



# Acceleration in action

From potential to unlimited possibility

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

Annual report for the year  
**2025**



# UniCredit Unlocked from potential to unlimited possibility

UniCredit is a pan-European leader and commercial bank providing best-in-class solutions and services across **Italy, Germany, Austria, and Central and Eastern Europe.**

With our structural advantages and network of empowered banks, leveraged at scale, we set a new benchmark for banking with our winning operating model, keeping our clients at the centre and unlocking the potential of our people.

UniCredit Unlocked transformed our Bank - proving what disciplined execution, empowered motivated people and a unified operating model can achieve. **We now shift decisively from Unlocked to Unlimited** – a new phase defined by greater ambition and a fundamental rethinking of how a European bank should operate.



## Contents

- 6 Report of the President of the Board
- 10 Economic Environment in Bosnia and Herzegovina
- 12 Business Description
- 16 Financial Overview and Business Performance
- 22 Management and Corporate Governance
- 26 Responsibility for the Financial Statements
- 27 Independent Auditor's Report to the Shareholders of UniCredit Bank d.d. Mostar
- 32 Statement of Profit or Loss and Other Comprehensive Income
- 34 Statement of Financial Position
- 35 Statement of Cash Flows
- 37 Statement of Changes in Equity
- 38 Notes to the Financial Statements
- 144 Appendices
- 145 Appendix A - Addresses and phone numbers
- 146 Appendix B - Business network of UniCredit Bank d.d. Mostar as at 31 December 2025

# Committed to our Clients, Building the Bank of the Future

“

This result was driven by stable and reliable operations, rewarded by the trust of our clients, as well as by a strong and consistent risk management culture that led to improved portfolio quality and maintained adequate levels of impairment coverage.

**Amina Mahmutović**  
President of the Management Board



## Dear clients, shareholders, and business partners,

We are proud to present the business results achieved by UniCredit Bank d.d. (hereinafter: the Bank) in 2025. By consistently aligning our operations with modern trends and market developments, the Bank has further strengthened and confirmed its position as the leading bank in Bosnia and Herzegovina. Continuous improvements in the quality and availability of our services, together with the expansion of our product and service offering, have contributed to the further consolidation of our market position.

The Bank's financial performance and overall business results reflect a stable and sustainable business model, generating a positive impact on the local community and the broader economic environment. These results are underpinned by the dedication, expertise, and professionalism of our employees, who remain a key pillar of the Bank's operational stability, long-term growth, and value creation for clients and business partners.

We concluded the business year with the highest profit in the Bank's history, surpassing the record results of previous years. A total of BAM 206.8 million was achieved, which is BAM 21.5 million more compared to 2024. This result was driven by stable and reliable operations, rewarded by the trust of our clients, as well as by a strong and consistent risk management culture that led to improved portfolio quality and maintained adequate levels of impairment coverage. In 2025, the net loans to deposits ratio amounted to 71.8%, while the Bank's assets increased to BAM 8.7 billion, representing growth of 8.4% compared to 2024. Gross loans to customers, including finance lease receivables, recorded an annual increase of 13.7% and amounted to BAM 5.14 billion at the end of 2025. Customer deposits grew by 7.5%, reaching BAM 6.92 billion at year end. With capital amounting to BAM 1.22 billion, the Bank reaffirmed its strong capitalization through a capital

adequacy ratio of 21.08%, confirming the stability and security of doing business with the Bank.

Our commitment to excellence has been reaffirmed at the international level through a number of prestigious recognitions within the financial sector. For the second consecutive year, we received the two most prominent awards in the banking industry – Best Bank in Bosnia and Herzegovina, awarded by Euromoney magazine, and Bank of the Year, granted by The Banker magazine – further confirming the continuity and sustainability of our strong performance. In addition, Euromoney recognized our excellence in the areas of ESG, transaction banking, FX services, and trade finance. Global Finance magazine named us the Best Sub-Custodian Bank in Bosnia and Herzegovina, while at the Zlatni BAM Awards, organized by Banke i Biznis magazine, we were awarded for the largest asset base and best mobile banking application. Furthermore, the Top Employers Institute granted us the Top Employer Bosnia and Herzegovina certification, recognizing our continuous investment in employee development, modernization of work practices, and the strengthening of a corporate culture based on individuality, diversity, and shared success.

With a strong focus on digitalization and process automation, we successfully delivered several key initiatives aimed at providing modern, efficient, and accessible services. We enabled our clients to use Apple Pay immediately upon its introduction in Bosnia and Herzegovina, launched a specialized Housing Center to provide comprehensive support during real estate purchases, and introduced housing loans for non-residents, designed for citizens of Bosnia and Herzegovina living abroad who wish to invest in their home country.

We also participated in the first euro-denominated bond issuance on the international capital market conducted by the Federation of Bosnia and Herzegovina. In this

landmark transaction, the Bank participated alongside Zagrebačka banka and UniCredit HVB. This transaction represents a significant milestone for the development of the financial market in Bosnia and Herzegovina and underscores our strong commitment to supporting public partnerships and sustainable financing solutions. Through our expertise and market insight, we supported the Federation of BiH in successfully accessing international investors and securing financing under competitive market conditions.

To support the green transition and assist clients in shifting toward renewable energy sources, we organized an ESG Roadshow in Tuzla, Mostar, and Sarajevo, focused on sustainable investments, energy transition, and financing opportunities. In parallel, we placed particular emphasis on engaging young people through the Fall4ESG Academy, involving them in dialogue on ESG principles and raising awareness of the importance of sustainable development.

In the field of sustainable finance, we continued our successful cooperation with international financial institutions. Through the EBRD "Go Green" credit line, we secured EUR 7 million for small and medium-sized enterprises, dedicated to renewable energy and energy efficiency projects. In addition, we introduced the KfW "Low Carbon Energy Facility" credit line in the amount of EUR 20 million, intended to finance sustainable projects in both the private and public sectors. Both programs include a 15% incentive upon successful project implementation, further encouraging investments in sustainable solutions.

Our commitment to corporate clients, particularly small and medium-sized enterprises, extends beyond financial support through tailored lending products and investment solutions. It is grounded in long-term partnerships based on advisory support and knowledge sharing. Within this framework, through the UniCredit for BiH initiative, we successfully

continued the Management Excellence Award Program, implemented in cooperation with Deloitte, one of the world's leading consulting firms. The program focuses on networking, mentorship, and support for SMEs as key drivers of economic growth, as well as on recognizing and rewarding outstanding private companies in Bosnia and Herzegovina.

We continued our mission of strengthening the community by supporting individuals and organizations that contribute to positive social change. The Sarajevo Film Festival, the country's largest cultural event, once again brought numerous international guests, positioning Sarajevo and Bosnia and Herzegovina at the centre of the regional film scene. We also continued our cooperation with the Think Pink – "We Are One" association

through initiatives aimed at raising awareness of women's health, enabling free mammography and medical examinations, and providing support to women following surgical procedures.

Our clients remain at the core of everything we do. Accordingly, we remain committed to sustainable business growth, continued digital transformation through the responsible use of advanced technologies, including artificial intelligence, and the strengthening of client relationships through relevant and personalized services.

Our strategy is clear: technology drives efficiency and speed, while our educated and dedicated people deliver the human touch – understanding and trust that clients particularly value when making important life decisions.

Finally, on behalf of the Management Board and myself personally, I would like to express my sincere gratitude to all clients and business partners for their trust, as well as to all our employees for their dedication and commitment throughout another successful year.

We remain firmly committed to raising the standards of the banking industry in Bosnia and Herzegovina and to continuing our mission of being the bank for Europe's future.

**Amina Mahmutović**

President of the Management Board





## Macroeconomic overview

The result of the presidential election in the United States has increased geopolitical uncertainty in 2025. The global economy has proven resilient to the shock caused by tariffs, and the latest indicators suggest that global economic activity has slightly increased. Better-than-expected economic growth outcomes were initially the result of a surge in exports ahead of anticipated tariff hikes, as well as stronger-than-expected investments in equipment and intangible assets. However, the outlook remains uncertain, primarily due to ongoing global trade disputes and geopolitical tensions.

Global GDP is expected to grow by 3.1% in 2026 and 3.2% in 2027, following growth of 3.2% in 2025. Although increased protectionism will generate some negative effects on demand, the private sector continues to demonstrate remarkable adaptability.

The euro area will likely remain stuck in a low growth environment next year as well, continuing to significantly lag behind the United States in terms of economic activity. While external trade and fiscal policy are expected to weigh on economic growth, the normalization of monetary policy and household consumption are expected to support economic expansion. In 2026, the economic recovery is likely to gain some momentum.

Economic growth in Central and Eastern Europe is expected to accelerate in most countries in 2026, driven by a recovery in external demand and stronger investment, supported by increased absorption of EU funds. Consumption remains the key engine of growth.

The ECB has aligned inflation with its 2% target, and it is likely to stabilize

around that level in the foreseeable future. In 2025, the European Central Bank (ECB) implemented five consecutive interest rate cuts, each by an additional 25 basis points. The deposit facility rate is expected to remain at 2% until the end of 2026. According to the latest data, the interest rate on the deposit facility stands at 2.00%, the main refinancing operations rate at 2.15%, and the marginal lending facility rate at 2.40%.

GDP growth forecasts for Bosnia and Herzegovina stand at 2.2% in 2025 and 3.0% in 2026. The main driver of growth in 2025 and 2026 is expected to remain personal consumption, supported by rising wages, remittances, and improvements in employment. In 2025 and 2026, the contribution of external demand is expected to strengthen, but it has been revised based on slower growth in the EU and in neighbouring economies - Croatia and Serbia - compared with the previous forecast. The alignment of public investment planning is also expected to contribute to growth. Additionally, the fact that 2026 will be a general election year presents a significant challenge for the implementation of major reforms and could worsen the fiscal position and the current account deficit.

Unlike GDP, the inflation forecast for Bosnia and Herzegovina has been revised compared to previous expectations and accelerated to nearly 5% by mid 2025, driven by rising food and service prices, declining unemployment and labour market pressures, as well as growth in real incomes (with the increase in the minimum wage being one of the drivers). However, by the end of the year, inflation had been expected to slow to around 3.5%.

The growth of domestic demand (both consumption and investment,

predominantly public capital expenditures) is one of the factors that will influence the trajectory of both growth and inflation. Nevertheless, we expect that the high base of consumer prices in 2025 will be reflected in inflation indicators in 2026, when inflation should fall toward levels of around 2% (the influence of the Eurozone and the currency board should help ease inflation, as in the past).

The average net monthly salary paid for October 2025 was 13.4% higher compared with October 2024. At the same time, the gross salary increased by 13.7%. In the Federation of Bosnia and Herzegovina, the Government adopted a decision at the end of last year setting the minimum net wage for 2025 at 1,000 BAM. In Republic of Srpska, a completely new system of differentiated minimum wages was introduced, ranging from 900 to 1,300 BAM depending on the level of professional qualifications. Additionally, wages in the public sector in RS have also been increased. IMF experts have already recommended a structured approach that avoids large discretionary adjustments to the minimum wage. The unemployment rate in Bosnia and Herzegovina continues with no significant changes (27.2% in October 2025; according to the latest Labour Force Survey for Q3 2025, it stands at 11.2%). From a banking perspective, we are witnessing an increase in consumer loans on the market, as household incomes are not keeping pace with the dynamics of price growth. Furthermore, as an indirect effect, we see an increase in overall costs in the banking sector as a result of generally higher input costs.

The lack of progress in reforms has already delayed the availability of funds under the European Commission's Growth Plan for the Western Balkans, which includes €6 billion in grants and loans for

infrastructure projects, of which an estimated €1 billion could be made available to Bosnia and Herzegovina. The European Commission has already penalized Bosnia and Herzegovina by withdrawing €108 million from the allocated amount, with the risk of losing an additional €108 million if the reform program is not approved by 30 September. The draft reform program was approved by the Council of Ministers and submitted to the European Commission. The European Commission ultimately approved Bosnia and Herzegovina's Reform Agenda on 4 December 2025, marking a key step toward unlocking millions of euros under the EU's Reform and Growth Instrument.

The Reform Agenda outlines a list of reforms that the country must gradually implement by 2027 in order to access funds from the EU Growth Plan for the Western Balkans. This represents an important step toward unlocking the EU Growth Plan. The Reform Agenda defines a set of priority reforms aimed at accelerating the green and digital transition, strengthening the private sector, retaining young and skilled professionals, and improving fundamental rights and the rule of law.

During 2025, the international credit rating agency S&P Global Ratings maintained Bosnia and Herzegovina's credit rating at 'B+' with a stable outlook. According to analysts, S&P could downgrade the credit rating if political and institutional risks escalate to a level that could undermine the basic functioning of the state or weaken the government's ability to service its debt. On the other hand, an upgrade could occur if consensus based policymaking accelerates structural reforms, including those related to the country's accession to the European Union.

## Macroeconomic expectations

In 2026, economic growth is expected to accelerate further, driven

by a recovery in external demand, in addition to continued improvements in private consumption and public investment. On the other hand, the fact that 2026 is a general election year will pose a considerable challenge to the implementation of significant reforms. An important step forward in unlocking the EU Growth Plan is expected to provide additional momentum to Bosnia and Herzegovina's economic expansion.

## Banking sector

In 2025, the banking sector of Bosnia and Herzegovina remained strong, stable, and adequately capitalized, with the lowest non-performing loan ratio of the past decade (2.7%, Q3 2025).

The number of banks in the Bosnian banking market did not change during 2025 and totals 21 institutions. In the Federation of Bosnia and Herzegovina, 13 banks are headquartered, while 8 banks are headquartered in Republic of Srpska. The number of employees in the banking sector remained almost unchanged compared with the end of 2024 (+0.02%).

The latest available financial indicators for the banking sector of Bosnia and Herzegovina for Q3 2025 show that the sector remains stable and profitable. Total profit before tax for the first nine months of 2025 amounted to BAM 730 million, representing an increase of 0.8% compared with the same period of the previous year. The sector's total revenues recorded an annual increase of 2.5%, driven by a significant rise in net non interest income (+5.5% y/y). Operating costs in the sector increased by 5.7% y/y, while provisioning costs decreased by 17.8% y/y.

In November 2025, loan volumes recorded growth of +9.6% compared with the end of 2024, driven by increases in both segments: Household loans rose by +11.4% y/y, while Corporate loans increased by +7.9% y/y. At the same time, deposit volumes grew by +8.6% compared with the end of 2024, supported by a faster increase in household deposits

of +9.2%, while corporate deposits rose by +8.0%.

The banking sector in Bosnia and Herzegovina responded in a timely manner to all challenges that arose in 2025, ensuring stability and adequate reactions to changes in the global environment. Throughout 2025, the banking agencies adopted various legal and by law acts to align banking operations with the needs of the business environment.

Some of the key changes included amendments to the Banking Law in both entities; the Decision on Interest Rate Risk Management in the Banking Book; the Decision on the Method for Determining Systemically Important Banks and the Capital Buffer for Systemically Important Banks; the Decision on the Information and Communication System and ICT Risk Management in Banks; Guidelines for Managing Risks Related to Climate Change and Environmental Risks; the Decision on Conditions and Limitations for Transactions with Related Parties and the Obligation for Banks to Notify the Banking Agency of the Federation of Bosnia and Herzegovina; and the new Personal Data Protection Law aligned with the GDPR.

## Banking sector expectations

Despite the moderately accelerated GDP growth expected in 2026, credit growth rates are anticipated to be somewhat lower than in 2025, given the one off effects recorded in December 2024 (the impact of the minimum wage increase on households and significant lending volumes to corporates, which are not expected to repeat). On the deposit side, further growth in volumes is expected in line with improving macroeconomic indicators, which will lead to an increase in household deposits and a slowdown in the accumulation of corporate deposits (partly due to a reduction in government deposits, following the substantial inflow from the euro denominated bond auction conducted by the FBiH government in London in July 2025).

## Retail

### Organization

Retail offers a wide range of products and services to individual and small business clients and manages a sales network and direct channels.

The sales network is divided into 4 regions, which are further divided into branches throughout Bosnia and Herzegovina, of which there were 69 at the end of 2025.

### Business in 2025

Customer experience management is based on the values and principles of our organization and for UniCredit represents a strategic commitment to excellent customer experience. All of our activities are focused on providing top-notch banking services to our clients. Through continuous and careful analysis of feedback collected from our clients via all available communication channels, we strive to

improve products, services, and processes in order to meet the needs and expectations of our clients. **Our vision is simple: to transform feedback into innovation and create experiences that truly matter.**

According to that, during 2025, the Bank continuously worked on simplifying the range of products for the needs of our Clients, with a special emphasis on improving and simplifying this process.

### Map of the Branch Network



Clients recognize the Bank as a reliable partner, and during 2025 a significant increase in loan volume was recorded.

Throughout 2025, a new product was implemented — a Housing Loan for Non-Residents, intended for BiH citizens who have been employed abroad for more than one year, denominated in EUR. The Housing Loan for Non-Residents is approved with a fixed interest rate for the entire repayment period, with a maximum term of 15 years, and without a loan application processing fee. In addition, processing of Housing Loans for properties under construction has been enabled, simplifying the loan entry and processing procedure for all participants involved in the loan process.

UniCredit Bank Mortgage Centre has started operating, which represents a step forward in the housing lending service model. Mortgage Centre is an online concept where the client receives a quality and complete service – a specialist in Mortgage loans. The idea of the concept is the realization of a housing loan with only one visit of the client to the branch after loan approval.

As a leading bank, we are committed to developing innovative, secure and accessible digital solutions that empower our customers and respond to their real needs, while setting the standards for banking of the future. Accordingly, in 2025, the Bank enabled its Mastercard payment card users to use the Apple Pay service. Apple Pay is a fast, simple and secure way to pay in stores, online stores and through applications, using Apple devices.

In the area of card acquiring, at the end of the year, the Bank introduced the SoftPOS solution to its offer. With UniCredit SoftPOS application, the mobile phone becomes a modern POS terminal ready for contactless card payments quickly and securely.



SoftPOS brings convenience to everyone who wants freedom and flexibility and a simple solution for accepting card payments.

During 2025, growth was recorded in the sale and use of Current Accounts with Standard, Silver, and Gold packages. The Bank focused its activities on young people, high school students, and university students, and accordingly initiated a set of activities to support youth — including dedicated campaigns for students.

In the area of insurance products, the Bank, acting as an insurance intermediary, strives to provide its clients with high-quality services along with all the benefits and advantages of using specific products. This is the result of excellent cooperation with the insurance companies whose products we distribute, as well as continuous training and professional development of the Bank's sales staff.

A new channel for contracting Travel Health Insurance was opened through the Bank's website, enabling clients to arrange insurance policies quickly and easily without visiting a branch.

During 2025, three open-end investment funds were managed by UC Invest, with total assets under management amounting to 133.3 million BAM as of December 2025. Of this amount, the money market Fund, onemarkets EuroCash OIF, accounts for 104.9 million BAM and achieved a return of 2.23% over the past year. Two funds with maturity and capital protection account for 28.36 million BAM in assets, and the achievement of the targeted return is expected at the funds' maturities.

We strive to provide the highest quality services for our clients for digital business, and to educate them continuously about the advantages of the same. The focus on raising the awareness of our clients about the advantages of doing business through Mobile and Internet banking services in 2025, realized through continuous sales and promotional activities, resulted in over 300,000 active users of electronic services at the end of the year. The bank will continue to develop and improve electronic services in accordance with the needs and habits of clients in the coming period.

## BUSINESS DESCRIPTION (CONTINUED)

The Bank's ATM network has a total of 268 ATMs, of which we have 84 cash deposit ATMs in production at the end of the year. At these ATMs, in addition to the basic functionality of checking account balance, cash withdrawals and the purchase of prepaid top-ups for mobile phones (Ihey and ULTRA), it is also possible to deposit money into the account 24 hours a day, regardless of branch office hours. 198 ATMs are equipped with contactless card readers.

In accordance with the trend from previous years, the arrangement of the Bank's business network in accordance with modern standards of functionality and design continued, with the aim of ensuring efficient and ultimately pleasant business for our clients.

