

**STOPANSKA BANKA AD - Skopje**

**Consolidated audited financial statements  
For the year ended December 31, 2025**

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## RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Management of STOPANSKA BANKA AD - Skopje (the “Bank”) is responsible for ensuring that the Consolidated financial statements are prepared for the year that ends on 31 December 2025 in accordance with the Methodology for recording and evaluating the accounting items provided by the Central Bank and for preparing the Consolidated financial statements on 31 December 2025 And there results of the bank operations and cash flows for the year that ended.

After making enquiries, the Management of the Bank has a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management of the Bank continues to adopt the going concern basis in preparing the Consolidated financial statements.

In preparing those Consolidated financial statements, the responsibilities of the Management of the Bank include ensuring that:

- Suitable accounting policies are selected and then applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards are followed, subject to any material departures disclosed and explained in the Consolidated financial statements; and
- The Consolidated financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

Management of the Bank is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Bank and must also ensure that the Consolidated financial statements comply with accounting standards applied in the country. Management of the Bank is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Decision of the Supervisory Board of the Bank No. 36/205 of 01.04.2025 and Decision No. 15-18019/13 of the NBRM, Chrysoula Koutoudi has been appointed as the Chairman of the Board of Directors and a new Chief Executive Officer. By Decision of the Supervisory Board of the Bank No. 18/2024 of 24.03.2025 and Decision No. 15-13009/5 of the NBRM, Mirjana Trajanovska has been appointed as a new Member of Board of Directors and Chief Financial Officer. By Decision of the Supervisory Board of the Bank No. 87/2025 of 31.07.2025 and Decision No. 15-27627/9 of the NBRM, Ilias Papadopoulos is appointed as a new Member of Board of Directors and Chief Operations Officer and by Decision of the Supervisory Board of the Bank No. 84/2025 of 31.07.2025 and Decision No. 15-29578/7 of the NBRM, Vladimir Treneski is appointed a new Member of Board of Directors and Chief Corporate Officer. By Decision of the Supervisory Board of the Bank No. 114/2025 of 31.10.2025 and Decision No. 15-2308/1 of the NBRM, Emilija Stojanova Ivanovska is appointed as a new Member of Board of Directors and Chief Risk Officer.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs. Chrysoula Koutoudi

Chief Executive Officer  
Chairman of the Board of Directors

Mr. Ilias Papadopoulos

Chief Operations Officer  
Member of the Board of Directors

Mrs. Mirjana Trajanovska

Chief Financial Officer  
Member of the Board of Directors

Mrs. Evangelia Kalouptsi

Chief Transformation and Strategy Officer  
Member of the Board of Directors

Mr. Vladimir Treneski

Chief Corporate Officer  
Member of the Board of Directors

Mrs. Emilija Stojanova Ivanovska

Chief Risk Officer  
Member of the Board of Directors

Mrs. Julijana Proshev

Chartered Accountant – License Number 0101038



# Independent Auditor's Report

To the supervisory board and shareholders of Stopanska Banka AD Skopje:

## Report on the audit of the consolidated financial statements

### Our opinion

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

### What we have audited

The Group's consolidated financial statements comprise:

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

## Basis for opinion

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

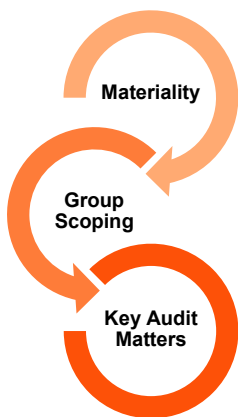
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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

## Our audit approach

### Overview



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Overall Group materiality: MKD 186 million, which represents 5% of profit before tax.

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We planned and scoped our audit for the financial year 2025 reflecting the Group’s current structure whereby the Bank represents a significant part of the Group’s assets, liabilities, revenue and profit before tax. Hence, we defined the Bank as the sole significant component within the Group and so it was subject to a full scope audit of its financial information.

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Expected credit losses – Loans to customers

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

## Materiality

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

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

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<b>Overall Group materiality</b>	MKD 186 million (2024: 207 million)
<b>How we determined it</b>	5% of profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

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## Key audit matters

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

## Key audit matter

### Expected credit losses – Loans to customers

The gross carrying value of the loans to customers amounted to MKD 112 879 246 ths for the Group, with expected credit loss (“ECL”) allowances of MKD 4,049,493 ths.

The measurement of ECL requires Management to apply significant judgement and make estimates and assumptions that involve significant uncertainty, considering also the current uncertain macroeconomic environment.

Due to the magnitude of ECL allowance and the extent of management judgement that is required for the expected credit loss calculations, the ECL has been identified as an area of most significance in the current year audit of the consolidated financial statements of the Group.

Expected credit loss is determined in accordance with the Decision on the methodology for credit risk management issued by the National Bank of the Republic of North Macedonia. Credit exposures are assessed at least monthly and classified into regulatory risk categories A to E, based on the level of credit risk and the presence of default, forbearance or other indicators of deterioration in credit quality.

Management’s applied overlays where they believe that the estimated loss amounts are not appropriate, either due to model limitations, or when the emerging risks or the current conditions are not captured.

The accounting policies and critical judgements and estimates on how the Group manages and measure credit risk, and for the expected credit loss allowance on loans to customers, are included in section c) Material accounting policies in the Introduction and in note 2.1 to the consolidated financial statements.

## How our audit addressed the key audit matter

Our work included understanding of management’s process over the determination of the expected credit loss allowance on loans to customers

We tested, on a sample basis, the design and operating effectiveness of key internal controls over critical data inputs used in the ECL calculation (such as days past due, internal rating, collateral data).

We tested, on a sample basis, the appropriateness of the classification into the risk categories in line with the Decision on the methodology for credit risk management issued by the National Bank of the Republic of North Macedonia and whether expected credit loss percentages applied were in line the same methodology.

We performed substantive testing, on a sample basis, of critical data used in the ECL calculation as at 31 December 2025, including forbearance and default classification, and the valuation of eligible collateral.

We assessed the appropriateness of management overlays applied in response to recent economic events, inspected that the overlays were subject to appropriate governance and approval, and performed substantive testing on a sample basis that the approved overlay rules were consistently applied to exposures meeting the relevant criteria.

We reconciled the output of the ECL calculation with the amounts disclosed in the consolidated financial statements.

## **How we tailored our Group audit scope**

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

We planned and scoped our audit for the year 2025 reflecting the Group's current structure whereby the Bank represents the vast majority of the Group's assets liabilities and profit before tax of all the consolidated Group subsidiaries before consolidation eliminations. Hence, we defined the Bank as the sole significant component within the Group and so the Bank was subject to an audit of its complete financial information. We applied analytical procedures to the financial information of the subsidiary of the Bank and other audit procedures on the material balances and transactions.

## **Reporting on other information**

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

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# Report on other legal and regulatory requirements

## Opinion on the Annual Report

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

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

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

Dragan Davitkov

General Manager

Aleksandra Kuzmanovska

Certified Auditor

PricewaterhouseCoopers Revizija DOO

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

Skopje, North Macedonia,

27 April 2026

### Original report is signed in Macedonian language

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

**CONSOLIDATED INCOME STATEMENT**  
**for the period from January 1, 2025 to December 31, 2025**  
(In thousands of Denars)

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Interest income		6,418,378	6,958,484
Interest expense		<u>(1,062,516)</u>	<u>(773,866)</u>
<b>Net interest income (expense)</b>	6	<b>5,355,862</b>	<b>6,184,618</b>
Fee and commission income		1,643,546	1,660,690
Fee and commission expense		<u>(895,079)</u>	<u>(794,738)</u>
<b>Net fee and commission income (expense)</b>	7	<b>748,467</b>	<b>865,952</b>
Trading income/(losses), net	8	-	-
Trading income from other financial instruments recorded at fair value, net	9	-	-
Foreign exchange gains/(losses), net	10	180,156	179,584
Other operating income	11	1,691,445	510,772
Share in the profit of associates	24	-	-
Impairment losses on financial assets, net	12	(1,492,374)	(1,175,092)
Impairment losses on non-financial assets, net	13	(4,663)	34,557
Personnel expenses	14	(1,347,619)	(1,171,665)
Depreciation and amortization	15	(312,770)	(213,837)
Other operating expenses	16	(1,107,988)	(1,066,959)
Share in the loss of associated companies	24	<u>-</u>	<u>-</u>
<b>Profit before tax</b>		<b>3,710,516</b>	<b>4,147,930</b>
Income tax	17	<u>(373,590)</u>	<u>(594,383)</u>
<b>Net profit for the year</b>		<b><u>3,336,926</u></b>	<b><u>3,553,547</u></b>
<b>Earnings per share</b>	41		
Basic earnings per share (in MKD)		191.12	203.52
Diluted earnings per share (in MKD)		191.12	203.52

The accompanying notes from page 17 to 142 are an integral part of these Consolidated financial statements. The Consolidated financial statements were approved by the Banks's Board of Directors on April 23, 2026 and adopted by the Bank's Supervisory Board on April 27, 2026.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs. Chrysoula Koutoudi  
Chief Executive Officer  
Chairman of the Board of Directors

Mr. Ilias Papadopoulos  
Chief Operations Officer  
Member of the Board of Directors

Mrs. Mirjana Trajanovska  
Chief Financial Officer  
Member of the Board of Directors

Mrs. Evangelia Kalouptsi  
Chief Transformation and Strategy Officer  
Member of the Board of Directors

Mr. Vladimir Treneski  
Chief Corporate Officer  
Member of the Board of Directors

Mrs. Emilija Stojanova Ivanovska  
Chief Risk Officer  
Member of the Board of Directors

Mrs. Julijana Proshev  
Chartered Accountant – License Number 0101038

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**for the period from January 1, 2025 to December 31, 2025**  
**(In thousands of Denars)**

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Profit / (loss) for the financial year</b>		3,336,926	3,553,547
<b>Other profit/(losses) for the financial year (before taxation)</b>			
<b>Other profit/(losses) in the period not shown in the Income Statement (before taxation)</b>			
Revaluation reserve for equity assets available-for- sale		-	-
- unrealized net changes in fair value of equity assets available for sale		-	128
- realized net-profit/(losses) from equity assets available for sale, reclassified in the Other reserves		-	-
Changes in the bank's creditworthiness, for financial liabilities that are measured at fair value		-	-
Income tax from other gains / (losses) not shown in the Income Statement	17	-	(1,408)
<b>Total other gains / (losses) in the period not shown in the Income Statement</b>		<u>-</u>	<u>(1,280)</u>
<b>Other gains / (losses) in the period which are or could reclassified in the Income Statement (before taxation)</b>			
Revaluation reserve for debt assets available-for- sale		-	-
- unrealized net changes in fair value of debt assets available for sale		(41,701)	4,990
- realized net-profit/(losses) from equity assets available for sale, reclassified in the Income Statement		-	-
- additional impairment losses of debt assets available for sale		-	-
- Release of impairment losses of debt assets available for sale		-	-
Revaluation reserve foreclosed assets taken on the basis of outstanding claims		-	-
- revaluation reserve recognized during the period		130,868	53,804
- reduction in the revaluation reserve reclassified in the Income Statement		(14,646)	(75,657)
Reserves for cash flow risk protection instruments		-	-
- unrealized net changes in fair value of cash flow risk protection instruments		-	-
- realized net-profit/(losses) from cash flow risk protection instruments, reclassified in the Income Statement		-	-
Reserve for instruments to protect against the risk of net investments in foreign operations		-	-
Reserve of foreign exchange differences from investment in foreign operations		-	-
Share in other gains / (losses) of affiliated companies not shown in the Income Statement	24	-	-
Other gains / (losses) not shown in the Income Statement		3,396	(5,065)
Income tax from other gains / (losses) which are or could reclassified in the Income Statement	17	(7,452)	(18,011)
<b>Total other gains / (losses) in the period which are or could reclassified in the Income Statement</b>		<u>70,465</u>	<u>(39,939)</u>
<b>Total other gains / (losses) in the period</b>		<u>70,465</u>	<u>(41,219)</u>
<b>Comprehensive income /(loss) for the financial year</b>		<u><u>3,407,391</u></u>	<u><u>3,512,328</u></u>

The accompanying notes from page 17 to 142 are an integral part of these Consolidated financial statements.

The Consolidated financial statements were approved by the Bank's Board of Directors on April 23, 2026 and adopted by the Bank's Supervisory Board on April 27, 2026.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs. Chrysoula Koutoudi  
Chief Executive Officer  
Chairman of the Board of Directors

Mr. Ilias Papadopoulos  
Chief Operations Officer  
Member of the Board of Directors

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Member of the Board of Directors

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Mr. Vladimir Treneski  
Chief Corporate Officer  
Member of the Board of Directors

Mrs. Emilija Stojanova Ivanovska  
Chief Risk Officer  
Member of the Board of Directors

Mrs. Julijana Proshev  
Chartered Accountant – License Number 0101038

**CONSOLIDATED BALANCE SHEET**  
**for the period from January 1, 2025 to December 31, 2025**  
**(In thousands of Denars)**

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>ASSETS</b>			
Cash and cash equivalents	18	22,630,481	24,514,815
Trading financial assets	19	-	-
Financial assets at fair value through Income Statement determined as such at initial recognition	20	-	-
Derivative assets held for risk management	21	-	-
Placements with, and loans to banks	22.1	374,291	406,945
Loans to customers	22.2	108,829,753	98,810,256
Investments in securities	23	20,027,780	16,585,375
Investments in associates	24	-	-
Income tax receivable (current)	30.1	-	-
Other receivables	25	3,464,080	2,281,303
Collateralized assets	26	-	-
Assets acquired through foreclosure proceedings	27	196,417	88,432
Intangible assets	28	329,842	255,751
Property and equipment	29	1,281,675	1,078,701
Deferred tax assets	30.2	-	-
Non-current assets held for sale and disposal group	31	-	-
<b>Total assets</b>		<b><u>157,134,319</u></b>	<b><u>144,021,578</u></b>
<b>LIABILITIES</b>			
Trading financial liabilities	32	-	-
Financial liabilities at fair value through Income Statement determined as such at initial recognition	33	-	-
Derivative obligations held for risk management	21	-	-
Deposits from banks and financial institutions	34.1	2,478,997	1,693,960
Deposits from customers	34.2	119,828,814	108,524,202
Issued debt securities	35	-	-
Borrowings	36	4,159,445	2,447,363
Subordinated debt	37	-	-
Special reserve and provisions	38	108,530	139,449
Income tax payable (current)	30.1	167,765	245,482
Deferred tax liabilities	30.2	26,872	19,420
Other liabilities	39	1,718,818	1,713,570
Liabilities directly related to disposal group of assets	31	-	-
<b>Total liabilities</b>		<b><u>128,489,241</u></b>	<b><u>114,783,446</u></b>

**CONSOLIDATED BALANCE SHEET (continued)**  
**for the period from January 1, 2025 to December 31, 2025**  
(In thousands of Denars)

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>EQUITY AND RESERVES</b>			
Subscribed capital	40	3,511,242	3,511,242
Share premium		-	-
Treasury shares		-	-
Other equity instruments		-	-
Revaluation reserves	40	235,304	164,837
Other reserves	40	831,472	831,373
Retained earnings		<u>24,067,060</u>	<u>24,730,680</u>
<b>Total equity and reserves</b>		<b><u>28,645,078</u></b>	<b><u>29,238,132</u></b>
<b>Total liabilities and equity and reserves</b>		<b><u>157,134,319</u></b>	<b><u>144,021,578</u></b>
Contingent liabilities	42.1	19,432,077	19,701,232
Contingent assets	42.2	<u>-</u>	<u>-</u>

The accompanying notes from page 17 to 142  
are an integral part of these Consolidated financial statements.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs. Chrysoula Koutoudi  
Chief Executive Officer  
Chairman of the Board of Directors

Mr. Ilias Papadopoulos  
Chief Operations Officer  
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Member of the Board of Directors

Mrs. Julijana Proshev  
Chartered Accountant – License Number 0101038

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND RESERVES**  
**for the period from January 1, 2025 to December 31, 2025**  
(In thousands of Denars)

	Equity				Revaluation reserves					Other reserves			Retained earnings		(Accumulated losses)	Total equity and reserves
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revaluation reserve for assets available for sale	Revaluation reserve for foreclosed assets	Reserve for protection against risk	Foreign exchange gains/losses reserves	Other revaluation reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders		
As at January 1, 2024 (previous period)	3,511,242	-	-	-	31,408	155,543	-	-	16,870	830,290	-	1,083	7,434,621	13,744,748	-	25,725,804
Restatement of opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at January 1, 2024 Restated	3,511,242	-	-	-	31,408	155,543	-	-	16,870	830,290	-	1,083	7,434,621	13,744,748	-	25,725,804
Comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	3,533,547	-	-	3,553,547
Other income/(loss) in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for assets available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>debt securities</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-unrealized changes in the fair value, net	-	-	-	-	4,990	-	-	-	-	-	-	-	-	-	-	4,990
-realized changes in the fair value, net reclassified in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-additional impairment on debt securities available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-impairment release of debt securities available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>equity securities</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-unrealized changes in the fair value, net	-	-	-	-	128	-	-	-	-	-	-	-	-	-	-	128
-realized changes in the fair value, net reclassified in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for protection against cash flow risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for protection against net-investment risk in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences of investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets/(liabilities) recognized in equity	-	-	-	-	(6,050)	(13,369)	-	-	-	-	-	-	-	-	-	(19,419)
Changes in bank's creditworthiness for financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other profit/(loss) not shown in the Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	(2,234)	-	-	(2,234)
-foreclosed assets and employee benefits IAS 19	-	-	-	-	-	(21,853)	-	-	(2,831)	-	-	-	-	-	-	(24,684)
<b>Total unrealized profit/(loss) recognized in the equity</b>	-	-	-	-	<b>(932)</b>	<b>(35,222)</b>	-	-	<b>(2,831)</b>	-	-	-	<b>(2,234)</b>	-	-	<b>(41,219)</b>
<b>Total comprehensive profit/(loss) for the financial year</b>	-	-	-	-	<b>(932)</b>	<b>(35,222)</b>	-	-	<b>(2,831)</b>	-	-	-	<b>3,551,313</b>	-	-	<b>3,512,328</b>
<b>Transactions with shareholders, recognized in the equity and reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued shares within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sold treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	(2,460,000)	2,460,000	-	-
<b>Transactions with shareholders, recognized in the equity and reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>(2,460,000)</b>	<b>2,460,000</b>	-	-
<b>On December 31, 2024</b>	<b>3,511,242</b>	-	-	-	<b>30,476</b>	<b>120,321</b>	-	-	<b>14,039</b>	<b>830,290</b>	-	<b>1,083</b>	<b>8,525,934</b>	<b>16,204,748</b>	-	<b>29,238,132</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND RESERVES (continued)**  
**for the period from January 1, 2025 to December 31, 2025**  
**(In thousands of Denars)**

	Equity				Revaluation reserves					Other reserves			Retained earnings		(Accumulated losses)	Total equity and reserves
	Subscribed capital	Share premium	(Treasury shares)	Other equity instruments	Revaluation reserve for assets available for sale	Revaluation reserve for foreclosed assets	Reserve for protection against risk	Foreign exchange gains/losses reserves	Other revaluation reserves	Statutory reserve	Capital component of hybrid financial instruments	Other reserves	Available for distribution to shareholders	Limited for distribution to shareholders		
As at December 31, 2024/ January 1, 2025 (current period)	3,511,242	-	-	-	30,476	120,321	-	-	14,039	830,290	-	1,083	8,525,934	16,204,748	-	29,238,132
Corection in initial balance	-	-	-	-	-	-	-	-	-	-	-	-	(2,064)	-	-	(2,064)
As at January 1, 2025corrected	<u>3,511,242</u>	-	-	-	<u>30,476</u>	<u>120,321</u>	-	-	<u>14,039</u>	<u>830,290</u>	-	<u>1,083</u>	<u>8,523,870</u>	<u>16,204,748</u>	-	<u>29,236,069</u>
Comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	3,336,926	-	-	3,336,926
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income/(loss) in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for assets available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>debt securities</i>																
-unrealized changes in the fair value, net	-	-	-	-	(41,701)	-	-	-	-	-	-	-	-	-	-	(41,701)
-realized changes in the fair value, net reclassified in Income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-additional impairment on debt securities available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-impairment release of debt securities available-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>equity securities</i>																
-unrealized changes in the fair value, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-realized changes in the fair value, net reclassified in Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for protection against cash flow risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the fair value for protection against net-investment risk in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences of investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets/(liabilities) recognized in equity	-	-	-	-	4,170	(11,622)	-	-	-	-	-	-	-	-	-	(7,452)
Changes in bank's creditworthiness for financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other profit/(loss) not shown in the Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-foreclosed assets and employee benefits IAS 19	-	-	-	-	-	116,222	-	-	3,396	-	-	-	-	-	-	119,618
<b>Total unrealized profit/(loss) recognized in the equity</b>	-	-	-	-	<b>(37,531)</b>	<b>104,600</b>	-	-	<b>3,396</b>	-	-	-	-	-	-	<b>70,465</b>
<b>Total comprehensive profit/(loss) for the financial year</b>	-	-	-	-	<b>(37,531)</b>	<b>104,600</b>	-	-	<b>3,396</b>	-	-	-	<b>3,336,926</b>	-	-	<b>3,407,391</b>
<b>-Transactions with shareholders, recognized in the equity and reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued shares within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(3,998,381)	-	-	(3,998,381)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sold treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-distribution of accumulated earnings	-	-	-	-	-	-	-	-	-	-	-	-	(3,670,382)	3,670,382	-	-
<b>Transactions with shareholders, recognized in the equity and reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>(7,668,763)</b>	<b>3,670,382</b>	-	<b>(3,998,381)</b>
<b>On December 31, 2025</b>	<u><b>3,511,242</b></u>	-	-	-	<u><b>(7,055)</b></u>	<u><b>224,921</b></u>	-	-	<u><b>17,435</b></u>	<u><b>830,290</b></u>	-	<u><b>1,083</b></u>	<u><b>4,192,033</b></u>	<u><b>19,875,130</b></u>	-	<u><b>28,645,078</b></u>

The accompanying notes from page 17 to 142 are an integral part of these Consolidated financial statements.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs.Chrysoula Koutoudi  
Chief Executive Officer  
Chairman of the Board of Directors

Mr.Ilias Papadopoulos  
Chief Operations Officer  
Member of the Board of Directors

Mrs .Mirjana Trajanovska  
Chief Financial Officer  
Member of the Board of Directors

Mrs. Evangelia Kalouptsi  
Chief Transformation and Strategy Officer  
Member of the Board of Directors

Mr.Vladimir Treneski  
Chief Corporate Officer  
Member of the Board of Directors

Mrs.Emilija Stojanova Ivanovska  
Chief Risk Office  
Member of the Board of Directors

Mrs Julijana Proshev  
Chartered Accountant - License Number 0101038



**CONSOLIDATED STATEMENT OF CASH FLOW**  
**for the period from January 1, 2025 to December 31, 2025**  
**(In thousands of Denars)**

	Note	31 December 2025	31 December 2024
<b>Cash flow generated from operating activities</b>			
<b>Profit before taxation</b>		3,710,516	4,147,930
<i>Adjustments for:</i>			
Depreciation of:			
- intangible assets	15/28	82,554	68,603
- property and equipment	15/29	230,216	145,234
Capital gain on sale of:			-
- intangible assets		-	-
- property and equipment	11	(3,103)	(3,109)
- assets acquired through foreclosures	11	(69,655)	(31,239)
Capital loss on sale of:			
- intangible assets		-	-
- property and equipment		-	-
- assets acquired through foreclosures	16	-	-
Interest income	6	(6,418,378)	(6,958,484)
Interest expense	6	1,062,516	773,866
Net trading expense / (income)	8	-	-
Impairment losses of financial assets, on a net basis		-	-
- Additional impairment losses	12	2,149,996	1,942,539
- Release of impairment losses	12	(657,622)	(767,447)
Impairment loss of non-financial assets, on a net basis:			
- Additional impairment loss	13	19,309	25,887
- Release of impairment loss		(14,646)	(60,444)
Special reserves:			
- additional provisions	38	7,349	14,343
- release of provisions	38	(14,542)	(1,999)
Dividend income	11	-	-
Share in profit/(loss) of associates		-	-
Other adjustments		-	-
Interest received		6,520,515	6,946,359
Interest paid		(755,705)	(518,083)
<b>Operating profit before changes in operating assets</b>		<b>5,849,320</b>	<b>5,724,047</b>
<i>(Increase)/decrease of operating assets:</i>			
Trading assets		-	-
Derivative assets held for risk management		-	-
Due from banks and financial institutions		32,701	(80,477)
Loans to customers		(11,600,830)	(7,787,160)
Pledged assets		-	-
Assets acquired through foreclosure proceedings		61,608	74,462
Reserve requirements in foreign currency		(733,512)	231,183
Obligatory deposit with Central Bank in accordance with special legislation		-	370,000
Other receivables		(1,156,718)	(923,975)
Deferred tax assets		-	-
Non-current assets held for sale and disposal group		-	-
<i>Increase/(decrease) of operating liabilities:</i>			
Trading liabilities		-	-
Derivative liabilities held for risk management		-	-
Deposits from banks and financial institutions		781,837	700,477
Deposits from customers		11,000,775	8,210,226
Other liabilities		(151,904)	197,569
Liabilities directly related to group of assets for disposal		-	-
<b>Net cash flows (used in)/ from operating activities before tax</b>		<b>4,083,277</b>	<b>6,716,352</b>
(Paid)/Received on income tax		(451,305)	(473,466)
<b>Net cash flows (used in)/ from operating activities</b>		<b>3,631,972</b>	<b>6,242,886</b>

**CONSOLIDATED STATEMENT OF CASH FLOW (continued)**  
**for the period from January 1, 2025 to December 31, 2025**  
**(In thousands of Denars)**

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Cash flows from investing activities</b>			
(Investments in securities)		(31,841,901)	(9,815,840)
Inflows from sale of investments in securities		28,301,455	4,721,955
(Outflows for investments in subsidiaries and affiliates)		-	-
Inflows from sale of investments in subsidiaries and affiliates		-	-
(Acquisition of intangible assets)		(156,645)	(131,849)
Inflows from sale of intangible assets		-	-
(Acquisition of property and equipment)		(272,005)	(263,226)
Inflows from sale of property and equipment		7,399	-
(Outflows for non-current assets held for sale)		-	-
Inflows from non-current assets held for sale		-	-
(Other outflows from investing activities)		-	-
Other inflows from investing activities		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(3,961,697)</b>	<b>(5,488,960)</b>
<b>Cash flows from financing activities</b>			
(Repayment of issued debt securities)		-	-
Inflows from issued debt securities		-	-
(Repayment of loan payables)		(568,391)	(646,399)
Increase in loan payables		2,280,699	351,443
(Repayment of issued subordinated debt)		-	-
Inflows from issued subordinated debt		-	-
Inflows from issued shares/equity instruments within the period		-	-
Acquisition of treasury shares)		-	-
Disposal of treasury shares		-	-
(Paid dividends)		(3,998,381)	-
(Other outflows from financing activities)		(2,066)	-
Other inflows from financing activities		-	-
<b>Net cash flows from financing activities</b>		<b>(2,288,139)</b>	<b>(294,956)</b>
Effects from allowance for impairment of cash and cash equivalents		18	23
Effects from foreign exchange gains/losses of cash and cash equivalents		-	-
<b>Net increase /(decrease) of cash and cash equivalents</b>		<b>(2,617,846)</b>	<b>458,993</b>
Cash and cash equivalents as at January 1		18,785,506	18,326,513
<b>Cash and cash equivalents as at December 31</b>		<b>16,167,660</b>	<b>18,785,506</b>

The accompanying notes from page 17 to 142 are an integral part of these Consolidated financial statements.

Signed on behalf of STOPANSKA BANKA AD - Skopje:

Mrs. Chrysoula Koutoudi  
Chief Executive Officer  
Chairman of the Board of Directors

Mr. Ilias Papadopoulos  
Chief Operations Officer  
Member of the Board of Directors

Mrs. Mirjana Trajanovska  
Chief Financial Officer  
Member of the Board of Directors

Mrs. Evangelia Kalouptsi  
Chief Transformation and Strategy Officer  
Member of the Board of Directors

Mr. Vladimir Treneski  
Chief Corporate Officer  
Member of the Board of Directors

Mrs. Emilija Stojanova Ivanovska  
Chief Risk Officer  
Member of the Board of Directors

Mrs. Julijana Proshev  
Chartered Accountant – License Number 0101038

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

**INTRODUCTION**

**a) General Information**

These consolidated financial statements include the Bank and its subsidiary, The Leasing Company STOPANSKA LIZING DOOEL SKOPJE ( Stopanska Leasing )( collectively referred as the Group). STOPANSKA BANKA AD - Skopje was established as a shareholding bank on December 29, 1989. The address of its registered office and principal place of business is 11 Oktomvri 7, 1000 Skopje. The Bank operates in the RNM with 56 branches (2024: 57 branches).

The Bank is registered as a universal type of commercial bank in accordance with local laws. The principal activities of the Bank are as follows:

- accept deposits and other repayable sources of funds,
- lend in the country, including factoring and financing commercial transactions,
- lend abroad, including factoring and financing commercial transactions,
- issuance and administration of means of payment (payment cards, checks, traveller's checks, bills of exchange),
- financial leasing,
- currency exchange operations,
- domestic and international payment operations, including purchase and sale of foreign currency,
- fast money transfer,
- issuance of payment guarantees, backing guarantees and other forms of collateral,
- lease of safe deposit boxes, depositories and depots,
- trade in instruments on the money market (bill of exchange, checks, deposit certificates),
- trade in foreign assets, including trade in precious metals,
- trade in securities,
- trade in financial derivatives,
- asset and securities portfolio management for clients and/or investment advising for clients,
- provides custodian services for investment and pension funds,
- purchase and sale, underwriting or placement of securities issue,
- custody of clients' securities,
- giving advices to legal entities in relation to the structure of capital, business strategy or other related issues, or providing services related to merging or acquisition of legal entities,
- sale of insurance policies,
- insurance representation,
- marketing of mandatory/voluntary pension fund,
- intermediation in concluding credit and loan agreements,
- process and analyse information on the legal entities' creditworthiness,
- economic and financial consulting, and
- other financial services specified by law allowed to be performed exclusively by a bank.

