0	0	0	45,747	0	17,483	21,560	438
<b>Total exposure</b>	<b>9,222,298</b>	<b>642,261</b>	<b>34,614</b>	<b>47</b>	<b>0</b>	<b>83,062</b>	<b>161,888</b>	<b>20,771</b>	<b>60,192</b>	<b>92,952</b>

\* arrears are calculated according to the bank's methodology

## 5. Information on problematic loans

in 000 RSD

Lending sectors	Gross value of total receivables	Accumulated value adjustments of total receivables	Gross value of problematic receivables		Accumulated value adjustments of non performing receivables	% non performing receivables	Collateral value of non-performing receivables *
				of which: restructured receivables			
	1	2	3	4	5	6 (3/1)	7
<b>Receivables from private individuals</b>							
Housing loans	1,764,488	45,761	45,237	0	7,258	2.56%	39
Consumer and cash loans	509,397	22,611	8,387	446	8,219	1.65%	0
Transaction and credit cards	4,120	188	106	0	106	2.57%	0
<b>Receivables from the Legal entities *</b>							
Sector A	35,226	147	0	0	0	0.00%	0
Sectors B, C and E	1,771,406	61,519	98,998	0	24,647	5.59%	98
Sector D	398,022	1,339	0	0	0	0.00%	0
Sector F	1,614,126	24,100	10,733	0	10,518	0.66%	10
Sector G	1,472,519	109,508	107,968	31,717	95,574	7.33%	10
Sectors H, I and J	230,975	18,277	37,022	0	16,843	16.03%	20
Sectors L, M and N	2,261,047	41,715	24,590	8,186	13,427	1.09%	20
Receivables from other clients	256,761	37,759	85,824	44,880	36,930	33.43%	56
<b>Total exposure</b>	<b>10,318,087</b>	<b>362,924</b>	<b>418,866</b>	<b>85,229</b>	<b>213,522</b>	<b>4.06%</b>	<b>254</b>

\* Market or fair value, max. up to the gross value of the secured receivable

\*\*Sector A

Agriculture, forestry, fishing

Sectors B, C and E

Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities

Sector D

Electricity, gas and steam supply and air conditioning

Sector F

Construction

Sector G

Wholesale and retail trade, repair of motor vehicles and motorcycles

Sectors H, I and J

Traffic and storage, accommodation and food services, information and communication

Sectors L, M and N

Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

## 6. Data on changes in problematic receivables

in 000 RSD

	Gross value at the beginning of the year	New Non performing receivables	Reduced problematic receivables				Exchange rate effect	Other changes *	Gross value at the end of the year	Net value at the end of the year	
			of which: purchased	of which: charged	of which: sold	of which: written off					
											4
1	2	3	4	5	6	7	8	9	10 (1+2-4+8+9)	11	
<b>By sectors</b>											
<b>Receivables from private individuals</b>											
Housing loans	47,653	9,014	0	12,178	9,586	0	2,592	0	749	45,237	37,979
Consumer and cash loans	9,857	860	0	2,329	2,329	0	0	0	0	8,387	169
Transaction and credit cards	61	38	0	1	1	0	0	0	8	106	0
<b>Receivables from the Legal entities</b>			0	0							
Corporate clients	173,515	249,853	0	93,245	64,433	0	28,812	0	4,395	334,518	141,390
Entrepreneurs	4,428	28,677	0	2,488	1,959	0	530	0	20	30,637	25,806
Receivables from other clients	0	0	0	0	0	0	0	0	0	0	0
<b>Total receivables</b>	<b>235,515</b>	<b>288,441</b>	<b>0</b>	<b>110,241</b>	<b>78,307</b>	<b>0</b>	<b>31,934</b>	<b>0</b>	<b>5,171</b>	<b>418,886</b>	<b>205,345</b>