In 2025, in addition to Branch 5 in Mostar (Rondo), the Bank introduced the "cashless" concept of providing banking services in another branch. Branch 16 in Sarajevo (Holiday) is also the first branch of this type in Sarajevo. The concept implies cashless work in the branch, which allows bank employees to devote more time to clients, and for clients to receive professional and advisory support from staff without waiting, with pre-arranged appointments. In this way, UniCredit Bank shows its commitment to its clients, putting them at the center of its activities, and continuously improving their customer experience.

### **In 2025, two major features were introduced on the Bank's website**

- **Enhanced cash loan calculator** – provides users with preliminary loan estimate within just a few minutes after entering data about monthly income and obligations.
- **Mega Menu** – a new type of navigation menu that provides our clients a faster and easier access to numerous pages with clear visual content organization and simplified navigation.

These innovations deliver a **faster, easier, and more transparent** experience for customers.

### **The most important research and development activities for the Retail segment**

- Increase in the number of active bank clients
- Improving the client experience in doing business with the Bank
- Simplifying the range of products and related processes in line with client needs and strategic commitment to digitalization
- Increasing the use of direct channels

## Corporate Banking Segment

Despite the challenging and dynamic business year marked by an economic crisis, strong changes on global level, inflation, and slowed investments, UniCredit Bank, thanks to its stability, high-quality business practices, and fast adaptability, achieved outstanding business results, with continuous support to clients and the community.

Total loans to legal entities in 2025 recorded growth of 14.5% compared to the previous year, amounted to 2,201.6 mln BAM. This exceptional growth is also reflected in the increase of the Bank's market share in the segment of legal entities, once again confirming the Bank's position as a leading financial institution in the market, as well as the most important partner in financing private companies and the public sector across all branches of industry, while maintaining a high-quality credit portfolio as a result of applying quality risk management methods.

Deposits of clients legal entities at the end of 2025 amounted 2,519.8 mln BAM, and with growth of 2.1% compared to the previous year, they confirm UniCredit Bank as a reliable and secure partner for financial assets at all times, especially during

periods of economic crisis and financial turbulence.

### **Summarizing the business results, we highlight the following achievements this year:**

- Continued support for the green transition through financing major projects in both the private and public sectors, confirming our strong commitment to green solutions. In this context, a new credit line with the German development bank (KfW) was launched, intended to finance small and medium-sized enterprises, as well as cantons, municipalities, cities, public utility companies, and companies under their ownership. The credit line is aimed at supporting green investments and decarbonization in Bosnia and Herzegovina.
- A strong imperative of our activities remained other initiatives and programs designed for small and medium-sized enterprises that seek a true business partner in their bank. With this goal, we implemented a credit line in cooperation with the Central Bosnia Canton, offering favourable financing conditions for investments and working capital, backed by a Cantonal Government guarantee, as well as the EBRD Go Digital credit line, designed to help SMEs in Bosnia and Herzegovina meet EU standards in environmental protection, occupational health and safety, and product quality, while increasing automation and digitalization in operational processes.
- Continuation of the ESG series of educational workshops organized by our Bank in cooperation with clients engaged in the construction of photovoltaic power plants on a "turnkey" basis. More than 200 clients attended roadshows held in Sarajevo, Tuzla, and Mostar under the title "Solar

Revolution – Construction and Financing of Photovoltaic Power Plants”, where we presented simplified solar panel installation, the KfW credit line, challenges, as well as opportunities arising from alignment with EU regulations and the introduction of the Carbon Border Adjustment Mechanism (CBAM).

- We participated in the first issuance of EUR bonds on the international market by the Federation of Bosnia and Herzegovina, with a value of 350 mln EUR, where the Bank was one of the Joint Lead Managers. The issuance attracted investor interest five times higher than the offered amount and enabled the formation of a reference yield curve for Bosnia and Herzegovina and the listing of bonds on the London Stock Exchange.

Our clients have always been our top priority, which has been recognized for many years both by clients themselves and by the professional community. Accordingly, this year as well, at the awards ceremony organized by The Banker magazine in London, we were honored with award “Bank of the Year in Bosnia and Herzegovina”. This award represents the result of our continuous commitment to clients, innovation, and sustainable development. Being consistently recognized and awarded serves as an additional incentive and a strong confirmation of our consistent excellence, dedication to our clients, and responsibility towards the community in which we operate.

We aim to continue supporting our clients from both the private and public sectors as a leading bank in the market by gaining deeper insight into and understanding of our clients, identifying their needs, and leveraging the expertise and global presence of the UniCredit Group across all areas of financial products and services. We will remain

committed to serving our clients and our community, always striving to do the right thing.

## Assessment of Expected Future Development

As the largest and leading bank, we have a responsibility to anticipate change and provide the highest-quality solutions in the market. Therefore, we will continue to raise the bar across all business segments, always keeping the best interests of our clients and the community in mind. We are steadfastly continuing the Bank’s path towards a European future, fully aware that every step we take is directed toward creating a better future and long-term, sustainable business relationships with our clients.

Accordingly, we base our future development on synergies between the public and private sectors, strengthening the regulatory framework, and creating a stimulating environment for economic growth.

Digitalization and process simplification will remain our key priorities in 2026, despite the significant progress already achieved in this area. Through further simplification of processes and services, we enable our employees to devote more time to working together with clients to identify optimal solutions to their challenges. Special attention will continue to be given to the development of small enterprises, recognizing them as the strongest driver of economic growth.

### In 2026, the focus in Corporate Banking will be on:

- Maintaining operational excellence and strengthening the Bank’s market leadership position
- Growth of the loan portfolio

through collaboration with existing and carefully selected new clients

- Strengthening partnerships with the government and the public and private sectors through key development projects
- Application of ESG principles and support for the energy transition in Bosnia and Herzegovina
- Preserving high credit portfolio quality and developing innovative lending solutions
- Ensuring stable operations through revenue diversification and increased focus on fees and commissions
- Increasing the efficiency and productivity of the business network
- Active participation in Group and local initiatives
- Continuing digital transformation and alignment with EU regulations.

## Information on the purchase of own shares or stakes

### Own shares

UC Invest d.o.o. for fund management is 51% owned by UniCredit Bank d.d. Mostar and 49% owned by ZB Invest d.o.o., which reflects the strategic partnership on the market of Bosnia and Herzegovina.

During its existence, UC Invest has launched three funds with a public offering:

- onemarkets EuroCash Fund OIF – a liquidity-focused money market fund;
- onemarkets Capital Protected 2027 EUR Fund OIF – a bond fund with principal protection and maturity in 2027.
- onemarkets Capital Protected 2026 EUR Fund OIF - a bond fund with principal protection and maturity in 2026.

# Financial Overview and Business Performance

## Overview of business operations of the Bank

In 2025, the Bank made a profit before tax in the amount of BAM 229.3 million which is 24.9 million compared to the previous year (+12.2%).

Profit after tax amounts to BAM 206.8 million which is 21.5 million compared to the previous year (+11.6%).

### Income and expenses

The realized revenues of the Bank for 2025 amount to BAM 397.8 million and compared to the previous year they record an increase of BAM 12.9 million BAM (+3.4%).

Total net interest income amounts to BAM 247.5 million, and accounts for 62.2% of total income.

Net income from fees and commissions amounts to BAM 118.2 million, accounting for 29.7% of total income. Net gains from the purchase and sale of currencies and exchange rate differences and other revenues amount to BAM 32.0 million and account for 8.1% of total revenues.

### Net interest income

Realized net interest income in 2025 amounts to BAM 247.5 million, which is an increase (4.1%) compared to the previous year, mostly due to the growth of interest income with natural persons, decrease in interest income based on liquidity placement and growth in interest income in the segment of business with legal entities.

### Net fee and commission Income

Net income from fees and commissions amounts to BAM 118.2 million and recorded an annual growth of BAM 1.8 million (1.5%).

The increase in income from fees and commissions was achieved mainly through the growth of revenues from product packages and from payment transactions.

### Net gains from FX transactions and FX differences on conversion of monetary assets and liabilities

Net gains from the purchase and sale of currencies and exchange rate differences after the translation of

monetary assets and liabilities revenues in 2025 amount to BAM 20.7 million and recorded an increase of BAM 0.3 million compared to last year.

### Other income

Other revenues amount to BAM 11.3 million and are higher by 1.0 million compared to the previous year.

### Operating expenses

Total operating costs in 2025 amount to BAM 157.1 million and are higher by BAM 6.0 million (4.0%) compared to the previous year. The share of operating expenses in operating income is 39.5%.

### Impairment losses and provisions

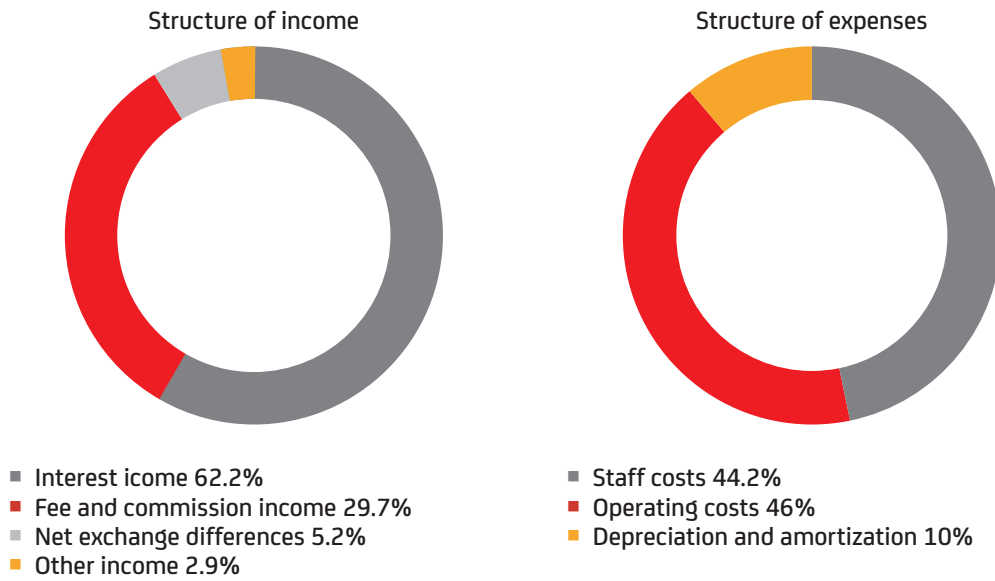
Total impairment losses and provisions for 2025 amount to BAM 11.3 million. Impairments and provisions for loans and receivables from clients amount to 11.0 million BAM.

The net impairment loss on loans and receivables from clients is the result of: BAM 3.5 million of provisioning costs for the non-performing portfolio (of which BAM 1.7 million of release of provisioning costs relate to legal entities, and BAM 5.2 million of provisioning costs relate to citizens) and BAM 7.5 million of provisioning costs for the performing portfolio.

Other impairment losses and provisions amount to BAM 0.3 million of provisioning costs, out of which: provisioning costs for other assets BAM 10.8 million, provisioning costs for securities BAM 1.3 million, release of provision for litigation BAM 1.9 million, release of off-balance sheet provisions BAM 7.4 million, release of provisions for cash and loans and receivables from banks BAM 1.6 million and impairment of property and equipment 0.9 million.



## Income and expenses structure for 2025



## Bank's assets and liabilities

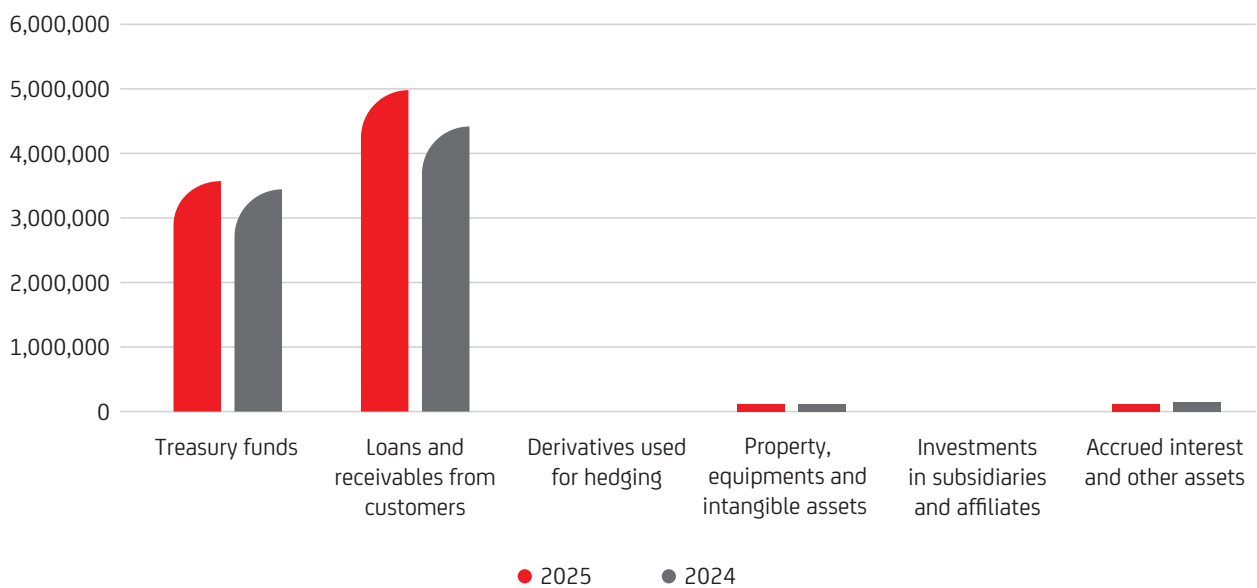
### Bank's assets

The Bank's assets as at 31 December 2025 amount to BAM

8,749.2 million and record an increase of BAM 680.6 million (8.4%) compared to the previous year. The significant growth of assets is mainly the result of the growth in assets loans, receivables from customers (+612,5 million

BAM / +14.1%) compared to the previous year and on the other side asset of Balance Sheet Management recorded an increase (+72,9 million BAM / +2,1%).

## Structure of Bank's assets – comparison to the previous year in BAM '000



## Overview of business operations of the Bank (continued)

### Assets managed by Balance Sheet Management

Assets of the Assets and Liabilities Management sector consist of: cash

and cash equivalents, required reserves and free funds with the Central Bank of Bosnia and Herzegovina, loans and receivables

from banks, and securities.

These assets account for 29.8% of the Bank's total assets, and amount to BAM 3,591.9 million.

The structure of these assets is as follows:

(in BAM '000)	31 December 2025	31 December 2024	Change
Cash and cash equivalents	1.123.698	1.435.663	(311.965)
Obligatory reserve with CBBH	711.940	662.789	49.151
Placements and loans to other banks	438.011	417.441	20.570
Financial assets at FVOCI	334.806	463.100	(128.294)
Financial assets at Amortized cost	983.396	539.972	443.424
	<b>3.591.851</b>	<b>3.518.965</b>	<b>72.886</b>

The Bank's liquidity was not endangered at any time, i.e. the Bank maintained liquidity significantly

above the required limits of the Banking Agency of the Federation of Bosnia and Herzegovina and the

Central Bank of Bosnia and Herzegovina throughout the year.

### Loans and receivables from clients

The structure of loans and receivables from Bank's clients is as follows:

(in BAM '000)	31 December 2025	31 December 2024	Change	Change %
<b>Gross loans</b>				
Corporate	2.201.322	1.923.347	277.975	14,5%
Retail	2.938.087	2.597.336	340.751	11,6%
<b>Total</b>	<b>5.139.409</b>	<b>4.520.683</b>	<b>618.726</b>	<b>13,7%</b>
<b>Impairment</b>				
Corporate	77.610	81.226	(3.616)	(4,5%)
Retail	94.500	84.666	9.834	11,6%
<b>Total</b>	<b>172.110</b>	<b>165.892</b>	<b>6.218</b>	<b>3,7%</b>
<b>Net loans</b>				
Corporate	2.123.712	1.842.121	281.591	15,3%
Retail	2.843.587	2.512.671	330.916	13,2%
<b>Total</b>	<b>4.967.299</b>	<b>4.354.792</b>	<b>612.507</b>	<b>14,1%</b>

Gross loans to customers, including receivables from financial lease recorded an increase of +618.7 million BAM (+13.7%) on an annual basis, and at the end of 2025 amount to 5,139.4 million BAM.

Gross loans to legal entities (including state and public institutions) at the end of 2025 amount to BAM 2,201.3 million and have increased for BAM 278.0 million

(14.5%). Their share in the total portfolio is 42.8%.

Gross loans to individuals at the end of 2025 amount to BAM 2,938.1 million and increased by 341.0 million (11.6%). Their share in the total portfolio is 57.2%.

In the entire portfolio of loans to individuals, the largest portion refers to long-term non-purpose loans

(65.1%), long-term housing loans (27.0%), and receivables based on current accounts (4.4%) and card loans (2.1%).

Long-term corporate loans participate with 69.6%, while short-term loans participate with 26.6% in total gross corporate loans.

Net loans to customers amount to BAM 4,967.3 million and recorded an

increase of BAM 612.5 million (14.1%) compared to the previous year and they account for 56.8% of

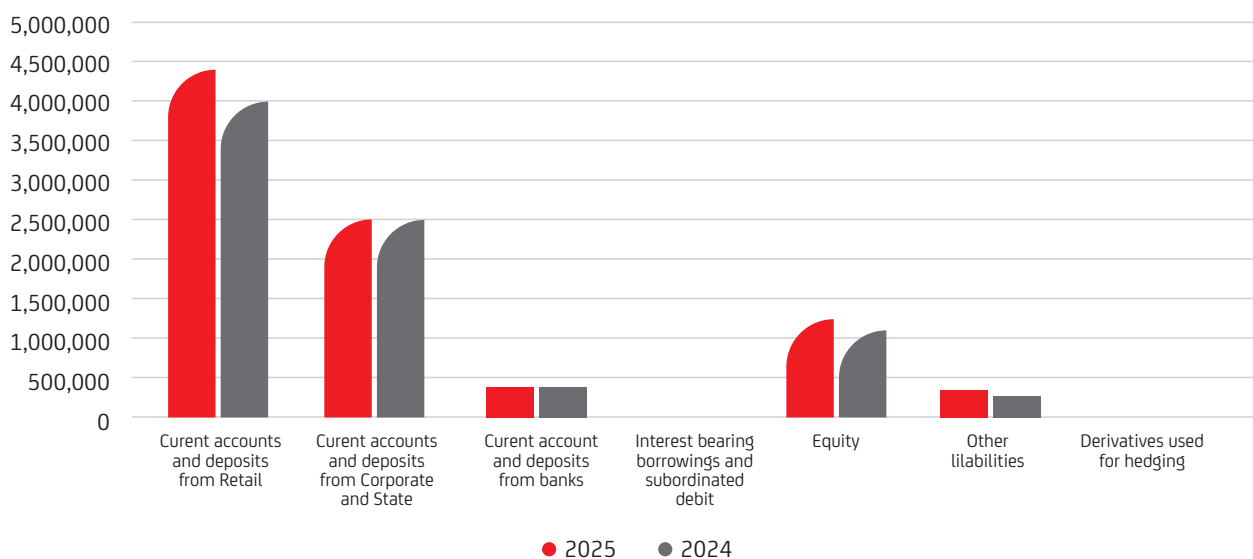
the Bank's total assets. The Bank is continuously focused on preserving the quality of the loan portfolio,

therefore non-performing loans are adequately monitored and covered by provisions.

## Bank's liabilities

### Liabilities, equity and reserves

#### Structure of Bank's liabilities, borrowings and current accounts, equity and reserves – comparison to the previous year in BAM '000



#### Current accounts and deposits from clients

Current accounts and customer deposits at the end of 2025 amount to BAM 6,915.7 million and are higher by BAM 480.1 million (7.5%) compared to the previous year. This position represents 79.0% of the Bank's total liabilities and equity and reserves.

Current accounts and deposits of legal entities (including state and public institutions) amount to BAM 2,519.8 million and are higher by BAM 50.7 million (2.1%) compared to the previous year. Their share in total current accounts and customer deposits is 36.4%.