The Leasing Company STOPANSKA LIZING DOOEL SKOPJE has a license for establishment and work of a provider of financial leasing and operational leasing of vehicles (passenger, commercial and freight vehicles), equipment (industrial, medical, agricultural) real estate etc.

The Group is controlled by National Bank of Greece, headquartered in Greece, which owns 94.64% (2024: 94.64%) of the capital of the Bank and represents its ultimate parent company.

The shares of the Bank quote at the Official market of the Stock Exchange, sub segment Mandatory Listing, and the code under which they are quoted is:

<u>Code of the security</u>	<u>ISIN number</u>
STB (common share)	MKSTBS101014
STBP (preferred share)	MKSTBS120014

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

**INTRODUCTION (continued)**

**a) General Information (continued)**

The Consolidated financial statements of the Bank for the period ended December 31, 2025 were approved by the Bank's Board of Directors on April 23, 2026 and adopted by the Bank's Supervisory Board on April 27, 2026.

**b) Basis of preparation of the Consolidated financial statements**

**Accounting standards for preparation of the Consolidated financial statements**

The consolidated financial statements of the Group have been prepared in accordance with the by-laws prescribed by the National Bank of the Republic of North Macedonia (hereinafter referred to as the "NBSM"), as well as in accordance with the Decision on the Methodology for Recording and Valuation of Accounting Items and for Preparation of Financial Statements (hereinafter referred to as the "Methodology") ("Official Gazette of the Republic of North Macedonia" No. 83/2017 and 275/24) and the Decision on the Types and Content of Financial Statements of Banks ("Official Gazette of the Republic of North Macedonia" No. 83/17 and 149/18 and "Official Gazette of the Republic of North Macedonia" No. 275/24), prescribed by the NBRSM ("the regulation of the National Bank of the Republic of North Macedonia, relevant for the preparation of financial statements of banks in North Macedonia").

The Group consolidated financial statements are also in accordance with the Law on Trade Companies ("Official Gazette of the Republic of Macedonia" no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11, 166/12, 70/13, 119/13, 120/13, 187/13, 38/14, 41/14, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18, 120/18 and "Official Gazette of the Republic of Macedonia" no. 290/20, 215/21, 99/22 and 272/24), the Law on Banks ("Official Gazette of the Republic of Macedonia" no. 67/07, 90/09, 67/10, 26/13, 15/15, 153/15, 190/16, 7/19 and "Official Gazette of the Republic of Macedonia" No. 101/19, 122/21 and 37/25).

Within the Methodology, the liability for calculating the impairment for credit risk is prescribed by the Bank, which is obliged to determine, evaluate and recognize allowance for impairment/impairment for expected credit losses of financial assets in accordance with the Decision on the methodology for credit risk management as prescribed by the Central Bank.

On March 15, 2023, a new Decision on the Credit Risk Management Methodology was adopted ("Official Gazette of the Republic of North Macedonia" No. 57/23, and amendments 27/24) which is applicable from January 1, 2024, thus repealing the Decision on the Credit Risk Management Methodology ("Official Gazette of the Republic of North Macedonia" No. 149/18, and amendments 76/20, 116/20, 83/22). In accordance with the amendments to the Decision on the Methodology for Recording and Valuing Accounting Items and Preparing Financial Statements ("Official Gazette of the Republic of Macedonia" No. 275/24), from January 1, 2025, banks in North Macedonia begin applying the International Financial Reporting Standard 16 - Leasing (IFRS 16), in accordance with the decision of the regulatory authorities. IFRS 16 introduces significant changes in the way leasing agreements are recognized, measured, presented and disclosed.

**Business combinations**

Business combinations are accounted for using the purchase method at the date of acquisition i.e. on the date when the Group acquires control. The amount transferred on acquisition is measured at fair value, as are the identified net assets being acquired. The resulting goodwill is tested annually for impairment. Transaction costs are recognized as an expense immediately, unless they relate to the issuance of debt or equity instruments. The amount transferred on acquisition does not include amounts relating to the settlement of any pre-existing relationships. Such amounts are generally recognized in the income statement.

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

**INTRODUCTION (continued)**

**b) Basis of preparation of the Consolidated financial statements(continued)**

**Presentation of Consolidated financial statements (continued)**

**Uncontrolled participations**

Non-controlling interests are measured according to their proportional participation in the net assets of the acquired entity. Changes in the Group's participation in subsidiaries that do not lead to a loss of control are recorded as equity transactions.

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The group has control over the entity when it is exposed to, or is entitled to, variable returns from its involvement with the entity and has the ability to influence the amount of these returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the time control ceases.

**Loss of control**

When the Group loses control over the subsidiary, it derecognizes the subsidiary's assets and liabilities, as well as the related non-controlling interest and other components of equity. Any gain or loss resulting from the cessation of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the time control is lost.

**Investments recorded using the "equity method"**

The Group's investments accounted for using the "equity method" include investments in associated companies. Associated companies are those companies over which the Group has a significant participation, but does not have control or joint control over the operational and financial policies.

Investments in associated companies are measured according to the equity method. They are initially recognized at their cost, including transaction costs. Subsequently, the Group's participation in the profit or loss of the associated company is included in the consolidated financial statements, until the date on which the significant participation ceases. Distributions from associated companies reduce the accounting value of the investment.

**Transactions eliminated on consolidation**

Intra-Group balances and transactions, and any unrealized gains and losses arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**Presentation of Consolidated financial statements**

The accompanying Consolidated financial statements of the Group have been presented in accordance with the prescribed form and contents of the balance sheet schemes prescribed in the Decision on the types and contents of banks' Consolidated financial statements ("Official Gazette of RNM" no. 83/17, 149/18 and 275/24), (hereinafter referred to as "Decision").

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

**INTRODUCTION (continued)**

**b) Basis of preparation of the Consolidated financial statements(continued)**

**Presentation of Consolidated financial statements (continued)**

The Group management estimates the effects of the changes in IAS, new IFRS, and their interpretations on the Consolidated financial statements in a way as it's incorporated in the Methodology, as well as the requirements for the form and contents of certain balance sheet schemes under the Decision and the valuations of assets, liabilities, revenues and expenses under the Methodology requirements.

These Consolidated financial statements have been prepared under the historical cost principle, except for the valuation of investment in financial assets available for sale which have been stated at fair value, as well as other financial assets which have been stated at fair value through the profit and loss under the going concern assumption.

The presentation of the Consolidated financial statements in conformity with the accounting standards applied in the country requires the Group management to make the best possible estimates and reasonable assumptions that affects the presented values of assets and liabilities, as well as the revenues and expenses arising within the reporting period. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for estimation of the carrying amounts of assets and liabilities for which no other data is available. Actual results may differ from these estimates.

The presented Consolidated financial statements are expressed in thousands of Denars. The Denar represents functional and reporting currency of the Group for reporting purposes to Central Bank.

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

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

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

The accompanying Consolidated financial statements are the Bank's separated financial statements. The Bank will prepare consolidated financial statements.

**c) Material accounting policies**

**Interest income and expense**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****INTRODUCTION (continued)****c) Material accounting policies (continued)****Interest income and expense (continued)**

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

**Fee and commission income**

Fees and commissions, except the fees on approval of loans, are generally recognized on an accrual basis over the period of service rendering. Other fees relating to the acquisition and origination of loans are deferred over the life of the loan and amortized using the effective interest rate method.

**Dividend income**

Dividend income is recognized when the right to receive payment is established for all shareholders who participate in the income distribution.

**Foreign exchange translation**

Transactions denominated in foreign currencies have been translated into Denars at exchange rates set by the Central Bank at dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Denars at the end of reporting period using official rates of exchange ruling on that date. Foreign exchange gains or losses arising upon the translation of transactions, and the assets and liabilities denominated in foreign currencies are credited or charged to the profit and loss in the period in which they occur.

Commitments and contingent liabilities denominated in foreign currencies are translated into Denars by applying the official exchange rates at the end of reporting period.

**Financial assets**

The Bank recognizes the financial assets and liabilities in books just if it is a party to the contractual provisions of the instrument. Financial assets are recognized and derecognized on the trade date where the purchase or sale of an investment is under a contract which terms require delivery of the investment within the agreed timeframe. Financial assets are initially recognized at fair value, which is the transaction price of the instrument. The classification depends on the nature and the purposes of the financial assets and is determined at the time of initial recognition. The classification of financial assets depends on the bank business model and characteristics of the agreed cash flows. In the Bank are determined three business models: HTC (hold to collect) comprises the financial assets that are measured at amortized cost, HTCS (held to collect and sale) comprises the financial assets that are measured at fair value through other comprehensive income and HFT (held for trading) comprises the assets that are measured at fair value through Income statement.

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Securities held-for-trading**

Securities held-for-trading, which comprise bonds issued in local currency by the Ministry of Finance and equity securities issued by banks, are securities included in a portfolio in which a pattern of short-term profit making exists. Securities held-for-trading are covered by business model (HFT) and respectively to the model on these instruments initially are recognized at fair value, and transaction cost are not included in the amount that are initially measured. These securities are held by the Bank with intention to trade and receive gains from changes in fair value of the security. This is a residual category i.e. the Bank classifies in this category also all those financial assets which did not meet the criteria of other two categories described below. These instruments are subsequently measured at their fair value, without reducing the transaction costs, through the income statement on the basis of their market price, for trading assets as net trading income, and financial assets at fair value through profit or loss determined as such upon initial recognition as net income from other financial instruments recorded at fair value. Foreign exchange gains or losses are recognized in the income statement as net income / expense from exchange differences. Interest, if realized during the held-for-trading securities, is recorded as interest income. Gains or losses incurred when disposal or writing off an asset are recorded as other income / expenses. The disposal of securities held-for-trading is recognized on the trading date, which is the date when the Bank is obliged to buy or sell the asset.

**Available-for-sale financial assets**

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are initially recognized at fair value without reducing the transaction costs which could occurred when selling and disposal, and subsequently measured at fair value, based on quoted prices in active markets or amounts derived from cash flow models for unquoted equity investments.

The Bank classifies assets in this category if they meet following criteria:

- bank held financial assets with intention of collect contractual cash flows and/or for sale
- the criteria for only collection of principal and interest (SPPI) is met

Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are equal to the difference between amortized cost and fair value and are recognized in equity and reserve in position revaluation reserves. In the debt securities through derecognized when the assets will be sold or matured, cumulative non-realized gain or loss previously recognized in equity are included in the net profit or loss for the period in the position of revenue/ expense. In the equity securities through their derecognition, the Bank will be rewriting the amount of the revaluation reserves to the Accumulated / Retained earnings position.

However, interest calculated using the effective interest rate method, as well as contingent impairment losses and foreign exchange gains and losses are recognized in the profit and loss.

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Held-to-maturity financial assets**

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity. If the Bank determines to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available-for-sale. These securities are measured at HTC model and are presented at amortized cost using the effective interest rate method.

The Group classifies assets in this category if they meet following criteria:

- bank held financial assets with intention of collect contractual cash flows
- The criteria for only collection of principal and interest (SPPI) is met

The Group as financial assets measured at amortized cost will also classifies cash, receivables from customers, receivables for rent, receivables for commissions and fees and all other financial assets that represent exposure to credit risk in accordance with the decision on credit risk and for which SPPI criteria is inapplicable. These funds do not require the fulfilment of SPPI criteria.

Gains or losses on exchange differences are recognized in the income statement as net income / exchange rate differentials. Gains or losses incurred when selling or writing off an asset are recorded as other income / expenses. Gains and losses when the asset is impaired or derecognised are recognized through the Income Statement.

**Loans originated by the Bank**

Loans are classified in accordance with business model HTC (held to collect) and are measured at amortized cost with the application of effective interest rate method. The classification is made in accordance with the banks business model and the characteristics of the related cash flows. Two criteria are satisfied for classification and measurement of loans at amortized costs:

- group is managing the assets to receive the contractual cash flow
- the financial assets passes the contractual cash flow test Solely Payments of Principal and Interest (SPPI) test

Loans originated by the Bank include loans where cash is provided directly to the customer. Loans are initially recognized at fair value, including any transaction costs, and are subsequently measured at amortized cost by using the effective interest rate method. Interest on loans originated by the Bank is included in interest income and is recognized on an accrual basis. Loans to customers and financial institutions are stated at their net amount reduced by allowance for impairment.

**Impairment of financial assets**

The Bank assesses at each end of reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost, is considered in determining whether the assets are impaired.

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**  
**Impairment of financial assets (continued)**

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less from revaluation reserves and are recognized in Income Statement in position - impairment. Impairment is not calculated to equity securities. Impairment losses recognized in the profit and loss on equity instruments are not reversed through the profit and loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, as impairment loss, the impairment loss are annulled. The amount of release will be included in impairment loss, net. The rest of the amount of the new fair value are recognized in revaluation reserves.

The amount of the impairment loss for financial assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate and are recognized in the Income statement.

**Provisions for impairment losses on loans and receivables**

Allowances for impairment and uncollectability are determined if there is objective evidence that the Bank cannot collect all amounts due on a claim according to the original contractual terms. A "claim" means a loan, a commitment such as a letter of credit, guarantee or commitment to increase the credit limit. A provision for loan impairment is reported as a reduction of the carrying amount of the loan, whereas for off-balance sheet items it is presented within the provisions. Additions to provisions are made through impairment losses on financial assets in the profit and loss.

The allowances for impairment and uncollectability of loans and advances and for other active on-balance sheet and off-balance sheet items, are determined in accordance with the regulations prescribed by the Central Bank ruling on each end of reporting period, according to which the Bank is obliged to classify the active on-balance sheet and off-balance sheet items into groups on the basis of the degree (size) of the risk and assess the amount of potential impairment losses which are calculated by applying objective and subjective metrics, as of December 31, 2025 and December 31, 2024 by applying the following percentages:

<u>Risk category</u>	<u>Percentage</u>
A	0.01%-5%
B	5.01%-20%
C	20.01%-45%
D	45.01%-70%
E	70.01%-100%

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Provisions for impairment losses on loans and advances (continued)**

The allowances for impairment and uncollectibility are determined on the basis of the degree (size) of the risk of uncollectibility or specific country risk on the basis of the following principles:

- Separate loan exposures (risks) are assessed on the basis of the type of loan applicant, his/her/its overall financial position, resources and payment records and recoverable value of collaterals. Allowances for losses on impairment and uncollectibility are measured and determined by the difference between the carrying value of the loan and its estimated recoverable amount, which is, in fact, the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted by effective loan interest rate.
- If there is objective proof of uncollectibility in the loan portfolio that may not be identified on a specific basis, the allowances for impairment and uncollectibility are determined at level of risk for the overall loan portfolio. These losses are determined at historical principle for the loan classification of customers and express the current economic environment of the customers.
- Losses on impairment and uncollectibility is termination of the calculation of interest income as per agreed terms and conditions, while the loan is classified as non-performing, due to exceeding the significance threshold for more than 90 consecutive days, classification in G or D risk category, exceeding 60 current days in restructured claims or criteria for inability to collect have been identified. All allowances for losses on impairment and uncollectibility are reviewed and tested at least once a quarter, and any further changes in the amount and timing of expected future cash flows in comparison with previous assessments result in changes in allowances for losses on impairment and uncollectibility recorded as credit or debit of impairment losses in the profit and loss.
- The loan which is believed that is impossible to be collected is written off against the relevant allowance for losses on impairment and uncollectibility. Bank writes off the credit exposure if passed one year from the date when the bank was obliged to impairment or allocate special reserve of 100%." Further collections are recorded as reduction of losses on impairment and uncollectibility in the profit and loss.
- In case of loans granted to borrowers in countries with increased risk of difficulties for servicing external debt, the political and economic circumstances are assessed and additional allowances for sovereign risk are allocated.

**Derecognition of financial assets**

The Group derecognizes financial assets when the rights to receive cash from the financial asset have expired or have been transferred to another entity, thus transferring as well substantially all the risks and rewards of ownership of the assets.

**Financial liabilities**

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

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Deposits from banks and other financial institutions and clients**

These financial liabilities are initially recognized at fair value net of transaction costs incurred, and they are subsequently measured at amortized cost.

**Loans payable**

Loans payable are initially recognized at fair value net of transaction costs incurred. Subsequent measurement is at amortized cost and any difference between net proceeds and the redemption value is recognized in the profit and loss over the period of the loan using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

**Other payables**

Other payables are stated at their nominal amounts. Preferred shares which carry a mandatory fixed dividend are classified as financial liabilities and are presented in other liabilities. The dividends from these preference shares are recognised in profit or loss.

**Derivative financial instruments**

The derivative financial instruments include contractual agreements subject to exchange rate fluctuations and are initially and subsequently valued at fair value. These contracts are not qualified for hedging accounting in accordance with the specific criteria set out in the Methodology and are accordingly treated as derivative instruments held for trading, i.e. gains and losses are recognized in net trading income.

**Derecognition of financial liabilities**

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

**Offsetting of assets and liabilities**

Financial assets and liabilities are offset and the net amount is stated in the Statement of financial position when there is a current legally enforceable right to offset them recognized amounts and intends to realize the asset and settle the liability simultaneously or on a net basis.

**Property and equipment**

Property and equipment are recorded at cost, less accumulated depreciation and accumulated impairment losses. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the profit and loss as an expense as incurred. Depreciation is charged at estimated rates so as to write off the cost of assets over their estimated useful lives, using the straight-line method. No depreciation is provided on construction in progress until the constructed assets are put into use. The annual depreciation rates are as follows:

Land	without depreciation
Buildings used in operations	not more than 50 years
Buildings (other than buildings used in operations)	not more than 50 years
Investments in leased property	until the end of the lease, but not more than 12 years
Furniture and related equipment	not more than 12 years
Motor vehicles	not than 10 years
Hardware and other equipment	Not then 5 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****INTRODUCTION (continued)****c) Material accounting policies (continued)****Property and equipment (continued)**

The depreciation method, useful life and residual value are revised at each reporting date. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit and loss.

The Group annually reviews its property and equipment for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

**Intangible assets**

Intangible assets are assets acquired separately and are recorded at cost less accumulated amortization and accumulated impairment losses, if such exists. Intangible assets include computer software acquired apart from hardware. Expenditure on software is amortized on a straight-line basis over the estimated useful life, which is five years. The Bank annually reviews the carrying amounts of its intangible assets and assesses whether there is any indication for impairment. If such indications exist, an estimate is performed to assess whether the carrying amount is recoverable. If the carrying amount exceeds the recoverable amount, it is written down to the recoverable amount.

The Group's management regularly reviews the carrying amounts of its tangible and intangible assets. If there is any indication that such assets have been impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognized as an expense in the current period. The reversal of an impairment loss is immediately recognized as income.

**Loss due to impairment of non- financial assets**

The Group should assess, at each balance sheet date, whether there is any objective evidence that the non-financial asset or group of non-financial assets is impaired.

If there is such proof, the bank should estimate the recoverable amount of the asset. An impairment loss is equal to the amount by which the carrying amount of the asset (the cash – generating unit) exceed its recoverable amount. Non-financial assets, whose losses due to impairment are included in the position, are real estate and equipment, intangible assets, acquired property, non-current assets held for sale and the disposal group and other assets.

**Assets acquired through foreclosure proceedings**

Foreclosed assets include property and equipment acquired through foreclosure proceedings in full or partial recovery of a related loan and is disclosed in foreclosed assets. Initially, these assets are measured at the initial carrying amount i.e. lower value than the carrying amount of the loan, including transaction costs (usually the cost value of the loan stated in an enactment passed by a competent body from where the legal grounds for acquiring of ownership arises) and the fair value less estimated cost to sell, as determined by local certified appraiser on the date of asset foreclosure. For all assets undertaken after April 6, 2013 the Bank recorded at initial recognition and impairment of at least 20% of the lower of cost and estimated value of the foreclosed asset. If the impairment of loan that is paid by foreclosing assets is higher than 20% of the initial value of the foreclosed asset, the difference is recognized in the revaluation reserves of the Bank.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****INTRODUCTION (continued)****c) Material accounting policies (continued)****Assets acquired through foreclosure proceedings (continued)**

After the initial recognition, the assets undertaken are analyzed at least once a year for losses due to damages and the same are measured at the lower value than the previous one book value and estimated value less estimated costs for sale. Impairments are recognized in the Group's income statement. When asset is sold, the amount of impairment recognised in revaluation reserve is release and the same is recognised in the Income Statement in position Impairment losses on financial assets, net.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and nostro accounts, which represent demand deposits and placements with other banks and financial institutions, account balances with the Central Bank, and other financial assets such as treasury and other eligible bills, as highly liquid assets with maturity up to three months and insignificant changes to fair value.

For the purposes of preparing the report on cash flow from cash and cash equivalents, the mandatory reserve in foreign currency and restricted deposits are excluded.

**Managed funds**

The Group provides fiduciary and trust services to legal entities and citizens, whereby it holds and manages assets or invests funds received in various financial instruments at the direction of the customers. The Group receives fee income for providing these services. Managed funds are not assets of the Group and are not recognized in the Consolidated financial statements. The Group is not exposed to any credit risk relating to such placements, as it does not guarantee these investments.

**Off -balance sheet record**

The Group maintains off -balance sheet records for events for which the criteria for recognition of an asset or liability are not met at the moment of the event, but which may create inflows or outflows of funds in the future. Off-balance sheet items represents a source of information about the operation, for determining risk of the operation or possible future obligations. This position includes : open unsecured letter of credit, issued unsecured payment and performance guarantees , undertaken irrevocable and revocable credit commitments, unused part of approved framework loans, unused credit card limits, unused and allowed overdrafts on current accounts, and other forms of events on the basis of which may arise an obligation to pay of claim funds from the Group. In this position, there are records of the Group that do guarantees. This position also includes records that are directly related to the relevant regulation, such as written -off claim.

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Assets acquired through foreclosure proceedings (continued)**

**Capital and reserves**

The capital of the Group consists of:

- the basic capital, which is equal to the nominal value of all shares (subscribed and paid-in capital);
- increase of the capital based on the realized difference between the nominal value of the shares and the amounts for which they were sold (share premiums);
- revaluation reserve;
- remaining reserves; and
- retained profit / accumulated losses from previous years.

**Provisions**

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**Employment benefits**

Health, pension and social insurance contributions from gross and net wages and salaries are being paid by the Group during the year to the national organizations at the statutory rates. Such contributions represent defined contribution benefit plans and are recognized as an expense when employees have rendered services entitling them to the contributions. There is no additional liability to these plans.

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

**Employment benefits (continued)**

In accordance with the statutory requirements, the collective agreement, and the internal rules and regulation, the Group is obliged to pay its employees a severance pay upon retirement in the amount of two monthly average salaries. These benefits are considered defined pension benefit plans. The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of reporting period less the fair value of previously recognized assets (there are currently no previous assets recognized), together with adjustments for unrecognized actuarial gains or losses less past service costs which are not recognized yet. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

**Income tax**

The current income tax payable is calculated based on the local tax regulation by using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax basis used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is to be settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

**Related parts**

Related parts include entities that the Group is able to control or have significant influence in making financial and operational decisions. Related parts include managers their close relatives, companies they own or control and companies in which they can influence financial and operation decisions. All transactions concluded with the related persons are conducted under substantially the same terms, including interest rate and collateral, as those prevailing at the same time for the comparable transaction with unrelated persons, and involved no more than a normal amount of risk.

**Leases after 1 January 2025**

A contract or part of a contract is considered a lease if it conveys the right to control the use of an identified asset for a specified period of time, in exchange for consideration. From the lessee's perspective, at the lease commencement date, the bank recognizes:

- a right-of-use asset, and
- a lease liability.

Right-of-use assets are recognized at cost and are presented in the balance sheet within property and equipment. They are depreciated over the shorter of the lease term and the useful life of the asset, and depreciation is recognized as an expense in the income statement. Right-of-use assets are also subject to an impairment test.

The lease liability is recognized at the present value of future lease payments, discounted at the contractual interest rate or, if not specified, at the bank's incremental borrowing rate. The liability is subsequently measured at amortized cost, with interest expense recognized in the income statement. The Group applies exceptions for:

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

**INTRODUCTION (continued)**

**c) Material accounting policies (continued)**

- short-term leases (up to 12 months), and
  - leases of low-value assets,
- where the lease payments are recognized directly as an expense in the income statement.

**Leases prior to 1 January 2025**

The Group leases and takes over real estate under operating leases. Rental income and expenses are recognized in the income statement on a straight-line basis over the term of the lease.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**INTRODUCTION (continued)****d) Critical accounting judgments and estimates**

The most significant areas, for which judgments, estimates and assumptions are required, are:

**Fair value of financial instruments**

The fair value of the financial instruments that are not quoted in active markets is determined by using internal valuation techniques. These include present value methods, models based on observable input parameters. All valuation models are validated before they are used as a basis for financial reporting, and periodically reviewed by qualified personnel independent of the area that created the model. Wherever possible, the Bank compares valuations derived from models with quoted prices of similar instruments, and with actual values when realized, in order to further validate and standardize models. A variety of factors are incorporated into the models, including actual or estimated market prices and rates, such as time value and volatility, and market conditions and liquidity. The Bank applies its models consistently from one period to the next, ensuring comparability and continuity of valuations over time, but estimating fair value inherently involves a significant degree of judgment.

There is no sufficient market experience, stability and liquidity in the country for the purchase and sale of receivables and other financial assets or liabilities, for which published market prices are at present not readily available.

The Management assesses the overall risk exposure and in instances in which it estimates that the value in the books may not be realized, it recognizes a provision. In the opinion of management, the reported carrying amounts for the assets that are not quoted in an active market represent the most valid and useful reporting values under the present market conditions.

**Allowance for loan losses**

The Group reviews its loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the Income Statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national or local economic conditions that correlate with defaults on assets in the Bank. The Group uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**INTRODUCTION (continued)****d) Critical accounting judgments and estimates (continued)**

After credit relationship is established, the Group applies an intensive monitoring process that allows early identification of any deterioration of the risk profile of a customer or group of customers. The monitoring process consists of regular credit reviews throughout the life cycle of the product facility, internal risk classification and Early Warning Systems, system for assessment of Significant Increase of Credit Risk (SICR) and Unlikeness To Pay (UTP), that all together aim to ensure timely undertaking of necessary actions in order to minimize the credit loss. The credit exposure is also continuously monitored against the established concentration limits based of sector, collateral type, obligor rating, etc. in line with Risk Appetite Framework of the Bank.

In line with the international best practices, following the enhanced impairment methodology and process, the Group provides adequate level of provisions for potential credit losses. Despite the impact that pandemics had over the world and local economy, throughout 2023 the Group continued the current prudent credit policy and a balanced growth of the credit portfolio that suits its strategy and reputation. All its credit risk objectives, tools and a clear governance structure of the risk management process is incorporated in the Bank's Credit Policies and the Risk Appetite Framework of the Bank, approved by the Supervisory Board of the Bank

**Useful lifetime of tangible and intangible assets**

The Group management determines estimated useful lives and related depreciation and amortization charges for its tangible and intangible assets. The appropriateness of the estimated useful lives is reviewed annually or whenever there is an indication of significant changes in the underlying assumptions, such as anticipated technological developments and changes in the broad economic and industry factors.

**e) Changes in accounting policies, accounting estimates and correction of errors**

The change in accounting policy had an impact on the following items in the separate balance sheet as of January 1, 2025:

	<u>31 December 2024</u>	<u>Effect of applying IFRS 16</u>	<u>1 January, 2025</u>
<b>Assets</b>			
Property and equipment	1,078,701	155,803	1,234,504
<b>Equity</b>			
Retained earnings	24,730,680	2,066	24,732,746
<b>Liabilities</b>			
Other liabilities	1,713,570	157,868	1,871,438

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**INTRODUCTION (continued)****f) Compliance with legislation**

The accompanying separate financial statements are in compliance with the regulations prescribed by the National Bank of the Republic of North Macedonia (NBRNM), which were in force as of 31 December 2025, regarding solvency and capital adequacy, the Bank's exposure limits, the Bank's investments, the Bank's liquidity, and the open foreign exchange position.

During 2025, the Bank received a Report from the National Bank of the Republic of North Macedonia based on an on-site supervisory inspection in the areas of strategy and business plans; organizational structure; the general framework for managing individual risks and processes; credit risk; reporting system; stress testing; new products and IT applications; internal and external audit; credit risk; interest rate risk in the banking book (IRRBB); money laundering risk; legal proceedings; and compliance with previously imposed measures related to AML/CFT risk. The inspection identified recommendations and findings, for which the Bank prepared an action plan and is acting in accordance with it.

**g) Risk management disclosure**

Qualitative and quantitative information in respect of the separate types of risks are provided in Notes 2 and 3.

**h) Operating environment**

The year 2025 began with a more pronounced stabilization of global economic flows, although certain geopolitical risks and uncertainties in international financial markets remain present. The inflationary pressures that marked the previous period continued to ease, enabling some of the leading central banks to begin gradually loosening monetary policy. Despite this, overall financial conditions remained relatively tight in the first half of the year, with the aim of ensuring long-term price stability.

In the domestic economy, macroeconomic developments in 2025 are characterized by moderate economic growth supported by improved external demand, investments, and continued stability of the exchange rate. Foreign exchange reserves remain at an adequate level, while the banking system continues to operate stably, with a solid capital position and high liquidity.

At the same time, companies and institutions in 2025 continue to adapt to structural changes in the business environment, with particular emphasis on digitalization, cybersecurity, and sustainable practices. Regulatory initiatives related to alignment with European standards, including those in the area of sustainable finance and transparency, additionally shape the business landscape.

Under such conditions, the Bank remains focused on:

- Strengthening digital channels and infrastructure to improve operational efficiency and customer experience.
- Developing flexible and sustainable financial solutions tailored to the needs of the population and the corporate sector.
- Actively monitoring macroeconomic, regulatory, and technological trends, enabling timely adaptation of the business model.