## 7. Data on the credit quality of performing receivables and the value of collateral with which they are secured

in 000 RSD

	Credit quality of performing receivables			Non performing receivables	Value of collateral *	
	High	Medium	Low		Performing receivables	Non-performing receivables
<b>Receivables from private individuals</b>						
Housing loans	415,796	1,102,626	200,829	45,237	1,517	39
Consumer and cash loans	160,789	115,126	225,094	8,387	92	0
Transaction and credit cards	2,063	1,475	477	106	0	0
<b>Receivables from the Legal entities</b>						
Large companies	338,746	35,069	0	0	21	0
Small and medium-sized enterprises	3,727,051	1,056,820	0	301,764	2,609	163
Micro enterprises and entrepreneurs	677,007	1,818,756	21,498	63,372	1,370	52
<b>Total exposure</b>	<b>5,321,452</b>	<b>4,129,871</b>	<b>447,897</b>	<b>418,866</b>	<b>5,608</b>	<b>254</b>

\* Market or fair value, max. up to the gross value of the secured receivable

## 8. Data on the type and value of collateral and guarantee providers by sector and categories

in 000 RSD

	Types of collateral *						Country	Garanties** issued by		
	Deposits	Securities	Residential real estate	Other real estate	Pledges on commodity bills and animals	Other assets ***		Bank	Person related to the debtor	Other person
<b>By sectors</b>										
<b>Receivables from private individuals</b>										
Housing loans	65	0	1,421,395	134,469	0	0	0	0	0	0
Consumer and cash loans	54,239	0	14,613	22,772	0	0	0	0	0	0
Transaction and credit cards	0	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>										
Large companies	33	0	0	20,876	0	390	0	0	0	0
Small and medium-sized enterprises	187,748	0	363,536	2,220,471	0	65,323	0	0	0	1
Micro enterprises and entrepreneurs	61,307	0	552,866	807,471	0	165	180	0	0	0
<b>Total exposure</b>	<b>303,392</b>	<b>0</b>	<b>2,352,409</b>	<b>3,206,059</b>	<b>0</b>	<b>65,878</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>By categories of receivables</b>										
Unproblematic claims	303,392	0	2,282,610	3,021,770	0	28,863	179	0	0	1
of which restructured	0	0	0	25,949	0	0	0	0	0	0
Problematic claims	0	0	69,800	184,289	0	37,014	1	0	0	0
of which restructured	0	0	7,847	30,888	0	0	0	0	0	0
<b>Total exposure</b>	<b>303,392</b>	<b>0</b>	<b>2,352,409</b>	<b>3,206,059</b>	<b>0</b>	<b>65,878</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>1</b>

\* Market or fair value, max. up to the gross value of the secured receivable

\*\* The amount of the guarantee up to the gross value of the secured claim

\*\*\* Pledge on receivables and goods

## 9. Receivables secured by a mortgage on real estate per values of LTV indicator

in 000 RSD

Value of LTV indicator*	Value of receivables secured mortgage on real estate
Below 50%	2,446,472
From 50% to 70%	1,433,894
From 70% to 90%	1,439,302
From 90% to 100%	1,149,144
From 100% to 120%	436,393
From 120% to 150%	242,471
Over 150%	129,477
<b>Total</b>	<b>7,277,153</b>
<b>Average LTV indicator</b>	<b>54.99%</b>

\* LTV indicator represents the ratio of the gross value of the receivable and the market value of the real estate by which the receivable is secured

## 10. Data on changes in assets acquired through collection of receivables

in 000 RSD

Types of assets acquired through collection of receivables		Residential real estate	Other real estate	Financial assets	Other assets acquired by collection	Total
Gross value at the beginning of the period *	1	14,449	279,536	0	14,623	308,608
Acquired during the period	2	0	0	0	0	0
Sold during the period	3	0	0	0	0	0
Put into operation during the period (e.g. fixed asset or investment property)	4	0	0	0	0	0
Reclassified as assets held for sale	5	0	104,222	0	0	104,222
of which: sold during the period	6	0	104,222	0	0	104,222
Impact assessment	7	281	3,601	0	1,524	5,407
<b>Gross value at the end of the period</b>	<b>8 (1+2+3-4-5-7)</b>	<b>14,730</b>	<b>171,713</b>	<b>0</b>	<b>13,099</b>	<b>199,542</b>
Accumulated value adjustment	9	0	0	0	0	0
of which: value adjustments over the period	10	0	0	0	0	0
<b>Net value at the end of the period</b>	<b>11 (8-9)</b>	<b>14,730</b>	<b>171,713</b>	<b>0</b>	<b>13,099</b>	<b>199,542</b>

\* The term "period" means the calendar year for which the regular annual financial report is compiled and to which the said disclosures relate; or the shorter time period, depending on the determined frequency of publishing data and information by the bank.