Current accounts, savings and time deposits of citizens at the end of 2025 amount to BAM 4,395.9 million and are higher than in the previous year by BAM 429.4 million (+10.8%). Their share in total current accounts and customer deposits is 63.6%.

#### Current accounts and deposits with banks, and borrowings

Current accounts and bank deposits at the end of 2025 amounted to BAM 10.6 million, and are higher by BAM 1.8 million (20.5%) compared to the previous year.

Borrowings including Subordinated debt of the Bank at the end of 2025 amount to BAM 311.6 million and increased by BAM 39.5 million compared to the previous year mostly due to the withdrawal of Subordinated debt.

The loans taken are liabilities from EBRD, KfW, MREL and Subordinated debt.

#### Equity and reserves

The Bank's capital amounts to BAM 1,217.3 million, which is an increase of BAM 127.2 million compared to the end of the previous year.

In total sources of financing, capital

and reserves participate with 13.91%.

Capital adequacy ratio according to the methodology of the local regulator is 21.08%.

#### Key performance indicators

The ROE profitability ratio is 17.9% and the ROA is 2.7%.

The efficiency indicator (cost / revenue) is 39.5%.

The net loan-to-deposit ratio is 71.8% and continuously confirms the ability to maintain a high level of self-sustainability, i.e. loan financing through own sources.

Profitability per employee (gross operating profit per number of employees) amounts to BAM 213.0 thousand.

There were no significant events in period after financial date 31 December 2025, till signing of this Annual report.

## Overview of business operations of the Bank (continued)

### Bank's exposure to market, credit, liquidity risk and currency risk

#### Credit risk management

Credit risk management integrates the organizational structure of the Bank on the basis of accurately defined authorities and responsibilities among employees, the system of internal acts, internal controls, and methods of measurement, monitoring and credit risk management.

Credit risk is managed in accordance with the applicable programs and policies of the Bank and the regulatory requirements of the Federal Banking Agency.

Credit exposure to portfolios and individual clients / groups is regularly reviewed taking into account the set limits.

Any proposed significant increase in credit exposure is considered by the Risk Management prior to its approval as well as during the credit exposure monitoring phase and is approved at the appropriate decision-making level.

The Credit Committee is regularly informed of any significant changes in the quantity and quality of the portfolio, including the proposed impairment losses. Credit risk is continuously monitored and reported, facilitating early recognition of impairment in the loan portfolio.

The Bank has established a credit quality control process to enable early recognition of possible changes in the creditworthiness of other counterparties, including regular collateral audit.

In order to manage the level of credit risk, the Bank operates with good credit rating clients, and where appropriate, security instruments are taken.

Most credit risk exposures are secured by collateral in the form of cash, guarantees, mortgages and other forms of collateral.

#### Liquidity risk

Liquidity risk is the potential risk that the Bank will not be able to meet its obligations as scheduled, in full and without delay. It arises in the Bank's financing activities and assets and liabilities management. Adjusting its business with regard to liquidity risk is achieved through compliance with the relevant legislation, internal policies for maintenance of liquidity reserves, compliance of assets and liabilities, setting limits and planned liquidity indicators.

Balance Sheet Management manages liquidity reserves on a daily basis, to enable the funding of clients' needs and to ensure an optimum balance between continuity and flexibility of financing through use of sources with different maturities.

The Bank has access to a diverse funding sources including various types of retail and corporate and bank deposits, credit lines, subordinated debt, issued debt securities, share capital and reserves. The mentioned sources enable flexibility of funding sources, reduce dependence on one source of funding and generally ensure better management of funding costs.

Liquidity needs are planned every month for a period of three months and controlled and matched on a daily basis.

#### Market risk

Market risk is the risk of the impact of general and specific trends and changes in market variables on the value of positions, which results in an effect on the statement of profit or loss and other comprehensive income, and the report on the Bank's financial position.

The main market risk factors are considered to be:

- interest rate risk,
- credit spread risk, and
- currency risk.

The aim of market risk management at the Bank's level is to manage and

control exposure to market risks within the framework of acceptable parameter values in order to ensure the Bank's solvency, while at the same time optimizing the return for risk.

Risk management monitors the overall exposure to market risks using different risk measurement methodologies and techniques. In order to manage the risk, daily reports on market risk exposure were created, and limits for market risk exposure were defined. The existing limits are reviewed at least once a year. The process of changing the Bank's limit is coordinated by Zagrebačka banka. In addition to the development and implementation of market risk measurement techniques, the Bank constantly conducts activities to improve the quality of data and business processes.

#### Foreign currency risk

Foreign currency risk is the risk of losses caused by adverse exchange rate movements. Foreign currency exposure arises from credit, deposit-taking, and trading activities. It is monitored daily in accordance with regulations and internally set limits per certain foreign currencies, and in the total amount for all assets and liabilities denominated in foreign currencies or tied to foreign currencies.

Foreign currency risk management is performed in accordance with UniCredit Group standards by setting principles and limits for foreign currency exposures and by monitoring exposures against limits of open foreign currency positions stated in absolute values.

The Bank directs its business activities in order to minimise the gap between assets and liabilities denominated in foreign currency by aligning its positions with set limits.



Report

Economic Environment in BiH

Business description

**Financial Overview**

Management

Responsibility

Auditor's report

Statement

Notes

Appendix A

Appendix B

# Management and Corporate governance in 2025

Pursuant of the provisions of the Law on Banks, Companies Act, and the Statute of the Bank, managing bodies of the Bank are: General Meeting of Shareholders, Supervisory Board and Management Board.

## General Meeting of Shareholders

The General Meeting of Shareholders of the Bank is the highest body of the Bank. The General Meeting of Shareholders of the Bank consists of the Bank's shareholders.

The manner of work and decision-making of the General Meeting of Shareholders is regulated by the Rules of Procedure of General Meeting of Shareholders.

As at 31 December 2025, the Bank had 44 shareholders. The largest shareholder is Zagrebačka banka d.d. Zagreb, Croatia with 118,189 ordinary shares and 176 preference cumulative shares representing

99.3% of the Bank's share capital.

The share capital of the Bank is determined in the amount of BAM 119,195,000, and is divided into: 119,011 ordinary shares of series "A", with a nominal value of 1,000 BAM per share and 184 priority cumulative shares of series "D" with a nominal value of 1,000 BAM per share.

Ordinary Series "A" shares give the right to one vote in the General Meeting of Shareholders, the right to manage the Bank in the manner determined by the Statute, the right to participate in the Bank's profit in proportion to the nominal value of the share and other rights determined by the Statute and applicable regulations.

The priority cumulative share of series "D" gives the right of priority collection of dividends and a proportional part of the rest of the assets after liquidation or bankruptcy, with limited voting rights. Priority cumulative shares of series "D"

exercise the right to vote in cases and in the manner prescribed by the Companies Act when each priority cumulative share of series "D" gives the right to one vote.

## Supervisory Board

The Supervisory Board performs a supervisory function in the Bank, and supervises the Bank's operations and the work of the Management Board. The Supervisory Board is competent to decide on issues determined by the Law on Banks, other relevant regulations, Statute and other acts of the Bank. The Supervisory Board consists of 7 members, including one chairman, deputy chairman and at least 2 independent members, elected by the shareholders at the General Meeting of Shareholders for a term not exceeding 4 years.

The manner of work and decision-making of the Supervisory Board is regulated by the Rules of Procedure of the Supervisory Board of the Bank.

Members of the Supervisory Board of the Bank in 2025 and at December 31<sup>st</sup>, 2025 are:

1. Chairwoman	Jasna Mandac	Zagrebačka banka d.d.
2. Deputy Chairman	Helmut Franz Haller	UniCredit S.p.A
3. Member	Ivana Lonjak Dam, as of December 16th, 2025	Zagrebačka banka d.d.
4. Member	Tatjana Sučić, as of February 1st, 2025	Zagrebačka banka d.d.
5. Member	Damir Krcivoj	Zagrebačka banka d.d.
6. Member	Danimir Gulin	Independent member
7. Member	Dražena Gašpar	Independent member

Members of the Supervisory Board of the Bank in 2025 were: Pietro Campagna, till January 31<sup>th</sup>, 2025, and Tatjana Antolić Jasnić, till December 15<sup>th</sup>, 2025.

## Management Board

The Management Board organizes the work and manages the operations of the Bank.

The Management Board of the Bank consists of the President and

members of the Management Board in accordance with the Law on Banks, appointed by the Supervisory Board, with the previously obtained consent of the Banking Agency of the Federation of BiH. The term of office

of the President of the Management Board is 4 years.

The manner of work and decision-making of the Management Board is regulated by the Rules of Procedure of the Management Board of the Bank.

### Members of the Bank's Management Board in 2025 and at December 31<sup>st</sup>, 2025 are:

1. Chairwomen	Amina Mahmutović
2. Board Member for Retail	Dragan Čavar
3. Board Member for Corporate Banking	Almir Gredić
4. Board Member for Risk Management	Željka Zubčević
5. Board Member for Finance Management	Zvonimir Čolak
6. Board Member for Global Banking Support	Ornela Bandić
7. Board Member for People & Culture	Ronald Sudić

## Audit Committee

The Audit Committee provides expert assistance to the Bank's Supervisory Board in performing supervision over the Bank's

operations and the work of the Bank's Management Board. The Audit Committee has 3 or 5 members appointed by the Supervisory Board for a period of 4

years. The manner of work of the Audit Committee is regulated by the Rules of Procedure of the Audit Committee.

### Members of the Audit Committee of the Bank in 2025 and December 31<sup>st</sup>, 2025, are:

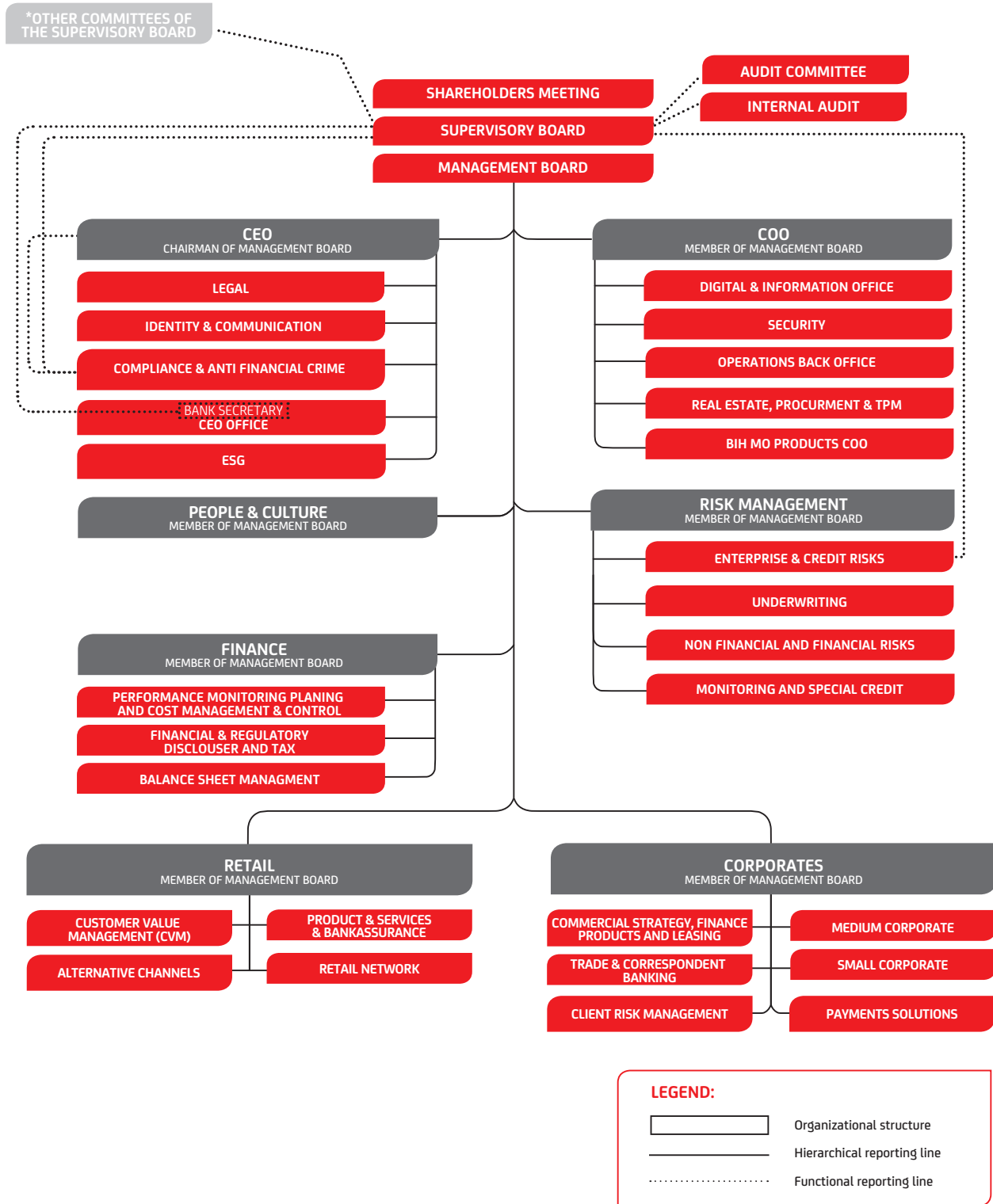
1. Mirjana Hladika (independent member), president
2. Ante Križan (Zagrebačka banka d.d.), member
3. Marijana Brcko (independent member), member

### Members appointed to the Audit Committee of UniCredit Bank d.d. for a four year term, starting from 19 January 2026, are as follows:

1. Marijana Brcko (independent member), president
2. Antoslava Roso Duhović, member
3. Anamarija Kontent, member

# Management and Corporate governance in 2025 (continued)

Bank's Organisational structure as of 31 December 2025 – division into key organizational units of the Bank:



\* Other Supervisory Board committees: Remuneration Committee, Risk Committee and Nomination Committee

\*\* In line with the Law on Banks, control functions in the Bank are: Internal Audit, Compliance and Strategic, Credit and Integrated risks

## Employees

As of December 31, 2025, the Bank has 1,130 employees.

People&Culture strategy focuses on continuous employee development and creating a positive work environment that fosters engagement and commitment to value creation. At the core of our approach is a culture that places integrity, accountability, and care at the heart of decision-making and everyday business practices.

These values shape how we act, make decisions, and conduct activities, ensuring long-term sustainable growth, opening new business opportunities, and driving innovation and creativity. This approach also enhances the work atmosphere, productivity, employee well-being, and engagement.

Employee experience and motivation are supported through various programs that promote diversity, inclusion, and equality, aiming to strengthen individual well-being and deliver long-term impact aligned with our business strategy. The Bank implements a policy of continuous learning and internal mobility, adapted to regulatory requirements, economic conditions, and technological innovations, to remain prepared for the dynamic and complex business environment.

Development programs focus on improving professional competencies, quality standards, and leadership skills. In addition to employee development plans, we implement initiatives that encourage active community engagement through our ESG strategy, strengthen a culture of accountability, and promote freedom of expression. We believe that by fostering gender equality and

inclusion at all organizational levels, we create value not only for our employees but also for our clients, shareholders, and society as a whole.

During 2025, we further strengthened two-way communication across all key human resources processes, ensuring that every employee has the space to express their opinions, needs and expectations. Through targeted surveys and structured interviews with colleagues, we gathered valuable insights into the understanding and experience of key processes, including career aspirations, reward policies and salary models. Thus, through the career aspirations process, once a year, each employee fills in whether they are interested in a career change within the bank or want to continue developing in their current position, and the information collected is used as a basis for internal recruitment in accordance with open positions.

This year, we further emphasized the importance of our organizational values, which are integrated into all activities. Special focus was placed on strengthening the culture of taking responsibility, both at the individual and team level, thus creating the foundations for an even more proactive and efficient work environment.

Development activities and investments in people remained a strategic priority in which we continued to invest. Special emphasis was placed on the further improvement of managerial skills in managing people, with the aim of empowering leaders in the daily management of teams. In parallel, a significant focus was placed on the Academy for Retail and Corporate Banking, aimed at developing the skills of employees who work in direct contact with clients. This

ensures a consistently high standard of service and strengthens competencies that directly contribute to the quality of the user experience.

## Rewarding employee performance

The Bank's remuneration and incentive strategy is aligned with its business strategy, long-term objectives, and the values of the UniCredit Group, ensuring sustainability and responsible risk management. The reward system is based on clear and transparent criteria that link financial incentives to achieved results and behavior consistent with corporate values.

Employee rewarding is structured across three levels: individual employee performance, performance of the organizational unit and performance of the UniCredit Group.

Specific rules apply to senior management whose professional activities have a significant impact on the Bank's risk profile. Their annual bonuses are paid in installments over several years, in both cash and financial instruments, supporting the long-term sustainable development and strategic objectives of the Bank and the Group.

The reward system is continuously reviewed and improved to remain competitive, fair, and compliant with local and European regulatory requirements. This ensures appropriate and effective risk management and prevents risk-taking beyond acceptable levels. The objective of the remuneration policy is to create a work environment that fosters individual potential, attracts and retains highly qualified professionals, and rewards excellence and responsible behavior.

## Top shareholders

As at 31 December 2025, the Bank had the following shareholder structure:

Shareholders	% Participation of all owned shares	Amount of equity in BAM '000
1 Zagrebačka banka d.d., Zagreb, Croatia	99,30%	118.365
2 Other shareholders	0,70%	830
<b>TOTAL</b>	<b>100,00%</b>	<b>119.195</b>

## Responsibility for the financial statements

The Management Board is responsible for ensuring that financial statements are prepared for each financial period in accordance with the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina, which give a true and fair view of the state of affairs and results of UniCredit Bank d.d. Mostar (the "Bank") for that period.

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

In preparing these financial statements, the responsibilities of the Management Board 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 financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Management Board 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 financial statements comply with the Accounting and Auditing Law in the Federation of Bosnia and Herzegovina. Moreover, the Management Board 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.

Signed on behalf of the Management Board

 <hr style="width: 100%; border: 0.5px solid black;"/> <p><b>President of the Board</b> Amina Mahmutović</p>		 <hr style="width: 100%; border: 0.5px solid black;"/> <p><b>Member of the Board for Finance Management</b> Zvonimir Čolak</p>
--	---	---

UniCredit Bank d.d.  
Kardinala Stepinca b.b.  
88000 Mostar  
Bosnia and Herzegovina

11 February 2026

## To the shareholders of UniCredit Bank d.d. Mostar

### Opinion

We have audited the financial statements of UniCredit Bank d.d. Mostar ("the Bank"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with the statutory accounting requirements applicable to banks in the Federation of Bosnia and Herzegovina.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Federation of Bosnia and Herzegovina. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

### Impairment of loans and receivables from customers

As at 31 December 2025, gross loans and receivables to customers: BAM 5,139 million, related impairment allowance: BAM 172 million and, for the year then ended, impairment losses recognised in the statement of profit or loss and other comprehensive income: BAM 11.0 million (31 December 2024: gross loans and receivables: BAM 4,521 million, related impairment allowance: BAM 166 million and, for the year then ended impairment losses recognised in the statement of profit or loss and other comprehensive income: BAM 18.3 million).

Refer to Summary of material accounting policies, Note 4 Critical accounting judgements and key sources of estimation uncertainty, Note 19 Loans and receivables from clients at amortised cost, and Note 39.1 Credit risk.