In 2025, the Bank remains committed to maintaining stability, trust, and responsible operations, with the aim of providing continuous support to the economy and society in an environment that is changing but gradually improving.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

1. Classification of the financial assets and liabilities

*A Classification of the financial assets and liabilities*

In thousands of Denars

	at fair value through the Income Statement		at fair value through other comprehensive income		at amortized cost	Total
	for trading	at fair value as such at initial recognition	debt instruments	equity instruments		
<b>31.12.2025 (current period)</b>						
<b><i>Financial assets</i></b>						
Cash and cash equivalents	-	-	1,998,473	-	20,632,008	22,630,481
Trading assets	-	-	-	-	-	-
Financial assets at fair value through the Income Statement determined as such at initial recognition	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-
Loans and receivables from banks	-	-	-	-	374,291	374,291
Loans and receivables from other customers	-	-	-	-	108,829,753	108,829,753
Investments in securities	-	-	16,257,640	92,901	3,677,239	20,027,780
Other receivables	-	-	-	-	3,464,080	3,464,080
<b><i>Total financial assets</i></b>		-	<b>18,256,113</b>	<b>92,901</b>	<b>136,977,371</b>	<b>155,326,385</b>
<b><i>Financial liabilities</i></b>						
Trading liabilities	-	-	-	-	-	-
Financial liabilities at fair value through the Income Statement determined as such at initial recognition	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Deposits from banks	-	-	-	-	2,478,997	2,478,997
Deposits from customers	-	-	-	-	119,828,814	119,828,814
Issued debt securities	-	-	-	-	-	-
Loans payable	-	-	-	-	4,159,445	4,159,445
Subordinated liabilities and hybrid instruments	-	-	-	-	-	-
Other liabilities	-	-	-	-	1,718,818	1,718,818
<b><i>Total financial liabilities</i></b>					<b>128,186,074</b>	<b>128,186,074</b>

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

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

*A Classification of the financial assets and liabilities (continued)*

**In thousands of Denars**

	at fair value through the Income Statement		at fair value through other comprehensive income		at amortized cost	Total
	for trading	at fair value as such at initial recognition	debt instruments	equity instruments		
<b>31.12.2024 (previous year)</b>						
<b><i>Financial assets</i></b>						
Cash and cash equivalents	-	-	1,807,069	-	22,707,746	24,514,815
Trading assets	-	-	-	-	-	-
Financial assets at fair value through the Income Statement determined as such at initial recognition	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-
Loans and receivables from banks	-	-	-	-	406,945	406,945
Loans and receivables from other customers	-	-	-	-	98,810,256	98,810,256
Investments in securities	-	-	11,429,911	92,901	5,062,563	16,585,375
Other receivables	-	-	-	-	2,281,303	2,281,303
<b><i>Total financial assets</i></b>	-	-	<b>13,236,980</b>	<b>92,901</b>	<b>129,268,813</b>	<b>142,598,694</b>
<b><i>Financial liabilities</i></b>						
Trading liabilities	-	-	-	-	-	-
Financial liabilities at fair value through the Income Statement determined as such at initial recognition	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Deposits from banks	-	-	-	-	1,693,960	1,693,960
Deposits from customers	-	-	-	-	108,524,202	108,524,202
Issued debt securities	-	-	-	-	-	-
Loans payable	-	-	-	-	2,447,363	2,447,363
Subordinated liabilities and hybrid instruments	-	-	-	-	-	-
Other liabilities	-	-	-	-	1,713,570	1,713,570
<b><i>Total financial liabilities</i></b>	-	-	-	-	<b>114,379,095</b>	<b>114,379,095</b>

## 2. RISK MANAGEMENT

Taking risk is core to the business, and the operational risks are an inevitable consequence of being in business. Therefore, the Group's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems in order to reflect the changes in markets, products and the best practices.

The Group's risk management organization structure ensures existence of clear lines of responsibility, efficient segregation of duties and prevention of conflicts of interest at all levels, including the Supervisory Board, Board of Directors, Executive and Senior Management, as well as between the Group and NBG Group, its clients and all other related parties.

The Group, risk and control structure is based on the "three lines of defense" management model. Each line has a specific role and defines responsibilities, whereby the execution of tasks differs from the control of them. The three lines work closely together to identify, assess and reduce risks. First and foremost, the business (including support functions) owns, manages and takes responsibility for the risks (first line).

The Group's risk management framework is provided by the Risk Management and Regulatory Compliance function, which supervises, monitors, controls and quantifying the risks. (second line).

Internal audit (third line) provides independent control, advice and insight into the quality and effectiveness of internal controls, risk management, regulatory compliance and Group management. The most important types of risks are credit risk, liquidity risk and market risk.

In today's complex business environment, the Group is also exposed to non-financial risks such as operational, IT and regulatory non-compliance risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.1 Credit risk**

Credit risk is the most important risk for the Group's business defined as current or future risk on the financial result and capital arising from a customer's failure to meet the terms of any contract with the Group or otherwise fail to perform as agreed. The exposure to this risk arises principally from retail and corporate lending activities, as well as activities related to off-balance sheet financial instruments (loan commitments, L/G and L/C).

**2.1.1 Credit risk measurement, limits and mitigation policies**

Initially, when approving loans and loan commitments, different Credit Committees assess creditworthiness of the clients depending on the type and size of the exposure based on defined criteria. The Group credit risk management, which encompasses identification, measurement, monitoring and control of credit risk, is performed by the Risk Management Committee and Committee for classification of assets and impairment for potential losses, commitments and contingencies and it is mainly based on reports and analysis prepared by relevant organization units of the Group. The Risk Management Committee, Board of Directors and Supervisory Board are regularly informed of the credit risk that the Group is exposed to.

The Group has internal system of client classification the main purpose of which is to determine their creditworthiness and assess the acceptable level of credit risk at the start of lending. Classification of corporate clients to which the Group is exposed to is reviewed at least on semi-annual basis. The Group has implemented a system of early warning signals for the purpose of identifying timely possible downward trends in the client's creditworthiness and for mitigating the credit risk.

The Group employs a range of practices to mitigate credit risk. Common practice is accepting suitable collateral for approved loans. The main collateral types for loans and other credit exposures are:

- Mortgages over residential and business properties;
- Charges over business assets such as inventory and accounts receivable;
- Pledges over movables such as automobiles and equipment and other.

The Group monitors compliance with the legally and internally established limits and controls concentrations of credit risk. Credit risk limits regarding an individual borrower, related parties, exposure to Group internal persons, and large exposures, exposures by business sectors as well as other internal limits are set in the Risk Strategy, as well as in the Policies and Procedures regulating the credit risk management. The Group structures the levels of credit risk that undertakes towards domestic and foreign banks by placing limits on the amount of risk accepted which are subject to at least an annual review. In addition, the exposure concentration risk by sectors and activities is regularly monitored on the basis of set limits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.1 Credit risk (continued)****2.1.2 Impairment Loss Calculation/Value Adjustment Policies**

The calculation of the impairment loss and the special provision for credit exposure is based on the determined expected loss per individual contract, at least on a monthly basis.

The Group classifies credit exposure by individual contract in the appropriate risk category.

The classification is made according to the following criteria:

- the creditworthiness of the client, i.e. the quality of the project;
- timeliness of the client in the settlement of obligations and
- quality assurances

From the point of view of the further classification of the credit exposure, the Group takes considerate of :

- changes in the customer's creditworthiness , i.e. of project financing,
- timeliness of repayment of obligations

In accordance with the Group 's policies, the determination of damages and provisions is done on an individual basis.

Impairment of individually assessed items on an individual basis is determined through an evaluation of expected loss at the balance sheet date, which represents the difference between the accounting value and the present value of the estimated future cash flows. When calculating the present value of the estimated future cash flows, the effective interest rate is used to discount future expected cash flows, taking into account the value of the collateral.

All non-performing loans are also covered by the impairment on an individual basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.1 Credit risk (continued)****2.1.2 Impairment and provisioning policies (continued)**

Calculated impairment provision in 2025 moves within the following limits:

- 0.01-5% of credit risk exposure classified into A risk category;
- 5-20% of credit risk exposure classified into B risk category;
- 20-45% of credit risk exposure classified into C risk category;
- 45-70% of credit risk exposure classified into D risk category;
- 70-100% of credit risk exposure classified into E risk category.

Stage 1 category includes credit exposures for which no significant increase of credit risk was identified in comparison to the period of origin. These loans are classified in risk category A, according to the requirements of the NBRNM regulation.

Stage 2 category includes credit exposures with identified significant increase of credit risk according to the criteria prescribed in the procedure for classifying non-performing and restructured loans, including the 31 dpd backstop. These category includes the loans from risk categories B and part of the loans from category C (the exposures with performing status).

Stage 3 category includes all the defaulted exposures, including the UTP and FNPE category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

2. RISK MANAGEMENT (continued)

2.1 Credit risk (continued)

A. Analysis of maximum exposure to credit risk

In thousands of Denars

	Placements with and loans to banks		Placements with and loans to other clients		Investment in financial assets available for sale		Investment in financial assets held to maturity		Cash and cash equivalents		Fee and commission receivables		Other receivables		Off-balance sheet exposure		Total		
	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	
<b>Credit risk exposure classified in Stage 1</b>																			
Accounting value, before impairment / special reserve (Impairment and special reserve)	366,000	398,135	103,703,688	93,695,817	16,257,639	11,429,911	3,676,939	5,061,027	19,053,847	18,668,426	5,854	3,294	2,639,724	1,619,929	11,681,086	11,424,627	157,384,777	142,301,166	
Reduced book value for impairment and special reserve	-	-	(1,419,459)	(874,461)	-	-	-	-	(63)	(81)	(45)	(2)	(230)	(13,769)	(45,250)	(48,658)	(1,465,047)	(936,971)	
	<b>366,000</b>	<b>398,135</b>	<b>102,284,229</b>	<b>92,821,356</b>	<b>16,257,639</b>	<b>11,429,911</b>	<b>3,676,939</b>	<b>5,061,027</b>	<b>19,053,784</b>	<b>18,668,345</b>	<b>5,809</b>	<b>3,292</b>	<b>2,639,494</b>	<b>1,606,160</b>	<b>11,635,836</b>	<b>11,375,969</b>	<b>155,919,730</b>	<b>141,364,195</b>	
<b>Credit risk exposure classified in Stage 2</b>																			
Accounting value, before impairment / special reserve (Impairment and special reserve)	-	-	6,466,921	5,730,014	-	-	-	1,575	-	-	46	267	414	956	147,341	253,107	6,614,722	5,985,919	
Reduced book value for impairment and special reserve	-	-	(848,118)	(777,461)	-	-	-	(39)	-	-	(4)	(29)	(178)	(385)	(12,972)	(26,796)	(861,272)	(804,710)	
	-	-	<b>5,618,803</b>	<b>4,952,553</b>	-	-	-	<b>1,536</b>	-	-	<b>42</b>	<b>238</b>	<b>236</b>	<b>571</b>	<b>134,369</b>	<b>226,311</b>	<b>5,753,450</b>	<b>5,181,209</b>	
<b>Credit risk exposure classified in Stage 3</b>																			
Accounting value, before impairment / special reserve (Impairment and special reserve)	18,699	19,266	2,709,295	3,143,732	-	-	1,500	-	-	-	12,539	31,802	6,999	5,904	4,000	9,000	2,753,032	3,209,704	
Reduced book value for impairment and special reserve	(10,408)	(10,456)	(1,782,574)	(2,107,385)	-	-	(1,200)	-	-	-	(10,100)	(27,529)	(6,603)	(5,180)	(1,804)	(4,059)	(1,812,689)	(2,154,609)	
	<b>8,291</b>	<b>8,810</b>	<b>926,721</b>	<b>1,036,347</b>	-	-	<b>300</b>	-	-	-	<b>2,439</b>	<b>4,273</b>	<b>396</b>	<b>724</b>	<b>2,196</b>	<b>4,941</b>	<b>940,343</b>	<b>1,055,095</b>	
<b>Total carrying amount of credit risk claims before impairment and special reserve</b>	<b>384,699</b>	<b>417,401</b>	<b>112,879,904</b>	<b>102,569,563</b>	<b>16,257,639</b>	<b>11,429,911</b>	<b>3,678,439</b>	<b>5,062,602</b>	<b>19,053,847</b>	<b>18,668,426</b>	<b>18,439</b>	<b>35,363</b>	<b>2,647,137</b>	<b>1,626,789</b>	<b>11,832,427</b>	<b>11,686,734</b>	<b>166,752,531</b>	<b>151,496,789</b>	
<b>(Total impairment and special reserve)</b>	<b>(10,408)</b>	<b>(10,456)</b>	<b>(4,050,151)</b>	<b>(3,759,307)</b>	-	-	<b>(1,200)</b>	<b>(39)</b>	<b>(63)</b>	<b>(81)</b>	<b>(10,149)</b>	<b>(27,560)</b>	<b>(7,011)</b>	<b>(19,334)</b>	<b>(60,026)</b>	<b>(79,513)</b>	<b>(4,139,008)</b>	<b>(3,896,290)</b>	
<b>Total carrying amount of receivables with credit risk less impairment and special reserve</b>	<b>374,291</b>	<b>406,945</b>	<b>108,829,753</b>	<b>98,810,256</b>	<b>16,257,639</b>	<b>11,429,911</b>	<b>3,677,239</b>	<b>5,062,563</b>	<b>19,053,784</b>	<b>18,668,345</b>	<b>8,290</b>	<b>7,803</b>	<b>2,640,126</b>	<b>1,607,455</b>	<b>11,772,401</b>	<b>11,607,221</b>	<b>162,613,523</b>	<b>147,600,499</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

2. RISK MANAGEMENT (continued)

2.1 Credit risk (continued)

B. Value of collateral (fair value) for mitigating of credit risk

In thousands of Denars

	Placements with and loans to banks		Placements with and loans to other clients		Investment in financial assets available for sale		Investment in financial assets held to maturity		Cash and cash equivalents		Other receivables		Off-balance sheet exposure		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
<i>Value of collateral of the credit exposure assessed for impairment</i>																
First-class collateral instruments:																
cash deposits (in depot and/or restricted in accounts with the Bank)	-	-	3,511,777	3,292,429	-	-	-	-	-	-	-	-	53,662	68,415	3,565,439	3,360,844
government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
government unconditional guarantees	-	-	3,050,000	1,250,000	-	-	-	-	-	-	-	-	-	-	3,050,000	1,250,000
bank guarantees	-	-	324,079	262,584	-	-	-	-	-	-	-	-	118,212	172,923	442,291	435,507
Guarantees from insurance companies and insurance policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate guarantees (except for bank and insurance company guarantees)	-	-	10,324,462	8,997,720	-	-	-	-	-	-	-	-	751,403	866,692	11,075,865	9,864,412
Guarantees from individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property pledge:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
private property (flats, houses)	-	-	87,773,662	75,330,903	-	-	-	-	-	-	-	-	374,822	334,807	88,148,484	75,665,710
commercial property	-	-	41,879,591	35,615,112	-	-	-	-	-	-	-	-	3,914,787	3,950,505	45,794,378	39,565,617
Pledge over movables	-	-	15,173,404	16,584,879	-	-	-	-	-	-	-	-	2,635,364	3,167,368	17,808,768	19,752,247
Other types of security	-	-	14,041,742	13,210,792	-	-	-	-	-	-	-	-	460,367	399,539	14,502,109	13,610,331
<b>Total value of collateral of credit exposure assessed for impairment</b>	-	-	<b>176,078,717</b>	<b>154,544,419</b>	-	-	-	-	-	-	-	-	<b>8,308,617</b>	<b>8,960,249</b>	<b>184,387,334</b>	<b>163,504,668</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.1 Credit risk (continued)

## C. Concentration of credit risk by industries and activities

In thousands of Denars

	Placements with and loans to banks		Placements with and loans to other clients		Investment in financial assets available for sale		Investment in financial assets held to maturity		Cash and cash equivalents		Fee and commission receivables		Other receivables		Off-balance sheet exposure		Total		
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	
Non-residents			-	-							2,850	1,619			-		-	2,850	1,619
Agriculture, Forestry and Fishing	-	-	780,612	745,641	-	-	-	-	-	-	3	-	-	-	18,621	26,013	799,236	771,654	
Mining and quarrying	-	-	497,536	555,310	-	-	-	-	-	-	3	101	-	-	35,513	16,230	533,052	571,641	
Food industry	-	-	6,303,161	5,231,138	-	-	-	-	-	-	-	-	21	-	73,961	18,314	6,377,143	5,249,452	
Textile industry and clothing and footwear production	-	-	804,713	933,338	-	-	-	-	-	-	-	13	1	-	31,497	38,616	836,211	971,967	
Chemical industry, production of construction materials, production and processing of fuels, pharmaceutical industry	-	-	1,336,271	1,581,519	-	-	-	-	-	-	14	6	877	434	110,957	112,930	1,448,119	1,694,889	
Production of metals, machinery, tools and equipment	-	-	3,966,568	3,087,100	-	-	-	-	-	-	14	169	-	435	619,950	561,622	4,586,532	3,649,326	
Other manufacturing industries	-	-	661,485	576,247	-	-	-	-	-	-	3	-	-	444	11,690	297	673,178	576,988	
Electricity, gas, steam and air conditioning supply	-	-	5,772,234	4,196,316	-	-	-	-	-	-	66	-	-	29	817,585	894,209	6,589,885	5,090,554	
Water supply, wastewater disposal, waste management and activities on remediation of the environment	-	-	41,199	43,614	-	-	-	-	-	-	-	33	2	74	621	141	41,822	43,862	
Construction, Wholesale and retail trade, repair of motor vehicles and motorcycles	-	-	6,016,283	5,353,037	-	-	-	-	-	-	47	-	117	204	219,540	209,390	6,235,987	5,562,631	
Transportation and storage	-	-	13,101,324	11,529,581	-	-	-	-	-	-	311	112	15,468	1,597,899	1,666,283	1,542,508	14,783,386	14,670,100	
Facilities for accommodation and food service activities	-	-	1,281,028	1,079,789	-	-	-	-	-	-	-	-	16	13	349,804	449,039	1,630,484	1,528,841	
Information and Communications	-	-	1,251,279	908,825	-	-	-	-	-	-	39	-	18	37	22,308	21,964	1,273,644	930,826	
Financial and insurance activities	-	-	781,092	537,359	-	-	-	-	-	-	220	45	42	32	9,199	10,014	790,553	547,450	
	374,291	406,945	75,984	104,058	-	-	300	1,537	19,053,784	18,668,345	1,513	1,244	13	1,079	120,986	173,093	19,626,871	19,356,301	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.1 Credit risk (continued)

## C. Concentration of credit risk by industries and activities (continued)

In thousands of Denars

	Placements with and loans to banks		Placements with and loans to other clients		Investment in financial assets available for sale		Investment in financial assets held to maturity		Cash and cash equivalents		Fee and commission receivables		Other receivables		Off-balance sheet exposure		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
		4																
Activities related to real estate	-	-	474,773	536,729	-	-	-	-	-	-	30	32	29	96	-	-	474,832	536,857
Professional, scientific and technical activities	-	-	1,162,255	1,262,893	-	-	-	-	-	-	-	85	177	178	1,628,662	1,356,006	2,791,094	2,619,162
Administrative and support service activities	-	-	471,211	739,020	-	-	-	-	-	-	2	35	240	229	1,883	1,305	473,336	740,589
Public administration and defence, compulsory social security	-	-	-	-	16,257,639	11,429,910	3,676,939	5,061,026	-	-	-	-	-	-	-	-	19,934,578	16,490,936
Education	-	-	39,668	38,566	-	-	-	-	-	-	-	-	-	14	636	307	40,304	38,887
Activities of Health and Social Care	-	-	354,714	335,580	-	-	-	-	-	-	738	76	5	-	2,736	10,532	358,193	346,188
Arts, entertainment and recreation	-	-	4,147	3,204	-	-	-	-	-	-	-	-	-	-	-	-	4,147	3,204
Other service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Activities of households as employers; activities of households that produce goods and perform a diverse range of services for own needs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Activities of extraterritorial organizations and bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Individuals	-	-	63,652,215	59,431,392	-	-	-	-	-	-	2,437	4,233	2,623,100	6,258	6,029,969	6,164,689	72,307,721	65,606,572
Proprietors and individuals who are not considered as merchants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>374,291</b>	<b>406,945</b>	<b>108,829,753</b>	<b>98,810,256</b>	<b>16,257,639</b>	<b>11,429,910</b>	<b>3,677,239</b>	<b>5,062,563</b>	<b>19,053,784</b>	<b>18,668,345</b>	<b>8,290</b>	<b>7,803</b>	<b>2,640,126</b>	<b>1,607,455</b>	<b>11,772,401</b>	<b>11,607,219</b>	<b>162,613,523</b>	<b>147,600,496</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

2. RISK MANAGEMENT (continued)

2.1 Credit risk (continued)

D. Concentration of credit risk by geographical location

In thousands of Denars

	Placements with and loans to banks		Placements with and loans to other clients		Investment in financial assets available for sale		Investment in financial assets held to maturity		Cash and cash equivalents		Fee and commission receivables		Other receivables		Off-balance sheet exposure		Total		
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	
<i>Geographical location</i>																			
NRM	-	-	108,829,753	98,810,256	15,217,587	11,429,910	3,677,239	5,062,563	15,066,699	13,717,725	8,290	7,803	2,640,126	1,607,455	11,772,401	11,607,221	157,212,095	142,242,933	
EU member countries	-	-	-	-	-	-	-	-	1,806,601	2,906,010	-	-	-	-	-	-	1,806,601	2,906,010	
Europe (other)	374,291	406,945	-	-	-	-	-	-	2,016,626	1,951,234	-	-	-	-	-	-	2,390,917	2,538,179	
OECD member countries (less European OECD member countries)	-	-	-	-	1,040,052	-	-	-	163,858	93,376	-	-	-	-	-	-	1,203,910	93,376	
Other (more than 10% of total credit risk exposure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>374,291</b>	<b>406,945</b>	<b>108,829,753</b>	<b>98,810,256</b>	<b>16,257,639</b>	<b>11,429,910</b>	<b>3,677,239</b>	<b>5,062,563</b>	<b>19,053,784</b>	<b>18,668,345</b>	<b>8,290</b>	<b>7,803</b>	<b>2,640,126</b>	<b>1,607,455</b>	<b>11,772,401</b>	<b>11,607,221</b>	<b>162,613,523</b>	<b>147,600,498</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

2. RISK MANAGEMENT (continued)

2.1 Credit risk (continued)

E. Credit risk analysis of assets measured at fair value through profit or loss

	Trading assets				Financial assets at fair value through profit or loss designated as such at initial recognition											
	Debt securities for trading		Equity Trading Securities		Debt securities for trading		Equity Trading Securities		Placements with and loans to banks		Placements with and loans to other clients		Total			
	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024	current year 2025	previous year 2024		
Accounting value of financial assets measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
risk category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total accounting value</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.2 Liquidity risk**

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

**2.2.1 Liquidity risk management process**

The Bank's liquidity risk management process encompasses:

- Application of operating standards related to the Group's liquidity risk, including appropriate policies, procedures and resources for controlling and limiting the liquidity risk.
- Maintenance of stock of liquid assets appropriate for the cash flow profile of the Group which can be readily converted into cash without incurring undue capital losses.
- Measurement, control and scenario testing of funding requirements, as well as access to funding sources.
- Preparing contingency plans of the Group for handling liquidity disruptions by means of the ability to fund some or all activities in a timely manner and at a reasonable cost.
- Monitoring liquidity risk limits and ratios, taking into account the Group's risk appetite and profile, as well as the regulatory requirements for prescribed minimum level of liquidity rates.

The process of managing liquidity and liquidity risk is implemented through the establishment of adequate daily liquidity management through developing liquidity plans. The plans reflect the liquidity provided by cash flows and liquidity needed to funding the cash outflows. During preparation of plans and projections for liquidity on a daily, weekly, monthly and long-term basis, all relevant aspects are taken in consideration - the established limits, maintaining the required currency structure, maturity matching of assets and sources of funds and other regulatory rules.

Monitoring of the Group's liquidity is performed by the Treasury Division. The Treasury Division reconciles all inflows and/or outflows in all currencies along with money orders, checks, bank transfers and account transfers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.2 Liquidity risk (continued)

## 2.2.1 Liquidity risk management process (continued)

## Analysis according to the maturity of financial assets and liabilities (remaining maturity)

In thousands of Denars

December 31, 2025

	Up to 1 month	From 1 to 3 months	From 3 months to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
<b>FINANCIAL ASSETS</b>							
Cash and cash equivalents	16,167,409	-	-	6,463,135	-	-	22,630,544
Trading assets	-	-	-	-	-	-	-
Financial assets at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-
Placements with, and loans to banks	-	-	-	-	-	384,699	384,699
Loans to customers	3,014,242	5,660,192	27,405,344	12,775,766	27,559,123	36,465,237	112,879,904
Investment securities	3,140,747	2,336,394	7,964,549	3,972,574	2,520,615	92,901	20,027,780
Investments in affiliates	-	-	-	-	-	-	-
Income Tax receivable (current)	-	-	-	-	-	-	-
Other receivables	3,464,080	-	-	-	-	-	3,464,080
Collateralized assets	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>25,786,478</b>	<b>7,996,586</b>	<b>35,369,893</b>	<b>23,211,475</b>	<b>30,079,738</b>	<b>36,942,837</b>	<b>159,387,007</b>
<b>FINANCIAL LIABILITIES</b>							
Trading liabilities	-	-	-	-	-	-	-
Financial liabilities at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-
Deposits from banks	15,043	925,609	1,538,345	-	-	-	2,478,997
Deposits from customers	79,449,333	5,266,889	23,006,370	8,415,311	3,465,236	254,625	119,857,764
Loans payable	125,957	-	438,402	335,192	1,463,458	1,796,436	4,159,445
Subordinated debt	-	-	-	-	-	-	-
Income tax liabilities (current)	167,765	-	-	-	-	-	167,765
Differed tax liabilities	26,872	-	-	-	-	-	26,872
Other liabilities	1,771,743	-	-	-	-	-	1,771,743
<b>Total financial liabilities</b>	<b>81,556,713</b>	<b>6,192,498</b>	<b>24,983,117</b>	<b>8,750,503</b>	<b>4,928,694</b>	<b>2,051,061</b>	<b>128,462,586</b>
<b>Off balance items</b>							
Off balance assets	-	-	-	-	-	-	-
Off balance liabilities	-	-	-	-	-	-	-
<b>Net liquidity gap</b>	<b>(55,770,235)</b>	<b>1,804,088</b>	<b>10,386,776</b>	<b>14,460,972</b>	<b>25,151,044</b>	<b>34,891,776</b>	<b>30,924,421</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.2 Liquidity risk (continued)

## 2.2.1 Liquidity risk management process (continued)

Analysis according to the maturity of financial assets and liabilities (remaining maturity)  
(continued)

In thousands of Denars

December 31, 2024

	Up to 1 month	From 1 to 3 months	From 3 months to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
<b>FINANCIAL ASSETS</b>							
Cash and cash equivalents	17,811,305	-	-	6,703,510	-	-	24,514,815
Trading assets	-	-	-	-	-	-	-
Financial assets at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-	-	-
Placements with, and loans to banks	-	-	-	-	-	406,945	406,945
Loans to customers	3,233,422	5,114,628	23,756,357	13,573,178	24,060,296	31,816,736	101,554,617
Investment securities	2,731,805	2,441,519	4,048,902	2,723,847	4,547,121	92,901	16,585,375
Investments in affiliates	-	-	-	-	-	-	-
Income Tax receivable (current)	-	-	-	-	-	-	-
Other receivables	2,281,303	-	-	-	-	-	2,281,303
Collateralized assets	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>26,057,115</b>	<b>7,556,147</b>	<b>27,805,259</b>	<b>23,000,535</b>	<b>28,607,417</b>	<b>32,316,582</b>	<b>145,343,055</b>
<b>FINANCIAL LIABILITIES</b>							
Trading liabilities	-	-	-	-	-	-	-
Financial liabilities at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-
Deposits from banks	1,693,960	-	-	-	-	-	1,693,960
Deposits from customers	71,546,595	3,174,586	17,499,545	14,170,630	2,082,803	231,948	108,706,108
Loans payable	146,704	-	427,177	532,250	752,132	589,100	2,447,363
Subordinated debt	-	-	-	-	-	-	-
Income tax liabilities (current)	245,482	-	-	-	-	-	245,482
Differed tax liabilities	19,420	-	-	-	-	-	19,420
Other liabilities	1,713,570	-	-	-	-	-	1,713,570
<b>Total financial liabilities</b>	<b>75,365,731</b>	<b>3,174,586</b>	<b>17,926,722</b>	<b>14,702,880</b>	<b>2,834,935</b>	<b>821,049</b>	<b>114,825,903</b>
<b>Off balance items</b>							
Off balance assets	-	-	-	-	-	-	-
Off balance liabilities	7,679,707	780,244	2,438,251	448,080	282,222	75,760	11,704,264
<b>Net liquidity gap</b>	<b>(56,988,242)</b>	<b>3,601,317</b>	<b>7,440,286</b>	<b>7,849,575</b>	<b>25,490,260</b>	<b>31,419,773</b>	<b>18,812,969</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.2 Liquidity risk (continued)****2.2.1 Liquidity risk management process (continued)****Analysis according to the maturity of financial assets and liabilities (remaining maturity) (continued)**

Group's assets and liabilities are classified according to their relevant maturities, except for loans and claims on other clients where the schedule in specific time intervals for loan products that have no defined maturity date (credit cards, overdrafts etc.) is made by using the historical data on the collection amount in relation to the total on-balance sheet claims under these products. Although the initial analysis reveals that there is no reconciliation between assets and liabilities for the period up to one year, significant part of the Groups's deposits up to one year are stable and considered as core deposits. Due to 2025, stable deposits are amounted to 104,863,497 thousand denars (2024: 93.470.817 thousand denars ) and the Bank does not expect them to be withdrawn in accordance with their contractual maturities, which helps the maturity non-reconciliation to be overcome.

The Group continuously maintains a high liquidity position, which enables the execution of all business activities and regulatory requirements. The Groups's liquidity largely comes from its own funding, customer deposits, of which at the end of the year, 62% are transaction accounts and sight accounts, which are characterized by daily fluctuations. In dynamic operating conditions, liquidity management requires the existence of an adequate set of liquid instruments in terms of maturity and currency structure. The Groups's liquidity position consists of: cash in branches and treasury 6.5% (2024: 6.3%), accounts in domestic and foreign banks including the mandatory reserve in the NBRSM – 31.4% (2024: 40.6%) and securities – 62.1% (2024: 53.1%).