## 11. Changes in impaired receivables

in 000 RSD

	Gross value at the beginning of the year	Receivables that are impaired during the year of which: impaired on an individual basis	Receivables that stopped being impaired during the year of which: used to be impaired on an individual			Exchange rate effect	Other changes *	Gross value at the end of period	Net value at the end of period
			4	5	6				
	1	2	3	4	5	6	7	8	9
<b>By sectors</b>									
<b>Receivables from private individuals</b>									
Housing loans	17,576	30,399	21,655	2,592	2,592	0	-146	45,237	37,979
Consumer and cash loans	9,857	860	0	1,016	0	0	-1,314	8,387	169
Transaction and credit cards	61	38	0	1	0	0	8	106	0
<b>Receivables from the Legal entities</b>									
Corporate clients	153,511	269,710	263,212	88,456	88,407	0	-247	334,518	141,390
Entrepreneurs	2,455	28,692	26,272	530	0	0	0	30,617	25,806
Receivables from other clients	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>183,460</b>	<b>329,699</b>	<b>311,139</b>	<b>92,595</b>	<b>90,999</b>	<b>0</b>	<b>-1,699</b>	<b>418,866</b>	<b>205,345</b>

\* Contains written-off receivables, repaid, approved and other increases and decreases in exposure

## 12. Changes in value of impairment

in 000 RSD

	Accumulated value of impairment at the beginning of the year	Value of impairment recognized during the period *	Value of impairment released during the period	Accumulated value of impairment at the end of the year
	1	2	3	4 (1+2-3)
<b>By sectors</b>				
<b>Receivables from private individuals</b>				
Housing loans	39,595	21,784	15,618	45,761
Consumer and cash loans	19,098	12,848	9,336	22,611
Transaction and credit cards	154	88	54	188
<b>Receivables from the Legal entities</b>				
Corporate clients	296,382	206,482	214,124	288,740
Entrepreneurs	8,910	3,449	6,734	5,625
Receivables from other clients	0	0	0	0
<b>Total</b>	<b>364,139</b>	<b>244,651</b>	<b>245,866</b>	<b>362,924</b>
Unproblematic claims	205,401	110,669	147,818	168,251
of which restructured	19,302	2,020	12,083	9,240
Problematic claims	158,738	133,983	98,048	194,673
of which restructured	10,860	36,141	18,396	28,605
<b>Total</b>	<b>364,139</b>	<b>244,651</b>	<b>245,866</b>	<b>362,924</b>

\* Includes both indirect and direct write-offs of receivables

\*\* The Bank may show other changes in separate columns separately if it deems them significant

### 13. Interest booked, interest collected and interest income

in 000 RSD

	Interest income	Booked interest	Interest income on impaired receivables	Booked interest on impaired receivables
<b>By sectors</b>				
<b>Receivables from private individuals</b>	<b>108,956</b>	<b>109,298</b>	<b>3,111</b>	<b>3,135</b>
Housing loans	88,981	89,182	2,296	2,140
Consumer and cash loans	18,739	18,762	632	719
Transaction and credit cards	607	623	4	0
Other receivables	629	731	179	276
<b>Receivables from the Legal entities</b>	<b>812,287</b>	<b>814,351</b>	<b>27,196</b>	<b>25,690</b>
Corporate clients	801,204	802,601	24,180	22,118
Entrepreneurs	11,083	11,750	3,016	3,572
Farmers	0	0	0	0
Public companies	0	0	0	0
Receivables from other clients	0	0	0	0
<b>Total exposure</b>	<b>921,243</b>	<b>923,649</b>	<b>30,307</b>	<b>28,825</b>
<b>By categories of receivables</b>				
Unproblematic claims	890,935	895,505	0	0
of which restructured	1,920	6,490	0	0
Problematic claims	30,308	34,878	30,308	28,830
of which restructured	5,258	9,828	5,258	5,065
<b>Total receivables</b>	<b>921,243</b>	<b>930,383</b>	<b>30,308</b>	<b>28,830</b>