## To the shareholders of UniCredit Bank d.d. Mostar (continued)

Key audit matter	How our audit addressed the matter
<p>Impairment allowances represent Management Board's best estimate of the expected credit losses ("ECLs") within loans and receivables from customers (collectively, "loans", "exposures") at the reporting date. We focused on this area as the measurement of impairment allowances requires the Management Board to make complex and subjective judgements and assumptions.</p> <p>The Bank calculates allowances for credit losses in accordance with the requirements of the Banking Agency of the Federation of Bosnia and Herzegovina ("FBA"), which combines the requirements of IFRS 9 "Financial Instruments" with the FBA-prescribed minimum requirements for provisioning.</p> <p>The impairment allowances for performing exposures (Stage 1 and Stage 2 in the framework's hierarchy) and non-performing (Stage 3) exposures below BAM 150 thousand individually are determined by modelling techniques relying on key parameters such as the probability of default (PD), exposure at default (EAD) and loss given default (LGD), taking into account historical experience, identification of exposures with a significant deterioration in credit quality and forward-looking information, as well as specific rules of the FBA regarding various minimum provisioning requirements (together "collective impairment allowance").</p> <p>Expected credit losses for individually significant Stage 3 (non-performing) exposures (equal to or above BAM 150 thousand) are determined on an individual basis by means of a discounted cash flows analysis. The process involves subjectivity and reliance on a number of significant assumptions, including those in respect of the expected proceeds from the realization of the related collateral and the minimum period for collateral disposal, as well as the FBA's specific minimum provisioning requirements.</p> <p>In the wake of the above factors, including the significantly higher estimation uncertainty stemming from the current volatile economic outlook and slowing economic growth as well as elevated inflationary pressures, we considered impairment of loans and receivables to be associated with a significant risk of material misstatement in the financial statements, which required our increased attention in the audit.</p>	<p>Our audit procedures in this area, performed, where applicable, with the assistance of our own financial risk management (FRM) and information technology (IT) specialists included, among others:</p> <ul style="list-style-type: none"> <li>• Inspecting the Bank's ECL methods and assessing their compliance with the relevant requirements of the regulatory and financial reporting frameworks. As part of the above, we identified the relevant models, assumptions and sources of data, and assessed whether such models, assumptions, data and their application are appropriate in the context of the said requirements. We also challenged the Management Board on whether the level of the methodology's sophistication is appropriate based on an assessment of the entity-level factors;</li> <li>• Making relevant inquiries of the Bank's risk management and IT personnel in order to obtain an understanding of the provisioning process, IT applications used therein, key data sources and assumptions used in the ECL model. Also, assessing and testing of the Bank's IT control environment for data security and access;</li> <li>• Testing the design, implementation and operating effectiveness of selected controls over the approval, recording and monitoring of loans, including those relating to the identification of significant increase in credit risk, loss events and default, appropriateness of the classification of exposures into performing and non-performing, calculation of days past due, collateral valuations and calculation of the impairment allowances.</li> <li>• For loss allowances calculated on a collective basis:             <ul style="list-style-type: none"> <li>» Challenging the key risk parameters (PD, EAD and LGD) applied in the collective ECL model, by reference to the Bank's data on historical defaults and realized losses on those defaults, and also considering any required adjustments to reflect expected changes in circumstances;</li> <li>» Obtaining the relevant forward-looking information and macroeconomic projections used in the Bank's ECL assessment. Independently assessing the information by means of corroborating inquiries of the Management Board and inspecting publicly available information;</li> <li>» Evaluating key overlays to the ECL model used by</li> </ul> </li> </ul>

## Key audit matter

## How our audit addressed the matter

Accordingly, we considered this area to be our key audit matter.

the Bank, by applying our knowledge of the industry and our understanding of the macro-economic situation;

- For impairment allowances calculated individually:
  - » For a sample of exposures, taking into account customer's business, market conditions and debt service, critically assessing, by reference to the underlying documentation (loan files) and through discussion with the loan officers and credit risk management personnel, the existence of any triggers for classification to Stage 2 or Stage 3;
- For loan exposures in totality:
  - » Assessing the adequacy of the recognized ECLs against the various minimum provisioning requirements prescribed by the FBA;
  - » Critically assessing the overall reasonableness of the impairment allowances, including both the share of the gross non-performing exposures in total gross exposure and the non-performing loans provision coverage.
  - » Examining whether the Bank's loan impairment and credit risk-related disclosures in the financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.

## To the shareholders of UniCredit Bank d.d. Mostar (continued)

### Other Information

Management is responsible for the other information. The other information comprises Management report included in the Annual Report of the Bank, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

With regard to the Management Report, we have also performed procedures prescribed by the applicable legal requirements and we report that the information given in the Management Report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the financial statements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the statutory accounting requirements applicable to banks in the Federation of Bosnia and Herzegovina, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

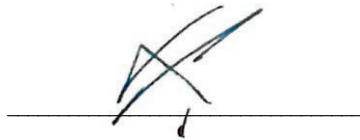
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is Vedran Vukotić.

**KPMG B-H d.o.o. za reviziju**

Registered Auditors  
Zmaja od Bosne 7-7a  
Sarajevo, Bosnia and Herzegovina



11 February 2026

## Statement of profit or loss and other comprehensive income For the year ended 31 December

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	2025.	2024
Interest income calculated using the effective interest method	6	267,690	247,185
Other interest income	6	182	5,939
Interest expense	7	(20,356)	(15,420)
<b>Net interest income</b>		<b>247,516</b>	<b>237,704</b>
Fee and commission income	8	125,597	123,340
Fee and commission expenses	9	(7,375)	(6,902)
<b>Net fee and commission income</b>		<b>118,222</b>	<b>116,438</b>
Net gains from foreign exchange trading and translation of monetary assets and liabilities	10	20,676	20,374
Other income	11	11,337	10,301
<b>Operating income</b>		<b>397,751</b>	<b>384,817</b>
Depreciation and amortization	25, 26, 27	(15,668)	(16,374)
Operating expenses	12	(141,440)	(134,739)
<b>Profit before impairment losses and in-come tax</b>		<b>240,643</b>	<b>233,704</b>
Impairment losses on financial instruments	13	(14,227)	(28,428)
Other net impairment losses and provisions	14	2,892	(911)
<b>Profit before taxation</b>		<b>229,308</b>	<b>204,365</b>
Income tax expense	15	(22,479)	(18,996)
<b>NET PROFIT</b>		<b>206,829</b>	<b>185,369</b>

# Statement of profit or loss and other comprehensive income

## For the year ended 31 December

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	2025	2024
<b>Profit for the year</b>		<b>206,829</b>	<b>185,369</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Gross change in fair value of financial assets at fair value through other comprehensive income – debt instruments		13,723	26,320
Deferred taxes	15	(1,372)	(2,632)
Changes in impairment of financial assets at fair value through other comprehensive income – debt instruments	20	(519)	(2,148)
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair value of property and equipment	25	1,390	1,435
Deferred tax on changes in fair value of property and equipment	15	(117)	(144)
Change in fair value per actuarial gain/loss	33	(62)	(218)
Deferred tax on rev. reserves per actuarial gain/loss	15	6	22
<b>Total other comprehensive income</b>		<b>13,049</b>	<b>22,636</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>219,878</b>	<b>208,005</b>
Basic and diluted earnings per share (BAM)	35	1,737.90	1,557.58

The accompanying notes form an integral part of these financial statements.

## Statement of financial position as at 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents	16	1,123,698	1,435,663
Obligatory reserve at the CBBH	17	711,940	662,789
Loans and receivables from banks at amortized cost	18	438,011	417,441
Loans and receivables from clients at amortized cost	19	4,967,299	4,354,792
Financial assets at fair value through other comprehensive income	20	334,806	463,100
Financial assets at fair value through profit or loss	21a	2,190	2,026
Hedging derivatives	21b	2,065	5,234
Financial assets at amortized cost	22	983,397	539,972
Investments in subsidiaries and affiliates	24	612	612
Other assets and receivables	23	84,913	85,877
Deferred tax assets	15	3,194	4,853
Property and equipment	25	76,211	72,774
Right of use assets	26	7,939	7,324
Intangible assets	27	12,967	16,217
<b>TOTAL ASSETS</b>		<b>8,749,242</b>	<b>8,068,674</b>
<b>LIABILITIES</b>			
Current accounts and deposits from banks at amortized cost	28	10,618	8,814
Current accounts and deposits from clients at amortized cost	29	6,915,681	6,435,562
Financial liabilities at fair value through profit or loss	21a	70	9
Borrowings	30a	266,316	272,036
Subordinated debt	30b	45,258	-
Hedging derivatives	21b	10,727	16,007
Other liabilities	31	241,886	193,276
Lease liabilities	32	8,122	7,408
Provisions for liabilities and charges	33	30,386	42,254
Current tax liability	15	2,836	3,160
<b>TOTAL LIABILITIES</b>		<b>7,531,900</b>	<b>6,978,526</b>
<b>EQUITY</b>			
Share capital	34	119,195	119,195
Share premium		48,354	48,354
Fair value reserve for financial assets		(13,050)	(24,882)
Fair value reserve for actuarial gain/loss		(815)	(759)
Revaluation reserve for property and equipment		10,068	9,014
Retained earnings		1,053,590	939,226
<b>TOTAL EQUITY</b>		<b>1,217,342</b>	<b>1,090,148</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,749,242</b>	<b>8,068,674</b>

The accompanying notes form an integral part of these financial statements.

# Statement of cash flows for the year ended 31 December

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	2025	2024
<b>Cash flow from operating activities</b>		
Interest received	275,247	266,143
Fee and commission received	124,899	123,041
Interest paid	(20,388)	(15,289)
Fee and commission paid	(7,375)	(6,902)
Operating expenses paid	(136,788)	(127,761)
Net proceeds from trading activities	20,676	20,374
Other proceeds	11,004	10,293
<b>Net cash from operating activities before changes in operating assets and liabilities</b>	<b>267,275</b>	<b>269,899</b>
<b>(Increase) / decrease in operating assets:</b>		
Obligatory reserve with Central Bank of BH	(48,867)	(64,005)
Loans and receivables from banks at amortized cost	(21,478)	77,855
Loans and receivables from clients and finance lease at amortized cost	(622,242)	(595,535)
Other assets	(9,883)	2,150
<b>Net increase in operating assets</b>	<b>(702,470)</b>	<b>(579,535)</b>
<b>Increase / (decrease) in operating liabilities:</b>		
Current accounts and deposits in banks	1,804	(1,376)
Current accounts and deposits from clients	480,119	448,326
Other liabilities	35,221	(5,118)
<b>Net increase in operating liabilities</b>	<b>517,144</b>	<b>441,832</b>
<b>Net increase in cash from operating activities before corporate income tax</b>	<b>81,949</b>	<b>132,196</b>
Corporate income tax paid	(22,627)	(22,212)
<b>Net cash from operating activities</b>	<b>59,322</b>	<b>109,984</b>
<b>Cash flow from investing activities</b>		
Acquisition of property and equipment	(7,341)	(10,360)
Proceeds from sale of property and equipment	475	2,786
Acquisition of intangible assets	(2,899)	(3,258)
Proceeds from the maturity and sale of financial assets at FVOCI	172,003	66,720
Acquisition of financial assets at FVOCI and amortized cost	(469,164)	(204,262)
<b>Net cash used in investing activities</b>	<b>(306,926)</b>	<b>(148,374)</b>

## Statement of cash flows for the year ended 31 December

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	2025	2024
<b>Cash flows from financing activities</b>		
Dividend paid	(92,684)	-
Repayment of long-term lease	(4,280)	(3,979)
Receipts from interest-bearing borrowings	44,984	260,824
Repayment of interest-bearing borrowings	(5,624)	(5,867)
<b>Net cash from / (used in) financing activities</b>	<b>(57,604)</b>	<b>250,977</b>
<b>Net cash inflow / (outflow)</b>	<b>(305,208)</b>	<b>212,587</b>
Effect of foreign exchange rate fluctuations on cash and cash equivalents	(8,083)	3,828
Net increase / (decrease) in cash and cash equivalents	(313,291)	216,415
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,438,819</b>	<b>1,222,404</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,125,528</b>	<b>1,438,819</b>

The accompanying notes form an integral part of these financial statements.

# Statement of changes in equity for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Bank	Share capital	Share premium	Fair value reserve for financial assets	Fair value reserve at actuarial gain / (loss)	Revaluation reserve for property and equipment	Retained earnings	Total
Balance as at 31 December 2023	119,195	48,354	(46,422)	(563)	7,723	753,471	881,758
Total comprehensive income	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	185,369	185,369
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Impairment of financial assets at fair value through other comprehensive income (Note 20)	-	-	(2,148)	-	-	-	(2,148)
Change in financial assets at fair value through other comprehensive income	-	-	26,320	-	-	-	26,320
Deferred tax on financial assets at fair value through other comprehensive income (Note 15)	-	-	(2,632)	-	-	-	(2,632)
<b>Items that will not be reclassified to profit or loss</b>							
Changes in fair value of property and equipment	-	-	-	-	1,435	-	1,435
Deferred tax on changes in fair value of property and equipment	-	-	-	-	(144)	-	(144)
Change in fair value at actuarial gain / loss	-	-	-	(218)	-	-	(218)
Deferred tax per rev. reserves for actuarial profit / loss (Note 15)	-	-	-	22	-	-	22
Other comprehensive income	-	-	21,540	(196)	1,292	-	22,636
Other	-	-	-	-	-	386	386
Balance as at 31 December 2024	119,195	48,354	(24,882)	(759)	9,014	939,226	1,090,148
Total comprehensive income	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	206,829	206,829
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Impairment of financial assets at fair value through other comprehensive income (Note 20)	-	-	(519)	-	-	-	(519)
Change in financial assets at fair value through other comprehensive income	-	-	13,723	-	-	-	13,723
Deferred tax on financial assets at fair value through other comprehensive income (Note 15)	-	-	(1,372)	-	-	-	(1,372)
<b>Items that will not be reclassified to profit or loss</b>							
Changes in fair value of property and equipment	-	-	-	-	1,390	-	1,390
Deferred tax on changes in fair value of property and equipment	-	-	-	-	(117)	-	(117)
Change in fair value at actuarial gain / loss	-	-	-	(62)	-	-	(62)
Deferred tax per rev. reserves for actuarial profit / loss (Note 15)	-	-	-	6	-	-	6
Other comprehensive income	-	-	11,832	(56)	1,273	-	13,049
Transfer to retained earnings	-	-	-	-	(219)	219	-
Dividends paid for the year	-	-	-	-	-	(92,684)	(92,684)
Balance as at 31 December 2025	119,195	48,354	(13,050)	(815)	10,068	1,053,590	1,217,342

The accompanying notes form an integral part of these financial statements

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 1. REPORTING ENTITY

UniCredit Bank d.d. (in the following text: the Bank) is a joint stock company incorporated and headquartered in Bosnia and Herzegovina. The registered office is at Kardinala Stepinca bb, Mostar. The Bank provides a full range of services including retail and corporate banking, treasury operations, and finance lease operations. The Bank is a member of Zagrebačka banka Group (Zagrebačka banka d.d., a bank headquartered in Zagreb, Republic of Croatia, is its immediate parent company) and UniCredit Group. The ultimate parent company is UniCredit Bank S.p.A., a bank headquartered in Milan, Italy.

In February 2023, the Bank founded the fund management company UniCredit Invest BH with the stake in the amount of 612 thousand BAM (51% ownership). Due to the immateriality of the subsidiary from the perspective of UniCredit Bank d.d. Mostar, the Bank did not prepare consolidated financial statements.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina ("FBiH") which are based on the FBiH Law on Accounting and Auditing, the FBiH Banking Law and bylaws of the Banking Agency of the Federation of Bosnia and Herzegovina ("Agency" or "FBA") adopted on the basis of the mentioned laws.

The FBiH Law on Accounting and Auditing prescribes the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS").

The Law on Banks of the FBiH prescribes the preparation of annual financial statements in accordance with the aforementioned Law on Accounting and Auditing of the FBiH, this law, and bylaws adopted on the basis of both laws.

The Agency adopted the Decision on Credit Risk Management and Determination of Expected Credit Losses (the "Decision"), applicable from 1 January 2020, and which resulted in certain differences resulting from the calculation of impairment for credit losses due to the application of minimum rates prescribed by the Decision, which are not required by IFRS 9: "Financial Instruments" ("IFRS 9"). The Decision also has an impact on the valuation of non-financial assets arising from credit operations (acquired tangible assets whose valuation is within the scope of other relevant IFRSs) and some other receivables (VAT prepayments).

In accordance with the provisions of the Decision, the Bank created higher allowances for credit losses in the amount of BAM 10,394 thousand (31 December 2024: BAM 29,293 thousand) compared to the amount calculated by using the Bank's internal model in line with the requirements of IFRS 9. This difference was due to the following reasons:

- application of minimum impairment rates stipulated by the Article 23 of the Decision for exposures in the level of credit risk 1 (Stage 1) - difference in the amount of BAM 7,932 thousand (2024: BAM 6,480 thousand)
- application of minimum impairment rates stipulated by the Article 24 of the Decision for exposures in the level of credit risk 2 (Stage 2) - difference in the amount of BAM 2,334 thousand (2024: BAM 4,592 thousand),
- application of minimum impairment rates stipulated by the Article 25 of the Decision for exposures in the level of credit risk 3 (non-performing assets; Stage 3) - difference in the amount of BAM 85 thousand (2024: BAM 50 thousand) of which BAM 67 thousand (2024: BAM 32 thousand) relates to exposures covered by eligible collateral,
- application of minimum impairment rates stipulated by the Article 26 of the Decision for trade receivables, receivables based on factoring and financial leasing and other receivables - the difference in the amount of BAM 29,282 thousand (2024: BAM 18,171 thousand) of which the amount of BAM 29,036 thousand (2024: 17,986 thousand BAM) relates to VAT payments.

In accordance with Article 32 of the Decision, the Bank represented lower value of repossessed assets by BAM - thousand (2024: BAM 627 thousand) compared to the value of those assets that would be measured in accordance with IFRS.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

The table below presents the effects of the previously described difference between the statutory accounting regulations applicable to banks in the FBiH and the requirements for recognition and measurement under International Financial Reporting Standards:

	31 December 2025	31 December 2024
<b>Assets</b>	(36,008)	(25,268)
<b>Liabilities</b>	834	1,499
<b>Equity</b>	(36,842)	(26,767)

The effects of differences between impairment calculated in accordance with IFRS requirements and recognized in accordance with FBA rules in the Statement of Profit or Loss for 2025 amount to BAM 10,244 thousand (2024: BAM 17,155 thousand).

The decision prescribes rules in the local regulation for "Accounting write-offs" under which the Bank is required to make an accounting write-off of balance sheet exposures two years after the bank has recorded the expected credit losses in the amount of 100% of its gross book value and declared them fully due.

Where accounting policies are consistent with International Financial Reporting Standards, there is a link in these financial statements to the relevant IFRSs.

These financial statements were authorized by the Management Board as at 11 February 2026, for submission to the Supervisory Board.

### 2.2 Subsidiaries

Subsidiaries are entities controlled by the Bank. The Bank controls an entity if it is exposed or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the Bank's separate financial statements, investments in subsidiaries that relate to investment funds are classified at fair value through profit and loss while all other investments are accounted for at cost less any impairment. The Bank assesses whether the investment funds it manages through its asset management subsidiary are controlled and hence shall be consolidated. This assessment has been made on the basis that power over such investment funds is generally conferred based on the contractual arrangements appointing a Bank subsidiary as fund manager without any substantive removal rights by fund's investors. The Bank makes the conclusive judgment whether its exposure to variable returns from such own-managed funds is considered significant. Investments in subsidiaries are fully consolidated in the consolidated financial statements, while investments in associated companies are accounted for using the equity method.

### 2.3 Going concern

These financial statements have been prepared on the going concern basis, which assumes continuity of Bank's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### 2.4 Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss and debt securities which are stated at fair value and fair value of property and equipment.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for measurement that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.4 Basis of presentation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date;
- Level 2 inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are presented in Convertible marks since that are the functional currency of the Bank. The Convertible mark (BAM) is officially tied to the Euro (EUR 1 = BAM 1.95583).

The preparation of financial statements in compliance with the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina requires Management to make estimates and assumptions that affect the application of accounting policies and disclosed assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

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

Information on amounts where significant uncertainty exists in their estimate and critical judgments in applying accounting policies that have the most significant impact on the amounts disclosed in these financial statements are disclosed in Note 4.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 2.5 Interest income and expense

Interest income and expense are recognised in the statement profit or loss and other comprehensive income for the accounting period to which they refer to using effective interest rate for all interest-bearing instruments, including those accrued at amortized cost at FVTPL, i.e. accrued at FVOCI. The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and allocating interest income or expenses during the corresponding period. Effective interest rate is the rate that discounts estimated future cash flows (including all paid or received transaction costs, fees and points that form an integral part of the effective interest rate) through the expected life of the financial asset / liability, or, where appropriate, a shorter period to the gross book value of the financial asset or to the amortized cost of the financial liability. The calculation of the effective interest rate includes all fees and percentage points paid or received between the contracting parties that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. These income and expenses are reported in the statement of profit or loss as interest income or interest expense and similar expenses.