Maintaining liquidity is based on preparing several different scenarios and cash flow projections and aligning such movements with the maturity of liabilities. Liquidity planning and management is done on a daily basis with real-time monitoring of the positions that have the greatest impact. In conditions of global uncertainty and existing geopolitical tensions, the Group successfully copes with all shocks, thus proving its competence and capacity to manage uncontrollable events.

The Group continuously reviews and improves the internal control system and the entire infrastructure, which consists of policies, procedures and defense mechanisms set at three levels - the first operational level managed by the Liquidity Management Department, the second level of monitoring is performed by the Risk Management Department and the third level of defense, which is in charge of Internal Audit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**2. RISK MANAGEMENT (continued)****2.3 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in currency, interest rate, and equity products, all of which are exposed to market movements and changes in the level of volatility of market rates or prices (such as interest rates, credit spreads, foreign exchange rates and equity prices).

**Foreign exchange risk**

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The system for identification, measurement, monitoring and control of the currency risk refers to all recorded activities and transactions of the Group, including balance and off-balance sheet items that are registered in foreign currency or in Denars that have a foreign exchange clause and that are in accordance with the regulation for recording in accounting are valued through their coursework on a regular basis. The Group manages the currency risk for the entire portfolio on a daily basis based on calculations of the aggregate foreign exchange position and indicators of its exposure to the foreign exchange risk following the defined limits.

The tables below summarize Group's exposure to foreign exchange risk as at December 31, 2025 and 2024.

**Risk from changes in interest rates**

The group is exposed to the effects of movements in the level of interest rates in the market which have an impact on its financial position and cash flows. Given that the Bank's trading portfolio is insignificant and it refers mainly to government securities, the exposure to interest rate risk is evaluated from the perspective of the portfolio of banking activities. Interest rate risk in the banking portfolio is the current or potential risk to profit (net interest income) and/or capital resulting from negative interest rate movements affecting the banking portfolio positions. Taking this risk is part of banking and can be a significant source of profitability and shareholder value. However, excessive risk of changes in interest rates can represent a significant threat to the profit and capital base of the Group.

**Operational risk**

The operational risk is defined as risk of loss that arises from inappropriate or unsuccessful internal processes and systems, human factor or external events. The bank has a comprehensive and high-quality Operational Risk Management Framework (ORMF) which includes the Internal Event Management Policy, Key Risk Indicators Policy and Risk and Control Self-Assessment Policy that provide the tools needed to identify, measure and evaluate the qualitative and quantitative aspects of operational risk.

This framework is aimed at keeping the operational risks in the moderate / low risk profile in accordance with the risk appetite of the NBG Group and the Group and allows, that there are identified risks originating from these processes, that they are measured and that there is an undertake of corrective actions in order to avoid potential negative effect over the financial result and capital position of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.3.1 Sensitivity Analysis of assets and liabilities on change in market risk

## A. Sensitivity Analysis on the changes of market risk on assets and liabilities

	Profit/loss	Own funds	Risk weighted assets	Capital adequacy ratio
<b>December 31, 2025</b>				
Amount prior to the sensitivity analysis /stress tests (as of 31.12.2025)	-	24,544,025	129,983,120	18.88%
Effects from application of scenarios				
Risk from foreign exchange rate change				
Denar to depreciate by 10% in relation of all other F/X	541,383	25,085,408	130,524,503	19.22%
Denar to appreciate by 10% in relation of all other F/X	(541,383)	24,002,642	129,441,737	18.54%
Denar to depreciate by 20% in relation of all other F/X	1,082,766	25,626,791	131,065,887	19.55%
Denar to appreciate by 20% in relation of all other F/X	(1,082,766)	23,461,258	128,900,354	18.20%
Risk from interest rate change				
Increasing of interest rates by 250 b.p.	(1,122,421)	23,421,604	129,983,120	18.06%
Decreasing of interest rates by 250 b.p.	(2,364,288)	22,179,737	129,983,120	17.06%
Increasing of interest rates by 500 b.p.	(2,244,842)	22,299,183	129,983,120	17.16%
Decreasing of interest rates by 500 b.p.	(4,728,576)	19,815,449	129,983,120	15.24%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.3 Market risk (continued)

## 2.3.1 Sensitivity Analysis of assets and liabilities on change in market risk (continued)

## A. Sensitivity Analysis on the changes of market risk on assets and liabilities (continued)

	Profit/loss	Own funds	Risk weighted assets	Capital adequacy ratio
<b>December 31, 2024</b>				
Amount prior to the sensitivity analysis /stress tests (as of 31.12.2024)	-	20,803,177	116,630,135	17.84%
Effects from application of scenarios				
Risk from foreign exchange rate change				
Denar to depreciate by 10% in relation of all other F/X	391,301	21,194,478	117,021,436	18.11%
Denar to appreciate by 10% in relation of all other F/X	(391,301)	20,411,877	116,238,835	17.56%
Denar to depreciate by 20% in relation of all other F/X	782,601	21,585,778	117,412,736	18.38%
Denar to appreciate by 20% in relation of all other F/X	(782,601)	20,020,576	115,847,534	17.28%
Risk from interest rate change				
Increasing of interest rates by 250 b.p.	(786,839)	20,016,338	116,630,135	17.16%
Decreasing of interest rates by 250 b.p.	(582,446)	20,220,732	116,630,135	17.34%
Increasing of interest rates by 500 b.p.	(1,573,678)	19,229,499	116,630,135	16.49%
Decreasing of interest rates by 500 b.p.	(1,164,891)	19,638,286	116,630,135	16.84%

The Group has established a frame for establishing stress test on the basis of which stress testing is made at least once a year in order to analyze the sensitivity of the Group to a set of extreme but realistic shocks, which also takes into consideration analysis of the assets and liabilities sensitivity to changes in the foreign exchange rate and in the interest rates from the aspect of the banking activities portfolio. In due course, the scenarios which take into consideration the risk from the change of the foreign exchange rate estimate the effect of the possible appreciation and depreciation of the Denar foreign exchange rate in relation to other currencies, and at all other factors unchanged, the effect is observable through the realized foreign exchange gain/loss. On the other hand, the purpose of the stress test analysis of the interest rate risk in the Group's portfolio of activities is to examine the sensitivity of the Group balance sheets to the interest rate changes, by examining the influence of interest shocks in the assumed scenarios on the net interest income.

In both sensitivity analyses, the change in capital adequacy is assessed through the effect of the scenarios on the amount of own funds, and thus on the Group capital adequacy.

The table presents analysis of assets and liabilities sensitivity to market risk changes as at December 31, 2024 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

2. RISK MANAGEMENT (continued)

2.3 Market risk (continued)

2.3.1 Sensitivity Analysis of assets and liabilities on change in market risk(continued)

B. Analysis of value exposed to market risk in trading portfolio

	2025				2024			
	Balance on December 31	Average value	Highest value (maximum)	Lowest value (minimum)	Balance on December 31	Average value	Highest value (maximum)	Lowest value (minimum)
Amount exposed to risk at interest- bearing instruments	-	-	-	-	-	-	-	-
Amount exposed to risk at instruments in foreign currency	-	-	-	-	-	-	-	-
Amount exposed to risk at equity instruments	-	-	-	-	-	-	-	-
Amount (effects on netting)	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

The Group does not make analysis of the risk exposed value according to the above disclosure in Table B due to the fact that the Bank does not determine the capital required for covering the market risks for the trading portfolio according to the “Decision on the methodology for determining the capital adequacy”, and consequently the table referred to in this Note is not filled in.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 2. RISK MANAGEMENT (continued)

## 2.3 Market risk (continued)

## 2.3.2 Sensitivity analysis of changes in interest rates of financial assets and liabilities (excluding trading assets)

## A. Interest rate sensitivity analysis

	Currency	31.12.2025	31.12.2024
NET WEIGHTED POSITION FOR CURRENCY EUR (FKS+VKS+PKS)	EUR	(325,155)	(290,015)
NET WEIGHTED POSITION FOR CURRENCY MKD (FKS+VKS+PKS)	MKD	463,665	384,353
NET WEIGHTED POSITION FOR CURRENCY MKDclEUR (FKS+VKS+PKS)	MKDclEUR	1,993,244	1,562,177
NET WEIGHTED POSITION FOR other CURRENCIES (FKS+VKS+PKS)	Other	(4,549)	(8,900)
<b>TOTAL WEIGHTED VALUE – CHANGE IN THE ECONOMIC VALUE OF BANK’S ACTIVITY PORTFOLIO</b>		<b>2,127,205</b>	<b>1,647,615</b>
OWN FUNDS		24,544,025	20,803,177
<b>TOTAL WEIGHTED VALUE / OWN FUNDS</b>		<b>8.67%</b>	<b>7.92%</b>

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

**2. RISK MANAGEMENT (continued)**

**2.3 Market risk (continued)**

**2.3.2 Sensitivity analysis of changes in interest rates of financial assets and liabilities (excluding trading assets) (continued)**

**B. Analysis of reconciliation of interest rates**

In thousands of Denars December 31, 2025	up to 1 month	from 1 to 3 months	from 3 to 12 months	from 1 to 2 years	from 2 to 5 years	over 5 years	Total interest bearing assets /liabilities
<b>ASSETS</b>							
Cash and cash equivalents	11,485,148	-	-	-	-	-	11,485,148
Financial assets at fair value through profit and loss account designated as such at initial recognition	-	-	-	-	-	-	-
Loans and receivables from banks	366,000	-	-	-	-	-	366,000
Loans and receivables from other customers	53,798,752	4,321,825	9,566,855	15,055,269	9,693,200	14,268,149	106,704,050
Investments in securities	3,051,455	2,308,686	7,844,514	3,364,154	3,140,835	-	19,709,645
Other interest-sensitive unstated assets	-	-	-	-	-	-	-
<b>Total interest-sensitive financial assets</b>	<b>68,701,355</b>	<b>6,630,512</b>	<b>17,411,370</b>	<b>18,419,424</b>	<b>12,834,034</b>	<b>14,268,149</b>	<b>138,264,843</b>
<b>LIABILITIES</b>							
Financial liabilities at fair value through profit and loss account designated as such at initial recognition	-	-	-	-	-	-	-
Deposits of banks	1,407	922,425	1,537,375	-	-	-	2,461,207
Deposits of other customers	78,240,964	5,265,552	23,003,651	8,407,158	3,455,345	251,920	118,624,589
Issued debt securities	-	-	-	-	-	-	-
Loans payable	121,890	-	438,402	335,192	1,463,458	1,796,436	4,155,377
Subordinated liabilities and hybrid instruments	-	-	-	-	-	-	-
Other unspecified interest-sensitive liabilities	-	-	-	-	-	-	-
<b>Total interest-sensitive financial liabilities</b>	<b>78,364,261</b>	<b>6,187,977</b>	<b>24,979,427</b>	<b>8,742,349</b>	<b>4,918,803</b>	<b>2,048,355</b>	<b>125,241,174</b>
<b>Net - balance position</b>							
Off-balance sheet interest-sensitive assets positions	-	-	-	-	-	-	-
Off-balance sheet interest-sensitive liabilities positions	-	-	-	-	-	-	-
<b>Net positions - off-balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net-position</b>	<b>(9,662,906)</b>	<b>442,534</b>	<b>(7,568,058)</b>	<b>9,677,074</b>	<b>7,915,231</b>	<b>12,219,793</b>	<b>13,023,669</b>

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

**2. RISK MANAGEMENT (continued)**

**2.3 Market risk (continued)**

**2.3.2 Sensitivity analysis of changes in interest rates of financial assets and liabilities (excluding trading assets) (continued)**

**B. Analysis of reconciliation of interest rates (continued)**

	up to 1 month	from 1 to 3 months	from 3 to 12 months	from 1 to 2 years	from 2 to 5 years	over 5 years	Total interest bearing assets /liabilities
<b>In thousands of Denars</b>							
<b>December 31, 2024</b>							
<b>ASSETS</b>							
Cash and cash equivalents	10,147,508	1,807,069	-	-	-	-	11,954,577
Financial assets at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Loans and receivables from banks	398,135	-	-	-	-	-	398,135
Loans and receivables from other customers	51,730,273	5,014,015	9,418,671	12,908,056	7,183,490	9,999,387	96,253,893
Investments in securities	2,668,565	2,391,801	4,049,618	2,633,884	4,464,024	-	16,207,892
Other interest-sensitive unstated assets							
<b>Total interest-sensitive financial assets</b>	<b>64,944,480</b>	<b>9,212,885</b>	<b>13,468,289</b>	<b>15,541,940</b>	<b>11,647,514</b>	<b>9,999,387</b>	<b>124,814,495</b>
<b>LIABILITIES</b>							
Financial liabilities at fair value through the income statement determined as such at initial recognition	-	-	-	-	-	-	-
Deposits of banks	1,674,964						1,674,964
Deposits of other customers	70,931,979	3,174,586	18,818,193	13,127,512	1,789,141	222,783	108,064,194
Issued debt securities	-	-	-	-	-	-	-
Loans payable	142,410	-	427,177	532,250	752,133	589,099	2,443,069
Subordinated liabilities and hybrid instruments	-	-	-	-	-	-	-
Other unspecified interest-sensitive liabilities	-	-	-	-	-	-	-
<b>Total interest-sensitive financial liabilities</b>	<b>72,749,353</b>	<b>3,174,586</b>	<b>19,245,370</b>	<b>13,659,762</b>	<b>2,541,274</b>	<b>811,882</b>	<b>112,182,227</b>
<b>Net - balance position</b>							
Off-balance sheet interest-sensitive assets positions	-	-	-	-	-	-	-
Off-balance sheet interest-sensitive liabilities positions	-	-	-	-	-	-	-
<b>Net positions - off-balance sheet position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net-position</b>	<b>(7,804,874)</b>	<b>6,038,299</b>	<b>(5,777,081)</b>	<b>1,882,178</b>	<b>9,106,240</b>	<b>9,187,505</b>	<b>12,632,267</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

2. RISK MANAGEMENT (continued)

2.3 Market risk (continued)

2.3.3 Currency risk

	In thousands of Denars December 31, 2025				
	MKD	EUR	USD	Other currency	Total
<b>MONETARY ASSETS</b>					
Cash and cash equivalents	10,513,916	9,115,252	1,405,198	1,596,115	22,630,481
Trading assets	-	-	-	-	-
Financial assets at fair value through the income statement determined as such at initial recognition	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-
Placement with, and loans to banks	-	4,630	368,214	1,447	374,291
Placement with and loans to customers	71,583,411	37,246,343	-	-	108,829,753
Investment securities	14,807,942	4,179,502	1,040,336	-	20,027,780
Investments in affiliated companies	-	-	-	-	-
Income tax receivables (current)	-	-	-	-	-
Other receivables	3,455,005	8,948	59	69	3,464,080
Real estate and equipment	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
<b>Total monetary assets</b>	<b><u>100,360,273</u></b>	<b><u>50,554,675</u></b>	<b><u>2,813,807</u></b>	<b><u>1,597,631</u></b>	<b><u>155,326,385</u></b>
<b>MONETARY LIABILITIES</b>					
Trading liabilities	-	-	-	-	-
Financial liabilities at fair value through the income statement determined as such at initial recognition	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-
Deposits from banks	-	2,465,989	1,378	11,629	2,478,997
Deposits from customers	75,011,266	40,437,619	2,811,713	1,568,215	119,828,814
Issued Debt Securities	-	-	-	-	-
Borrowings	2,113,328	2,046,118	-	-	4,159,445
Subordinated debt	-	-	-	-	-
Special reserve and reservations	108,530	-	-	-	108,530
Income tax liabilities (current)	167,765	-	-	-	167,765
Deferred tax liabilities	26,872	-	-	-	26,872
Other liabilities	1,629,605	142,137	1	-	1,771,743
<b>Total monetary liabilities</b>	<b><u>79,057,366</u></b>	<b><u>45,091,862</u></b>	<b><u>2,813,092</u></b>	<b><u>1,579,845</u></b>	<b><u>128,542,166</u></b>
<b>Net – position</b>	<b><u>21,302,906</u></b>	<b><u>5,462,812</u></b>	<b><u>714</u></b>	<b><u>17,786</u></b>	<b><u>26,784,219</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

2. RISK MANAGEMENT (continued)

2.3 Market risk (continued)

2.3.3 Currency risk (continued)

	In thousands of Denars December 31, 2024				
	MKD	EUR	USD	Other currency	Total
<b>MONETARY ASSETS</b>					
Cash and cash equivalents	12,296,943	7,870,948	2,868,255	1,478,669	24,514,815
Trading assets	-	-	-	-	-
Financial assets at fair value through the income statement determined as such at initial recognition	-	-	-	-	-
Derivative assets held for risk management	-	-	-	-	-
Placement with, and loans to banks	-	4,630	400,627	1,688	406,945
Placement with and loans to customers	66,172,038	32,541,747	96,470	-	98,810,256
Investment securities	10,544,416	6,040,959	-	-	16,585,375
Investments in affiliated companies	-	-	-	-	-
Income tax receivables (current)	-	-	-	-	-
Other receivables	2,262,876	18,277	30	120	2,281,303
Real estate and equipment	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
<b>Total monetary assets</b>	<b>91,276,273</b>	<b>46,476,561</b>	<b>3,365,382</b>	<b>1,480,477</b>	<b>142,598,694</b>
<b>MONETARY LIABILITIES</b>					
Trading liabilities	-	-	-	-	-
Financial liabilities at fair value through the income statement determined as such at initial recognition	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-
Deposits from banks	3	1,236,115	443,525	14,317	1,693,960
Deposits from customers	65,460,463	38,705,090	2,918,074	1,440,575	108,524,202
Issued Debt Securities	-	-	-	-	-
Borrowings	81,879	2,365,484	-	-	2,447,363
Subordinated debt	-	-	-	-	-
Special reserve and reservations	139,449	-	-	-	139,449
Income tax payable (current)	245,482	-	-	-	245,482
Deferred tax liabilities	19,420	-	-	-	19,420
Other liabilities	1,567,364	146,206	-	-	1,713,570
<b>Total monetary liabilities</b>	<b>67,514,060</b>	<b>42,452,895</b>	<b>3,361,599</b>	<b>1,454,892</b>	<b>114,783,446</b>
<b>Net – position</b>	<b>23,762,213</b>	<b>4,023,666</b>	<b>3,783</b>	<b>25,585</b>	<b>27,815,248</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 3. CAPITAL ADEQUACY

**Capital management**

The Group's objectives when managing capital, which is a broader concept than the 'equity' presented in the balance sheet, are:

- to comply with the capital requirements set by the Central Bank;
- to safeguard the Group's ability to continue as a successful company providing positive financial results and benefits for other stakeholders; and
- to maintain a strong capital base to support further successful activity.

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management, employing techniques based on the directives set by the regulator, for supervisory purposes.

According to Decision on the methodology on determining the capital adequacy, which starts from March 2017 year, the Bank's regulatory capital (own funds) is divided into two tiers:

- Tier 1 capital: consisted of two parts, common equity Tier 1 and additional Tier 1 capital. The common equity Tier 1 capital consist of share capital, retained undistributed profit restricted for distribution to shareholders, reserves created from retained profit, as well as accumulated other comprehensive income. The Bank has no additional Tier 1 capital as disposal; and
- Tier 2: In position capital instruments are presented cumulative preferred shares, listed as such in the shareholder book of the Bank which is maintained in the Central Securities Depository, and are presented in Tier 2 as per the the Decision on the methodology for determining the capital adequacy.

The legally prescribed minimum rate for risk-weighted assets is: 4.5% for the common equity tier 1 capital, 6% for the tier 1 capital and 8% for own funds. Furthermore, in accordance with the assessment of the whole risk profile of the Bank, the Central Bank determines additional capital of 4.25% and the Bank is obliged to maintain capital adequacy rate of at least 12.25%. The Group is also obliged to maintain the protective layers of capital prescribed by the Law on Bank, namely a protective layer for capital preservation of 2.5%, a protective layer for a systemically important bank of 1.5% and a countercyclical protective layer of 1.75%. As of December 31, 2025 The bank already meets the prescribed adequacy rate of 18%. The Bank is calculating the capital adequacy rate in accordance with the Decision on the methodology for determining the capital adequacy of the Central Bank, according to which the manner is prescribed for calculating the capital required for banks to cover the credit risk, operational risk, market risks and the currency risk. The calculation of the capital required for covering the credit risk is based on the so called standardized approach according to Basel II. The Bank is obliged to distribute the on-balance sheet and off-balance sheet claims in appropriate categories of exposure and to provide them with a risk weight depending on the credit quality degree of the debtor or the claim. Capital to cover the operational risk is also calculated according standardized approach. The calculation of the capital for currency risk was amended and is made to the net amount of aggregate foreign currency position taking into consideration of the calculation of the impairment. Based on the information provided internally to key management personnel, the amount of own funds as of 31.12.2025 is 24,544,025 thousand denars (2024: 20,803,177 thousand denars), core capital is 24,453,047 thousand denars (2024: 20,712,200 denars) and risk-weighted assets is 129,983,120 thousand denars (2024: 116,630,135 thousand denars). The Bank met all externally prescribed capital requirements during 2025 and 2024. Furthermore, as was previously the case, in accordance with the new regulations, the Bank is not obliged to determine and dispose of the capital required for covering the market risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 3. CAPITAL ADEQUACY (continued)

## Own assets

The table below presents a survey of the Statement of own assets (Form OA) prepared in accordance with the Instructions on implementing the Decision on the methodology of determining the capital adequacy according to the applicable prescribed regulations of the Central Bank on December 31, 2025 and 2024.

	In thousand Denars	
	2025	2024
<b>Own funds</b>	<b>24,544,025</b>	<b>20,803,177</b>
<b>Tier 1 capital</b>	<b>24,453,047</b>	<b>20,712,200</b>
<b>Common Equity Tier 1 capital (CET)</b>	<b>24,453,047</b>	<b>20,712,200</b>
<i>Positions in CET</i>	<i>24,453,047</i>	<i>20,712,200</i>
Capital instruments of CET	3,511,242	3,511,242
Premium of capital instruments of CET	-	-
Mandatory general reserve (general reserve fund)	831,373	831,373
Retained undistributed profit	19,875,129	16,204,747
(-) Accumulated loss from previous years	-	-
Current profit or year-end profit	-	-
Accumulated other profit loss	235,303	164,837
<i>(-) Deductions of CET</i>	<i>-</i>	<i>-</i>
(-) Loss at the year-end or current loss	-	-
(-) Intangible assets	-	-
(-) Deferred tax assets that rely on the bank's future profit	-	-
(-) Investments in own capital instruments of CET	-	-
(-) Direct investments in own capital instruments of CET	-	-
(-) Indirect investments in own capital instruments of CET	-	-
(-) Synthetic investments in own capital instruments of CET	-	-
(-) Investments in own capital instruments of CET for which the bank has contractual obligations for purchasing	-	-
(-) Direct, indirect and synthetic investments in capital instruments of CET of persons from the financial sector, with investments in the bank	-	-
(-) Direct, indirect and synthetic investments in capital instruments of CET of persons from the financial sector, the bank has no significant investment	-	-
(-) Direct, indirect and synthetic investments in capital instruments of CET of persons from the financial sector, with significant investments in the bank	-	-
(-) Amount of deduction items of AT exceeding the total AT amount	-	-
(-) Amount of exceeded limits for investment in non-financial institutions	-	-
(-) Tax costs	-	-
(-) Difference between the required and conducted impairment/ special reserve	-	-

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

**3. CAPITAL ADEQUACY (continued)**

**Own assets (continued)**

	<b>In thousand Denars</b>	
	<b>2025</b>	<b>2024</b>
<i>Regulatory reconciliations of CET</i>	-	-
(-) Increase of CET arising from securitization positions	-	-
(-) Profit or (+) loss from cash-flow risk protection	-	-
(-) Profit or (+) loss from liabilities of the bank measures by fair value	-	-
(-) Profit or (+) loss related to liabilities based on derivatives, measured by fair value	-	-
<i>Positions as result of consolidation</i>	-	-
Non-controlling (minority) participation acknowledged in CET at consolidated basis	-	-
Other	-	-
<i>Other positions of CET</i>	-	-
<b>Additional Tier capital (AT)</b>	<b>-</b>	<b>-</b>
<i>Positions in AT</i>	-	-
Capital instruments of AT	-	-
Premium of capital instruments of AT	-	-
<i>(-) Deductions of AT</i>	-	-
(-) Investments in own capital instruments of AT	-	-
(-) Direct investments in own capital instruments of AT	-	-
(-) Indirect investments in own capital instruments of AT	-	-
(-) Synthetic investments in own capital instruments of AT	-	-
(-) Investments in own capital instruments of AT for which the bank has contractual obligations for purchasing	-	-
(-) Direct, indirect and synthetic investments in capital instruments of AT of persons from the financial sector, with investments in the bank	-	-
(-) Direct, indirect and synthetic investments in capital instruments of AT of persons from the financial sector, the bank has no significant investment	-	-
(-) Direct, indirect and synthetic investments in capital instruments of AT of persons from the financial sector, with significant investments in the bank	-	-
(-) Amount of deduction items of AT exceeding the total AT amount	-	-
(-) Tax costs	-	-
<i>Regulatory reconciliations of AT</i>	-	-
(-) Increase of AT arising from securitization positions	-	-
(-) Profit or (+) loss from cash-flow risk protection	-	-
(-) Profit or (+) loss from liabilities of the bank measures by fair value	-	-
(-) Profit or (+) loss related to liabilities based on derivatives, measured by fair value	-	-
<i>Positions as result of consolidation</i>	-	-
Acceptable additional Tier 1 capital recognized in AT on consolidated basis	-	-
Other	-	-
<i>Other positions of AT</i>	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

3. CAPITAL ADEQUACY (continued)

Own assets (continued)

	In thousand Denars	
	2025	2024
<b>Tier 2 capital (T2)</b>	90,978	90,978
<i>Positions in T2</i>	90,978	90,978
Capital instruments in T2	90,978	90,978
Subordinated loans	-	-
Premium of capital instruments in T2	-	-
<i>(-) Deductions of T2</i>	-	-
(-) Investments in own capital instruments of T2	-	-
(-) Direct investments in own capital instruments of T2	-	-
(-) Indirect investments in own capital instruments of T2	-	-
(-) Synthetic investments in own capital instruments of T2	-	-
(-) Investments in own capital instruments of T2 for which the bank has contractual obligations for purchasing	-	-
(-) Direct, indirect and synthetic investments in capital instruments of T2 of persons from the financial sector, with investments in the bank	-	-
(-) Direct, indirect and synthetic investments in capital instruments of T2 of persons from the financial sector, the bank has no significant investment	-	-
(-) Direct, indirect and synthetic investments in capital instruments of T2 of persons from the financial sector, with significant investments in the bank	-	-
<i>Regulatory reconciliations of T2</i>	-	-
(-) Increase of T2 arising from securitization positions	-	-
(-) Profit or (+) loss from cash-flow risk protection	-	-
(-) Profit or (+) loss from liabilities of the bank measures by fair value	-	-
(-) Profit or (+) loss related to liabilities based on derivatives, measured by fair value	-	-
<i>Positions as result of consolidation</i>	-	-
Acceptable additional capital recognized in T2 on consolidated basis	-	-
Other	-	-
<i>Other positions of T2</i>	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 3. CAPITAL ADEQUACY (continued)

**Capital adequacy ratio**

The table below gives an overview of the Report of the rate of capital adequacy (Form CA) prepared in accordance with the Guidelines for implementation of the Decision on the methodology for determining the capital adequacy according to the applicable prescribed regulations from Central Bank as at December 31, 2025 and 31 December 2024.