## 14. Data on restructured receivables

in 000 RSD

	Gross value of total receivables	Accumulated value of impairment of total receivables	Gross value of restructured receivables of which: non-performing receivables		Accumulated value of impairment of restructured receivables	% restructured receivables	Value of collateral for restructured receivables *
	1	2	3	4	5	6(3/1)	7
<b>Receivables from private individuals</b>							
Housing loans	1,764,488	45,761	0	0	0	0.00%	0
Consumer and cash loans	509,397	22,611	446	446	437	0.09%	0
Transaction and credit cards	4,120	188	0	0	0	0.00%	0
<b>Receivables from the Legal entities*</b>							
Sector A	35,226	147	0	0	0	0.00%	0
Sectors B, C and E	1,771,406	61,519	8,276	0	2,020	0.47%	0
Sector D	398,022	1,339	0	0	0	0.00%	0
Sector F	1,614,126	24,100	0	0	0	0.00%	0
Sector G	1,472,519	109,508	57,666	31,717	22,086	3.92%	36
Sectors H, I and J	230,975	18,277	0	0	0	0.00%	0
Sectors L, M and N	2,261,047	41,715	8,186	8,186	0	0.36%	8
Receivables from other clients	256,761	37,759	44,880	44,880	18,976	17.48%	20
<b>Total exposure</b>	<b>10,318,087</b>	<b>362,924</b>	<b>119,454</b>	<b>85,229</b>	<b>43,520</b>	<b>1.16%</b>	<b>65</b>

\* Market or fair value, max. up to the gross value of the secured receivable

\*\*Sector A

Agriculture, forestry, fishing

Sectors B, C and E

Mining and manufacturing, water supply, waste water management, waste disposal operations and similar activities

Sector D

Electricity, gas and steam supply and air conditioning

Sector F

Construction

Sector G

Wholesale and retail trade, repair of motor vehicles and motorcycles

Sectors H, I and J

Traffic and storage, accommodation and food services, information and communication

Sectors L, M and N

Real estate activities, professional, scientific, innovation and technical activities, administrative and support service activities

## 15. Data on changes in restructured receivables

in 000 RSD

	Gross value at the beginning of the period	Receivables that were restructured during the period	Receivables that ceased to be considered restructured during the period	Other changes *	Gross value at the end of the year	Net value at the end of the year
	1	2	3	4	5 (1+2-3+4)	6
<b>By sectors</b>						
<b>Receivables from private individuals</b>						
Housing loans	0	0	0	0	0	0
Consumer and cash loans	446	0	0	0	446	9
Transaction and credit cards	0	0	0	0	0	0
<b>Receivables from Legal entities</b>						
Corporate clients	179,056	54,092	132,899	-9,755	90,494	50,349
Entrepreneurs	44,685	5,837	5,873	-16,135	28,514	25,576
Receivables from other clients	0	0	0	0	0	0
<b>Total exposure</b>	<b>224,187</b>	<b>59,929</b>	<b>138,772</b>	<b>-25,890</b>	<b>119,454</b>	<b>75,934</b>

## 16. Data on the structure of restructured receivables based on restructuring measures

in 000 RSD

	Interest rate decrease	Extension of the repayment period	Moratorium	Capitalization of delay	Refinancing	Partial write-off	Converting debt into capital	Other measures *	Total
<b>By sectors</b>									
<b>Receivables from private individuals</b>									
Housing loans	0	0	0	0	0	0	0	0	0
Consumer and cash loans	0	0	0	0	0	0	0	446	446
Transaction and credit cards	0	0	0	0	0	0	0	0	0
<b>Receivables from the Legal entities</b>									
Large companies	0	0	0	0	0	0	0	90,494	90,494
Small and medium-sized enterprises	0	0	0	0	0	0	0	28,514	28,514
Micro enterprises and entrepreneurs	0	0	0	0	0	0	0	0	0
<b>Total exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119,454</b>	<b>119,454</b>

\* Restructured receivables in which restructuring measures are a combination of several measures