Interest income and expense also includes fees and commission income and expense relating to loans and receivables from customers and banks, borrowings, finance leases, subordinated debt and debt securities issued, premium or discount amortization, as well as other differences between initial carrying amount of the interest-bearing financial instrument and its value at maturity, which are recognized using the effective interest rate method.

Interest income will be calculated using the effective interest method. This will be calculated by applying the effective interest rate to the gross carrying amount of financial assets except for:

- purchased or originated credit-impaired financial assets. For such financial asset, the Bank applies an effective interest rate adjusted for credit risk to the amortized cost of financial assets from initial recognition.
- financial assets that are neither purchased nor originated credit-impaired financial assets but subsequently become credit-impaired financial assets. For such financial assets, the Bank applies the effective interest rate in the following reporting periods to the amortized cost of financial assets.

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

If, in the reporting period, interest income is calculated using the effective interest method at amortized cost of financial assets in accordance with the aforementioned, in the future reporting periods, the interest income is calculated by applying the effective interest rate to the gross carrying amount if the credit risk of the financial instrument is improved so that the value financial assets no longer diminishes for credit losses, whereby improvement can be objectively linked to an event that has arisen following the application of the above (such as improving the credit rating of the borrower).

POCI (Purchased or originated credit impaired assets) financial assets are assets that, upon initial recognition, are determined to be offset by credit losses due to the existence of significant credit risk. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

## 2.6 Fee and commission income and expense

Fees and commissions that are an integral part of effective interest rates on financial assets and financial liabilities are included in effective interest rate, i.e. in interest income and interest expense.

Bank's fee and commission income includes fees and commissions for services of the local and international payment transactions, credit operations, card transactions, issuance of bank guarantees, letters of credit and letters of comfort, loans, asset management, agent, arrangement and sponsor fees at capital market, custody business, consulting and other services provided by the Bank to corporate and retail clients.

Other fee and commission expense, mainly service and transaction fees, are recognised as an expense upon incurrance of services.

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognizes revenue when it transfers controls over a service to a customer. The table below shows the nature and timing of the satisfaction of performance obligation, including significant payment terms and related revenue recognition policies.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.6 Fee and commission income and expense (continued)

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies under IFRS 15
Retail and corporate banking service	<p>The Bank provides banking services to individuals and legal entities, including account management, foreign exchange transactions, domestic payment transactions, credit card fees and servicing fees. Fees for current account management are charged to the user's account on a monthly basis. Transaction-based fees for conversion, foreign currency transactions and overdrafts are charged to the customer's account when the transaction is completed. Fees for card memberships are charged from the client's account at the time of maturity, but are deferred for one year, while other fees for card transactions are charged when the transaction takes place.</p>	<p>Revenue from account management services and servicing fees are recognized in income at the end of the month when they are collected.</p> <p>Revenue related to transactions is recognised at the point in time when the transaction takes place.</p>
Custody services	<p>The bank offers securities custody services (safeguarding of securities and settlement of custody transactions) on the FBiH, RS and developed markets (through sub-custodial banks of Group members).</p> <p>Fees are invoiced to clients at the end of the month and consist of a fee for custody of bonds and a fee for settled custodial transactions. In addition, the bank has a license to perform depository bank services in the FBiH issue. The agreed fee of the depository bank is invoiced to the client upon completion of the securities issue.</p>	<p>Revenue from administrative services is recognised at the point in time when the service takes place.</p> <p>Revenue related to transactions is recognised at the point in time when the transaction takes place.</p>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2.7 Leases

A lease where the Bank, as lessor, transfers all essential risks and benefits related to the ownership of assets to the lessee, is classified as finance lease. All other lease forms are classified as operating lease.

#### Finance lease

The amount owed by lessees under finance lease are recorded as receivables in the amount of Bank net investment in leases equal to the present value of expected lease collections. The difference between the gross finance lease receivable and present value of future collections per finance lease receivable represents unearned financial income. Initial direct costs incurred in negotiating and arranging a finance lease are added to the carrying amount of the leased asset and reduce the amount of income over the lease term.

### 2.8 Employee benefits

On behalf of its employees, the Bank pay personal income tax and contributions for pension, disability, health and unemployment insurance, on and from salaries, which are calculated as per the set legal rates during the course of the year on the gross salary. The Bank pay the tax and contributions in the favour of the pension and health funds of the Federation of Bosnia and Herzegovina (on federal and cantonal level) and Republic of Srpska.

In addition, transport allowances, meal allowances and vacation bonuses are paid in accordance with the local legislation. These expenses are recognised in the statement of profit or loss and comprehensive income in the period in which the salary expense is incurred.

#### 2.8.1 Long-term employee awards

Participants for each cycle of the so-called "Long-term Incentive Plan" are defined based on criteria related to their contribution to the Bank's long-term sustainable profitability. The estimated amount is recognized as personnel costs in profit or loss as earned by participants.

#### 2.8.2 Other employee benefits

Obligations based on other long-term employee benefits, such as jubilee awards and legal severance pay, are reported in the net amount of the present value of the obligation for defined benefits on the reporting date. The projected credit unit method is used to calculate the present value of the liability. Corresponding revaluation gains or losses are recognized immediately in the statement of profit or loss, except for actuarial gains and losses on revaluation of defined benefit obligations that are recognized in the statement of other comprehensive income as items that will not be transferred to profit or loss in subsequent periods.

#### Severance pay

Severance pay in the case of early termination of employment is recognized as an expense when there is evidence that the Bank has committed, without a realistic possibility of withdrawal, to the implementation of a detailed formal plan that implies either termination of the employment relationship before the normal retirement date or the payment of severance pay based on an offer given as an incentive for voluntary leaving the workplace. Severance pay for voluntary resignation is recognized if the Bank has made an offer for voluntary resignation, if there is a probability that the offer will be accepted, and the number of accepted offers can be reliably estimated. If severance payments are due for payment more than 12 months after the date of drawing up the financial statements, they are discounted to their present value.

#### Short-term employee benefits

Obligations based on the system of short-term remuneration of employees are reported on a non-discounted basis, and are recognized as an expense at the time of rendering the corresponding service. The liability is recognized in the amount that is expected to be paid based on the short-term cash bonus payment system or profit sharing, when the Bank has a present derivative obligation to pay that amount as compensation for the service that the employee performed in the past, and this obligation can be reliably estimate. Employees' rights to annual leave are recognized at the time of their creation. The recorded reservation for the estimated vacation obligation results from the services provided by the employees up to the reporting date.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.9 Foreign currency transactions

Transactions in foreign currencies are translated into BAM at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into BAM at the reporting date at the foreign exchange rate valid at that date.

Foreign exchange differences arising on translation are recognised in the statement of profit or loss, except in case of differences arising on non-monetary financial assets at FVOCI, which are recognised in other comprehensive income. Non-monetary assets and liabilities in foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated at the reporting date.

The Bank value their assets and liabilities by middle rate of Central Bank of Bosnia and Herzegovina ("CBBH") valid at the reporting period date, which is approximate to market rates. The exchange rates set forth by CBBH and used in the preparation of the Bank statement of financial position at the reporting dates were as follows:

31 December 2025	1 EUR = 1.95583 BAM	1 USD = 1.663545 BAM
31 December 2024	1 EUR = 1.95583 BAM	1 USD = 1.872683 BAM

#### 2.10 Cash and cash equivalents

For the purpose of preparation of the cash flow statement and statement of financial position, cash and cash equivalents comprise cash in hand, items in the course of collection and current accounts.

Cash and cash equivalents exclude the compulsory minimum reserve with CBBH as these funds are not available for the Bank's day to day operations. The compulsory minimum reserve with CBBH is a required reserve to be held by all commercial banks licensed in Bosnia and Herzegovina.

#### 2.11 Financial instruments

Financial assets and financial liabilities are recognised when the Bank become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value increased for transaction costs that are directly attributable to the acquisition or issue except for financial assets and financial liabilities at fair value through profit and loss.

Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss and other comprehensive income.

##### 2.11.1 Financial assets

With regard to the rules for the classification of financial instruments, IFRS 9 contains three major categories of measurement for financial assets:

- Amortized cost (AC)
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL).

How financial assets are classified and measured depends on two grades:

- Bank's Business Model (BM) for financial assets management; and
- Contractual characteristics of financial assets cash flow (SPPI test).

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

According to IFRS 9, the business model of the Bank refers to the Bank managing its financial assets in order to generate cash flow. That is, the business model of the Bank determines whether cash flows will result in the payment of contractual cash flows, or assets managed to collect contracted cash flows and the sale of financial assets.

Therefore, business models can be classified as:

- Hold to collect till maturity (Hold)
- Both, hold till maturity and available for sale (Hold & Sell)
- Other business models (Other/residual)

The assessment of the characteristics of cash flows aims to identify whether the contractual cash flows are "solely payment of principal and interest" (SPPI criterion).

If the SPPI criterion is met, the financial assets managed by the "Hold" Business Model will be measured at amortized cost, and funds managed under the Hold & Sell business model will be measured in the FVOCI. The financial assets by which the business model management "Other" will be measured as fair value through profit or loss, independent of the SPPI criteria.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through the statement of profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through the statement of profit or loss to present subsequent changes in fair value in other comprehensive income.

The Bank may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All financial assets (including regular-way purchases and sales of financial assets) are recognised on a trade date, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in the statement of profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

## 2.11.1.1 Debt instruments

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.11 Financial instruments (continued)

##### 2.11.1 Financial assets (continued)

###### 2.11.1.1 Debt instruments (continued)

All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Bank may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Bank may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI, and
- the Bank may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

###### 2.11.1.2. Debt instruments at amortized cost or at fair value through other comprehensive income

The Bank assess the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

##### Reclassifications

When, and only when, an entity changes its business model for managing financial assets it shall reclassify all affected financial assets. In accordance with if an entity reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date, defined as the first day of the first reporting period following the change in business model. The Bank shall not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Bank have more than one business model for managing its financial instruments which reflect how the Bank manage their financial assets in order to generate cash flows. The Bank business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank consider all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Bank do not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank take into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determine whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Bank have not identified a change in their business models.

## Derecognition of financial assets

When a debt instrument measured at fair value through other comprehensive income is derecognised, the cumulative gain/loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss and other comprehensive income. In contrast, for capital investments determined at fair value through other comprehensive income, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to the profit and loss account, but is transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

### 2.11.1.3 Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in the statement of profit or loss and other comprehensive income.

## Reclassifications

If the business model under which the Bank hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Bank financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Bank hold financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

### 2.11.1.4. Impairment losses on loans and receivables

Under IFRS 9 for recognizing the amount of provisions for a financial instrument, entities may follow the General Approach or the Simplified Approach.

Under the general approach each legal entity is obliged to calculate either the 12-month or lifetime ECL of a financial instrument depending on the significance of changing the credit risk of the financial instruments in relation to the initial recognition. In Simplified Approach, legal entities are not required to track changes in credit risk. Provisions are always equal to the expected lifetime credit loss on each reporting date, immediately after recognition.

## 2.11.2 Impairment

The Bank uses a simplified approach to the finance lease portfolio, and for the rest the general approach.

The Bank applies the "3-Stage" model, which is based on changes in credit risk of the financial instrument compared to credit risk at initial recognition, reflecting the deterioration of the credit quality of the financial instrument:

- **Stage 1** covers financial instruments that do not have a significant deterioration in credit quality since initial recognition or have low credit risk;
- **Stage 2** covers financial instruments that have a significant deterioration in credit quality since initial recognition for which there is no objective evidence of credit loss events;
- **Stage 3** covers financial assets for which there is objective evidence of credit loss on the reporting date.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.11 Financial instruments (continued)

##### 2.11.1 Impairment (continued)

Finally, the transfer of the financial instrument in Stage 3 is necessary if, in addition to the increase in credit risk, there is also a trigger for credit loss.

The Bank recognize loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- cash and cash equivalents;
- loans and advances to banks at amortized cost;
- loans and advances to customers at amortized cost;
- financial assets at fair value through other comprehensive income;
- financial guarantees and letters of credit;
- other undrawn commitments.

No impairment loss is recognised on equity investments

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

More details on the calculation of expected credit losses and determination of a significant increase in credit risk are provided in Note 39.

##### 2.11.2.1 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Bank measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual or a collective basis.

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

For loan commitments and financial guarantee contracts impairment is recognized as a provision. The Bank and disclose information on impairment losses on financial assets separately from those for loan commitments and financial guarantee contracts.

## 2.11.2.2 Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are assets that, upon initial recognition, are determined to be offset by credit losses due to the existence of significant credit risk. For such assets, the Bank recognize all changes in lifetime ECLs since initial recognition as impairment losses, and all changes are recognized in the statement of profit or loss and other comprehensive income. Favourable changes for such assets create impairment gains.

## 2.11.2.3 Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see Note 39).

The Bank consider the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Bank; or
- the borrower is unlikely to pay its credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the client or customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

## Significant increase in credit risk

The Bank monitor all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank historical experience and expert credit assessment including forward-looking information.

See Note 39 Risk management for more details.

## 2.11.3 Recognition and derecognition of financial assets

The Bank initially recognize loans and receivables on the date when they occur.

Purchase and sale of financial assets is recognized on a settlement date on a regular basis. The settlement date is the date when the asset was delivered to or by the Bank and the asset or liability in question was not recognized until the settlement date. Changes in the fair value of financial assets and liabilities at fair value through profit or loss (other than derivatives) and at fair value through other comprehensive income of financial assets are recognized as of the trading date. All other financial assets and liabilities are recognized at the trading date on which the Bank become a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially recognized at fair value plus transaction costs for all financial assets and liabilities that are not carried at FVTPL. Financial assets and liabilities at FVTPL are initially recognized at fair value, and transaction costs are recognized immediately in the statement of profit or loss and other comprehensive income.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.11 Financial instruments (continued)

##### 2.11.3 Recognition and derecognition of financial assets (continued)

###### *Derecognition of financial assets due to significant modifications*

The Bank derecognize a financial asset, such as a loan to a client, when the terms of business have changed to the extent that the contract becomes a new loan, where the difference is recognized in the profit or loss on derecognition, but to the extent that the impairment loss is not already recorded. Newly recognized loans are classified as Stage 1 for ECL measurement purposes unless the new loan is considered POCI.

When assessing whether or not the loan is derecognized, the Bank considers, among other things, the following factors: change in the currency of a loan, introduction of ownership of a property, change of the other counterparty, or if the change is such that the instrument no longer meets the SPPI criterion.

###### *Changes in financial assets that do not result in significantly different cash flows*

If the change does not result in cash flows that are substantially different, the change does not result in derecognition. Based on the change in the cash flows discounted by the original EIR, the Bank record gain or loss on the change, to the extent that the impairment loss has not been recorded yet.

###### *Derecognition of financial assets in the event that there have been no significant changes in the terms and conditions*

Financial assets (or any part thereof or part of a group of similar financial assets) are derecognised when the rights to receive cash flows from the financial asset have expired or when they are transferred, and or

- The Bank transfer almost all the risks and benefits associated with ownership, or
- The Bank neither transfer nor retain almost all of the risks and benefits associated with ownership and the Bank do not retain control.

The Bank consider that the control is transferred if and only if the acquirer has the practical ability to sell the asset to the wholly unrelated third party and is able to use that ability unilaterally and without introducing additional transfer restrictions.

The Bank enter into transactions in which it retains contractual terms for receiving cash flows from the asset but assumes the contractual obligation to pay these cash flows to other entities and transfers all risks and benefits. These transactions are recorded as "pass-through" arrangements that result in derecognition if the Bank:

- has no obligation to pay, unless it collects equivalent amounts from the original financial asset,
- has a ban on selling or pledging assets, and
- has the obligation to remit any money that is collected from the financial asset without any significant delay.

When the Bank have neither transferred or retained almost all risks and benefits, and retained control of the assets, the assets continue to be recognized only to the extent of the continued participation of the Bank, in which case the Bank also recognize the related obligation. Transferred assets and related liabilities are measured on a basis reflecting the rights and liabilities held by the Bank. The continuation of the collateral in relation to the transferred assets is measured at a lower value between the original carrying amount of the asset and the maximum amount of compensation that the Bank would be required to pay.

Collateral (such as shares and bonds) that the Bank issue under standard repurchase and securities lending agreements are not derecognized as the Bank retain all significant risks and rewards on a pre-determined purchase price and hence the criteria for termination of recognition are not met.

##### 2.11.4 Write-off

Loans and debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank enforcement activities are stated as other income in the statement of profit or loss and other comprehensive income.

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Additionally, the FBA Decision prescribes the regulation for accounting write-off according to which the Bank is obliged to write off balance sheet exposure two year after the Bank has recorded expected credit losses in the amount of 100% of the gross book value of that exposure and declared it fully due.

## 2.11.5 Presentation of impairment for ECL in the statement of financial position

Provisions for losses for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the asset;
- For debt instruments measured at FVTOCI: the impairment for the loss is not recognized in the statement of financial position since the carrying amount is stated at fair value. However, the loss allowance is included as part of the revaluation amount in the revaluation reserve of investments (see Statement of Changes in Equity);
- For loan liabilities and financial guarantee contracts: as a provision.

## 2.11.6 Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank own equity instruments.

### 2.11.6.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank own equity instruments.

### 2.11.6.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTP.

Financial liabilities at fair value through profit or loss are measured at fair value, with all gains/losses arising from remeasurement recognized in the income statement and other comprehensive income to the extent that they are not part of a designated hedge relationship. The net gain/loss recognized in the income statement and other comprehensive income includes all interest paid on the financial liability and is included in the net income from other financial instruments measured at fair value through profit or loss in the income statement.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.11 Financial instruments (continued)

##### 2.11.6 Financial liabilities and equity (continued)

###### 2.11.6.2 Financial liabilities at FVTPL (continued)

When determining whether recognizing changes in the credit risk of a liability in other comprehensive income would create or increase an accounting mismatch in profit or loss, the Bank assesses whether the effects of changes in credit risk will be offset in the income statement by changes in the fair value of another financial instrument measured at fair value through profit or loss. Such an expectation must be based on the economic relationship between the characteristics of the liability and the characteristics of the other financial instrument.

###### 2.11.6.3 Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

###### 2.11.6.3.1 Borrowings

Interest-bearing loans are initially recognized at fair value, less any related transaction costs. After initial recognition, interest-bearing borrowings are stated at amortized cost, and any difference between receivables (less transaction costs) and redemption value is recognized in profit or loss for the duration of the borrowing period based on the effective interest rate.

###### 2.11.6.3.2 Current accounts and deposits of banks and clients

Current accounts and deposits are classified as other liabilities and initially measured at fair value plus transaction costs and subsequently recognized at amortized cost using the effective interest rate method.

###### 2.11.6.4 Derecognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and the payment obligation is recognised in the income statement.

When the Bank exchanges one debt instrument with a borrower for another debt instrument with significantly different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for a significant modification of the terms of an existing liability or part of a liability as an extinguishment of the original financial liability and the recognition of a new liability.

#### 2.12 Debt securities

Debt securities are classified as financial assets at FVTOCI (with the disclosure of gains or losses on income or loss on derecognition) at FVTPL or at amortized cost, depending on the business model and the SPPI test.

#### 2.13 Receivables from banks

Placements with banks are classified as financial assets at amortized cost and measured accordingly.

#### 2.14 Cash and cash equivalents

For the purpose of preparation of the cash flow statement, cash and cash equivalents comprise cash in hand, items in the course of collection and current accounts.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2.15 Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market may be classified as loans and receivables. Loans and receivable arise when the Bank provide money directly to a debtor with no intention of trading with the receivable or disposal in the near future.