	<b>In thousands of Denars</b>	
	<b>2025</b>	<b>2024</b>
<b>Credit risk weighted assets</b>		
Capital required for covering the credit risk	9,097,177	8,191,675
Credit risk weighted assets by applying standardized approach	113,714,709	102,395,932
<b>Currency risk weighted assets</b>		
Aggregate foreign currency position	5,413,832	3,913,005
Net position in gold	-	-
Capital required for covering the currency risk	433,107	313,040
Currency risk weighted assets	5,413,832	3,913,005
<b>Operational risk weighted assets</b>		
Capital required for covering the operational risk by applying the basic indicator approach	-	-
Capital required for covering the operational risk by applying the standardized approach	868,366	825,696
Operational risk weighted assets	10,854,579	10,321,198
<b>Other risk weighted assets</b>		
Capital required for covering the risk of changes in the commodity prices	-	-
Capital required for covering the market risks	-	-
Capital required for covering the positional risks	-	-
Capital required for covering the specific risk of investments in debt instruments	-	-
Capital required for covering the general risk of investments in debt instruments	-	-
Capital required for covering the specific risk of investments in equity instruments	-	-
Capital required for covering the general risk of investments in equity instruments	-	-
Capital required for covering the settlement/delivery risk	-	-
Capital required for covering the counterparty risk	-	-
Capital required for covering the exceeding of exposure limits	-	-
Capital required for covering the market risks of option positions	-	-
Capital required for covering other risks	-	-
Other risk weighted assets	-	-
<b>Risk weighted assets</b>	<b>129,983,120</b>	<b>116,630,135</b>
Capital required for covering the risks	10,398,650	9,330,411
<b>Own assets</b>	<b>24,544,025</b>	<b>20,803,177</b>
<b>Capital adequacy ratio</b>	<b>18.88%</b>	<b>17.84%</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

4. SEGMENT REPORTING

A. Operating segments

In thousands of Denars

December 31, 2025

	Retail banking	Corporate banking	Investme nt banking	All other significant operating segments	Unallocat ed	Total
Net interest income /(expense)	2,592,716	2,446,056	317,090	-	-	5,355,862
Net fees and commissions income / (expense)	834,312	(61,455)	-	(24,390)	-	748,467
Net trading income	-	-	-	-	-	-
Net income from other financial instruments recorded at fair value	-	-	-	-	-	-
Other operating income	1,197,019	489,134	68,173	116,004	1,271	1,871,601
Income realized between segments	-	-	-	-	-	-
<b>Total income by segments</b>	<b>4,624,047</b>	<b>2,873,735</b>	<b>385,263</b>	<b>91,614</b>	<b>1,271</b>	<b>7,975,930</b>
Allowance for impairment of financial assets, on net basis	112,285	(1,582,000)	-	(22,659)	-	(1,492,374)
Impairment loss of non-financial assets, on net-basis	-	(4,663)	-	-	-	(4,663)
Depreciation	-	-	-	-	(312,770)	(312,770)
Restructuring costs	-	-	-	-	-	-
Costs for investment in property and equipment	-	-	-	-	-	-
Other expenses	(1,592,690)	(300,633)	-	(493,388)	(68,896)	(2,455,607)
<b>Total expenses by segments</b>	<b>(1,480,405)</b>	<b>(1,887,296)</b>	<b>-</b>	<b>(516,047)</b>	<b>(381,666)</b>	<b>(4,265,414)</b>
Financial result by segment	3,143,642	986,439	385,263	(424,433)	(380,395)	3,710,516
Income tax	-	-	-	-	-	(373,590)
<b>Profit/(loss) for the period</b>	<b>3,143,642</b>	<b>986,439</b>	<b>385,263</b>	<b>(424,433)</b>	<b>(380,395)</b>	<b>3,336,926</b>
Total assets by segment	63,607,434	70,452,060	22,127,423	947,402	-	157,134,319
Unallocated assets per segment	-	-	-	-	-	-
<b>Total assets</b>	<b>63,607,434</b>	<b>70,452,060</b>	<b>22,127,423</b>	<b>947,402</b>	<b>-</b>	<b>157,134,319</b>
Total liabilities by segment	(94,806,932)	(33,679,865)	(2,444)	-	-	(128,489,241)
Unallocated liabilities by segment	-	-	-	-	-	-
<b>Total liabilities</b>	<b>(94,806,932)</b>	<b>(33,679,865)</b>	<b>(2,444)</b>	<b>-</b>	<b>-</b>	<b>(128,489,241)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

4. SEGMENT REPORTING (continued)

A. Operating segments (continued)

	In thousands of Denars December 31, 2024					
	Retail banking	Corporate banking	Investment banking	All other significant operating segments	Unalloca ted	Total
Net interest income /(expense)	3,084,749	2,768,939	319,142	11,788	-	6,184,618
Net fees and commissions income / (expense)	863,107	33,016	-	(30,171)	-	865,952
Net trading income	-	-	-	-	-	-
Net income from other financial instruments recorded at fair value	-	-	-	-	-	-
Other operating income	406,887	127,215	68,600	87,120	534	690,356
Income realized between segments	-	-	-	-	-	-
<b>Total income by segments</b>	<b>4,354,743</b>	<b>2,929,170</b>	<b>387,742</b>	<b>68,737</b>	<b>534</b>	<b>7,740,926</b>
Allowance for impairment of financial assets, on net basis	166,981	(1,257,900)	-	(84,173)	-	(1,175,092)
Impairment loss of non-financial assets, on net-basis	-	34,557	-	-	-	34,557
Depreciation	-	-	-	-	-	-
Restructuring costs	-	-	-	-	(213,837)	(213,837)
Costs for investment in property and equipment	-	-	-	-	-	-
Other expenses	(1,405,951)	(251,196)	-	(522,142)	(59,335)	(2,238,624)
<b>Total expenses by segments</b>	<b>(1,238,970)</b>	<b>(1,474,539)</b>	<b>-</b>	<b>(606,315)</b>	<b>(273,172)</b>	<b>(3,592,996)</b>
Financial result by segment	3,115,773	1,454,631	387,742	(537,578)	(272,638)	4,147,930
Income tax	-	-	-	-	-	(594,383)
<b>Profit/(loss) for the financial year</b>	<b>3,115,773</b>	<b>1,454,631</b>	<b>387,742</b>	<b>(537,578)</b>	<b>(272,638)</b>	<b>3,553,547</b>
Total assets by segment	59,131,931	65,832,783	18,455,936	600,928	-	144,021,578
Unallocated assets per segment	-	-	-	-	-	-
<b>Total assets</b>	<b>59,131,931</b>	<b>65,832,783</b>	<b>18,455,936</b>	<b>600,928</b>	<b>-</b>	<b>144,021,578</b>
Total liabilities by segment	(84,270,236)	(30,510,799)	(2,411)	-	-	(114,783,446)
Unallocated liabilities by segment	-	-	-	-	-	-
<b>Total liabilities</b>	<b>(84,270,236)</b>	<b>(30,510,799)</b>	<b>(2,411)</b>	<b>-</b>	<b>-</b>	<b>(114,783,446)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

4. SEGMENT REPORTING (continued)

B. Concentration of total revenue and expenses by customers

	In thousands of Denars					
	Retail banking	Corporate banking	Investment banking	All other significant operating segments	Unallocated	Total
<b>Current 2025</b>						
Customer 1						
Income	85	82,312	-	-	-	82,397
(Expenses)	(21,036)	(181)	-	-	-	(21,217)
Customer 2						
Income	12	84,201	-	-	-	84,213
(Expenses)	(4,968)	(8,723)	-	-	-	(13,691)
Customer 3						
Income	2	72,294	-	-	-	72,296
(Expenses)	(4,665)	(8)	-	-	-	(4,673)
Customer 4						
Income	4	5,558	-	-	-	5,562
(Expenses)	(4,302)	(59,969)	-	-	-	(64,271)
Customer 5						
Income	9	53,535	-	-	-	53,544
(Expenses)	(3,467)	(67)	-	-	-	(3,534)
<b>Total by segment</b>	<b>(38,326)</b>	<b>228,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,626</b>
<b>Previous 2024</b>						
Customer 1						
Income	-	97,291	-	-	-	97,291
(Expenses)	(4,980)	(2,913)	-	-	-	(7,893)
Customer 2						
Income	2	88,902	-	-	-	88,904
(Expenses)	(4,678)	(2,626)	-	-	-	(7,304)
Customer 3						
Income	129	48,776	-	-	-	48,905
(Expenses)	(3,940)	(141)	-	-	-	(4,081)
Customer 4						
Income	5	36,965	-	-	-	36,970
(Expenses)	(3,536)	(241)	-	-	-	(3,777)
Customer 5						
Income	302	32,576	-	-	-	32,878
(Expenses)	(3,172)	(3,475)	-	-	-	(6,647)
<b>Total by segment</b>	<b>(19,868)</b>	<b>295,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275,246</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 4. SEGMENT REPORTING (continued)

## C. Geographic areas

In thousands of Denars

	<b>RNM</b>	<b>Member countries of European Union</b>	<b>Europe (other)</b>	<b>Member- countries of OECD (without European Member- countries of OECD)</b>	<b>Other</b>	<b>Unallocat ed</b>	<b>Total</b>
<b>Current year, 2025</b>							
Total income	8,057,982	644,378	9,991	1,221,174	-	-	<b>9,933,525</b>
Total assets	<u>126,841,148</u>	<u>10,407,783</u>	<u>161,393</u>	<u>19,723,995</u>	-	-	<b><u>157,134,319</u></b>
<b>Previous year, 2024</b>							
Total income	7,577,323	607,005	9,412	1,150,347	-	-	<b>9,344,087</b>
Total assets	<u>116,196,967</u>	<u>9,559,663</u>	<u>148,241</u>	<u>18,116,707</u>	-	-	<b><u>144,021,578</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

## A. Fair value of financial assets and liabilities

	December 31, 2025		In thousands of Denars December 31, 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets</b>				
Cash and cash equivalents	22,630,481	22,630,481	24,514,815	24,514,815
Trading assets	-	-	-	-
Financial assets at fair value through income statement, determined as such upon initial recognition	-	-	-	-
Derivative assets held for risk management	-	-	-	-
Placement with, and loans to banks	374,291	374,291	406,945	406,945
Placement with, and loans to other customers	108,829,753	108,829,753	98,810,256	98,810,256
Investment securities	20,027,780	19,614,775	16,585,375	16,124,291
Investments in affiliated companies	-	-	-	-
Receivables for income tax (current)	-	-	-	-
Other receivables	3,464,080	3,464,080	2,281,303	2,281,303
Collateralized assets	-	-	-	-
Differed tax assets	-	-	-	-
	<b>155,326,385</b>	<b>154,913,380</b>	<b>142,598,694</b>	<b>142,137,610</b>
<b>Financial liabilities</b>				
Liabilities for trading	-	-	-	-
Financial liabilities at fair value through income statement, determined as such upon initial recognition	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Deposits from banks	2,478,997	2,478,997	1,693,960	1,693,960
Deposits from other customers	119,828,814	119,828,814	108,524,202	108,524,202
Issued debt securities	-	-	-	-
Borrowings	4,159,445	4,159,445	2,447,363	2,447,363
Subordinated debt	-	-	-	-
Income tax liabilities (current)	167,765	167,765	245,482	245,482
Differed tax liabilities	-	-	-	-
Other liabilities	1,718,818	1,718,818	1,713,570	1,713,570
	<b>128,353,839</b>	<b>128,353,839</b>	<b>114,624,577</b>	<b>114,624,577</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

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

## B. Levels of fair value of financial assets and liabilities, measured at fair value

## B.1 Levels of fair value of financial assets and liabilities, measured at fair value

	Note	In thousands of Denars			
		Level 1	Level 2	Level 3	Total
<b>Current year, 2025</b>					
<b>Financial assets measured at fair value</b>					
Trading assets	19	-	-	-	-
Financial assets at fair value through income statement, determined as such upon initial recognition	20	-	-	-	-
Derivative assets held for risk management	21	-	-	-	-
Investments in securities available for sale	23.1	68,493	16,257,640	24,408	16,350,541
<b>Total</b>		<b>68,493</b>	<b>16,257,640</b>	<b>24,408</b>	<b>16,350,541</b>
<b>Financial liabilities</b>					
Liabilities for trading	32	-	-	-	-
Financial liabilities at fair value through income statement, determined as such upon initial recognition	33	-	-	-	-
Derivative liabilities held for risk management	21	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous year, 2024</b>					
<b>Financial assets measured at fair value</b>					
Trading assets	19	-	-	-	-
Financial assets at fair value through income statement, determined as such upon initial recognition	20	-	-	-	-
Derivative assets held for risk management	21	-	-	-	-
Investments in securities available for sale	23.1	68,493	11,429,911	24,408	11,522,812
<b>Total</b>		<b>68,493</b>	<b>11,429,911</b>	<b>24,408</b>	<b>11,522,812</b>
<b>Financial liabilities</b>					
<b>Liabilities for trading</b>	32	-	-	-	-
Financial liabilities at fair value through income statement, determined as such upon initial recognition	33	-	-	-	-
Derivative liabilities held for risk management	21	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

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

## B. Level of fair value of financial assets and liabilities, measured at fair value (continued)

## B.2 Transfers between fair value level 1 and 2

	<b>Current year, 2025</b>		<b>In thousands of Denars Previous year, 2024</b>	
	Transfers from level 1 to level 2	Transfers from level 2 to level 1	Transfers from level 1 to level 2	Transfers from level 2 to level 1
<b>Financial assets measured at fair value</b>				
Trading assets	-	-	-	-
Financial assets at fair value through income statement, determined as such upon initial recognition	-	-	-	-
Derivative assets held for risk management	-	-	-	-
Investments in securities, available for sale	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Liabilities for trading	-	-	-	-
Financial liabilities at fair value through income statement, determined as such upon initial recognition	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

**B. Levels of fair value of financial assets and liabilities, measured at fair value (continued)**

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

	Assets for trading	Financial assets at fair value through income statement determined as such upon initial recognition	Investments in securities available –for-sale	Total assets	Liabilities for trading	In thousands of Denars	
						Financial assets at fair value through income statement determined as such upon initial recognition	Total liabilities
<b>Balance at January 1, 2024</b>	-	-	24,408	24,408	-	-	-
Profit/(loss) recognized in:							
- Income Statement	-	-	-	-	-	-	-
- Other profit /(loss) in the period not recognized in the Income Statement	-	-	-	-	-	-	-
Purchased financial assets in the period	-	-	-	-	-	-	-
Sold financial assets in the period	-	-	-	-	-	-	-
Issued financial instruments in the period	-	-	-	-	-	-	-
Paid financial instruments in the period	-	-	-	-	-	-	-
Re-classified financial instruments to/from Level 3	-	-	-	-	-	-	-
Re-classified in loans and claims	-	-	-	-	-	-	-
<b>Balance at December 31, 2024</b>	-	-	24,408	24,408	-	-	-
<b>Total profit /(loss) recognized in the Income Statement for the financial assets and liabilities that are held on December 31, 2024</b>	-	-	-	-	-	-	-
<b>Balance at January 1, 2025</b>	-	-	24,408	24,408	-	-	-
Profit/(loss) recognized in:							
- Income Statement	-	-	-	-	-	-	-
- Other profit /(loss) in the period not shown in the Income Statement	-	-	-	-	-	-	-
Purchased financial assets in the period	-	-	-	-	-	-	-
Sold financial assets in the period	-	-	-	-	-	-	-
Issued financial instruments in the period	-	-	-	-	-	-	-
Paid financial instruments in the period	-	-	-	-	-	-	-
Re-classified financial instruments to/from Level 3	-	-	-	-	-	-	-
Re-classified in loans and claims	-	-	-	-	-	-	-
<b>Balance at December 31, 2025</b>	-	-	24,408	24,408	-	-	-
<b>Total profit /(loss) recognized in the Income Statement for the financial assets and liabilities that are held on December 31, 2025</b>	-	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

**5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)****B Levels of fair value of financial assets and financial liabilities, measured at fair value (continued)***a) Cash and cash equivalents*

The carrying amount of cash and cash equivalents equals their fair values as they include cash and nostro accounts representing unrestricted demand deposits and placements with Central Bank, which mature *shortly*. Treasury bills are measured at fair value, at level 2.

*b) Held-for-trading financial assets*

Fair value as determined by reference to market prices equal to their carrying amount.

*c) Placement with, and loans to banks*

The majority of the time deposits represent overnight deposits. The fair value of the overnight deposits and demand placements with banks is their carrying amount. The smaller portion of the time deposits are fixed interest bearing deposits, the estimated fair value of which is determined based on discounting cash flow using interest rates for similar placements.

*d) Placements with and loans to customers*

Loans are net of provisions for impairment. The major part of the loans to customers is with floating interest rate (over 95%). The remaining part of the loans with fixed interest rate relates to “teaser loans”, for which the fair value is estimated by the Bank based on the discounted cash flow.

*e) Investment in securities*

The fair value of investments in held-to-maturity financial assets is their carrying amount having regard to the fact that their carrying amount is determined on the basis of discounted cash flows. The fair value of investments in available-for-sale financial assets is determined on the basis of quoted market prices or amounts derived from cash flow models. Consequently, their fair value is their carrying amount.

*f) Other receivables*

Other receivables approximate their fair value as they will mature shortly.

*g) Deposits from banks*

The fair value of demand and time deposits is their carrying amount.

*h) Deposits from other customers*

The fair value of demand deposits and time deposits with floating interest rate is their carrying amount. The estimated fair value of the deposits with fixed interest rate is based on discounted cash flows using the interest rate for similar deposits with similar maturity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025**

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

**B Levels of fair value of financial assets and financial liabilities, measured at fair value (continued)**

*i) Loans payable*

The major part of this position relates to the loans from specific sources for which the market interest rate cannot be reliably determined, taking into consideration the fact that there are no similar instruments on the market.

*j) Other liabilities*

Other liabilities approximate their fair value as they will mature shortly.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 6. NET INTEREST INCOME/(EXPENSE)

## A. Structure of interest income and expenses by category of financial instruments

	In thousands of Denars	
	Current year 2025	Previous year 2024
<b>Interest income</b>		
Cash and cash equivalents	327,172	274,327
Financial assets at fair value through income statement, determined as such upon initial recognition	-	-
Derivative assets held for risk management	-	-
Placements with and loans to banks	164,760	235,541
Placements with and loans to customers	5,142,906	5,815,391
Investments in securities	613,685	485,758
Other receivables	4,466	5,089
(Allowance for impairment of income interest, on net-basis)	(29,747)	(36,111)
Collected previously written-off interest	195,136	178,489
<b><i>Total interest income</i></b>	<b>6,418,378</b>	<b>6,958,484</b>
<b>Interest expense</b>		
Financial liabilities at fair value through income statement, determined as such upon initial recognition	-	-
Derivative liabilities held for risk management	-	-
Deposits from banks	354	1,421
Deposits from other customers	1,032,099	742,349
Issued debt securities	-	-
Borrowings	23,622	28,731
Subordinated debt	-	-
Other liabilities	6,441	1,365
<b><i>Total interest expense</i></b>	<b>1,062,516</b>	<b>773,866</b>
<b>Net interest income / (expense)</b>	<b>5,355,862</b>	<b>6,184,618</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 6. NET INTEREST INCOME/(EXPENSE) (continued)

## B. Sector analysis of interest income and expenses by sector

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<b>Interest income</b>		
Non-financial companies	1,827,182	1,804,639
Government	613,696	485,700
Non-profit institutions servicing households	466	486
Banks	164,774	235,553
Other financial companies (non-banking)	345,904	286,928
Households	3,300,740	4,002,599
Non-residents	227	201
(Allowance for impairment of interest income, on net-basis)	(29,747)	(36,111)
Collected previously written-off interest	195,136	178,489
<b>Total interest income</b>	<b>6,418,378</b>	<b>6,958,484</b>
<b>Interest expense</b>		
Non-financial companies	118,473	75,112
Government	878	1,113
Non-profit institutions servicing households	2,444	2,222
Banks	15,976	16,774
Other financial companies (non-banking)	39,274	21,578
Households	847,437	604,935
Non-residents	38,034	52,132
<b>Total interest expense</b>	<b>1,062,516</b>	<b>773,866</b>
<b>Net interest income / (expense)</b>	<b>5,355,862</b>	<b>6,184,618</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 7. NET FEE AND COMMISSION INCOME/(EXPENSE)

## A. Structure of fee and commission income and expenses by financial activity

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<b>Fee and commission income</b>		
Financing	74,243	73,858
Payment operations	-	-
domestic	292,053	297,966
international	225,438	239,122
L/Cs and L/Gs	42,960	50,086
Brokerage operations	8,392	8,701
Asset management	511	435
Commission and creditor activities	-	-
Issue of securities	-	-
Other	-	-
Card operations	662,897	718,831
Deposit operations	4,046	4,321
Renting safe-deposit-boxes	10,944	10,646
Third party accounts collection	2,549	2,264
Transaction Account Maintenance Fee	154,507	144,716
Insurance policy sales commissions	79,414	69,381
Digital banking	52,917	24,672
Other fee and commission income	32,675	15,691
<b>Total fee and commission income</b>	<b>1,643,546</b>	<b>1,660,690</b>
<b>Fee and commission expense</b>		
Financing	-	-
Payment operations		
domestic	110,096	101,886
international	38,334	42,058
L/Cs and L/Gs	-	-
Brokerage operations	731	5,735
Asset management	-	-
Commission and creditor activities	-	-
Issue of securities	-	-
Other	-	-
Card operations	738,739	635,690
Other fee and commission expense	7,179	9,369
<b>Total fee and commission expense</b>	<b>895,079</b>	<b>794,738</b>
<b>Net fee and commission income / (expense)</b>	<b>748,467</b>	<b>865,952</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 7. NET FEE AND COMMISSION INCOME/(EXPENSE) (continued)

## B. Sector analysis of fee and commission income and expense

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<b>Fee and commission income</b>		
Non-financial companies	727,988	733,691
Government	4,562	3,885
Non-profit institutions servicing households	68	62
Banks	33,830	35,491
Other financial companies (non-banking)	-	-
Households	851,076	862,318
Non-residents	26,022	25,243
<b><i>Total fee and commission income</i></b>	<b>1,643,546</b>	<b>1,660,690</b>
<b>Fee and commission expense</b>		
Non-financial companies	45,356	46,051
Government	-	-
Non-profit institutions servicing households	-	-
Banks	369,548	345,337
Other financial companies (non-banking)	31,596	31,192
Non-residents	448,579	372,158
<b><i>Total fee and commission expense</i></b>	<b>895,079</b>	<b>794,738</b>
<b>Net fee and commission income / (expense)</b>	<b>748,467</b>	<b>865,952</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 8. NET TRADING INCOME

	<b>In thousands of Denars</b>	
	<b>Current</b>	<b>Previous</b>
	<b>year</b>	<b>year</b>
	<b>2025</b>	<b>2024</b>
<i>Trading assets</i>		
Profit /(loss) from the changes in fair value of debt securities, on net-basis		
realized	-	-
unrealized	-	-
Profit /(loss) from the changes in fair value of equity instruments, on net basis		
realized	-	-
unrealized	-	-
Income from dividend from trading assets	-	-
Income from interest from trading assets	-	-
<i>Trading liabilities</i>		
Profit /(loss) from the changes in fair value of debt securities, on net-basis		
realized	-	-
unrealized	-	-
Profit /(loss) from the changes in fair value of trading deposits, on net-basis		
realized	-	-
unrealized	-	-
Profit /(loss) from the changes in fair value of other financial liabilities for trading, on net-basis		
realized	-	-
unrealized	-	-
Expenses for interest from financial liabilities held for trading	-	-
<i>Profit /(loss) from the changes in fair value of derivatives held for trading, on net-basis</i>		
realized	-	-
unrealized	-	-
	<u>-</u>	<u>-</u>
<b>Net trading income</b>	<u>-</u>	<u>-</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 9. NET INCOME FROM OTHER FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

	<b>In thousands of Denars</b>	
	<b>Current</b>	<b>Previous</b>
	<b>year</b>	<b>year</b>
	<b>2025</b>	<b>2024</b>
<i>Financial assets at fair value through the income statement determined as such at initial recognition</i>		
Profit / (loss) from the changes in fair value of debt securities, on net basis		
realized	-	-
unrealized	-	-
Profit / (loss) from the changes in fair value of equity instruments, on net basis		
realized	-	-
unrealized	-	-
Income from dividend from financial assets at fair value through the income statement	-	-
Profit / (loss) from the changes in fair value of loans and claims at fair value through the income statement, on net basis		
realized	-	-
unrealized	-	-
<i>Financial liabilities at fair value through the income statement determined as such at initial recognition</i>		
Profit / (loss) from the changes in fair value of debt securities, on net basis		
realized	-	-
unrealized	-	-
Profit / (loss) from changes in fair value of deposits at fair value through the income statement, on net-basis		
realized	-	-
unrealized	-	-
Profit / (loss) from the changes in fair value of loan liabilities at fair value through the income statement, on net basis		
realized	-	-
unrealized	-	-
Profit / (loss) from the changes in fair value of other financial liabilities at fair value through the income statement, on net basis		
realized	-	-
unrealized	-	-
<i>Profit / (loss) from changes in fair value of derivative held for risk management at fair value through the income statement, on net-basis</i>		
realized	-	-
unrealized	-	-
<b>Net income from other financial instruments carried at fair value</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 10. NET FOREIGN EXCHANGE GAINS/(LOSSES)

	In thousands of Denars	
	Current year 2025	Previous year 2024
	<u>          </u>	<u>          </u>
Realized net foreign exchange gains/(losses)	182,324	184,105
Non-realized net foreign exchange gains/(losses)	-	-
foreign exchange gains/(losses) of adjustment of the value of financial assets, on net basis	-	-
foreign exchange gains/(losses) of special reserve for off balance sheet exposure, on net basis	-	-
other foreign exchange gains/(losses), on net basis	<u>(2,168)</u>	<u>(4,521)</u>
<b>Net foreign exchange gains/(losses)</b>	<b><u>180,156</u></b>	<b><u>179,584</u></b>

## 11. OTHER OPERATING INCOME

	In thousands of Denars	
	Current year 2025	Previous year 2024
	<u>          </u>	<u>          </u>
Profit from sales of assets available for sale	-	-
Dividend from equity instruments available for sale	3,973	-
Net income from investments in subsidiaries and affiliates	-	-
Capital gain from sales of:		
property and equipment	3,103	3,109
intangible assets	-	-
foreclosed assets	69,655	31,239
non-current assets held for sale and group for disposal (sale)	-	-
Income from rent	1,304	1,306
Income from won court disputes	5,432	8,225
Collected previously written-off receivables	1,509,697	399,824
Release of special reserves and provisions for:		
contingent liabilities based on court disputes	11,887	-
pensions and other benefits for employees	-	-
restructuring	-	-
unfavourable agreements	-	-
other provisions	-	-
Other:		
early withdrawal of deposits of non-residents	29,720	24,679
revenue from insurance mediation and mortgage bets on movables in process of approving loans to individuals	23	66
other income	<u>56,651</u>	<u>42,324</u>
<b>Total other operating income</b>	<b><u>1,691,445</u></b>	<b><u>510,772</u></b>

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

**12. IMPAIRMENT LOSSES OF FINANCIAL ASSETS AND SPECIAL RESERVES FOR OFF BALANCE SHEET EXPOSURE, ON NET-BASIS**

**In thousands of Denars**

	<b>Placemen ts with and loans to banks</b>	<b>Placements with and loans to customers</b>	<b>Investments in financial assets available for sale</b>	<b>Investme nts in financial assets held to maturity</b>	<b>Cash and cash equivalents</b>	<b>Fees and commissions receivables</b>	<b>Other receivabl es</b>	<b>Total allowance for impairment of financial assets</b>	<b>Special reserves for off balance sheet exposures</b>	<b>Total</b>
<b>December 31, 2025 (current year)</b>										
<i>Allowance for impairment and special reserves</i>										
Additional allowance for impairment and special reserves	171	2,034,573	-	1,161	1,895	1,824	9,793	2,049,417	100,579	2,149,996
(Release of allowance for impairment and special reserves)	(218)	(496,026)	-	-	(1,913)	(19,234)	(20,164)	(537,555)	(120,067)	(657,622)
<b>Total allowance for impairment of financial assets and special reserves for off balance sheet exposures, on net-basis</b>	<b>(47)</b>	<b>1,538,547</b>	<b>-</b>	<b>1,161</b>	<b>(18)</b>	<b>(17,410)</b>	<b>(10,371)</b>	<b>1,511,862</b>	<b>(19,488)</b>	<b>1,492,374</b>
<b>December 31, 2024 (previous year)</b>										
<i>Allowance for impairment and special reserves</i>										
Additional allowance for impairment and special reserves	402	1,809,103	-	31	166	12,458	13,194	1,835,354	107,185	1,942,539
(Release of allowance for impairment and special reserves)	(309)	(597,215)	-	-	(189)	(646)	(1,864)	(600,223)	(167,224)	(767,447)
<b>Total allowance for impairment of financial assets and special reserves for off balance sheet exposures, on net-basis audited</b>	<b>93</b>	<b>1,211,888</b>	<b>-</b>	<b>31</b>	<b>(23)</b>	<b>11,812</b>	<b>11,330</b>	<b>1,235,131</b>	<b>(60,039)</b>	<b>1,175,092</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 13. IMPAIRMENT LOSSES OF NON-FINANCIAL ASSETS, NET

	In thousands of Denars					
	Real estate and equipment	Intangible assets	Foreclosed assets	Non- current assets held for sale and group for sale	Other non- financial assets	Total
<b>December 31, 2025 (current year)</b>						
Additional impairment loss	-	-	(19,309)	-	-	(19,309)
(Release of impairment loss)	-	-	14,646	-	-	14,646
<b>Total impairment loss of non-financial assets, on net-basis</b>	<b>-</b>	<b>-</b>	<b>(4,663)</b>	<b>-</b>	<b>-</b>	<b>(4,663)</b>
<b>December 31, 2024 (previous year)</b>						
Additional impairment loss	-	-	25,887	-	-	25,887
(Release of impairment loss)	-	-	(60,444)	-	-	(60,444)
<b>Total impairment loss of non-financial assets, on net-basis audited</b>	<b>-</b>	<b>-</b>	<b>34,557</b>	<b>-</b>	<b>-</b>	<b>34,557</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 14. PERSONNEL EXPENSES

	In thousands of Denars	
	Current year 2025	Previous year 2024
<b>Short-term personnel benefits</b>		
Salaries	714,223	653,906
Compulsory contributions for social and health insurance	280,318	252,518
Short-term paid leaves	-	-
Costs for temporary employment	26,205	28,845
Share in profit and remuneration	-	-
Non-monetary benefits	-	-
Other personnel benefits	326,873	236,396
	<b>1,347,619</b>	<b>1,171,665</b>
<b>Post-retirement benefits</b>		
Defined pension benefit plans	-	-
Retirement benefits	-	-
Increase of liability for defined pension benefit plans	-	-
Increase of liability for other long-term benefits	-	-
Other benefits upon termination of employment	-	-
	-	-
Benefits due to termination of employment	-	-
Payments to employees based on shares, settled with equity instruments	-	-
Payments to employees based on shares, settled with monetary assets	-	-
Other	-	-
	-	-
<b>Total personnel expenses</b>	<b>1,347,619</b>	<b>1,171,665</b>

The item other employee benefits shows payments to employees based on annual leave entitlement, New Year's compensation, jubilee awards and other short-term benefits.

The amounts referring to provisions for retirement benefits in the amount of Denar 4,695 thousand (2024: Denar 5,774 thousand) are presented in Note 38.