Loans and receivables are initially recognised at fair value plus incremental costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any potential impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables include loans to and receivables from banks, loans and receivables from clients, cash and cash equivalents, and obligatory reserves with CBBH.

### 2.16 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

### 2.17 Liabilities for contracts on financial guarantees, letters of credit and unused loans

Liabilities for financial guarantee contracts are initially measured at fair value and subsequently measured at greater than:

- amount of loss allowance (expected credit loss), or
- the amount initially recognized and, where appropriate, reduced by cumulative amortization recognized in accordance with the income recognition policies established above.

Unused loans and letters of credit are liabilities that, during the term of a liability, the Bank is obliged to provide a loan to a client under pre-determined conditions. The nominal contractual value of financial guarantees, letters of credit and unused credit obligations, if the loan is agreed to be given on market terms, is not shown in the financial position report (it is shown off-balance sheet).

### 2.18 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and they tend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Revenues and expenses are presented on a net basis only when that is allowed pursuant to IFRS, and for gains and losses from the group of similar transactions, e.g. based on trade activity.

### 2.19 Derivative financial instruments

The Bank uses derivative financial instruments to hedge economically its exposure to foreign exchange and interest risk arising from operating, financing and investing activities. The Bank does not hold or issue derivative financial instruments for speculative trading purposes. All derivatives are classified as financial instruments held for trading.

Derivative financial instruments including foreign exchange forward contracts and foreign exchange swap contracts are initially recognised at trade date and subsequently measured at their fair value in the statement of financial position. Fair values are obtained from discounted cash flow models.

All derivatives are classified as financial assets at fair value through profit or loss when their fair value is positive and as financial liabilities at fair value through profit or loss when it is negative.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.19 Derivative financial instruments (continued)

##### Derivative financial assets - Hedge accounting

Starting from 01 July 2025, the Bank, within the process of implementing hedge accounting, applies the UniCredit Group Hedge Accounting Strategy, which is based on the provisions of IFRS 9 – Financial Instruments. However, as permitted by IFRS 9, the Bank will continue to apply the IAS 39 hedge accounting rules for fair value hedge strategies related to interest rate exposure of a portfolio of financial assets or financial liabilities (“Macro fair value hedge”). There are no instruments the Bank accounts for that have different treatment under IFRS 9 compared to earlier IAS 39. This change did not result in any change in classification or value recognised (measurement).

The Strategy, together with the Accounting Policies, provides and describes guidelines related to risk management strategies when applying hedge accounting.

For the purpose of accounting protection, protection can refer to:

- fair value protection - protection of exposure from changes in the fair value of recognized assets or liabilities or unrecognized liabilities;
- protection of cash flows – protection of exposure from changes in cash flows associated with a specific risk related to a recognized asset, liability or a certain transaction in the future;
- protection of net investment in foreign currency.

The Bank mainly use fair value hedging to protect themselves from exposure to changes in the fair value of individual assets and liabilities or part of individual assets and liabilities or the portfolio of financial assets and liabilities.

The Bank use derivative financial instruments to hedge its exposure to changes in fair value through interest rate risk.

Such derivative instruments are initially recognized at their fair value and subsequently measured at fair value. Derivatives are presented as financial assets when their fair value is positive and as a financial liability when their fair value is negative.

When concluding a hedge accounting arrangement, the Bank formally determines and documents the relationship for which they wish to apply hedge accounting and the objective and risk management strategy for undertaking the hedging itself. The documentation shall include the identification of the hedging instrument, the hedged item or transaction, the type of risk against which the Bank and hedge and how the Bank and the will monitor the effectiveness of changes in the fair value of the hedging instrument to compensate for changes in fair value or cash flow of the hedged exposure. Such hedges are expected to be effective in achieving compensatory changes in fair value or cash flows and are regularly tested over their lifetime to determine their effectiveness over the reporting periods for which they are designated.

#### 2.20 Property and equipment

Property and equipment are initially stated at cost. Subsequent measurement of property is done at fair value, while equipment is held at cost, less accumulated depreciation and impairment losses. Cost includes all expenditure that is directly attributable to the acquisition of the items.

Subsequent cost is included in the asset’s carrying amount or is recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the period in which they are incurred.

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

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Bank	31 December 2025	31 December 2024
Buildings	23-90 years	24-91 years
Computers	3.3 to 5 years	3.3 to 5 years
Leasehold improvement	Lease term	Lease term
Other equipment	6.6 to 14.2 years	6.6 to 14.2 years

Depreciation methods, the useful lives and residual values of property and equipment are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income as other income or other expense.

### 2.21 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost includes all expenditure that is directly attributable to the acquisition of the items.

Intangible assets except for intangible assets not yet brought into use are amortised on a straight-line basis over their estimated useful lives as follows:

Bank	31 December 2025	31 December 2024
Software	5 years	5 years
Other intangible assets	5 years	5 years

### 2.22 Investment property

Investment property encompass property held for earning lease profits or for increase of value of capital property, or both. Investment properties are initially measured at cost (which is consistent with their market value at the acquisition date). Subsequent measurement is made using the fair value method. Changes in fair value are recognized in the statement of profit or loss, and no depreciation is calculated.

### 2.23 Taxation

The income tax charge is based on taxable profit for the year and comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

The global minimum tax is introduced by the EU Directive 2022/2523 requires, starting from the 2024 fiscal year, the application of a minimum global tax of 15% for multinational groups. If the effective tax rate in a given jurisdiction, calculated on the basis of special rules, is lower than 15%, a "top up tax" obligation arises in the country of tax residence of the ultimate parent company. As of the report date, the tax regulations of Bosnia and Herzegovina have not adopted the Pillar 2 regulation within the tax regulations, and the Bank has no current obligations in this regard.

#### 2.23.1 Current income tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.23 Taxation (continued)

##### 2.23.2 Deferred income tax

Deferred income taxes are recognised reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are measured by using the tax rates expected to apply to taxable profit in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the reporting date.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Bank expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority.

Deferred tax assets and liabilities are not discounted and are classified as a non-current assets and/or liabilities in the statement of financial position.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. At each reporting date, the Bank reassess unrecognised potential deferred tax assets and the carrying amount of recognised deferred tax assets, which are reduced to the extent at which it is no longer probable that tax benefits can be used. Current and deferred tax liability is recognised as income or expense, excluding tax liabilities relating to profit or loss arising from valuation of the financial assets available for sale and change of derivative fair value in case of protection of the cash flow recognised directly in the principal amount and actuarial gains/losses from changes in actuarial assumptions adjusting experience, which are credited to other comprehensive income.

#### 2.24 Impairment of non-financial assets

Non-financial assets (other than deferred tax assets) of the Bank are tested for impairment only when there is indication of impairment and their recoverable amount is then estimated. An impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of individual assets or cash-generating units is the higher of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. The recoverable amount of assets that do not generate independent cash flows (e.g. corporate assets) is determined by assessing cash flows of the group to which the asset belongs.

#### 2.25 Assets acquired in lieu of uncollectible receivables

For assets taken in exchange for uncollectible receivables, loans and finance leases, the Bank assesses their marketability and recognises in the statement of financial position only those that are marketable and whose value can be reliably determined. The Bank attempts to sell such assets, in which case they are classified as inventories and are not depreciated. In exceptional cases, such assets could be used for its own use and depreciated as part of its own buildings.

The assets taken in exchange for uncollectible receivables of the Bank also include items taken under lease agreements, property and equipment. These assets are stated at the lower of cost and net realisable value.

In accordance with the "FBA" Decision, the Bank recognizes repossessed assets at the lower of the following values:

- a) The amount of the net carrying amount of the Bank's receivables. In this case the amount of booked value expected credit losses is equal to the amount of receivables, the Bank will record the repossessed tangible assets at the technical value in the amount of 1 BAM.
- b) Estimated fair value by an independent appraiser less expected selling expenses.

Impairment of assets is described under impairment of non-financial assets (Note 2.24).

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 2.26 Provisions

Provisions are recognised if the Bank has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period date, 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. Provisions are released only for such expenditure in respect of which provisions are recognised at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

## 2.27 Equity and reserves

### 2.27.1 Share capital

Share capital represents the nominal value of paid-in ordinary and preference shares and is denominated in BAM.

Dividends are recognized as a liability in the period in which they are voted.

### 2.27.2 Treasury shares

When the Bank purchases its own issued equity instruments (treasury shares), the amount paid represents a deduction from equity attributable to the Bank's shareholders, until the shares are cancelled, reissued, or sold, and they are classified as treasury shares. When such shares are subsequently sold or reissued, the amount received, net of transaction costs, is included in equity attributable to the Bank's shareholders.

### 2.27.3 Retained earnings

Profit for the period after appropriations to owners is transferred to retained earnings.

### 2.27.4 Revaluation reserve for securities

Revaluation reserve for securities comprises changes in fair value of financial assets through OCI, net of deferred tax.

## 2.28 Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Bank's shareholders.

## 2.29 Off-balance-sheet commitments and contingent liabilities

In the ordinary course of business, the Bank enters into credit related commitments which are recorded off balance sheet and primarily comprise guarantees, letters of credit, undrawn loan commitments and credit card limits.

## 2.30 Managed funds for and on behalf of third parties

The Bank manages funds for and on behalf of corporate and retail clients. These amounts do not represent the Bank's assets and are excluded from the statement of financial position. For the services rendered the Bank charges a fee.

## 2.31 Segment reporting

The business results of the segments are regularly monitored by the Bank's Management Board and the Supervisory Board on the basis of financial management information.

A business segment is a distinguishable component of the Bank that is engaged in business activities, which may result in revenue or expenses. The Bank has identified four primary business segments: Retail, Corporate and Investment Banking, Assets and Liabilities Management, and Central Unit.

"Lease" operation in the segments notes is allocated to the segment of Retail or Corporate and Investment banking depending on where it belongs. Segmental results are measured inclusive of the application of internal transfer prices, based on specific prices, appropriate currencies and maturities, with embedded additional adjustments.

Segmental business result are regularly monitored by the Management and Supervisory Board, based on management financial information.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.32 Earnings per share

The Bank publishes basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

#### 2.33 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 3. ADOPTION OF NEW AND REVISED STANDARDS

The following new standards, interpretations and amendments to existing standards, which may be applicable to the Bank, are mandatory for periods beginning on January 1, 2025:

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21

Application of new or amended standards did not have a significant impact of the Bank's financial statements.

#### 3.1. New standards not yet effective

The following new standards, interpretations and amendments to existing standards issued by the IASB were not yet effective and were not early adopted by the Bank:

Effective date	New standards or amendments
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

New IFRS 17 Insurance contracts will replace IFRS 4. It applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. Application of this standard in Federation of Bosnia and Herzegovina has been prolonged until 2027. This new standard as well as its amendments are not expected to result in any significant changes within the Bank.

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

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in Note 2, the Bank is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

#### 4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### 4.1.1 Taxation

The Bank recognizes a tax liability in accordance with the tax regulations of the Federation of Bosnia and Herzegovina and Bosnia and Herzegovina. Tax returns are approved by the tax authorities responsible for conducting ex-post control of taxpayers.

The Bank calculates Tax in accordance with the legal provisions, which are outdated and in many cases not adapted to the developed tax systems. In order to reduce the risk of outdated legislation, the Bank uses the possibilities of obtaining tax opinions from competent Tax Authority.

All tax calculations and transactions are subject to tax controls, and regarding to the previously mentioned inadequate and outdated tax regulations, there is possibility for different interpretations of law from Tax Inspectors. As a result of the above, calculations and transactions may be contested by the Tax Authorities (indirect and direct), which could eventually lead to the exposure of the Bank to additional obligations. In accordance with the law, the statute of limitations for tax liability is 5 years. In this regard, tax risks are more significant than those in countries with more modern and developed tax systems.

##### 4.1.2 Impairment losses on loans and receivables and provisions for off-balance-sheet exposure

The Bank monitors the creditworthiness of its customers on an ongoing basis. The need for impairment of the Bank's on and off-balance sheet exposure to credit risk is assessed on a monthly basis. Measuring level of impairments is an area that requires the application of complex models and significant assumptions about future economic conditions and customers credit behaviour (e.g., the probability that clients will enter default status and the resulting losses, etc.).

The most significant judgments and key sources of estimation uncertainty in relation to measuring the level of impairments includes the following:

- determination of criteria for a significant increase in credit risk (SICR);
- selection of suitable models and assumptions for measuring ECL;
- determination of the number and relative weighting of future scenarios for all types of products/markets and associated ECL;
- incorporation of FLI,
- incorporation of geopolitical overlays;
- determination a group of financial assets for the purposes of measuring ECL.

Note 39.1 contains more detailed information on the methods of measuring expected credit losses, clarifies the concept of credit risk levels, input parameters, assumptions and assessment techniques, and the Bank's related judgments and assessments.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 4.1.3 Legal proceedings

The Bank makes individual assessments of all legal proceedings whose value exceeds BAM 25 thousand. All legal proceedings below BAM 25 thousand are monitored and provided for on a portfolio basis.

As of 31 December 2025, the Bank provided BAM 9,743 thousand (2024: BAM 13,768 thousand) which Management estimates as sufficient for covering risk of potential liability from legal proceedings against the Bank. Nature of legal cases for which provisions are recognised are disclosed in the Note 33 of these financial statements.

### 4.1.4 Fair value of financial instruments

As described in Note 42, the Management use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Financial instruments, other than loans, are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted shares includes some assumptions not supported by observable market prices or rates.

### 4.1.5 Regulatory requirements

The Agency is entitled to carry out regulatory inspections of the Bank's operations and to request changes to the carrying values of assets and liabilities, in accordance with the underlying regulations.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 5. SEGMENT REPORTING

Segmentation of positions of the statement of profit or loss and the statement of financial position is based on financial statements prepared for parent company reporting purposes.

#### Statement of profit or loss per segment

Year ended 31 December 2025	Retail	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Net interest income	169,240	58,264	(597)	20,569	247,476	40	247,516
Net fee and commission income*	94,551	41,466	(1,817)	-	134,200	(15,978)	118,222
Net gains from foreign exchange trading and translation of monetary assets and liabilities	-	4,778	(305)	-	4,473	16,203	20,676
Other income	6,466	3,407	2	(156)	9,719	1,618	11,337
<b>Operating income</b>	<b>270,257</b>	<b>107,915</b>	<b>(2,717)</b>	<b>20,413</b>	<b>395,868</b>	<b>1,883</b>	<b>397,751</b>
Depreciation and amortization	-	-	-	(14,759)	(14,759)	(909)	(15,668)
Operating expenses	(108,185)	(27,397)	(2,450)	14,751	(123,281)	(18,159)	(141,440)
<b>Profit before impairment losses and taxation</b>	<b>162,072</b>	<b>80,518</b>	<b>(5,167)</b>	<b>20,405</b>	<b>257,828</b>	<b>(17,185)</b>	<b>240,643</b>
Impairment losses on financial instruments and provisions, net	(25,563)	5,093	436	1,379	(18,655)	7,320	(11,335)
<b>Profit before taxation</b>	<b>136,509</b>	<b>85,611</b>	<b>(4,731)</b>	<b>21,784</b>	<b>239,173</b>	<b>(9,865)</b>	<b>229,308</b>
Income tax expense	(13,620)	(8,177)	-	(303)	(22,100)	(379)	(22,479)
<b>NET PROFIT</b>	<b>122,889</b>	<b>77,434</b>	<b>(4,731)</b>	<b>21,481</b>	<b>217,073</b>	<b>(10,244)</b>	<b>206,829</b>

\* Disaggregation of net fee and commission income is further presented in this note below.

Main adjustments between the Statement of profit or loss per reportable segments and the Bank's Statement of profits of loss mainly relates to different presentation/classification of certain positions as well as different criteria for measurement of financial instruments and derivatives (as explained in Note 2.1).

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## Statement of profit or loss per segment

Year ended 31 December 2024	Retail	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Net interest income	165,655	58,919	(6)	13,128	237,696	8	237,704
Net fee and commission income*	90,760	42,788	(1,682)	(10)	131,856	(15,418)	116,438
Net gains from foreign exchange trading and translation of monetary assets and liabilities	-	5,046	(239)	-	4,807	15,566	20,373
Other income	7,039	2,214	-	(2)	9,251	1,050	10,301
<b>Operating income</b>	<b>263,454</b>	<b>108,967</b>	<b>(1,927)</b>	<b>13,116</b>	<b>383,611</b>	<b>1,206</b>	<b>384,817</b>
Depreciation and amortization	-	-	-	(15,729)	(15,729)	(645)	(16,374)
Operating expenses	(105,629)	(26,112)	(2,290)	15,729	(118,302)	(16,437)	(134,739)
<b>Profit before impairment losses and taxation</b>	<b>157,826</b>	<b>82,855</b>	<b>(4,217)</b>	<b>13,116</b>	<b>249,580</b>	<b>(15,876)</b>	<b>233,704</b>
Impairment losses on financial instruments and provisions, net	(25,887)	(2,050)	(662)	2,444	(26,155)	(3,184)	(29,339)
<b>Profit before taxation</b>	<b>131,938</b>	<b>80,805</b>	<b>(4,879)</b>	<b>15,560</b>	<b>223,424</b>	<b>(19,059)</b>	<b>204,365</b>
Income tax expense	(12,345)	(7,559)	456	(1,456)	(20,904)	1,908	(18,996)
<b>NET PROFIT</b>	<b>119,593</b>	<b>73,246</b>	<b>(4,423)</b>	<b>14,104</b>	<b>202,520</b>	<b>(17,152)</b>	<b>185,368</b>

\* Disaggregation of net fee and commission income is further presented in this note below.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 5. SEGMENT REPORTING (CONTINUED)

## Statement of profit or loss per segment (continued)

The table below presents disaggregation of net fee and commission income per each reportable segment:

Year ended 31 December 2025	Retail	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Account services	33,216	1,767	-	-	34,983	-	34,983
Transactional	24,047	17,392	-	-	41,439	-	41,439
Asset management	1,104	1,374	-	-	2,478	-	2,478
Credit cards	35,853	18,167	-	-	54,020	(15,978)	38,042
Financial guarantee contracts and loan commitment	3,086	5,569	-	-	8,655	-	8,655
<b>Total fee and commission income</b>	<b>97,306</b>	<b>44,269</b>	<b>-</b>	<b>-</b>	<b>141,575</b>	<b>(15,978)</b>	<b>125,597</b>
<b>Fee and commission expense</b>	<b>(2,754)</b>	<b>(2,804)</b>	<b>(1,817)</b>	<b>-</b>	<b>(7,375)</b>	<b>-</b>	<b>(7,375)</b>
<b>Net fee and commission income</b>	<b>94,552</b>	<b>41,465</b>	<b>(1,817)</b>	<b>-</b>	<b>134,200</b>	<b>(15,978)</b>	<b>118,222</b>

The table below presents disaggregation of net fee and commission income per each reportable segment:

Year ended 31 December 2024	Retail	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Account services	30,893	1,722	-	-	32,615	-	32,615
Transactional	22,473	16,669	-	-	39,142	-	39,142
Asset management	721	1,389	-	-	2,109	-	2,109
Credit cards	36,441	20,781	-	-	57,221	(15,428)	41,793
Financial guarantee contracts and loan commitment	2,783	4,897	-	-	7,680	-	7,680
<b>Total fee and commission income</b>	<b>93,310</b>	<b>45,458</b>	<b>-</b>	<b>-</b>	<b>138,768</b>	<b>(15,428)</b>	<b>123,340</b>
<b>Fee and commission expense</b>	<b>(2,550)</b>	<b>(2,671)</b>	<b>(1,682)</b>	<b>(10)</b>	<b>(6,912)</b>	<b>10</b>	<b>(6,902)</b>
<b>Net fee and commission income</b>	<b>90,760</b>	<b>42,787</b>	<b>(1,682)</b>	<b>(10)</b>	<b>131,856</b>	<b>(15,418)</b>	<b>116,438</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### Statement of financial position per segment

31 December 2025	Retail (banking)	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Segment assets	2,943,557	2,034,574	3,308,194	498,355	8,784,680	(38,632)	8,746,048
Subscribed income tax	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	570	570	2,624	3,194
<b>Total assets</b>	<b>2,943,557</b>	<b>2,034,574</b>	<b>3,308,194</b>	<b>498,925</b>	<b>8,785,250</b>	<b>(36,008)</b>	<b>8,749,242</b>
Segment liabilities	4,985,118	1,930,563	322,193	289,953	7,527,827	1,237	7,529,064
Current tax liability	-	-	-	2,811	2,811	25	2,836
Deferred tax liability	-	-	-	428	428	(428)	-
<b>Total liabilities</b>	<b>4,985,118</b>	<b>1,930,563</b>	<b>322,193</b>	<b>293,192</b>	<b>7,531,066</b>	<b>834</b>	<b>7,531,900</b>
Acquisition of property, equipment and intangible assets	-	-	-	10,240	10,240	-	10,240

31 December 2024	Retail (banking)	Corporate Banking	Balance Sheet Management	Central Unit	Total by management reports	Adjustment before financial statements	Total
Segment assets	2,601,387	1,766,644	3,212,957	512,953	8,093,942	(30,121)	8,063,821
Subscribed income tax	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	4,853	4,853
<b>Total assets</b>	<b>2,601,387</b>	<b>1,766,644</b>	<b>3,212,957</b>	<b>512,953</b>	<b>8,093,942</b>	<b>(25,268)</b>	<b>8,068,674</b>
Segment liabilities	4,505,102	1,930,459	280,850	256,850	6,973,262	2,104	6,975,366
Current tax liability	-	-	-	3,135	3,135	25	3,160
Deferred tax liability	-	-	-	630	630	(630)	-
<b>Total liabilities</b>	<b>4,505,102</b>	<b>1,930,459</b>	<b>280,850</b>	<b>260,615</b>	<b>6,977,027</b>	<b>1,499</b>	<b>6,978,526</b>
Acquisition of property, equipment and intangible assets	-	-	-	10,227	-	-	-

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 6. INTEREST INCOME

## Analysis by source

	2025	2024
<b>Retail</b>		
Interest income	147,342	130,926
<b>Corporate</b>		
Legal entities	46,599	42,526
State and public sector	42,393	27,251
Banks and other financial institutions	30,016	51,038
<b>Total interest income calculated using the effective interest method</b>	<b>266,350</b>	<b>251,741</b>
Interest income on finance lease - retail	12	10
Interest income on finance lease - corporate	1,510	1,373
	<b>267,872</b>	<b>253,124</b>

Banks and other financial institutions include Central Bank of BiH.