	Current year 2025	Previous year 2024
Average number of employees for the period	963	948
Number of permanent employees at year-end	980	928
Number of temporary employees at year-end	30	42

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 15. DEPRECIATION

	In thousands of Denars	
	Current year 2025	Previous year 2024
<b>Amortization of intangible assets</b>		
Internally developed software	-	-
Software acquired from external suppliers	82,554	68,603
Other internally developed intangible assets	-	-
Other intangible assets	-	-
Intangible leasehold improvements	-	-
	<u>82,554</u>	<u>68,603</u>
<b>Depreciation of property and equipment</b>		
Buildings	33,295	33,020
Means of transport	28,490	13,108
Furniture and equipment	101,849	90,380
Other equipment	2,667	2,577
Other items of property and equipment	421	480
Property and equipment leasehold improvements	63,494	5,669
	<u>230,216</u>	<u>145,234</u>
<b>Total depreciation</b>	<u><b>312,770</b></u>	<u><b>213,837</b></u>

## 16. OTHER OPERATING EXPENSES

	In thousands of Denars	
	Current year 2025	Previous year 2024
Losses from sale of assets available for sale	-	-
Software licensing expense	-	-
Deposit insurance premium	219,539	194,508
Premium on property and employee insurance	9,770	8,744
Materials and services	640,212	563,222
Administrative and marketing expense	186,416	183,934
Other taxes and contributions	10,203	8,534
Rental expense	11,681	61,945
Court dispute expense	1,077	1,911
Provisions for pension and other employee benefits, on a net basis	-	-
Provisions for contingent liabilities based on court disputes, on a net basis	-	9,481
Other provisions, on a net basis	-	-
Loss from sale of:		
property and equipment	-	-
intangible assets	-	-
foreclosed assets	-	-
non-current assets held for sale and group for sale	-	-
Other:		
business trip expense	10,151	8,289
other costs	18,939	26,391
<b>Total other operating expenses</b>	<u><b>1,107,988</b></u>	<u><b>1,066,959</b></u>

The category Other operating expenses also presents the total audit costs for the year ending December 31, 2025 of the Bank and its subsidiary in the amount of MKD 6,887 thousand denars.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 17. INCOME TAX

## A. Expenses/ (income) based on current and deferred income tax

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<b>Current income tax</b>		
Expenses/(income) for current income tax for the year	373,590	594,383
Adjustments for previous years	-	-
Benefits from previously unrecognized tax losses, tax loans or temporary differences from previous years	-	-
Changes in accounting policies and errors	-	-
Other	-	-
	<u>373,590</u>	<u>594,383</u>
<b>Deferred income tax</b>		
Deferred income tax that arises from temporary differences for the year	26,872	19,420
Recognition of previous unrecognized tax losses	-	-
Changes in tax rate	-	-
Introduction of new taxes	-	-
Benefits from previously unrecognized tax losses, tax loans or temporary differences from previous years	-	-
Other	-	-
	<u>26,872</u>	<u>19,420</u>
<b>Total income tax expenses/(returns)</b>	<u><u>400,462</u></u>	<u><u>613,803</u></u>

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<b>Current income tax</b>		
Recognized in income statement	373,590	594,383
Recognized in capital and reserves	-	-
	<u>373,590</u>	<u>594,383</u>
<b>Deferred income tax</b>		
Recognized in income statement	-	-
Recognized in capital and reserves	26,872	19,420
	<u>26,872</u>	<u>19,420</u>
<b>Total income tax expenses/(returns)</b>	<u><u>400,462</u></u>	<u><u>613,803</u></u>

In accordance with the Income Tax Law which is in appliance for the fiscal 2025 and 2024, basis for taxation represents the realized gross profit (difference between the total income and expenditures) increased by certain costs that are not subject to taxation, or decreased by certain income, investments and similar which are not subject to taxation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 17. INCOME TAX (continued)

## A. Expenses/(income) based on current and deferred income tax (continued)

As of January 1, 2024, a new Global Minimum Tax law came into force in North Macedonia in accordance with Pillar 2 rules for a minimum global tax of 15%. The current tax position includes the amounts of profit tax calculated in accordance with the law on profit tax and the additional tax calculated according to the provisions of the new law.

In accordance with the previous Law on income tax, the accumulated undistributed profit for the period from 2009 to 2013 shall be subject to taxation at the moment of its distribution.

## B. Reconciliation of the effective average tax rate with the applicable tax rate

	in %	In thousands of Denars	in %	In thousands of Denars
	current year 2025		previous year 2024	
Profit/(loss) before taxation	100.00	3,710,516	100.00	4,147,930
Income tax as per applicable tax rate	-	371,052	-	414,793
Effects from different tax rates in other countries	-	-	-	-
Adjustments for previous years and changes in tax rate	-	-	-	-
Taxed income abroad	-	-	-	-
Expense unrecognized for tax purposes	0.60	22,413	0.42	17,543
Tax-exempted income	-	-	-	-
Tax exemptions unrecognized in income statement	-	-	-	-
Recognition of previous unrecognized tax losses	-	-	-	-
Benefits from previously unrecognized tax losses, tax loans or temporary differences from previous years	-	-	-	-
Changes of deferred tax	-	-	-	-
Other	(0.54)	(19,875)	3.91	162,047
<b>Total expenses/(return) on income tax</b>	<b>10.07</b>	<b>373,590</b>	<b>14.33</b>	<b>594,383</b>
<b>Average effective tax rate</b>	<b>10.07</b>		<b>14.33</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 17. INCOME TAX (continued)

## C. Income tax from other gains / (losses) in the period not disclosed in the Income Statement

	In thousands of Denars					
	Current year 2025			Previous year 2024		
	Before taxation	Expenditure/ return of income tax	Less Income tax	Before taxation	Expenditure/ return of income tax	Less Income tax
Revaluated reserve for assets available for sale	-	-	-	-	-	-
Reserve for instruments for protection against the cash flow risk	-	-	-	-	-	-
Reserve for instruments for protection against the risk of net investments in foreign operations	-	-	-	-	-	-
Reserve of foreign exchange differences from investments in foreign operations	-	-	-	-	-	-
Share in other gains / (losses) of affiliates companies that are not shown in the Income Statement	-	-	-	-	-	-
Other gains / (losses) not shown in the Income Statement	-	-	-	-	-	-
Total other gains / (losses) in the period that are not shown in the Income Statement	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 18. CASH AND CASH EQUIVALENTS

	In thousands of Denars	
	Current year 2025	Previous year 2024
Cash on hand	2,331,666	2,161,347
Accounts and deposits with Central Bank, besides mandatory FC reserves	7,878,795	9,884,595
Current accounts and transaction deposits with foreign banks	786,029	493,031
Current accounts and transaction deposits with local banks	805	647
Treasury bills that may be traded in the secondary market	1,998,473	1,807,069
Government bills that may be traded in the secondary market	-	-
Time deposits up to 3 months	3,168,998	4,422,988
Other short-term highly liquid assets	1,206	8,026
Receivables based on interest (allowance for impairment loss)	1,751 (63)	7,884 (81)
<b>Included in cash and cash equivalents for the needs of the Statement on cash flows</b>	<b>16,167,660</b>	<b>18,785,506</b>
Mandatory FC deposits	6,431,495	5,697,983
Restricted deposits (allowance for impairment loss)	31,326 -	31,326 -
<b>Total</b>	<b>22,630,481</b>	<b>24,514,815</b>

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	81	-	-	81	104	-	-	104
Impairment for the year	-	-	-	-	-	-	-	-
additional impairment	1,895			1,895	166			166
(release for impairment)	(1,913)			(1,913)	(189)			(189)
Transfer to:								
- impairment for Group 1	-	-	-	-	-	-	-	-
- impairment for Group 2	-	-	-	-	-	-	-	-
- impairment for Group 3	-	-	-	-	-	-	-	-
(Receivables based on outstanding receivables)	-	-	-	-	-	-	-	-
Effect of exchange rate differences (Written claims)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>63</b>			<b>63</b>	<b>81</b>	-	-	<b>81</b>

The level of mandatory deposits in foreign currency, which as of December 31, 2025 are in the amount of 6,431,495 thousand denars (2024: 5,697,983 thousand denars) represent the prescribed amount of deposits that are set aside in accordance with the Decision on Mandatory Reserves at NBRSM. Mandatory reserves in foreign currency are calculated based on the average amount of deposits in foreign currency during one calendar month. No interest is calculated on the mandatory reserve in foreign currency for 2025 and 2024. In 2025, there were no changes to the Rules for the operation of the KIBS payment system. Banks deposit the funds at the beginning of the working day and, if the settlement is successfully completed, the same funds are returned to the banks at the end of the day. Therefore, the Bank's balance in the RGF fund account as of 31 December 2025 amounts to 0 denars (2024: 0 denars).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 18. CASH AND CASH EQUIVALENTS (continued)

The accounts and deposits with Central Bank, except for the mandatory deposits in foreign currency in the amount of 7,878,795 thousands of Denars (2024: 9,884,595 thousands of Denars), represent mandatory reserve in Denars, current accounts in foreign currency and funds placed in available deposits. NBRSM does not calculate interest on the mandatory reserve in denars.

Treasury bills are securities with a maturity of 7 days, issued by the NBRSM, Treasury bills that can be traded at the secondary market. As of December 31, 2025, the Bank holds Treasury bills in the amount of 1,998,473 thousands of Denars (2024: 1,807,069 thousands of Denars). The interest rate for these notes during 2025 NBRSM reduced it 2 times and it decreased from 5.55% to 4.00% while in 2024 it increased from 6.30% to 5.55% per year.

## 19. TRADING ASSETS

## A Structure of trading assets by type of financial instrument

	In thousands of Denars	
	Current year 2025	Previous year 2024
<i>Trading securities</i>		
<i>Debt securities for trading</i>		
Treasury bills for trading	-	-
Government bills for trading	-	-
Other instruments in the money market	-	-
Government bonds	-	-
Corporate bonds	-	-
Other debt instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<i>Equity instruments for trading</i>		
Equity instruments issued by banks	-	-
Other equity instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<i>Trading derivatives</i>		
Agreements dependant on interest rate change	-	-
Agreements dependant on exchange rate change	-	-
Agreements dependant on changes in price of securities	-	-
Other agreements that meet the IFRS criteria	-	-
	-	-
<i>Loans and placements</i>		
Placements with and loans to banks	-	-
Placements with and loans to customers	-	-
	-	-
<b>Total trading assets</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 19. TRADING ASSETS (continued)

## B. Reclassified trading assets

## B.1 Balance of the reclassified trading assets

	In thousands of Denars				
	Reclassified amount (on the date of reclassificati on)	Current year, 2025		Previous year, 2024	
		Book amount on 31.12.2025	Fair value on 31.12.2025	Book amount on 31.12.2024	Fair value on 31.12.2024
Trading assets, reclassified in 31.12.2025 (current period) in:					
- financial assets available-for-sale	-	-	-	-	-
- loans and receivables from banks	-	-	-	-	-
- loans and receivables from other customers	-	-	-	-	-
	-	-	-	-	-
Trading assets, reclassified in 31.12.2024 (previous year) in:					
- financial assets available-for-sale	-	-	-	-	-
- loans and receivables from banks	-	-	-	-	-
- loans and receivables from other customers	-	-	-	-	-
	-	-	-	-	-

The Bank trades in trading securities in order to generate profit from the short-term fluctuations in their stock price. The Bank is not able to exert significant influence over the companies in which it holds equity securities due to the insignificant percentage it has in the ordinary share capital in these companies.

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

**19. TRADING ASSETS (continued)**

**B. Reclassified trading assets (continued)**

**B.2 Profit and loss from reclassified trading assets**

	In thousands of Denars					
	Reclassified in 2025 (Current period)		Reclassified in 2024 (previous period)			
	Income Statement 2025 (Current period)	Other profit /(loss) 2025 (Current period)	Income Statement 2025 (Current period)	Other profit /(loss) 2024 (Current period)	Income Statement 2024 (Previous period)	Other profit /(loss) 2024 (Previous period)
<b>Period before reclassification</b>						
Trading assets, reclassified in financial assets available-for-sale						
- Net income from trading	-	-	-	-	-	-
Trading assets, reclassified in loans and receivables from banks						
- Net income from trading	-	-	-	-	-	-
Trading assets, reclassified in loans and receivables from other customers						
- Net income from trading	-	-	-	-	-	-
<b>Period after reclassification</b>						
Trading assets, reclassified in financial assets available-for-sale						
- Interest income	-	-	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-	-	-
- changes in the fair value on net basis	-	-	-	-	-	-
Trading assets, reclassified in loans and receivables from banks						
- Interest income	-	-	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-	-	-
Trading assets, reclassified in loans and receivables from other customers						
- Interest income	-	-	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 19. TRADING ASSETS (continued)

## B. Reclassified trading assets (continued)

## B.3 Profit or loss recognized in the Income Statement if assets have not been reclassified

	In thousands of Denars		
	Reclassified in	Reclassified during 2024 (previous	
	2025 (Current	period)	
	period)	Income	Income
	Income	Statement 2025	Statement
	Statement 2025	(Current period)	2024(Previous
	(Current	period)	period)
	period)		period)
Trading assets, reclassified in financial assets available-for-sale			
- Net income from trading	-	-	-
Trading assets, reclassified in loans and receivables from banks			
- Net income from trading	-	-	-
Trading assets, reclassified in loans and receivables from other customers			
- Net income from trading	-	-	-

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH THE INCOME STATEMENT, DETERMINED AS SUCH AT INITIAL RECOGNITION

	In thousands of Denars	
	Current	Previous
	year	year
	2025	2024
<i>Debt securities</i>		
Treasury bills	-	-
Government bills	-	-
Other instruments in the money market	-	-
Government bonds	-	-
Corporate bonds	-	-
Other debt instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
<i>Equity instruments</i>		
Equity instruments issued by banks	-	-
Other equity instruments	-	-
	-	-
Quoted	-	-
Unquoted	-	-
Placements with and loans to banks	-	-
Placements with and loans to other clients	-	-
<b>Total financial assets at fair value through the income statement determined as such at initial recognition</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 21. DERIVATIVE ASSETS AND LIABILITIES HELD FOR RISK MANAGEMENT

	Current year 2025		In thousands of Denars Previous year 2024	
	derivative assets	(derivative liabilities)	derivative assets	(derivative liabilities)
<b>A. Derivatives for protection against risk/Derivatives held for risk management</b>				
A.1 <i>by type of variable</i>				
<b>Derivatives held for risk management</b>				
Agreements dependant on interest rate change	-	-	-	-
Agreements dependant on exchange rate change	-	-	-	-
Agreements dependant on changes in price of securities	-	-	-	-
Other agreements that meet the IFRS 9 criteria	-	-	-	-
<b>Total derivatives held for risk management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
A.2 <i>by type of protection against risk</i>				
Protection against risk to fair value	-	-	-	-
Protection against risk to cash flows	-	-	-	-
Protection against risk to net investment in international operations	-	-	-	-
<b>Total derivatives held for risk management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Inherent derivatives</b>				
Agreements dependant on interest rate change	-	-	-	-
Agreements dependant on exchange rate change	-	-	-	-
Agreements dependant on changes in price of securities	-	-	-	-
Other agreements that meet the IFRS 9 criteria	-	-	-	-
<b>Total inherent derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total derivatives held for risk management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

22. LOANS AND PLACEMENTS

22.1 PLACEMENTS WITH AND LOANS TO BANKS

	In thousands of Denars			
	Current year 2025		Previous year 2024	
	short-term	long-term	short-term	long-term
Loans to banks				
domestic banks	-	-	-	-
foreign banks	18,699	-	19,266	-
Time deposits at maturity period of				
over 3 months				
domestic banks	-	-	-	-
foreign banks	-	366,001	-	398,135
Repo				
domestic banks	-	-	-	-
foreign banks	-	-	-	-
Other receivables				
domestic banks	-	-	-	-
foreign banks	-	-	-	-
Receivables based on interests	-	-	-	-
Current maturity	-	-	-	-
<b>Total placements with and loans to banks before allowance for impairment</b>	<b>18,699</b>	<b>366,001</b>	<b>19,266</b>	<b>398,135</b>
(Allowance for impairment)	(10,409)	-	(10,456)	-
<b>Total placements with and loans to banks less allowance for impairment</b>	<b>8,290</b>	<b>366,001</b>	<b>8,810</b>	<b>398,135</b>

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1 <sup>st</sup>	-	-	10,456	10,456	-	-	10,363	10,363
Impairment for the year	-	-	-	-	-	-	-	-
additional impairment	-	-	171	171	-	-	402	402
(release for impairment)	-	-	(218)	(218)	-	-	(309)	(309)
Transfer to:								
- impairment for Group 1	-	-	-	-	-	-	-	-
- impairment for Group 2	-	-	-	-	-	-	-	-
- impairment for Group 3	-	-	-	-	-	-	-	-
(Receivables based on outstanding receivables)	-	-	-	-	-	-	-	-
Effect of exchange rate differences	-	-	-	-	-	-	-	-
(Written claims)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>-</b>	<b>-</b>	<b>10,409</b>	<b>10,409</b>	<b>-</b>	<b>-</b>	<b>10,456</b>	<b>10,456</b>

Part of loans and advances with banks amounting to 13,636 thousands of Denars (2024: 18,043 thousands of Denars) are limited and represent funds with banks in Republic of Serbia, for which bankruptcy proceedings were initiated in January 2002. The Bank has accounts in these Banks with exposure in the amount of 13,636 thousand denars (Note 34.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

22. LOANS AND PLACEMENTS (continued)

22.1 PLACEMENTS WITH AND LOANS TO BANKS (continued)

Part of facilities with foreign banks are as well the restricted accounts totalling 366,001 thousands of Denars (2024: 398,135 thousands of Denars), which represent deposits with United Overseas Bank Limited Singapore and HSBC Bank PLC London, Great Britain, as collateral for VISA and Master credit card transactions. These funds are not available in Bank's daily operations.

22.2 PLACEMENTS WITH AND LOANS TO CUSTOMERS

A. Structure of placements with and loans to customers by type of debtor

	In thousands of Denars			
	Current year 2025		Previous year 2024	
	short-term	long-term	short-term	long-term
Non-finance companies				
receivables upon principal	18,186,076	29,090,994	16,116,030	24,938,026
interest receivables	108,085	-	97,298	-
Government				
receivables upon principal	-	1,176	-	1,133
interest receivables	-	-	1	-
Non-profit institutions that serve households				
receivables upon principal	-	14,237	-	10,799
interest receivables	13	-	3	-
Financial companies, besides banks				
receivables upon principal	-	609	-	1,979
interest receivables	-	-	1,010	-
Households				
receivables upon principal				
housing loans	160,090	24,812,142	154,598	21,055,619
consumer loans	1,487,510	34,400,506	1,645,538	33,411,130
auto loans	204	3,843	244	29,044
mortgage loans	-	-	-	-
credit cards	136,399	3,009,451	161,381	3,350,391
other loans	94,938	1,139,879	99,025	1,212,408
interest receivables	223,822	-	278,859	-
Non-residents, besides banks				
receivables upon principal	150	9,111	693	4,238
interest receivables	11	-	-	-
Current maturity	<u>14,805,489</u>	<u>(14.805.489)</u>	<u>13,127,232</u>	<u>(13,127,232)</u>
<b>Total placements with and loans to customers before allowance for impairment</b>	<b><u>35,202,787</u></b>	<b><u>77,676,459</u></b>	<b><u>31,682,027</u></b>	<b><u>70,887,535</u></b>
(Allowance for impairment)	<u>(652,359)</u>	<u>(3,397,134)</u>	<u>(445,153)</u>	<u>(3,314,153)</u>
<b>Total placements with and loans to customers less allowance for impairment</b>	<b><u>34,550,428</u></b>	<b><u>74,279,325</u></b>	<b><u>31,236,874</u></b>	<b><u>67,573,382</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

22. LOANS AND PLACEMENTS (continued)

22.2 PLACEMENTS WITH AND LOANS TO CUSTOMERS (continued)

A. Structure of placements with and loans to customers by type of debtor (continued)

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	874,461	777,461	2,107,385	3,759,307	707,996	733,602	2,048,295	3,489,893
Impairment for the year								
additional impairment	917,922	445,370	1,010,758	2,374,050	392,288	347,726	1,069,089	1,809,103
(release for impairment)	(427,247)	(283,601)	(144,205)	(855,053)	(322,285)	(141,571)	(133,358)	(597,214)
Transfer to:								
- impairment for Group 1	112,737	(85,075)	(27,662)	-	139,269	(128,871)	(10,398)	-
- impairment for Group 2	(47,916)	76,967	(29,051)	-	(32,638)	66,811	(34,173)	-
- impairment for Group 3	(10,498)	(83,004)	93,502	-	(10,169)	(100,236)	110,405	-
(Foreclosed assets taken on the basis of outstanding claims)	-	-	-	-	-	-	-	-
Effect of exchange rate differences (Written off claims)	-	-	(1,228,811)	(1,228,811)	-	-	(942,475)	(942,475)
<b>As of December 31</b>	<b>1,419,459</b>	<b>848,118</b>	<b>1,781,916</b>	<b>4,049,493</b>	<b>874,461</b>	<b>777,461</b>	<b>2,107,385</b>	<b>3,759,307</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 22. LOANS AND PLACEMENTS (continued)

## 22.2 PLACEMENTS WITH AND LOANS TO CUSTOMERS (continued)

## B. Structure of placements with and loans to customers by type of security

	In thousands of Denars	
	Current year 2025	Previous year 2024
	<u>          </u>	<u>          </u>
<i>(current carrying amount of placements and loans)</i>		
First-class security instruments:	-	-
cash deposits (in depot and/or restricted in accounts with the Bank)	2,550,462	2,213,270
government securities	-	-
government unconditional guarantees	3,097,335	1,256,222
bank guarantees	328,760	263,562
Guarantees from insurance companies and insurance policies	-	-
Corporate guarantees (except for bank and insurance company guarantees)	2,135,980	2,031,201
Guarantees from individuals	-	-
Property pledge:	-	-
private property (flats, houses)	35,539,227	30,334,345
commercial property	24,123,716	20,499,992
Pledge over movables	3,635,496	3,045,106
Other types of collateral	3,430,814	2,127,811
Unsecured	<u>33,987,963</u>	<u>37,038,747</u>
<b>Total placements with and loans to customers less allowance for impairment</b>	<b><u>108,829,753</u></b>	<b><u>98,810,256</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 23. INVESTMENTS IN SECURITIES

## 23.1 INVESTMENT IN FINANCIAL ASSETS AVAILABLE-FOR-SALE

## A. Structure of investments in financial assets available-for-sale by type of financial instrument

	In thousands of Denars	
	As at 2025	As at 2024
<i>Debt securities</i>		
Treasury bills	-	-
Government bills	9,557,543	6,067,386
Other instruments in the money market	-	-
Government bonds	6,700,097	5,362,525
Corporate bonds	-	-
Other debt instruments	-	-
	<u>16,257,640</u>	<u>11,429,911</u>
Quoted	-	-
Unquoted	6,700,097	5,362,525
	9,557,543	6,067,386
<i>Equity instruments</i>		
Equity instruments issued by banks	-	-
Other equity instruments	92,901	92,901
	<u>92,901</u>	<u>92,901</u>
Quoted	68,493	68,493
Unquoted	24,408	24,408
<b>Total investment in financial instruments available for sale</b>	<b><u>16,350,541</u></b>	<b><u>11,522,812</u></b>

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	-	-	-	-	-	-	-	-
Impairment for the year additional impairment (release for impairment)	-	-	-	-	-	-	-	-
Transfer to:								
- impairment for Group 1	-	-	-	-	-	-	-	-
- impairment for Group 2	-	-	-	-	-	-	-	-
- impairment for Group 3 (Foreclosed assets taken on the basis of outstanding claims)	-	-	-	-	-	-	-	-
Effect of exchange rate differences (Written claims)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2025****23. INVESTMENTS IN SECURITIES (continued)****23.1 INVESTMENT IN FINANCIAL ASSETS AVAILABLE-FOR-SALE (continued)****Debt securities**

On 31.12.2025, the total balance of investments in debt securities available for sale amounts to 16,257,640 thousand denars (2024: 11,429,911 thousand denars). Investments in treasury bills issued by the Republic of North Macedonia maturing in 2026 amount to 9,557,543 thousand denars (2024: 6,067,386 thousand denars).

During 2025, the Bank started the purchase of government bond by United States and the amount due in 2026 is 1,040,336 thousand denars. Government bonds and Eurobonds maturing in 2028 amount to 5,659,761 thousand denars (2024: 5,362,525 thousand denars).

Government Treasury bills carry a yield ranging from 3.25% to 4.00%, government bonds and Eurobonds have coupon rates ranging from 3.40% to 6.96%, while U.S. Treasury securities bear a yield ranging from 3.49% to 3.78%.

They are recorded at fair value through other comprehensive income.

**Proprietary instruments**

On 31.12.2025, the total amount of other ownership instruments is 92,901 thousand denars (2024: 92,901 thousand denars). These instruments consist of investments in domestic financial institutions (CDHV AD Skopje, Macedonian Stock Exchange AD, Skopje, KIBS AD Skopje, KASIS AD Skopje) in the amount of 90,512 thousand denars (2024: 90,512 thousand denars), foreign financial institutions in the amount of 31 thousand denars (2024: 31 thousand denars) and domestic non-financial entities in the amount of 2,359 thousand denars (2024: 2,359 thousand denars).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

23. INVESTMENTS IN SECURITIES (continued)

23.1 INVESTMENT IN FINANCIAL ASSETS AVAILABLE-FOR-SALE (continued)

B. Reclassified financial assets available-for-sale

B.1 Balance of the reclassified financial assets available-for-sale

	Reclassified amount (on the date of reclassification)	Current year 2025		In thousands of Denars Previous year 2024	
		Book value on 31.12.2025	Fair value on 31.12.2025	Book value on 31.12.2024	Fair value on 31.12.2024
Assets available-for-sale reclassified in 2025 (current period) in:					
- loans and receivables from banks	-	-	-	-	-
- loans and receivables from other customers	-	-	-	-	-
	-	-	-	-	-
Assets available-for-sale reclassified in 2024 (previous year) in:					
- loans and receivables from banks	-	-	-	-	-
- loans and receivables from other customers	-	-	-	-	-
	-	-	-	-	-

B.2 Profit and loss from reclassified assets available-for-sale

	In thousands of Denars			
	Income Statement 2025	Other profit /(loss) 2025	Income Statement 2024	Other profit /(loss) 2024
<b>Period before reclassification</b>				
Assets available-for-sale reclassified in loans and receivables from banks				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- changes in the fair value on net basis	-	-	-	-
Assets available-for-sale reclassified in loans and receivables from other customers				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- changes in the fair value on net basis	-	-	-	-
<b>Period after reclassification</b>				
Assets available-for-sale reclassified in loans and receivables from banks				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- amount reposted from Revaluation reserves	-	-	-	-
Assets available-for-sale reclassified in loans and receivables from other customers				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- amount reposted from Revaluation reserves	-	-	-	-

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

**23. INVESTMENT IN SECURITIES (continued)**

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

**B. Reclassified financial assets available-for-sale (continued)**

**B.3 Profit or loss that would have been recognized if assets were not reclassified**

	<b>In thousands of Denars</b>			
	<b>Income Statement 2025 (current period)</b>	<b>Other profit /(loss) 2025</b>	<b>Income Statement 2024 (previous period)</b>	<b>Other profit /(loss) 2024</b>
Assets available-for-sale reclassified in loans and receivables from banks				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- change of the fair value on net-basis	-	-	-	-
Assets available-for-sale reclassified in loans and receivables from other customers				
- interest income	-	-	-	-
- impairment of financial assets on net basis	-	-	-	-
- change of the fair value on net-basis	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

23. INVESTMENT IN SECURITIES (continued)

23.2 INVESTMENT IN HOLD-TO-MATURITY SECURITIES

	In thousands of Denars	
	Current year 2025	Previous year 2024
<i>Debt securities</i>		
Treasury bills	-	-
Government bills	-	-
Other instruments in the money market	-	-
Government bonds	3,676,939	5,061,027
Corporate bonds	1,500	1,575
Other debt instruments	-	-
	3,678,439	5,062,602
Quoted	3,678,439	5,062,602
Unquoted	-	-
	3,678,439	5,062,602
<b>Total investment in financial instruments hold to maturity before allowance for impairment</b>	<b>3,678,439</b>	<b>5,062,602</b>
(Allowance for impairment)	(1,200)	(39)
<b>Total investment in financial instruments hold to maturity reduced by the allowance for impairment</b>	<b>3,677,239</b>	<b>5,062,563</b>

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	39	-	-	39	8	-	-	8
Impairment for the year	-	-	-	-	-	-	-	-
additional impairment	-	-	-	-	31	-	-	31
(release for impairment)	-	-	-	-	-	-	-	-
Transfer to:								
- impairment for Group 1	-	-	-	-	-	-	-	-
- impairment for Group 2	-	-	-	-	-	-	-	-
- impairment for Group 3	-	-	1,161	1,161	-	-	-	-
(Receivables based on outstanding receivables)	-	-	-	-	-	-	-	-
Effect of exchange rate differences	-	-	-	-	-	-	-	-
(Written claims)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>39</b>	<b>-</b>	<b>1,161</b>	<b>1,200</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>39</b>

On 31.12.2025, the total balance of investments in debt securities held to maturity amounted to 3,677,239 thousand denars (2024: 5,062,563 thousand denars) and refers to investments in government bonds issued by the Republic of North Macedonia and Eurobonds also issued by the Republic of North Macedonia in the amount of 3,676,939 thousand denars (2024: 5,061,027 thousand denars). Government bonds mature in 2028 and have a coupon interest rate of 1.63% to 3.40%. Eurobonds mature to 2028 with a coupon interest rate of 1.625% to 3.675%. They are recorded at amortized cost. The amount of corporate bonds is 1,500 thousand denars (2024: 1,575 thousand denars).

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

**24. INVESTMENT IN ASSOCIATES**

**A. Bank's participation percentage in subsidiaries and associates**

Name of subsidiaries and associates	Country	Share percentage in ownership		Percentage of voting share	
		Current year	Previous year	Current year	Previous year
		2025	2024	2025	2024
Stopanska Leasing Ltd. Skopje	RSM	100	100	100	100

**B. Financial data of associates – 100 %**

Name of associates	Total assets	Total liabilities	Total equity and reserves	In thousands of Denars	
				Income	Profit/(loss) for the fin. year
As at 31.12.2025	-	-	-	-	-
As at 31,12,2024	-	-	-	-	-

Stopanska Leasing Ltd. Skopje is limited liability company based in the RNM . ST Leasing is authorized to perform all leasing activities. The most important activities of the company are the leasing of : cars for companies and private individuals, commercial vehicles , tracks and buses, equipment for industry , agricultural equipment , medical equipment , constructions equipment and real estate. On December 31.2025 the total number of employees in the Company is 9 employees (2024:7 employees ). The Bank's investment in ST Leasing, amounts to 101,470 thousand Denars.

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

**25. OTHER RECEIVABLES**

	In thousands of Denars	
	Current year 2025	Previous year 2024
Trade receivables	24,031	23,874
Prepaid expenses	263,352	77,565
Deferred income	-	-
Fees and commissions receivables	18,439	35,363
Receivables from the employees	4,620	5,144
Advances for intangible assets	-	-
Advances for property and equipment	2,196,161	1,220,780
Other:		
Materials in stocks	12,062	9,761
Numismatic collections	9,907	9,907
Receivables for disbursements to foreign VISA cards	528,574	557,992
Prepaid pensions	-	-
Other	424,095	387,810
<b>Total other receivables before allowance for impairment</b>	<b>3,481,241</b>	<b>2,328,196</b>
(Allowance for impairment)	(17,161)	(46,893)
<b>Total other receivables reduced for the allowance for impairment</b>	<b>3,464,080</b>	<b>2,281,303</b>

Within other assets, advances for real estate and equipment are payments made as part of the purchase price for the construction of the Bank's new administrative building.

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	13,771	413	32,709	46,893	5,076	777	23,295	29,148
Impairment for the year								
additional impairment	(3,202)	(337)	15,156	11,617	1	24	25,626	25,651
(release for impairment)	(10,299)	274	(29,373)	(39,398)	8,611	(100)	(11,020)	(2,059)
Transfer to:								
- impairment for Group 1	5	(5)	-	-	84	(84)	-	-
- impairment for Group 2					(1)	1	-	-
- impairment for Group 3		(163)	163	-	-	(205)	205	-
(Receivables based on outstanding receivables)	-	-	-	-	-	-	-	-
Effect of exchange rate differences	-	-	-	-	-	-	-	-
(Written claims)	-	-	(1,951)	(1,951)	-	-	(5,397)	(5,397)
<b>As of December 31</b>	<b>275</b>	<b>182</b>	<b>16,703</b>	<b>17,161</b>	<b>13,771</b>	<b>414</b>	<b>32,709</b>	<b>46,892</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 2025

## 26. COLLATERALIZED ASSETS

	Current year 2025	In thousands of Denars Previous year 2024
Debt securities	-	-
Equity instruments	-	-
Loans and receivables from banks	-	-
Loans and receivables from other customers	-	-
Other receivables	-	-
<b>Total collateralized assets</b>	<b>-</b>	<b>-</b>

## 27. ASSETS ACQUIRED THROUGH FORECLOSURE PROCEEDINGS

	In thousands of Denars					
	Land	Buildings	Equipment	Residential facilities and apartments	Other valuables	Total
<b>Cost</b>						
Balance on 1 <sup>st</sup> January 2024	15,003	356,522	25,344	40,380	23	437,272
Assets acquired during the year	-	33,345	4,274	16,172	-	53,791
(Sold during the year)	(2,162)	(119,033)	(25,067)	(15,523)	-	(161,785)
(Transferred to own assets)	-	-	-	-	-	-
<b>Balance on 31<sup>st</sup> December 2024</b>	<b>12,841</b>	<b>270,834</b>	<b>4,551</b>	<b>41,029</b>	<b>23</b>	<b>329,278</b>
Balance on 1 <sup>st</sup> January 2025	12,841	270,834	4,551	41,029	23	329,278
Assets acquired during the year	12,724	143,061	657	10,025	-	166,467
(Sold during the year)	-	(154,293)	-	(4,372)	-	(158,665)
(Transferred to own assets)	-	-	-	-	-	-
<b>Balance on 31<sup>st</sup> December 2025</b>	<b>25,565</b>	<b>259,602</b>	<b>5,208</b>	<b>46,682</b>	<b>23</b>	<b>337,080</b>
<b>Impairment</b>						
Balance on 1 <sup>st</sup> January 2024	14,554	231,953	25,170	33,271	-	304,948
Impairment loss during the year	89	25,516	1,568	9,545	-	36,718
(Sold during the year)	(2,157)	(59,007)	(25,036)	(14,620)	-	(100,820)
(Transferred to own assets)	-	-	-	-	-	-
<b>Balance on 31<sup>st</sup> December 2024</b>	<b>12,486</b>	<b>198,462</b>	<b>1,702</b>	<b>28,196</b>	<b>-</b>	<b>240,846</b>
Balance on 1 <sup>st</sup> January 2025	12,486	198,462	1,702	28,196	-	240,846
Impairment loss during the year	4,651	42,387	806	4,604	-	52,448
(Sold during the year)	-	(149,325)	-	(3,306)	-	(152,631)
(Transferred to own assets)	-	-	-	-	-	-
<b>Balance on 31<sup>st</sup> December 2025</b>	<b>17,137</b>	<b>91,524</b>	<b>2,508</b>	<b>29,494</b>	<b>-</b>	<b>140,663</b>
<b>Current carrying amount</b>						
Balance on 1 <sup>st</sup> January 2024	449	124,569	174	7,109	23	132,324
<b>Balance on 31<sup>st</sup> December 2024</b>	<b>355</b>	<b>72,372</b>	<b>2,849</b>	<b>12,833</b>	<b>23</b>	<b>88,432</b>
<b>Balance on 31<sup>st</sup> December 2025</b>	<b>8,428</b>	<b>168,078</b>	<b>2,700</b>	<b>17,188</b>	<b>23</b>	<b>196,417</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****27. ASSETS ACQUIRED THROUGH FORECLOSURE PROCEEDINGS ( continued )**

Assets acquired based on outstanding claims consist of assets that are not used in the regular operations of the Bank, During 2025, the Bank recorded impairment losses on these assets in the total amount of Denar 19,309 thousand (2024: Denar 25,887 thousand).

During this period, the Bank sold 9 assets (2024: 10 assets) in the amount of Denar 6,033 thousand (2024: Denar 61,773 thousand), and took over 11 objects (2024: 7 objects) with carrying value amount Denar 129,871 thousand (2024: Denar 35,161 thousand). The Bank has already undertaken activities for sale of the assets taken over in 2025, because it's general policy these assets to be sold within a period of 3 years. Objective value of the assets taken on 31.12.2025 are in amount of 370,692 thousand denars.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 28. INTANGIBLE ASSETS

## A. Reconciliation of the current book value

	In thousands of Denars						
	Internally developed software	Software bought from external suppliers	Other internally developed intangible assets	Other intangible assets	Intangible assets in preparation	Investments in leased intangible assets	Total
<b>Cost</b>							
Balance at 1 January 2024	-	751,999	-	-	-	-	751,999
increases through new purchases	-	131,849	-	-	-	-	131,849
increases through internal development	-	-	-	-	-	-	-
increases through business combinations	-	-	-	-	-	-	-
(disposals )	-	-	-	-	-	-	-
(sale through business combinations)	-	-	-	-	-	-	-
(transfer in non-current assets held for sale)	-	-	-	-	-	-	-
Transfer from non-current assets held for sale	-	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>883,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>883,848</b>
Balance at 1 January 2025	-	883,848	-	-	-	-	883,848
increases through new purchases	-	152,229	-	-	4,416	-	156,645
increases through internal development	-	-	-	-	-	-	-
increases through business combinations	-	-	-	-	-	-	-
(disposals )	-	(18)	-	-	-	-	(18)
(sale through business combinations)	-	-	-	-	-	-	-
(transfer in non-current assets held for sale)	-	-	-	-	-	-	-
Transfer from non-current assets held for sale	-	-	-	-	-	-	-
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>1,036,059</b>	<b>-</b>	<b>-</b>	<b>4,416</b>	<b>-</b>	<b>1,040,475</b>
<b>Amortization and impairment</b>							
Balance at 1 January 2024	-	559,494	-	-	-	-	559,494
Amortization for the year	-	68,603	-	-	-	-	68,603
Impairment loss during the year	-	-	-	-	-	-	-
(release of the impairment loss during the year)	-	-	-	-	-	-	-
(disposals)	-	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>628,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>628,097</b>
<b>Balance at 1 January 2025</b>	<b>-</b>	<b>628,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>628,097</b>
Amortization for the year	-	82,554	-	-	-	-	82,554
Impairment loss during the year	-	-	-	-	-	-	-
(release of the impairment loss during the year)	-	-	-	-	-	-	-
(disposals)	-	(18)	-	-	-	-	(18)
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>710,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>710,633</b>
Current book value at							
January 1, 2024	-	192,505	-	-	-	-	192,505
December 31, 2024	-	255,751	-	-	-	-	255,751
December 31, 2025	-	325,426	-	-	4,416	-	329,842

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

**28. INTANGIBLE ASSETS (continued)**

**B. Carrying value of intangible assets where there is a limitations of ownership and / or pledged as collateral for the liabilities to the bank**

	In thousands of Denars						Total
	Internally developed software	Software bought from external suppliers	Other internally developed intangible assets	Other intangible assets	Intangible assets in preparation	Investments in leased intangible assets	
Current book value at December 31, 2025	-	-	-	-	-	-	-
December 31, 2024	-	-	-	-	-	-	-

On December 31, 2025 and 2024, the Bank has no intangible assets for which there is limitations of ownership and/or pledged as collateral for the liabilities to the Bank.

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

**29. PROPERTY AND EQUIPMENT**

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

In thousands of Denars

	Land	Building facilities	Transport vehicles	Furniture and office equipment	Other equipment	Other items of property and equipment	Property and equipment in progress	Investment in leased property and equipment	Asset with right of use	Total
<b>Cost</b>										
On 1 January 2024	-	1,337,057	33,435	1,199,265	67,150	22,460	13,275	186,343	-	2,858,985
Additions	-	30,363	111,922	90,422	1,736	-	126,705	8,772	-	369,920
Additions through business combinations	-	-	-	-	-	-	-	-	-	-
(Disposals) (entering through business combinations)	-	(3,253)	(977)	(133,002)	(31)	-	-	-	-	(137,263)
Transfer to non-current assets held for sale (Transfer from non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
other transfers	-	1,164	-	-	-	(1,164)	(101,319)	-	-	(101,319)
<b>On December 31, 2024</b>	<b>-</b>	<b>1,365,331</b>	<b>144,380</b>	<b>1,156,685</b>	<b>68,855</b>	<b>21,296</b>	<b>38,661</b>	<b>195,115</b>	<b>-</b>	<b>2,990,323</b>
On 1 January 2025	-	1,365,331	144,380	1,156,685	68,855	21,296	38,661	195,115	-	2,990,323
Additions	-	12,977	124,074	97,365	3,890	-	139,017	1,740	160,758	539,821
Additions through business combinations	-	-	-	-	-	-	-	-	-	-
(Disposals) (entering as expenditure through business combinations)	-	(9,416)	(6,793)	(193,535)	-	-	-	-	-	(209,744)
Transfer to non-current assets held for sale (Transfer from non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
other transfers	-	-	-	-	-	-	(107,058)	-	(688)	(107,746)
<b>On December 31, 2025</b>	<b>-</b>	<b>1,368,892</b>	<b>261,661</b>	<b>1,060,515</b>	<b>72,745</b>	<b>21,296</b>	<b>70,620</b>	<b>196,855</b>	<b>160,070</b>	<b>3,212,654</b>
<b>Depreciation and impairment</b>										
On 1 January 2024	-	705,639	6,015	956,483	48,948	14,545	-	169,755	-	1,901,385
Depreciation for the year	-	33,020	13,108	90,380	2,577	480	-	5,669	-	145,234
Impairment loss during the year (release of the impairment loss during the year)	-	-	-	-	-	-	-	-	-	-
(Disposals)	-	(1,678)	(977)	(132,311)	(31)	-	-	-	-	(134,997)
Transfer to non-current assets held for sale (Transfer from non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
other transfers	-	2,543	-	-	-	(2,543)	-	-	-	-
<b>On December 31, 2024</b>	<b>-</b>	<b>739,524</b>	<b>18,146</b>	<b>914,552</b>	<b>51,494</b>	<b>12,482</b>	<b>-</b>	<b>175,424</b>	<b>-</b>	<b>1,911,622</b>
On 1 January 2025	-	739,524	18,146	914,552	51,494	12,482	-	175,424	-	1,911,622
Depreciation for the year	-	33,294	28,489	101,849	2,667	421	-	5,967	45,451	218,138

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Impairment loss during the year	-	-	-	-	-	-	-	-	-	-
(release of the impairment loss during the year)	-	-	-	-	-	-	-	-	-	-
(Disposals)	-	(3,980)	(1,166)	(193,495)	-	-	-	-	-	(198,641)
Transfer to non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
(Transfer from non-current assets held for sale)	-	-	-	-	-	-	-	-	-	-
other transfers	-	-	-	-	-	-	-	-	(140)	(140)
<b>On December 31, 2025</b>	<b>-</b>	<b>768,838</b>	<b>45,469</b>	<b>822,906</b>	<b>54,161</b>	<b>12,903</b>	<b>-</b>	<b>181,391</b>	<b>45,311</b>	<b>1,930,979</b>
<b>Current carrying amount</b>										
On January 1, 2024	-	631,418	27,420	242,782	18,202	7,915	13,275	16,588	-	957,600
<b>On December 31, 2024</b>	<b>-</b>	<b>625,807</b>	<b>126,234</b>	<b>242,133</b>	<b>17,361</b>	<b>8,814</b>	<b>38,661</b>	<b>19,691</b>	<b>-</b>	<b>1,078,701</b>
<b>On December 31, 2025</b>	<b>-</b>	<b>600,054</b>	<b>216,192</b>	<b>237,609</b>	<b>18,584</b>	<b>8,393</b>	<b>70,620</b>	<b>15,464</b>	<b>114,759</b>	<b>1,281,675</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 29. PROPERTY AND EQUIPMENT (continued)

B. Carrying amount of tangible assets for which there is a limit on ownership and / or pledged as collateral for the liabilities to the bank

In thousands of Denars

	Land	Building facilities	Transport vehicles	Furniture and office equipment	Other equipment	Other items of property and equipment	Real estate and equipment in progress	Investment in leased real estate and equipment	Asset with right of use	Total
Current carrying amount										
On December 31, 2024	-	-	-	-	-	-	-	-	-	-
On December 31, 2025	-	-	-	-	-	-	-	-	-	-

During the year 2025, the Bank sold real estate and equipment with a net accounting value of 11,479 denars, i.e. purchase value in the amount of 168,081 thousand denars and accumulated depreciation in the amount of 156,602 thousand denars, thereby realizing income from capital gains in the amount of 3,103 thousand denars (Note 11).

Building facilities of the Bank as of December 31, 2025 includes assets with a net book value of Denar 1,884 thousand (2024: Denar 1,888 thousand) for which the Bank does not have the relevant documents of ownership due to incomplete cadastral records. There are no mortgage or other encumbrances on the property owned by the bank, that means that the bank did not mortgage its property to obtain funds or similar.

## 30. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

## 30.1 Current tax assets and current tax liabilities

	In thousands of Denars	
	Current year 2025	Previous year 2024
Income tax receivable (current)	-	-
Income tax payable (current)	(167,765)	(245,482)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

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

30.2 Deferred tax assets and deferred tax liabilities

A. Recognized deferred tax assets and deferred tax liabilities

	31 December 2025			In thousands of Denars 31 December 2024		
	Deferred tax assets	Deferred tax liabilities	Net basis	Deferred tax assets	Deferred tax liabilities	Net basis
Derivative assets held for risk management	-	-	-	-	-	-
Loans to and receivables on banks	-	-	-	-	-	-
Loans to and receivables on other customers	-	-	-	-	-	-
Investments in securities	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Real estate and equipment	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Unused tax losses and unused tax loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Deferred tax assets / liabilities recognized in the income statement</b>	-	-	-	-	-	-
Deferred assets	-	24,991	24,991	-	13,369	13,369
Investments in financial assets available for sale	-	1,881	1,881	-	6,051	6,051
Hedging of cash flows	-	-	-	-	-	-
<b>Deferred tax assets / liabilities recognized in the equity</b>	-	<b>26,872</b>	<b>26,872</b>	-	<b>19,420</b>	<b>19,420</b>
<b>Total recognized deferred tax assets / liabilities</b>	-	<b>26,872</b>	<b>26,872</b>	-	<b>19,420</b>	<b>19,420</b>

B. Unrecognized deferred tax assets

	In thousands of Denars	
	Current year 2025	Previous year 2024
Tax losses	-	-
Tax credits	-	-
<b>Total unrecognized deferred tax assets</b>	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**30. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES (continued)**

**30.2 Deferred tax assets and deferred tax liabilities (continued)**

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

	<b>In thousands of Denars</b>			
	<b>Balance at January 1</b>	<b>Recognized in Income Statement</b>	<b>Recognized in equity</b>	<b>Balance at December 31</b>
<b>31 December 2024</b>				
Derivative assets held for risk management	-	-	-	-
Placements with and loans to banks	-	-	-	-
Placements with and loans to other clients	-	-	-	-
Investments in securities	-	-	-	-
Intangible assets	-	-	-	-
Property and equipment	-	-	-	-
Other receivables	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Other liabilities	-	-	-	-
Unutilized tax losses and unutilized tax credits	-	-	-	-
Other	-	-	13,369	13,369
Investments in financial assets available-for-sale	-	-	6,051	6,051
Cash flow risk mitigation	-	-	-	-
<b>Total recognized deferred tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>	<b>19,420</b>	<b>19,420</b>

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

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

**30.2 Deferred tax assets and deferred tax liabilities (continued)**

**C. Reconciliation of movements in deferred tax assets and deferred tax liabilities during the year (continued)**

	Balance at January 1	Recognized in Income Statement	In thousands of Denars	
			Recognized in equity	Balance at December 31
<b>31 December 2025</b>				
Derivative assets held for risk management	-	-	-	-
Placements with and loans to banks	-	-	-	-
Placements with and loans to other clients	-	-	-	-
Investments in securities	-	-	-	-
Intangible assets	-	-	-	-
Property and equipment	-	-	-	-
Other receivables	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-
Other liabilities	-	-	-	-
Unutilized tax losses and unutilized tax credits	-	-	-	-
Other	-	-	24,991	24,991
Investments in financial assets available-for-sale	-	-	1,881	1,881
Cash flow risk mitigation	-	-	-	-
<b>Total recognized deferred tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>	<b>26,872</b>	<b>26,872</b>

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

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

	In thousands of Denars	
	Current year 2025	Previous year 2024
Intangible assets	-	-
Property and equipment	-	-
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>-</b>

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

**31. NON-CURRENT ASSETS HELD FOR SALE AND GROUPS FOR DISPOSAL (continued)**

**B. Group for disposal**

	<b>In thousands of Denars</b>	
	<b>Current</b>	<b>Previous</b>
	<b>year</b>	<b>year</b>
	<b>2025</b>	<b>2024</b>
	<u>          </u>	<u>          </u>
<i>Group of assets for disposal</i>		
Financial assets	-	-
Intangible assets	-	-
Property and equipment	-	-
Investments in associates	-	-
Income tax receivables	-	-
Other assets	-	-
<b>Total group of assets for sale</b>	<u>          </u>	<u>          </u>
	-	-
<i>Liabilities directly related to the group of assets for disposal</i>		
Financial liabilities	-	-
Special reserve	-	-
Income tax payable	-	-
Other liabilities	-	-
<b>Total liabilities directly related to the group of assets for disposal</b>	<u>          </u>	<u>          </u>
	-	-

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

	<b>In thousands of Denars</b>	
	<b>Current</b>	<b>Previous</b>
	<b>year</b>	<b>year</b>
	<b>2025</b>	<b>2024</b>
	<u>          </u>	<u>          </u>
Profit/(loss) recognized from sale of held for sale assets and group for disposal	<u>          </u>	<u>          </u>
	-	-

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

**32. TRADING LIABILITIES**

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
	<u>          </u>	<u>          </u>
<i>Deposits from banks</i>		
Current accounts, sight deposits and overnight deposits	-	-
Time deposits	-	-
Other deposits	-	-
	<u>          </u>	<u>          </u>
	-	-
<i>Deposits from other clients</i>		
Current accounts, sight deposits and overnight deposits	-	-
Time deposits	-	-
Other deposits	-	-
	<u>          </u>	<u>          </u>
	-	-
<i>Issued debt securities</i>		
Money market instruments	-	-
Deposit certificates	-	-
Issued bonds	-	-
Other	-	-
	<u>          </u>	<u>          </u>
	-	-
<i>Other financial liabilities</i>	-	-
<i>Derivatives for trading</i>		
Agreements depending on the change of interest rate	-	-
Agreements depending on changes in the exchange rate	-	-
Agreements depending on the change of the price of securities	-	-
Other agreements that meet the criteria of IFRS 9	-	-
	<u>          </u>	<u>          </u>
	-	-
<b>Total liabilities held for trading</b>	<u>          </u>	<u>          </u>
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

33. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH THE INCOME STATEMENT,  
DETERMINED AS SUCH AT INITIAL RECOGNITION

	Current year 2025		In thousands of Denars Previous year 2024	
	Current carrying amount	Agreed amount, payable at maturity	Current carrying amount	Agreed amount, payable at maturity
<i>Deposits from banks</i>				
Current accounts, sight deposits and overnight deposits	-	-	-	-
Time deposits	-	-	-	-
Other deposits	-	-	-	-
<i>Deposits from other clients</i>				
Current accounts, sight deposits and overnight deposits	-	-	-	-
Term deposits	-	-	-	-
Other deposits	-	-	-	-
<i>Issued debt securities</i>				
Money market instruments	-	-	-	-
Deposit certificates	-	-	-	-
Issued bonds	-	-	-	-
Other	-	-	-	-
<i>Subordinated debt</i>				
<i>Other liabilities</i>				
<b>Total financial liabilities at fair value via the Income Statement, determined as such at initial recognition</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	In thousands of Denars							
	Current year 2025				Previous year 2024			
	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment	Impairment for Group 1	Impairment for Group 2	Impairment for Group 3	Total impairment
<b>Impairment movement</b>								
As of January 1st	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	-	-	-
additional impairment (release for impairment)	-	-	-	-	-	-	-	-
Transfer to:								
- impairment for Group 1	-	-	-	-	-	-	-	-
- impairment for Group 2	-	-	-	-	-	-	-	-
- impairment for Group 3	-	-	-	-	-	-	-	-
(Receivables based on outstanding receivables)	-	-	-	-	-	-	-	-
Effect of exchange rate differences	-	-	-	-	-	-	-	-
(Written claims)	-	-	-	-	-	-	-	-
<b>As of December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

34. DEPOSITS

34.1 DEPOSITS FROM BANKS

	Current year 2025		In thousands of Denars Previous year 2024	
	short-term	long-term	short-term	long-term
Current accounts				
from domestic banks	1,407	-	3,456	-
from foreign banks	-	-	3	-
Demand deposits				
from domestic banks	-	-	-	-
from foreign banks	-	-	-	-
Time deposits				
from domestic banks	-	-	-	-
with foreign banks	2,459,801	-	1,671,505	-
Restricted deposits				
from domestic banks	-	-	-	-
from foreign banks	13,636	-	18,043	-
Other deposits				
from domestic banks	-	-	-	-
from foreign banks	-	-	-	-
Interest payable on deposits				
from domestic banks	-	-	-	-
from foreign banks	4,153	-	953	-
Current maturity	-	-	-	-
<b>Total deposits from banks</b>	<b>2,478,997</b>	<b>-</b>	<b>1,693,960</b>	<b>-</b>

The restricted deposits from foreign banks in the amount of Denar 13,636 thousand (2024: Denar 18,043 thousand) represent deposits from banks in Serbia who went into bankruptcy in January 2002 (Note 22.1).

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

**34. DEPOSITS (continued)**

**34.2 DEPOSITS FROM OTHER CLIENTS**

	In thousands of Denars			
	Current year 2025		Previous year 2024	
	short-term	long-term	short-term	long-term
Non-financial companies				
Current accounts	16,833,483	-	17,429,696	-
Demand deposits	520,800	-	245,777	-
Time deposits	3,632,535	756,739	2,629,909	722,149
Restricted deposits	512,447	883,332	380,624	815,218
Other deposits	102,037	-	102,211	-
Interest payable on deposits	28,279	-	21,879	-
	<u>21,629,581</u>	<u>1,640,071</u>	<u>20,810,096</u>	<u>1,537,367</u>
State				
Current accounts	135,961	-	105,372	-
Demand deposits	-	-	-	10,000
Time deposits	-	-	28	2,906
Restricted deposits	26	2,500	-	-
Other deposits	-	-	-	-
Interest payable on deposits	2	-	464	-
	<u>135,989</u>	<u>2,500</u>	<u>105,864</u>	<u>12,906</u>
Non-profit institutions serving the households				
Current accounts	854,370	-	892,597	-
Demand deposits	-	-	-	-
Time deposits	55,349	41,300	71,930	34,800
Restricted deposits	17,684	20,716	14,902	19,028
Other deposits	-	-	-	-
Interest payable on deposits	1,455	-	752	-
	<u>928,858</u>	<u>62,016</u>	<u>980,181</u>	<u>53,828</u>
Financial companies, except banks				
Current accounts	69,164	-	102,930	-
Demand deposits	590	-	-	-
Time deposits	106,379	1,141,569	115,896	924,569
Restricted deposits	3,542	1,839	2,735	2,316
Other deposits	-	-	-	-
Interest payable on deposits	36,185	-	20,591	-
	<u>215,860</u>	<u>1,143,408</u>	<u>242,152</u>	<u>926,885</u>
Households				
Current accounts	53,042,200	-	46,003,262	-
Demand deposits	97,525	-	76,086	-
Time deposits	5,411,047	32,126,731	6,886,385	27,903,814
Restricted deposits	1,763,086	318,794	1,689,454	278,011
Other deposits	-	-	-	-
Interest payable on deposits	561,831	-	281,323	-
	<u>60,875,689</u>	<u>32,445,525</u>	<u>54,936,510</u>	<u>28,181,825</u>
Non-residents, except banks				
Current accounts	451,903	-	419,811	-
Demand deposits	1,255	-	1,327	-
Time deposits	51,855	168,213	67,496	169,885
Restricted deposits	73,210	455	76,596	455
Other deposits	-	-	-	-
Interest payable on deposits	2,426	-	1,018	-
	<u>580,649</u>	<u>168,668</u>	<u>566,248</u>	<u>170,340</u>
Current maturity	23,327,017	(23,327,017)	14,518,234	(14,518,234)
<b>Total deposits from other clients</b>	<u><b>107,693,643</b></u>	<u><b>12,135,171</b></u>	<u><b>92,159,285</b></u>	<u><b>16,364,917</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****35. ISSUED DEBT SECURITIES**

	<b>In thousands of Denars</b>	
	<b>Current</b>	<b>Previous</b>
	<b>year</b>	<b>year</b>
	<b>2025</b>	<b>2024</b>
Money market instruments	-	-
Deposit certificates	-	-
Issued bonds	-	-
Other	-	-
Interest payable on deposits	-	-
<b>Total issued debt securities</b>	<b>-</b>	<b>-</b>

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

**36. BORROWINGS**

**A. Borrowings structure according to the type of liability and sector of the creditor**

	In thousands of Denars			
	Current year 2025		Previous year 2024	
	<u>short-term</u>	<u>long-term</u>	<u>short-term</u>	<u>long-term</u>
Banks				
Residents				
Loans payable	-	3,998,845	-	2,241,814
Repo-transactions	-	-	-	-
Interest payable	3,473	-	3,446	-
Non-residents				
Loans payable	-	156,533	-	201,256
Repo-transactions	-	-	-	-
Interest payable	594	-	847	-
Non-financial companies				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Government				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Non-profit institutions serving to households				
Loans payable	-	-	-	-
Interest payable	-	-	-	-
Financial companies, except banks				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Non-residents, except banks	-	-	-	-
Non-financial companies				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Government				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Non-profit institutions serving to households				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Financial companies, except banks				
Loans payable	-	-	-	-
Repo-transactions	-	-	-	-
Interest payable	-	-	-	-
Households				
Loans payable	-	-	-	-
Interest payable	-	-	-	-
Current maturity	574,401	(574,401)	567,628	(567,628)
<b>Total loans payable</b>	<b>578,468</b>	<b>3,580,977</b>	<b>571,921</b>	<b>1,875,442</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 36. BORROWINGS (continued)

## B. Borrowings according to the creditor

	Current year 2025		In thousands of Denars Previous year 2024	
	short-term	long-term	short-term	long-term
<i>Domestic sources:</i>				
<b>Development Bank of North Macedonia</b> Framework agreement for participation in the program for lending to small and medium-sized enterprises in euros, with a maturity date of 2032 and an interest rate of 0% p.a.	-	799,381	-	992,051
<b>Development Bank of North Macedonia</b> Framework agreement for participation in the working capital lending program for increased energy prices – with a date line of 2026 year and interest rate of 0% p.a. annually	-	2,737	-	23,426
<b>Development Bank of North Macedonia</b> Framework agreement for participation in the program for financing projects for energy efficiency and renewable energy sources - with a date line of 2032 year and interest rate of 0% p.a. annually	-	46,350	-	58,454
<b>Development Bank of North Macedonia</b> Framework agreement for participation in the program for financing projects for energy efficiency and renewable energy sources - with a date line of 2034 year and interest rate of 0.9% p.a. annually	136	71,661	155	81,099
<b>Development Bank of North Macedonia -</b> Framework Agreement for participation in the program for lending to small and medium-sized enterprises, mid-cap companies and green transition in euros, with a final maturity in 2036 and an interest rate of 1.5% .	2,276	728,246	3,218	1,016,249
<b>Development Bank of North Macedonia -</b> Framework Agreement for participation in the credit line to support green and socially responsible investments with funds provided by the French Development Agency in euros, with a final maturity in 2035 and an interest rate of 1.5% per annum	1,061	286,230	73	70,535
<b>Development Bank of North Macedonia -</b> Framework agreement for participation in the credit line for financing investments and development of private trading companies with funds from the Borrowing Agreement from the Budget of North Macedonia (Hungarian credit line) in denars, with a maturity date in 2035 and an interest rate of 0%	-	2,064,240	-	-
	<b>3,473</b>	<b>3,998,845</b>	<b>3,446</b>	<b>2,241,814</b>
<i>Foreign sources</i>				
European Bank for Reconstruction and Development - Loan agreement in euros, with a final maturity in 2029 and a variable interest rate (6M EURIBOR + 1.9pp)	594	156,533	847	201,256
	594	156,533	847	201,256
Current maturities	574,401	(574,401)	567,628	(567,628)
<b>Total loans payable</b>	<b>578,468</b>	<b>3,580,977</b>	<b>571,921</b>	<b>1,875,442</b>

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

**B. Borrowings according to the creditor (continued)**

In 2025, signed is a Framework Agreement with the Development Bank of North Macedonia for participation in the credit line intended for financing investments and development of private commercial companies, funded through the Loan Agreement with the Budget of the Republic of North Macedonia (the Hungarian credit line). Based on this Framework Agreement, eight tranches have been withdrawn as of 31 December 2025, with the final deadline for tranche withdrawal under this agreement set no later than 31 December 2027.