## Analysis by measurement category

	2025	2024
Loans and receivables from clients at amortized cost	201,443	179,207
Debt securities (financial assets at FVOCI and at amortised cost)	36,413	22,878
Loans to and receivables from banks at amortized cost (including REPO activities)	26,783	42,300
Interest from hedge accounting	182	5,939
Obligatory reserves and cash reserves with the Central Bank of BiH	3,051	2,800
	<b>267,872</b>	<b>253,124</b>

## 7. INTEREST EXPENSE

## Analysis by recipient

	2025	2024
<b>Retail</b>	<b>4,396</b>	<b>4,390</b>
Banks and other financial institutions	13,651	9,170
Negative interest on placements to banks and obligatory reserve with the CBBH	193	180
<b>Corporate</b>	<b>2,067</b>	<b>1,638</b>
State and public sector	49	42
	<b>20,356</b>	<b>15,420</b>

## Analysis by product

	2025	2024
Current accounts and deposits from retail clients	4,396	4,390
Current accounts and deposits from banks	193	180
Current accounts and deposits from corporate, and state and public sector	1,766	1,409
Borrowings	13,651	9,170
Long-term lease liabilities	350	271
	<b>20,356</b>	<b>15,420</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 8. FEE AND COMMISSION INCOME

	2025	2024
Credit cards	41,653	45,744
Foreign payment transactions	25,698	24,167
Product package fees	26,256	23,078
Domestic payment transactions	15,593	14,782
Fund fees	693	42
Other*	10,436	10,347
<b>Total fee and commission income from contracts with customers</b>	<b>120,329</b>	<b>118,159</b>
Guarantees and letters of credit	5,268	5,181
Financial guarantee contracts and loan commitment	5,268	5,181
<b>Total fee and commission income</b>	<b>125,597</b>	<b>123,340</b>

\* Other fee and commission mainly related to current account fees for legal entities, loan fees, e-banking and custody fees.

### 9. FEE AND COMMISSION EXPENSES

	2025	2024
Domestic payment transactions	3,699	3,545
Foreign payment transactions	2,614	2,277
Other	1,062	1,080
	<b>7,375</b>	<b>6,902</b>

### 10. NET GAINS FROM FOREIGN EXCHANGE TRADING AND TRANSLATION OF MONETARY ASSETS AND LIABILITIES

	2025	2024
Net foreign exchange spot trading gains	20,642	20,242
Net gains / (losses) from FX forwards	50	126
Net gain on change in fair value of shares in funds	45	15
Net foreign exchange gain / (loss) from translation of monetary assets and liabilities	(61)	(2)
Net gain / (loss) from securities trading	-	(7)
	<b>20,676</b>	<b>20,374</b>

### 11. OTHER INCOME

	2025	2024
Collected written-off receivables	8,533	7,052
Income from IT services	573	647
Net gains on disposal of property and equipment	332	8
Net income from repossessed collaterals	223	936
Income from expenses recharged to clients	114	208
Rent income	40	54
Other	1,522	1,396
	<b>11,337</b>	<b>10,301</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 12. OPERATING EXPENSES

	2025	2024
Personnel costs	69,246	67,310
Administration and marketing expenses	52,062	48,307
Savings deposit insurance expenses	16,323	15,315
Integration expenses (Note 33)	-	1,113
State contributions (excluding personnel-related)	1,700	1,801
Rental costs	808	756
Other expenses	1,301	137
	<b>141,440</b>	<b>134,739</b>

Personnel costs of the Bank include BAM 12,654 thousand of defined contributions paid into the state-owned pension plans (2024: BAM 12,901 thousand).

## 13. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2025	2024
Loans and receivables from clients at amortized cost (Note 19)	11,034	18,285
Financial assets at FVOCI (Note 20)	(519)	(2,148)
Financial assets at amortized cost (Note 22)	1,819	3,826
Loans and receivables from banks at amortized cost, including the obligatory reserve at the CBBH (Note 17 and Note 18)	(249)	(1,164)
Impairment of cash and cash equivalents (Note 16)	(1,326)	(576)
Off-balance-sheet exposure to credit risk (Note 33)	(7,379)	(7,521)
Other assets (Note 23)	10,847	17,726
	<b>14,227</b>	<b>28,428</b>

## 14. OTHER NET IMPAIRMENT LOSSES AND PROVISIONS

	2025	2024
Provisions for legal proceedings (Note 33)	(1,927)	925
Impairment of property and equipment (Note 25)	(965)	(14)
	<b>(2,892)</b>	<b>911</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 15. INCOME TAX EXPENSE

Amounts recognised in profit or loss:

	2025	2024
<b>Current tax expense</b>		
Current year	22,303	21,227
	<b>22,303</b>	<b>21,227</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	176	(2,231)
	<b>176</b>	<b>(2,231)</b>
<b>Total income tax expense</b>	<b>22,479</b>	<b>18,996</b>

Amounts recognised in other comprehensive income:

	2025			2024		
	Before tax	Tax expense / benefit	Net of tax	Before tax	Tax expense / benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Change in fair value per actuarial gain/loss	(62)	6	(56)	(218)	22	(196)
Movement in fair value reserve (Property and equipment)	1,170	(117)	1,053	1,435	(144)	1,291
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Movement in fair value reserve (debt instruments)	13,723	(1,372)	12,351	26,320	(2,632)	23,688
	14,831	(1,483)	13,348	27,537	(2,754)	24,783

Adjustment between income tax presented in tax balance and accounting income tax is presented as follows:

	2025	2024
<b>Profit before tax</b>	<b>229,308</b>	<b>204,365</b>
Tax using the Bank's domestic tax rate	22,931	20,437
Tax effect of:		
Non-deductible expenses	1,990	2,760
Tax-exempt income	(2,495)	(1,872)
Tax incentives	(123)	(98)
Effects from the change of deferred taxes on temporary differences	176	(2,231)
<b>Total income tax expense</b>	<b>22,479</b>	<b>18,996</b>
<b>Effective tax rate</b>	<b>9,8%</b>	<b>9,3%</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 15. INCOME TAX EXPENSE (CONTINUED)

Movement in deferred tax balances:

2025	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
Property and equipment, and intangible assets	(2,402)	(231)	(117)	(2,750)	-	(2,750)
Accrued bonuses	873	227	-	1,100	1,100	-
Accrued expenses	657	18	-	675	675	-
Expected credit losses for Stage 1 and Stage 2 financial assets	2,049	(243)	-	1,806	1,806	-
Provisions for legal proceedings and credit losses	621	53	-	674	674	-
Investment securities at FVOCI	2,970	-	(1,372)	1,598	1,598	-
Actuarial revaluation	85	-	6	91	91	-
Tax assets/liabilities before set-off	4,853	(176)	(1,483)	3,194	5,944	(2,750)
Set-off of tax	-	-	-	-	(2,750)	2,750
Tax assets/liabilities	4,853	(176)	(1,483)	3,194	3,194	-

2024	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
Property and equipment, and intangible assets	(2,024)	(235)	(144)	(2,402)	-	(2,402)
Accrued bonuses	-	873	-	873	873	-
Accrued expenses	-	657	-	657	657	-
Expected credit losses for Stage 1 and Stage 2 financial assets	1,364	685	-	2,049	2,049	-
Provisions for legal proceedings and credit losses	370	251	-	621	621	-
Investment securities at FVOCI	5,602	-	(2,632)	2,970	2,970	-
Actuarial revaluation	63	-	22	85	85	-
Tax assets/liabilities before set-off	5,375	2,231	(2,754)	4,854	7,256	(2,402)
Set-off of tax	-	-	-	-	(2,402)	2,402
Tax assets/liabilities	5,375	2,231	(2,754)	4,854	4,854	-

As of the reporting date, the tax regulations of Bosnia and Herzegovina have not adopted Pillar 2 regulations within the framework of tax regulations.

## 16. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash in hand	279,593	307,789
Current accounts with other banks	286,078	244,870
Giro account with CBBH	559,857	886,160
	1,125,528	1,438,819
Less: Impairment allowance	(1,830)	(3,156)
	1,123,698	1,435,663

Movement in impairment allowance for cash and cash equivalents can be presented as follows:

	31 December 2025	31 December 2024
As at 1 January	3,156	3,732
Impairment losses (Note 13)	(1,326)	(576)
As at 31 December	1,830	3,156

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 17. OBLIGATORY RESERVE AT THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA

	31 December 2025	31 December 2024
Obligatory reserve at CBBH	713,857	664,969
Less: Impairment allowance	(1,917)	(2,180)
	<b>711,940</b>	<b>662,789</b>

Movement in impairment allowance for obligatory reserve at the CBBH can be presented as follows:

	2025	2024
As at 1 January	2,180	2,797
Impairment in the statement of profit or loss (Note 13)	(263)	(617)
As at 31 December	<b>1,917</b>	<b>2,180</b>

In 2025, the basis for calculation of the obligatory reserve of commercial banks comprised all deposits and borrowed funds, regardless of currency. In addition, the unified rate of obligatory reserve of 10% was determined, which is applied by CBBH on the base for calculation of obligatory reserve.

As of 01 July 2023, the Central Bank of Bosnia and Herzegovina calculates remuneration on the bank's reserve account during the maintenance period as follows:

- on required reserves based on the reserve base in the domestic currency (BAM), remuneration is calculated at a rate of 50 basis points;
- on required reserves based on the reserve base in foreign currencies and in domestic currency with a currency clause, remuneration is calculated at a rate of 30 basis points;
- on funds held above the required reserve, remuneration is calculated at a zero rate.

### 18. LOANS TO AND RECEIVABLES FROM BANKS AT AMORTIZED COST

	31 December 2025	31 December 2024
Placements with other banks – gross	125,196	182,388
Loans to banks – gross	313,254	235,478
	<b>438,450</b>	<b>417,866</b>
Less: Impairment allowance	(439)	(425)
	<b>438,011</b>	<b>417,441</b>
<b>Expected to be recovered:</b>		
- no more than twelve months after the reporting period	438,450	417,866
- more than twelve months after the reporting period	-	-
Less: Impairment allowance	(439)	(425)
	<b>438,011</b>	<b>417,441</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 18. LOANS TO AND RECEIVABLES FROM BANKS AT AMORTIZED COST (CONTINUED)

The movement in impairment allowance for loans to and receivables from banks is as follows:

	2025	2024
Balance as at 1 January	425	972
Impairment losses (Note 13)	14	(547)
Balance as at 31 December	439	425

Loans to and receivables from Bank at amortized cost, including the obligatory reserve at the CBBH - credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	
<b>Internal rating grade<sup>1</sup></b>						
<b>Performing</b>						
Low risk	1,152,285	-	-	1,152,285	1,082,835	
Medium risk	22	-	-	22	-	
High risk	-	-	-	-	-	
<b>Non-performing</b>						
Default	-	-	-	-	-	
<b>Total</b>	<b>1,152,307</b>	<b>-</b>	<b>-</b>	<b>1,152,307</b>	<b>1,082,835</b>	

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	1,082,835	-	-	1,082,835
New financing	142,541	-	-	142,541
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	(85,889)	-	-	(85,889)
Amounts written off	-	-	-	-
Foreign exchange adjustments	12,820	-	-	12,820
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>1,152,307</b>	<b>-</b>	<b>-</b>	<b>1,152,307</b>

<sup>1</sup> 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	2,605	-	-	2,605
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment losses	(249)	-	-	(249)
Permanent write-offs during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	<b>2,356</b>	<b>-</b>	<b>-</b>	<b>2,356</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	1,098,897	-	-	1,098,897
New financing	345,786	-	-	345,786
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	(365,337)	-	-	(365,337)
Amounts written off	-	-	-	-
Foreign exchange adjustments	4,214	-	-	4,214
Other changes	(725)	-	-	(725)
<b>At 31 December 2024</b>	<b>1,082,835</b>	<b>-</b>	<b>-</b>	<b>1,082,835</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	3,769	-	-	3,769
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment losses (Note 13)	(1,164)	-	-	(1,164)
Permanent write-offs during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2024</b>	<b>2,605</b>	<b>-</b>	<b>-</b>	<b>2,605</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

19. LOANS AND RECEIVABLES FROM CLIENTS  
AT AMORTIZED COST

	31 December 2025	31 December 2024
Corporate (including state and public sector)		
- in domestic currency	2,149,019	1,881,251
- in foreign currency	17,446	5,204
	<b>2,166,465</b>	<b>1,886,455</b>
Retail		
- in domestic currency	2,935,332	2,597,189
- in foreign currency	2,509	-
	<b>2,937,841</b>	<b>2,597,189</b>
Finance lease receivables		
- in domestic currency	35,103	37,040
	<b>35,103</b>	<b>37,040</b>
<b>Total loans and receivables before allowance</b>	<b>5,139,409</b>	<b>4,520,684</b>
Less: Impairment allowance	(172,110)	(165,892)
<b>Net loans and receivables</b>	<b>4,967,299</b>	<b>4,354,792</b>
Percentage of allowances in gross loans to clients	3,35%	3,67%
<b>Expected to be recovered:</b>		
- no more than twelve months after the reporting period	1,730,536	1,651,086
- more than twelve months after the reporting period	3,408,873	2,869,598
Less: Impairment allowance	(172,110)	(165,892)
	<b>4,967,299</b>	<b>4,354,792</b>

As at 31 December 2025, included in Bank corporate loans in domestic currency is BAM 553,712 thousand of gross loans (31 December 2024: BAM 405,260 thousand), and in retail loans in domestic currency BAM 200,561 thousand (31 December 2024: BAM 247,264 thousand) which have a EUR countervalue. Repayments of principal and interest are determined with reference to the EUR countervalue and are paid in the BAM equivalent translated at the rate applicable at the date of payment.

	31 December 2025	31 December 2024
<b>Loans and receivables from customers</b>		
Corporate entities	1,880,501	1,713,056
State and public sector	285,964	173,399
Individuals	2,937,841	2,597,189
Finance lease	35,103	37,040
	<b>5,139,409</b>	<b>4,520,684</b>
Less: Impairment allowance	(172,110)	(165,892)
	<b>4,967,299</b>	<b>4,354,792</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## a) Corporate entities – credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Internal rating grade<sup>2</sup></b>						
<b>Performing</b>						
Low risk	-	-	-	-	-	-
Medium risk	1,684,726	6,936	-	1,691,662		1,673,355
High risk	3,893	180,038	-	183,931		29,285
<b>Non-performing</b>						
Default	-	-	4,908	4,908		10,416
<b>Total</b>	<b>1,688,619</b>	<b>186,974</b>	<b>4,908</b>	<b>1,880,501</b>		<b>1,713,056</b>

Movement of gross exposure <sup>3</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	1,444,581	258,059	10,416	1,713,056
New financing	1,056,485	97,437	327	1,154,249
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	8,881	(8,881)	-	-
Transfers to Stage 2	(14,590)	14,590	-	-
Transfers to Stage 3	(272)	(6)	278	-
Assets repaid	(806,413)	(174,222)	(2,115)	(982,750)
Accounting write-off during the year	-	-	(3,981)	(3,981)
Amounts written off	-	-	(20)	(20)
Foreign exchange adjustments	-	-	-	-
Other changes	(53)	(3)	3	(53)
<b>At 31 December 2025</b>	<b>1,688,619</b>	<b>186,974</b>	<b>4,908</b>	<b>1,880,501</b>

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	1,252,774	218,636	13,204	1,484,614
New financing	918,699	139,191	466	1,058,356
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	11,749	(11,749)	-	-
Transfers to Stage 2	(44,819)	44,819	-	-
Transfers to Stage 3	(220)	(1,256)	1,476	-
Assets repaid	(693,644)	(131,583)	(3,277)	(828,504)
Accounting write-off during the year	-	-	(1,452)	(1,452)
Amounts written off	-	-	(1)	(1)
Foreign exchange adjustments	-	-	-	-
Other changes	42	1	-	43
<b>At 31 December 2024</b>	<b>1,444,581</b>	<b>258,059</b>	<b>10,416</b>	<b>1,713,056</b>

<sup>2</sup> 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

<sup>3</sup> Movements in gross exposures in both years are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## a) Corporate entities – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	13,633	55,447	10,084	79,164
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	71	(71)	-	-
Transfers to Stage 2	(233)	233	-	-
Transfers to Stage 3	(10)	(1)	11	-
Net remeasurement of loss allowance	(792)	1,383	(4,103)	(3,512)
Impairment due to new financial assets originated or purchased	10,834	22,833	229	33,896
Financial assets that have been derecognised (due to regular repayment)	(6,044)	(28,903)	2,329	(32,618)
Unwidening	-	-	(18)	(18)
Accounting write-off during the year	-	-	(3,981)	(3,981)
Amounts written off	-	-	(20)	(20)
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>17,459</b>	<b>50,921</b>	<b>4,531</b>	<b>72,911</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	12,470	45,275	12,268	70,013
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	75	(75)	-	-
Transfers to Stage 2	(487)	488	(1)	-
Transfers to Stage 3	(2)	(428)	430	-
Net remeasurement of loss allowance	(1,718)	3,419	(1,484)	217
Impairment due to new financial assets originated or purchased	8,849	26,231	466	35,546
Financial assets that have been derecognised (due to regular repayment)	(5,554)	(19,463)	(240)	(25,257)
Unwidening	-	-	(55)	(55)
Accounting write-off during the year	-	-	(1,452)	(1,452)
Amounts written off	-	-	(1)	(1)
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	153	153
<b>At 31 December 2024</b>	<b>13,633</b>	<b>55,447</b>	<b>10,084</b>	<b>79,164</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## b) State and public sector – credit quality