**37. SUBORDINATED DEBT**

	<u>Maturity</u>	<u>Interest rate</u>	<u>In thousands of Denars</u>	
			<u>Current year 2025</u>	<u>Previous year 2024</u>
<i>Liabilities under subordinated deposits</i>				
Principal payables	-	-	-	-
Interest payables	-	-	-	-
<i>Liabilities under subordinated loans</i>	-	-	-	-
Interest payables	-	-	-	-
<i>Liabilities under subordinated issued debt securities</i>				
Principal payables	-	-	-	-
Interest payables	-	-	-	-
Redeemable preferred shares	-	-	-	-
<b>Total subordinated debt</b>	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

38. SPECIAL RESERVE AND PROVISIONS

In thousands of Denars

	Special reserves for off-balance sheet credit exposures	Provisions for contingent liabilities based on court disputes	Provisions for pensions and other employees benefits	Provisions for restructuring	Provisions for unfavourable agreements	Other provisions	Total
Balance as at January 1, 2024	139,552	4,169	41,232	-	-	-	184,953
additional provisions during the year	107,185	9,481	7,773	-	-	-	124,439
(utilized provisions during the period)	-	-	(720)	-	-	-	(720)
(provisions recovery during the period)	(167,224)	-	(1,999)	-	-	-	(169,223)
<b>Balance as at December 31, 2024</b>	<b>79,513</b>	<b>13,650</b>	<b>46,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,449</b>
Balance as at January 1, 2025	79,513	13,650	46,286	-	-	-	139,449
additional provisions during the year	100,579	1,784	5,565	-	-	-	107,928
(utilized provisions during the period)	-	(46)	(4,192)	-	-	-	(4,238)
(provisions recovery during the period)	(120,067)	(13,672)	(870)	-	-	-	(134,609)
<b>Balance as at December 31, 2025</b>	<b>60,025</b>	<b>1,716</b>	<b>46,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,530</b>

The present value of provisions for pensions and other benefits to employees is determined by discounting the estimated future cash outflows.

The basic used actuarial assumptions are as following:

	<u>2025</u>	<u>2024</u>
Interest rate	4.85%	5.35%
Inflation rate	2.00%	3.50%
Average salary increase	4.00%	5.50%

Mortality rate:

By the study of mortality rates in the past years, we have established the representation of the expected rate of mortality in the country. We used a mortality table, which is a reasonable approximation of long-term mortality rate in the country.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

## 39. OTHER LIABILITIES

	In thousands of Denars	
	Current year 2025	Previous year 2024
Trade payables	56,387	8,839
Received advances	-	-
Fees and commissions liabilities	159	154
Accrued expenses	177,426	222,249
Deferred income from previous year	275,203	272,366
Short-term liabilities to employees	-	-
Short-term liabilities for employees benefits	-	-
Other:		
Preferred cumulative shares	90,978	90,978
Liabilities for dividend on preferred shares	2,455	2,420
Disputed VISA cards transactions	106,526	74,537
Unallocated inflows upon deposits and other inflows	570,342	602,282
Obligations to merchants for outstanding payments on credit cards	9,203	10,321
Overpaid fees of credit cards	38,531	39,309
Commitments for closing current accounts - bankruptcy	19,690	19,296
Obligations for settlement with VISA	110,374	196,316
Premature repayment of loans and other liabilities	143,904	174,503
Rental obligations	117,640	-
<b>Total other liabilities</b>	<b>1,718,818</b>	<b>1,713,570</b>

The non-redeemable cumulative preferred shares of the Bank as at December 31, 2025 are in the amount of 90,978 thousand denars and consist of 227,444 priority shares with a nominal value of Denar 400 (2024: Denar 400).

The priority non-redeemable cumulative shares give right to priority in payment of dividends and no voting rights. Preferred shares do not participate equally in the distribution of the rest of the bankruptcy i.e, liquidation equity of the Bank.

In 2025, the Bank calculated an amount of Denar 1,365 thousand for dividends to the holders of the non-redeemable cumulative preferred shares for 2025 (2024: Denar 1,365 thousand). For explanation of the litigation related to the preferred shares see note 42.

As of December 31, 2025, the amount of 570,342 thousand denars refers to payments received on loans that are unallocated, most often because the payment was made before the installment was due or it concerns a payment received for which closing instructions are awaited in cases where clients pay larger amounts due to a reduction in the term of loans or a reduction in the installment (2024: 602,282 thousand denars).

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

**40. SUBSCRIBED CAPITAL**

**A. Subscribed capital**

	In Denars		Number of issued shares				In thousands of Denars	
	Share nominal value		Common shares		Non-redeemable preferred shares		Total subscribed capital	
	Common shares	Non-redeemable preferred shares	Current year 2025	Previous Year 2024	Current year 2025	Previous Year 2024	Current year 2025	Previous Year 2024
Balance as at 1 January – paid in full	201,1	400	17,460,180	17,460,180	227,444	227,444	3,602,220	3,602,220
Subscribed shares during the year	-	-	-	-	-	-	-	-
Realization of stock options	-	-	-	-	-	-	-	-
Division/accumulation of share nominal value	-	-	-	-	-	-	-	-
Other changes during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 December – paid in full</b>			<b><u>17,460,180</u></b>	<b><u>17,460,180</u></b>	<b><u>227,444</u></b>	<b><u>227,444</u></b>	<b><u>3,602,220</u></b>	<b><u>3,602,220</u></b>

The preferred shares presented in the table above are listed as cumulative preferred shares in the shareholder book of Stopanska Banka AD Skopje which is maintained in the Central Securities Depository. Based on the information disclosed in Note 39, the preferred shares are recorded in accordance with the Bank's accounting policy disclosed in the Note, Introduction, c) Significant accounting policies, Other liabilities. In line with the accounting policy out of the total amount of 3,602,220 MKD thousands, presented as subscribed capital in the table above an amount of MKD 3,511,242 thousands is presented as subscribed capital and MKD 90,978 thousands is presented as Other liabilities (Note 39).

**B. Dividends**

**B.1 Announced dividends and paid dividends by the Bank**

	In thousands of Denars	
	Current year 2025	Previous year 2024
Announced and paid dividends for the year	<u>3,985,627</u>	<u>1,336</u>

Paid dividends in 2025 in the amount of Denar 3,985,627 thousand (2024: Denar 1,336 thousand) including gross dividend for the holders of the preferred shares and common shares. Information about calculated dividend of preferred shares is presented in Note 39.

	In MKD	
	Current Year 2025	Previous year 2024
Dividend per ordinary share	229,00	0,00
Dividend per preferred share	6,00	6,00

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

**40. SUBSCRIBED CAPITAL(continued)**

**C. Shareholders whose stake exceeds 5% of the voting shares**

The structure of shareholders whose stake exceeds 5% of the issued voting shares on December 31, 2025 and December 31, 2024 was officially announced and accepted by the Central Securities Depository of the RNM, as follows:

	In thousands of Denars		In %	
	Current year 2025	Previous year 2024	Current year 2025	Previous year 2024
Shareholder	Subscribed capital (nominal value)	Subscribed capital (nominal value)	Voting right	Voting right
National Bank of Greece	3,323,094	3,323,094	94.64%	94.64%
Other	188,148	188,148	5.36%	5.36%
<b>Total</b>	<b>3,511,242</b>	<b>3,511,242</b>	<b>100.00%</b>	<b>100.00%</b>

The share capital of the Bank as at December 31, 2025 consists of 17,460,180 fully paid up ordinary shares with a nominal value of Denar 201.1.

The holders of ordinary shares are entitled to dividends when it will be released and have the right to one vote in the Shareholders Assembly of the Bank for the equivalent of one ordinary share, as well as the right to participate equally in the distribution of the rest of the bankruptcy or liquidation equity of the Bank.

**Retained earnings**

Retained earnings include retained earnings from the current and prior periods. The General Meeting of the Bank was held on 30 May 2025. A decision was made for allocation of the 2024 net profit in the total amount of 3,547,355,580 thousand denars as retained investment profit, limited to distribution to shareholders in the amount of 3,055,382 thousand denars, and retained earnings for investments in the amount of 491,973,580 thousand denars.

Additionally, at this General Meeting, the Bank took a decision to reallocate part of the accumulated profit into profit restricted for distribution to shareholders in the total amount of 615,000 thousand denars.

In the consolidated financial statements, retained earnings are increased by the net amount of the profit generated by the subsidiary after covering the carried-forward loss from the previous year and allocating the statutory reserve.

At this General Meeting, a decision was taken to reallocate the unused investment profit from 2023, in the amount of 722,718 thousand denars, as profit available for distribution to shareholders.

**Revaluation reserve for available-for-sale assets**

These revaluation reserves consist of unrealized gains and losses arising from changes in fair value of investment in securities available for sale until they are sold or it is determined that they are impaired. In the equity securities through their derecognition, the Bank will be rewriting the amount of the revaluation reserves to the Accumulated / Retained earnings position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2025****40. SUBSCRIBED CAPITAL(continued)**  
**Revaluation reserve for foreclosed assets**

These revaluation reserves consist of the difference between derecognized impairment of the loan that is recovered with the foreclosed asset and the amount of impairment loss that is being recognized on the date of asset foreclosure (20% of the initial value of the foreclosed asset).

**Other revaluation reserves**

These revaluation reserves, according IAS19, consist of changes resulting from remeasurments (comprising actuarial gains and losses) and the return on plan assets (excluding interest) that are recognized immediately in OCI, with no subsequent recycling to profit and loss.

**Statutory reserves**

In accordance with the local regulations, the Bank is required to calculate and set aside at least 5% of the net profit for the year to statutory reserve until the level of the statutory reserve reaches an amount equal to one-tenth of the share capital. While the legal reserve shall not exceed the minimum amount it can only be used to cover losses. When the legal reserve exceeds the minimum level and after the recovery of all losses of annual Consolidated financial statements, with the decision of the Shareholders Assembly, the excess can be used for distribution of dividend, if within that business year it had not reached the minimum amount prescribed by the Companies Act or of the Statute of the Bank.

**Other reserves**

Other reserves represent a fund that is determined on the basis of the Bank's internal policy and is used for various purposes, classified as restrictive.

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

**41. EARNINGS PER SHARE**

**A. Basic earnings per share**

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<i>Net profit attributable to ordinary shareholders</i>		
Net profit for the year	3,336,926	3,553,547
Dividend on non-redeemable preferred shares	-	-
Adjustments to the net profit attributable to ordinary shareholders	<u>3,336,926</u>	<u>3,553,547</u>
<b>Net profit attributable to ordinary shareholders</b>	<b><u>3,336,926</u></b>	<b><u>3,553,547</u></b>
	<b>Number of shares</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at 1 January	17,460,180	17,460,180
Effects of changes in the number of ordinary shares during the year	<u>-</u>	<u>-</u>
<b>Weighted average number of ordinary shares at 31 December</b>	<b><u>17,460,180</u></b>	<b><u>17,460,180</u></b>
<b>Basic earnings per share ( in MKD)</b>	<b><u>191.12</u></b>	<b><u>203.52</u></b>

**B. Diluted earnings per share**

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
<i>Net gains to which the holders of common shares are entitled (diluted)</i>		
Net gains for the year to which the holders of common shares are entitled	3,336,926	3,553,547
Adjustment of net gains to which the holders of common shares are entitled for the effects on all issued potential common shares	<u>-</u>	<u>-</u>
<b>Net gains to which the holders of common shares are entitled (diluted)</b>	<b><u>3,336,926</u></b>	<b><u>3,553,547</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

41. EARNINGS PER SHARE (continued)

B. Diluted earnings per share (continued)

	Number of shares	
	Current year 2025	Previous year 2024
<i>Weighted average number of common shares (diluted)</i>		
Common shares issued on 1 January	17,460,180	17,460,180
Effects from issuance of potential common shares	-	-
<b>Weighted average number of common shares (diluted) on 31 December</b>	<b>17,460,180</b>	<b>17,460,180</b>
<b>Diluted earnings per share (in MKD)</b>	<b>191.12</b>	<b>203.52</b>

42. COMMITMENTS AND CONTINGENCIES

42.1 COMMITMENTS

	In thousands of Denars	
	Current year 2025	Previous year 2024
Uncovered payment guarantees		
in MKD	1,022,648	1,107,429
in foreign currency	313,576	1,061,186
in MKD with FC Clause	19,908	18,432
Uncovered performance guarantees		
in MKD	665,583	728,997
in foreign currency	445,948	446,161
in MKD with FC Clause	236,140	268,045
Uncovered letters of credit		
in MKD	-	-
in foreign currency	1,832,479	684,752
in MKD with FC Clause	-	-
Unutilized overdrafts under current accounts	1,831,655	1,828,812
Unutilized limits under credit cards	4,216,509	4,355,982
Taken liabilities for financing and unutilized credit limits	8,374,618	8,765,522
Other uncovered contingent liabilities	14,092	18,190
Issued covered letters of guarantee	417,081	395,372
Covered letters of credit	101,866	101,866
Other covered contingent liabilities	-	-
<b>Total contingent liabilities before special reserve (Reserve)</b>	<b>19,492,103</b>	<b>19,780,746</b>
	<b>(60,026)</b>	<b>(79,513)</b>
<b>Total contingent liabilities reduced by special</b>	<b>19,432,077</b>	<b>19,701,232</b>

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

**42. COMMITMENTS AND CONTINGENCIES (continued)**

**42.1 COMMITMENTS (continued)**

Bank's contingent liabilities consist of liabilities in respect of guarantees, letters of credit, and unused overdrafts on current accounts, unused limits on credit cards and unused credit limits granted to legal entities.

From the total potential liabilities on the basis of covered and uncovered guarantees issued with maturity up to one year in the amount of Denar 2,368,664 thousand (2024: Denar 3,219,972 thousand). The covered and non-covered letters of credit are with maturity of up to 1 year (2024: 1 year).

The unused overdrafts on current accounts are short-term overdrafts.

Interest rates on credit cards and "My Cash" in 2025 ranged from 6.40% to 12.89%. Interest rates for clients ranged from 8.05% to 12.89%. For overdrafts, the interest rates ranged from 8.08% to 12.89%. (2024: 8.80% to 12.89%).

Contingent liabilities of the Bank towards legal entities on the basis of guarantees and letters of credit are irrevocable, and unused credit limits granted to legal entities are subject to annual revision. Apart from the covered guarantees and letters of credit that are secured by deposit, the remaining uncovered guarantees and letters of credit, and unused credit limits granted to legal entities are secured by real estate mortgage, pledge on movable property, guarantees, etc.

**Litigation**

The Bank is involved in litigation from its regular operations. The amount of litigation cases against the Bank as of December 31, 2025, for which additional analyses were made on the basis of which the Bank's management believes that the final outcome of these disputes will be resolved to the detriment of the Bank for that material losses could result in respect of these disputes amounted to Denar 1,716 thousand (2024: Denar 13,650 thousand). This amount includes the penalty interests, and other court expenses as well. Accordingly, during 2025, the Bank made additional provisions for litigations in the amount of Denar 1,784 thousand (2024: Denar 9,481 thousand). See note 38.

**42.2 CONTINGENCIES**

	<b>In thousands of Denars</b>	
	<b>Current year 2025</b>	<b>Previous year 2024</b>
	-	-
<b>Total contingent assets</b>	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

43. OPERATIONS ON BEHALF AND FOR ACCOUNT OF THIRD PARTIES

	Current year 2025			In thousands of Denars Previous year 2024		
	Assets	Liabilities	Net position	Assets	Liabilities	Net position
<i>Administration of assets on behalf and for account of third parties</i>						
MKD deposits	-	-	-	-	-	-
FC deposits	-	-	-	-	-	-
MKD loans	256,932	256,880	52	259,585	259,533	52
FC loans	31,404	31,404	-	47,319	47,319	-
Other MKD receivables	2,613,920	2,613,920	-	2,242,562	2,242,562	-
Other FC receivables	485,673	485,673	-	529,841	529,841	-
<i>Asset management on behalf and for account of third parties</i>						
MKD deposits	-	-	-	-	-	-
FC deposits	-	-	-	-	-	-
MKD loans	-	-	-	-	-	-
FC loans	-	-	-	-	-	-
Other MKD claims	-	-	-	-	-	-
Other FC claims	-	-	-	-	-	-
<i>Custody accounts</i>	29,498	29,498	-	33,048	33,048	-
<i>Other</i>	-	-	-	-	-	-
<b>Total</b>	<b>3,417,427</b>	<b>3,417,375</b>	<b>52</b>	<b>3,112,355</b>	<b>3,112,303</b>	<b>52</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

44. RELATED PARTY TRANSACTIONS

A. Balance Sheet

	In thousands of Denars					Total
	Parent company	Subsidiaries	Associates	Management personnel of the Bank	Other related parties	
<b>31 December 2025</b>						
<b>Assets</b>						
Investments in subsidiaries	-	-	-	-	-	-
Current accounts	184,626	-	-	-	-	184,626
Trading assets	-	-	-	-	-	-
Loans and receivables						
mortgage loans	-	-	-	-	-	-
consumer loans	-	-	-	5,555	3,128	8,683
receivables under financial leasing	-	-	-	-	-	-
receivables under factoring and forfeiting	-	-	-	-	-	-
other loans and receivables	523,482	-	-	-	-	523,482
Investments in securities	-	-	-	-	-	-
(Allowance for impairment)	-	-	-	-	-	-
Other assets	39	-	-	-	-	39
<b>Total</b>	<b>708,147</b>	<b>-</b>	<b>-</b>	<b>5,555</b>	<b>3,128</b>	<b>716,830</b>
<b>Liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Deposits	2,463,953	-	-	17,391	20,776	2,502,120
Issued securities	-	-	-	-	-	-
Borrowings liabilities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	153,167	-	-	-	-	153,167
<b>Total</b>	<b>2,617,120</b>	<b>-</b>	<b>-</b>	<b>17,391</b>	<b>20,776</b>	<b>2,655,287</b>
<b>Contingent liabilities</b>						
Issued letters of guarantee	-	-	-	-	-	-
Issued letters of credit	-	-	-	-	-	-
Other contingent liabilities (Special reserve)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingent assets</b>						
Received letters of guarantee	-	-	-	-	-	-
Other contingent assets	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

44. RELATED PARTY TRANSACTIONS (continued)

A. Balance Sheet (continued)

	In thousands of Denars					Total
	Parent company	Subsidiaries	Associates	Management personnel of the Bank	Other related parties	
<b>31 December 2024</b>						
<b>Assets</b>						
Investments in subsidiaries	-	-	-	-	-	-
Current accounts	19,956	-	-	-	-	19,956
Trading assets	-	-	-	-	-	-
Loans and receivables						
mortgage loans	-	-	-	-	-	-
consumer loans	-	-	-	161	1,018	1,179
receivables under financial leasing	-	-	-	-	-	-
receivables under factoring and forfeiting	-	-	-	-	-	-
other loans and receivables	522,750	-	-	-	-	522,750
Investments in securities (Allowance for impairment)	-	-	-	-	-	-
Other assets	55	-	-	-	-	55
<b>Total</b>	<b>542,761</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>1,018</b>	<b>543,940</b>
<b>Liabilities</b>						
Trading liabilities	-	-	-	-	-	-
Deposits	1,230,429	-	-	37,423	458,261	1,726,113
Issued securities	-	-	-	-	-	-
Borrowings liabilities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-
Other liabilities	77,180	-	-	-	-	77,180
<b>Total</b>	<b>1,307,609</b>	<b>-</b>	<b>-</b>	<b>37,423</b>	<b>458,261</b>	<b>1,803,293</b>
<b>Contingent liabilities</b>						
Issued letters of guarantee	-	-	-	-	-	-
Issued letters of credit	-	-	-	-	-	-
Other contingent liabilities (Special reserve)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingent assets</b>						
Received letters of guarantee	-	-	-	-	-	-
Other contingent assets	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

44. RELATED PARTY TRANSACTIONS (continued)

B. Income and expenses arising from the related party transactions

	In thousands of Denars					
	Parent company	Subsidiari es	Associates	Managem ent personnel of the Bank	Other related parties	Total
<b>2025 current year</b>						
<b>Income</b>						
Interest income	2,212	-	-	183	79	2,474
Income from fees and commissions	-	-	-	45	20	65
Net gains from trading	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Capital gains from sale of non- current assets	-	-	-	-	-	-
Other income	-	-	-	8	9	17
Transfers between entities	-	-	-	-	-	-
<b>Total</b>	<b>2,212</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>108</b>	<b>2,556</b>
<b>Expenses</b>						
Interest expenses	18,985	-	-	306	6,700	25,991
Expenses for fees and commissions	1,211	-	-	-	-	1,211
Net losses from trading	-	-	-	-	-	-
Expenses for procurement of non-current assets	-	-	-	-	-	-
Allowance for impairment of financial assets, on net basis	-	-	-	-	-	-
Other expenses	153,167	-	-	28,016	-	181,183
Transfers between entities	-	-	-	-	-	-
<b>Total</b>	<b>173,363</b>	<b>-</b>	<b>-</b>	<b>28,322</b>	<b>6,700</b>	<b>208,385</b>

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

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

**B. Income and expenses arising from the related party transactions (continued)**

	In thousands of Denars					
	Parent company	Subsidiari es	Associates	Managem ent personnel of the Bank	Other related parties	Total
<b>2024 previous year</b>						
<b>Income</b>						
Interest income	11,099	-	-	9	73	11,181
Income from fees and commissions	-	-	-	4	30	34
Net gains from trading	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Capital gains from sale of non- current assets	-	-	-	-	-	-
Other income	-	-	-	-	9	9
Transfers between entities	-	-	-	-	-	-
<b>Total</b>	<b>11,099</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>112</b>	<b>11,224</b>
<b>Expenses</b>						
Interest expenses	22,356	-	-	567	13,658	36,581
Expenses for fees and commissions	1,434	-	-	-	-	1,434
Net losses from trading	-	-	-	-	-	-
Expenses for procurement of non-current assets	-	-	-	-	-	-
Allowance for impairment of financial assets, on net basis	-	-	-	-	-	-
Other expenses	130,859	-	-	31,794	7	162,660
Transfers between entities	-	-	-	-	-	-
<b>Total</b>	<b>154,649</b>	<b>-</b>	<b>-</b>	<b>32,361</b>	<b>13,665</b>	<b>200,675</b>

**C. Remuneration for the management personnel of the Bank**

	In thousands of Denars	
	Current year 2025	Previous year 2024
Short-term benefits for employees	28,016	31,788
Benefits after employment termination	-	-
Benefits due to employment termination	-	-
Payments to employees on the basis of shares, settled by equity instruments	-	-
Payments to employees on the basis of shares, settled by monetary funds	-	-
Other	-	-
<b>Total</b>	<b>28,016</b>	<b>31,788</b>

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

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

Related parties include the major shareholders, associates and jointly controlled entities, control/management with the Group, or whose activities the Group has an ability to control. The Group's management includes the members of the Board of Directors and the Supervisory Board. All transactions with related parties arise in the normal course of the Group's business and their value is not materially different from the terms and conditions that would prevail in arms-length transactions.

National Bank of Greece, Athens represents the parent and the ultimate parent company of the Group. Other related party transactions relate mostly to NBG Cairo branch, fellow subsidiaries of the NBG Group, entity under common control and related parties to key management personnel. The transactions shown under subsidiaries have occurred with ST Leasing, a company founded by the Bank in 2022.

**45. LEASES**

**A. Lessor**

**A.1 Financial leases receivables**

	<b>In thousands of denarii</b>	
	<b>2025</b>	<b>2024</b>
Finance lease receivables (amount of undiscounted payments), by maturity period		
- up 1 year	-	-
- over 1 до 2 years	-	-
- over 2 to 3 years	-	-
- over 3 to 4 years	-	-
- over 4 to 5 years	-	-
- over 5 years	-	-
<b>Total</b>	-	-
(Unpaid financial income)	-	-
<b>Total Financial Lease Claims</b>	-	-

**A.2 Irrevocable operating lease receivables**

	<b>In thousands of denarii</b>	
	<b>2025</b>	<b>2024</b>
Operating lease claims (amount of undiscounted payments), by maturity period		
- up to 1 year	1,304	1,306
- over 1 to 2 years	-	-
- over 2 to 3 years	-	-
- over 3 to 4 years	-	-
- over 4 to 5 years	-	-
- over 5 years	-	-
<b>Total</b>	<b>1,304</b>	<b>1,306</b>

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

**45. LEASES (continued)**

**A. Lessor (continued)**

**A.2 Irrevocable operating lease receivables (continued)**

	In thousands of Denars						Total
	Land	Buildings	Means of transporta tion	Furniture and office equipment	Other equipment	Other items of property and equipment	
Value of the property given under operating lease:							
December 31, 2025	-	8,393	-	-	-	-	8,393
December 31, 2024	-	8,815	-	-	-	-	8,815

Agreed lease receivables are related to part of the property taken over for recovery of arrears and a smaller part of own property which the Bank in the past period used for their own needs but is no longer used and it is rented to third parties. Lease agreements contain a clause for reconsideration of the agreed price of the rent according to the market conditions, in case the lessee has exercised its right to renew the lease. Future lease incomes are approximate to the level of current rental income. Lease incomes in 2025 amounted to 1,304 thousand denars ( 2024 : 1,306 thousand denars ) Note 11.

**B. LEASEE**

**B.1 Lease liabilities**

	In thousands of denarii	
	2025	2024
Lease obligations, by maturity period		
- up to 1 year	44,296	-
- over 1 to 2 years	30,998	-
- over 2 to 3 years	18,790	-
- over 3 to 4 years	13,585	-
- over 4 to 5 years	7,816	-
- over 5 years	2,155	-
<b>Total lease obligations (note 39)</b>	<b>117,640</b>	<b>-</b>

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

**45. LEASES (continued)**

**B. Lease (continued))**

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

	In thousands of Denars						
	<u>Land</u>	<u>Buildings</u>	<u>Means of transporta tion</u>	<u>Furniture and office equipment</u>	<u>Other equipment</u>	<u>Other items of property and equipment</u>	<u>Total</u>
Value of the property taken under lease:							
<b>Cost</b>							
Balance as at 1 January 2024	-	-	-	-	-	-	-
increases	-	-	-	-	-	-	-
(disposal of and entering as expenditure)	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-
<b>Balance as at 31 December 2024</b>	-	-	-	-	-	-	-
Balance as at 1 January 2025	-	-	-	-	-	-	-
increases	-	135,111	-	-	25,647	-	160,758
(disposal of and entering as expenditure)	-	-	-	-	-	-	-
other	-	(552)	-	-	(136)	-	(688)
<b>Balance as at December 31, 2025</b>	-	134,559	-	-	25,511	-	160,070
<b>Accumulated depreciation and impairment</b>							
Balance as at 1 January 2024	-	-	-	-	-	-	-
depreciation for the year	-	-	-	-	-	-	-
impairment loss during the year	-	-	-	-	-	-	-
(release of impairment loss during the year)	-	-	-	-	-	-	-
(disposal of and entering as expenditure)	-	-	-	-	-	-	-
other	-	-	-	-	-	-	-
<b>Balance as at 31 December 2024</b>	-	-	-	-	-	-	-
Balance as at 1 January 2025	-	-	-	-	-	-	-
depreciation for the year	-	35,667	-	-	9,784	-	45,451
impairment loss during the year	-	-	-	-	-	-	-
(release of impairment loss during the year)	-	-	-	-	-	-	-
(disposal of and entering as expenditure)	-	-	-	-	-	-	-
Other	-	(129)	-	-	(11)	-	(140)
<b>Balance as at December 31, 2025</b>	-	35,538	-	-	9,773	-	45,311
<b>Current carrying amount</b>							
As at 1 January 2024	-	-	-	-	-	-	-
<b>On December 31, 2024</b>	-	-	-	-	-	-	-
<b>On December 31, 2025</b>	-	99,021	-	-	15,738	-	114,759

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

**45. LEASES (continued)**

As of January 1, 2025, banks in North Macedonia have started applying International Financial Reporting Standard 16 - Leases (IFRS 16). The introduction of this standard brought significant changes in the way leasing agreements are recognized, measured, presented and disclosed.

All leasing agreements, with the exception of short-term agreements and lease agreements for low-value assets, are recognized in the balance sheet as right-of-use assets and corresponding lease liabilities.

The application of the standard has an impact on the balance sheet by increasing assets and liabilities, as well as on the income statement by changing the structure of expenses, whereby instead of leasing expenses, depreciation of right-of-use assets and interest expense on leasing liabilities are recognized. Interest expense on lease liabilities for 2025 amounts to 5,077 thousand denars (2024: 0) and is recognized in the income statement. They arise from long-term lease agreements for business premises and vehicles concluded in accordance with the standard, with a term of 24 months to 60 months.

**46. SHARE BASED PAYMENTS**

	In thousands of Denars	
	Current year 2025	Previous year 2024
Date of giving the option	-	-
Date of option expiry	-	-
Price of option realization	-	-
Price of the share on the date of giving the option	-	-
Variance	-	-
Expected dividend yield	-	-
Interest rate	-	-
Fair value on the date of giving the option	-	-
	Current year 2025	Previous year 2024
	number of options for shares	number of options for shares
	weighted average price of options for shares	weighted average price of options for shares
<b>Balance as at 1 January</b>	-	-
Changes during the year:		
options given to the members of Supervisory Board	-	-
options given to the members of Board of Directors	-	-
other given options	-	-
forfeited options	-	-
options with expired deadline	-	-
<b>Balance as at December 31</b>	-	-

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

**47. SUBSIDIARIES OF THE GROUP**

**Subsidiaries**

A significant subsidiary of the Bank is STOPANSKA LIZING DOOEL Skopje. Their own performs activities in the Republic of North Macedonia. The Bank has a full property of the company.

**Significant limitations**

The Bank has no significant restrictions on its ability to use the funds or to settle the obligations.

**48. TAXATION RISK**

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

**49. EVENTS AFTER THE DATE OF THE BALANCE SHEET**

There are no material subsequent events from the date of the Balance Sheet to the date of issuance of the separate financial statements, which would be subject to reporting in the separate financial statements.

**50. EXCHANGE RATES**

Official exchange rates used in the conversion of the balance sheet items denominated in foreign currency are as follows:

	<u>31.12.2025</u>	<u>In MKD</u> <u>31.12.2024</u>
1 USD	52,3050	58,8807
1 EUR	61,4950	61,4950