Gross exposure	31 December 2025			31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total
<b>Internal rating grade<sup>4</sup></b>					
<b>Performing</b>					
Low risk	-	-	-	-	-
Medium risk	285,964	-	-	285,964	173,399
High risk	-	-	-	-	-
<b>Non-performing</b>					
Default	-	-	-	-	-
<b>Total</b>	<b>285,964</b>	<b>-</b>	<b>-</b>	<b>285,964</b>	<b>173,399</b>

Movement of gross exposure <sup>5</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	173,399	-	-	173,399
New financing	140,795	-	-	140,795
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	(28,230)	-	-	(28,230)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	<b>285,964</b>	<b>-</b>	<b>-</b>	<b>285,964</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	129,106	-	-	129,106
New financing	66,305	-	-	66,305
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	(22,012)	-	-	(22,012)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2024</b>	<b>173,399</b>	<b>-</b>	<b>-</b>	<b>173,399</b>

4 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk

5 Movements in gross exposures in both years are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## b) State and public sector – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	847	-	-	847
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(138)	-	-	(138)
Impairment due to new financial assets originated or purchased	704	-	-	704
Financial assets that have been derecognised (due to regular repayment)	(27)	-	-	(27)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	<b>1,386</b>	<b>-</b>	<b>-</b>	<b>1,386</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	673	-	-	673
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(133)	-	-	(133)
Impairment due to new financial assets originated or purchased	332	-	-	332
Financial assets that have been derecognised (due to regular repayment)	(25)	-	-	(25)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2024</b>	<b>847</b>	<b>-</b>	<b>-</b>	<b>847</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### c) Retail – credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	
<b>Internal rating grade<sup>6</sup></b>						
<b>Performing</b>						
Low risk	833,540	-	-	833,540	712,641	
Medium risk	1,858,493	170,361	-	2,028,854	1,821,270	
High risk	-	9,007	-	9,007	6,610	
<b>Non-performing</b>						
Default	-	-	66,440	66,440	56,668	
<b>Total</b>	<b>2,692,033</b>	<b>179,368</b>	<b>66,440</b>	<b>2,937,841</b>	<b>2,597,189</b>	

Movement of gross exposure <sup>7</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	2,376,997	163,524	56,668	2,597,189
New financing	990,529	55,158	2,339	1,048,026
Assets derecognised (excluding write offs)				
Transfers to Stage 1	57,319	(55,666)	(1,653)	-
Transfers to Stage 2	(73,054)	74,783	(1,729)	-
Transfers to Stage 3	(11,337)	(8,624)	19,961	-
Assets repaid	(648,421)	(49,807)	(8,464)	(706,692)
Accounting write-off during the year	-	-	(587)	(587)
Amounts written off	-	-	(91)	(91)
Other changes	-	-	(4)	(4)
<b>At 31 December 2025</b>	<b>2,692,033</b>	<b>179,368</b>	<b>66,440</b>	<b>2,937,841</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	2,088,144	146,462	57,145	2,291,751
New financing	883,235	48,945	1,545	933,725
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	45,891	(44,499)	(1,392)	-
Transfers to Stage 2	(60,750)	63,166	(2,416)	-
Transfers to Stage 3	(9,668)	(6,692)	16,360	-
Assets repaid	(569,855)	(43,858)	(9,183)	(622,896)
Accounting write-off during the year	-	-	(5,148)	(5,148)
Amounts written off	-	-	(236)	(236)
Other changes	-	-	(7)	(7)
<b>At 31 December 2024</b>	<b>2,376,997</b>	<b>163,524</b>	<b>56,668</b>	<b>2,597,189</b>

6 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

7 Movements in gross exposures in both years are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## c) Retail – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	15,118	15,523	53,208	83,849
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	444	(416)	(28)	-
Transfers to Stage 2	(586)	715	(129)	-
Transfers to Stage 3	(97)	(2,048)	2,145	-
Net remeasurement of loss allowance	(1,499)	766	5,769	5,036
Impairment due to new financial assets originated or purchased	6,679	5,591	1,680	13,950
Financial assets that have been derecognised (due to regular repayment)	(2,310)	(3,061)	(2,224)	(7,595)
Unwinding	-	-	(704)	(704)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	(91)	(91)
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	(2)	(2)
<b>At 31 December 2025</b>	<b>17,749</b>	<b>17,070</b>	<b>59,624</b>	<b>94,443</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	12,581	13,011	54,156	79,748
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	392	(336)	(56)	-
Transfers to Stage 2	(438)	666	(228)	-
Transfers to Stage 3	(80)	(1,530)	1,610	-
Net remeasurement of loss allowance	(1,072)	1,069	242	239
Impairment due to new financial assets originated or purchased	5,666	5,053	1,158	11,877
Financial assets that have been derecognised (due to regular repayment)	(1,931)	(2,410)	1,710	(2,631)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	(5,148)	(5,148)
Amounts written off	-	-	(236)	(236)
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>15,118</b>	<b>15,523</b>	<b>53,208</b>	<b>83,849</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## d) Finance lease – corporate – credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Internal rating grade<sup>8</sup></b>						
<b>Performing</b>						
Low risk	-	-	-	-	-	-
Medium risk	-	32,900	-	32,900	-	35,355
High risk	-	998	-	998	-	-
<b>Non-performing</b>						
Default	-	-	537	537	-	741
<b>Total</b>	<b>-</b>	<b>33,898</b>	<b>537</b>	<b>34,435</b>	<b>-</b>	<b>36,096</b>

Movement of gross exposure <sup>9</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	-	35,355	741	36,096
New financing	-	15,214	-	15,214
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(28)	28	-
Assets repaid	-	(16,639)	(232)	(16,871)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	-	(4)	-	(4)
<b>At 31 December 2025</b>	<b>-</b>	<b>33,898</b>	<b>537</b>	<b>34,435</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	-	34,006	1,033	35,039
New financing	-	15,365	-	15,365
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	-	(14,016)	(292)	(14,308)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>35,355</b>	<b>741</b>	<b>36,096</b>

8 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

9 Movements in gross exposures in both years are presented based on the data as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## d) Finance lease – corporate – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	(3)	1,281	656	1,934
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(1)	1	-
Net remeasurement of loss allowance	-	367	(179)	188
Impairment due to new financial assets originated or purchased	-	1,361	-	1,361
Financial assets that have been derecognised	-	(159)	(16)	(175)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>(3)</b>	<b>2,849</b>	<b>462</b>	<b>3,308</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	(3)	2,940	842	3,779
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	(2,026)	(169)	(2,195)
Impairment due to new financial assets originated or purchased	-	478	-	478
Assets that have been derecognised (due to regular repayment)	-	(111)	(17)	(128)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>(3)</b>	<b>1,281</b>	<b>656</b>	<b>1,934</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## e) Finance lease – retail – credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Internal rating grade<sup>10</sup></b>						
<b>Performing</b>						
Low risk	-	-	-	-	-	-
Medium risk	-	193	-	193	-	138
High risk	-	-	-	-	-	-
<b>Non-performing</b>						
Default	-	-	53	53	-	77
<b>Total</b>	<b>-</b>	<b>193</b>	<b>53</b>	<b>246</b>	<b>-</b>	<b>215</b>

Movement of gross exposure <sup>11</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	-	138	77	215
New financing	-	119	-	119
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	-	(64)	(24)	(88)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>-</b>	<b>193</b>	<b>53</b>	<b>246</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	-	181	108	289
New financing	-	130	-	130
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	-	(173)	(31)	(204)
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>138</b>	<b>77</b>	<b>215</b>

10 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

11 Movements in gross exposures in both years are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## e) Finance lease – retail – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	-	12	63	75
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	(2)	(16)	(18)
Impairment due to new financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>-</b>	<b>10</b>	<b>47</b>	<b>57</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	-	1	85	86
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	(16)	(16)
Impairment due to new financial assets originated or purchased	-	12	-	12
Financial assets that have been derecognised (due to regular repayment)	-	(1)	(6)	(7)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>12</b>	<b>63</b>	<b>75</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### f) Finance lease – governments – credit quality

Gross exposure	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Internal rating grade<sup>12</sup></b>						
<b>Performing</b>						
Low risk	-	-	-	-	-	-
Medium risk	-	422	-	422	-	728
High risk	-	-	-	-	-	-
<b>Non-performing</b>						
Default	-	-	-	-	-	-
<b>Total</b>	-	<b>422</b>	-	<b>422</b>	-	<b>728</b>

Movement of impairment allowance <sup>13</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	-	728	-	728
New financing	-	-	-	-
Assets derecognised (excluding write offs)	-	(306)	-	(306)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	-	<b>422</b>	-	<b>422</b>

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	-	1,039	-	1,039
New financing	-	-	-	-
Assets derecognised (excluding write offs)	-	(311)	-	(311)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Assets repaid	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2024</b>	-	<b>728</b>	-	<b>728</b>

12 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk

13 Movements in gross exposures in both years are presented based on the data as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 19. LOANS AND RECEIVABLES FROM CLIENTS AT AMORTIZED COST (CONTINUED)

## f) Finance lease – governments – credit quality (continued)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	-	23	-	23
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	(18)	-	(18)
Impairment due to new financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised (due to regular repayment)	-	-	-	-
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2025</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	-	47	-	47
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	-	(21)	-	(21)
Impairment due to new financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised (due to regular repayment)	-	(3)	-	(3)
Unwinding	-	-	-	-
Accounting write-off during the year	-	-	-	-
Amounts written off	-	-	-	-
Other changes	-	-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>23</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Loans and receivables from clients at amortized cost are analysed by industry in the table below:

	31 December 2025	31 December 2024
<b>Corporate (including state and public sector)</b>		
<i>Industry:</i>		
A Agriculture, forestry, and fishing	17,301	16,832
J Information and communication	7,192	13,519
K Financial and insurance activities	15,257	32,196
L Real estate activities	43,383	23,456
M Professional, scientific and technical activities	80,869	49,581
N Administrative and support service activities	9,703	9,758
O Public administration and defence, compulsory social security	313,973	210,920
P Education	3,409	6,325
Q Health and social work activities	12,055	13,228
R Disability, entertainment and recreation	1,922	1,292
S Other service activities	1,027	802
B Mining and quarrying	10,099	12,215
C Manufacturing	358,777	390,349
D Electricity, gas, steam and air conditioning production and supply	159,070	84,953
E Water supply, sewage treatment, waste management and environmental remediation activities	2,375	2,100
F Construction	155,524	107,626
G Wholesale and retail trade, repair of motor vehicles and motorcycles	770,263	728,816
H Transportation and storage	71,835	64,624
I Food service activities (hotels and catering)	58,134	33,212
Other	-	5,451
<b>Total corporate</b>	<b>2,092,168</b>	<b>1,807,255</b>
<b>Retail</b>		
Non-purpose loans	1,829,488	1,641,341
Housing loans	640,624	534,524
Other retail loans	373,286	336,665
<b>Total retail</b>	<b>2,843,398</b>	<b>2,512,530</b>
<b>Total loans and receivables from clients</b>	<b>4,935,566</b>	<b>4,319,785</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

19. LOANS AND RECEIVABLES FROM CLIENTS  
AT AMORTIZED COST (CONTINUED)

Finance lease	31 December 2025	31 December 2024
<b>Corporate (including state and public sector)</b>		
A Agriculture, forestry and fishing	1,226	1,901
J Information and communication	556	1,203
L Real estate	99	187
M Professional, scientific and technical activities	3,180	2,191
N Administrative and support service activities	1,204	1,392
O Public administration and defence, compulsory social security	413	701
Q Health and social work activities	-	483
S Other service activities	12	-
B Mining and quarrying	769	23
C Manufacturing	2,588	3,520
E Water supply, sewage treatment, waste management and remediation activities	-	8
F Construction	5,488	7,827
G Wholesale and retail trade, repair of motor vehicles and motorcycles	9,970	10,133
H Transportation and storage	5,984	5,138
I Accommodation and food service activities (hotels and restaurants)	55	22
Other	-	137
<b>Total corporate</b>	<b>31,544</b>	<b>34,866</b>
<b>Retail</b>		
Other loans to individuals	189	141
<b>Total retail</b>	<b>189</b>	<b>141</b>
<b>Total loans and receivables from clients</b>	<b>31,733</b>	<b>35,007</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2025	31 December 2024
Debt securities	334,774	463,068
Equity securities	32	32
	<b>334,806</b>	<b>463,100</b>

The movement in impairment allowance for financial assets at fair value through profit or loss is as follows:

	2025	2024
Balance as at 1 January	1,852	4,000
Net expense/(gain) in the statement of changes in equity	(519)	(2,148)
Balance as at 31 December	1,333	1,852

During 2025 and 2024 there were no due uncollected financial assets through other comprehensive income. Also, there was a decrease credit impaired financial assets at fair value through other comprehensive income.

#### a) Debt securities

Debt securities at fair value through other comprehensive income – breakdown per issuer

	31 December 2025	31 December 2024
Bonds of the Government of Federation of BiH	131,164	157,259
Bonds of the Government of Republic of Srpska	143,100	169,222
State Bonds of the Republic of Croatia	8,406	87,057
Bonds of the Government of Romania	52,104	49,530
	<b>334,774</b>	<b>463,068</b>

#### Debt securities at fair value through other comprehensive income – credit quality

Gross exposure	31 December 2025			Total	31 December 2024	
	Stage 1	Stage 2	Stage 3		Total	Total
<b>Internal rating grade<sup>14</sup></b>						
<b>Performing</b>						
Low risk	60,510	274,264	-	334,774	463,068	
Medium risk	-	-	-	-	-	
High risk	-	-	-	-	-	
<b>Non-performing</b>						
Default	-	-	-	-	-	
<b>Total</b>	<b>60,510</b>	<b>274,264</b>	<b>-</b>	<b>334,774</b>	<b>463,068</b>	

14 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

## a) Debt securities (continued)

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	136,588	326,480	-	463,068
New financing	-	-	-	-
Assets derecognised (excluding write offs)	-	-	-	-
Change in fair value	3,761	9,962	-	13,723
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Reduced placements due to repayment (maturity)	(77,095)	(64,052)	-	(141,147)
Assets repaid	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	(2,744)	1,874	-	(870)
At 31 December 2025	60,510	274,264	-	334,774

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	945	907	-	1,852
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment losses (Note 13)	(584)	65	-	(519)
Impact of exchange rate differences	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2025	361	972	-	1,333

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	148,181	353,282	-	501,463
New financing	1,352	11,781	-	13,133
Assets derecognised (excluding write offs)	-	-	-	-
Change in fair value	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Reduced placements due to repayment (maturity)	(13,188)	(39,293)	-	(52,481)
Assets repaid	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	243	710	-	953
Other changes	-	-	-	-
At 31 December 2024	136,588	326,480	-	463,068

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	1,683	2,317	-	4,000
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment losses (Note 13)	(738)	(1,410)	-	(2,148)
Impact of exchange rate differences	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2024	945	907	-	1,852

### b) Equity securities

Equity securities at fair value through other comprehensive income

	31 December 2025	31 December 2024
Listed or quoted	32	32
	32	32

## 21. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

### A) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025		31 December 2024	
	Nominal value	Fair value	Nominal value	Fair value
<b>Financial assets</b>				
Forward foreign exchange contracts	12,753	130	744	11
Foreign exchange swap contracts	583,135	-	641,366	-
Shares in investment funds managed by a related party	2,000	2,060	2,000	2,015
	<b>597,888</b>	<b>2,190</b>	<b>644,110</b>	<b>2,026</b>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	10,763	70	746	9
Foreign exchange swap contracts	247	-	4,500	-
	<b>11,010</b>	<b>70</b>	<b>5,246</b>	<b>9</b>

Securities that are mandatorily measured at fair value through profit or loss, which are not traded, relate to the assets of Onemarkets EuroCash Fund. In order to support the operations of UniCredit Invest BH, in June 2024, the Bank invested BAM 2 million in Onemarkets EuroCash Fund, an open investment fund with a public offer managed by UniCredit Invest BH.

As at December 31, 2025, the Bank had a 2% share in the net value of the Fund's assets. This investment amount represents the maximum exposure to loss that may result from the investment.

Since the Bank had 2% share in the net value of the Fund's assets as of 31 December 2025, the judgment is that the Bank had no control.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 21. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

#### B) HEDGING DERIVATIVES

	31 December 2025		31 December 2024	
	Nominal amount	Fair value	Nominal amount	Fair value
<b>Financial assets</b>				
Interest rate risk - Hedging of FVOCI Securities	102,681	2,065	102,681	5,234
	<b>102,681</b>	<b>2,065</b>	<b>102,681</b>	<b>5,234</b>
<b>Financial liabilities</b>				
Interest rate risk - Hedging of amortised cost securities	256,996	9,709	268,074	14,368
Interest rate risk - Hedging of credits	37,814	1,018	44,117	1,639
	<b>294,810</b>	<b>10,727</b>	<b>312,191</b>	<b>16,007</b>

#### Items designated as hedged items

The table below shows the items that are "hedged" and that belong to the portfolio of securities carried at fair value through other comprehensive income and at amortised cost and loans to clients.

	2025	2024
Hedging assets	397,491	415,533

	Maturity in 2025			Maturity in 2024		
	Less than 1 year	1 - 5 years	More than 5 years	Less than 1 year	1 - 5 years	More than 5 years
<b>Securities Protection</b>						
Nominal Amount FV HA IRS (in EUR million)	70	89	25	5	121	64
Average Fixed Interest Rate FV HA IRS	2.06%	3.12%	3.03%	3.46%	2.80%	2.99%
<b>Credit Protection</b>						
Nominal Amount FV HA IRS	-	-	19	-	-	23
Average Fixed Interest Rate FV HA IRS	-	-	3.28%	-	-	3.28%

### 22. FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2025	31 December 2024
Debt securities at amortized cost	991,835	546,591
Less: Impairment provisions	(8,438)	(6,619)
	<b>983,397</b>	<b>539,972</b>

The movement in impairment allowance for financial assets at amortized cost is as follows:

	2025	2024
Balance as at 1 January	6,619	2,793
Impairment losses (Note 13)	1,819	3,826
Balance as at 31 December	<b>8,438</b>	<b>6,619</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## Debt securities at amortized cost - per issuer

	31 December 2025	31 December 2024
Bonds of the Government of Federation of BiH	544,622	268,074
EU Bonds	216,029	133,115
Bonds of the Republic of Germany	19,608	29,235
State Bonds of the Republic of Croatia	167,193	80,409
Government bonds of the Republic of Poland	14,348	14,387
State Bonds of the Republic of Slovenia	21,597	21,371
	<b>983,397</b>	<b>546,591</b>

Bonds of the EU with a carrying value of 22,390 thousand BAM were pledged as collateral for loans received from EBRD.

## Financial assets at amortized cost – credit quality

	31 December 2025				31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total	Total
<b>Gross exposure</b>						
<b>Internal rating grade<sup>15</sup></b>						
<b>Performing</b>						
Low risk	443,494	548,341	-	991,835		546,591
Medium risk	-	-	-	-		-
High risk	-	-	-	-		-
<b>Non-performing</b>						
Default	-	-	-	-		-
<b>Total</b>	<b>443,494</b>	<b>548,341</b>	<b>-</b>	<b>991,835</b>		<b>546,591</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Movement of gross exposure<sup>16</sup></b>				
Gross carrying amount as at 1 January 2025	278,554	268,037	-	546,591
New financing	169,794	299,370	-	469,164
Assets derecognised (excluding write offs)	-	-	-	-
Change in fair value	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Reduced placements due to repayment (maturity)	(10,856)	(20,000)	-	(30,856)
Assets repaid	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	6,002	934	-	6,936
<b>At 31 December 2025</b>	<b>443,494</b>	<b>548,341</b>	<b>-</b>	<b>991,835</b>

15 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

16 Movements in gross exposures are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 22. FINANCIAL ASSETS AT AMORTIZED COSTS (CONTINUED)

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	276	6,343	-	6,619
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment (Note 13)	4,443	(2,624)	-	1,819
Impact of exchange rate differences	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2025	4,719	3,719	-	8,438

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	253,646	84,857	-	338,503
New financing	44,428	183,074	-	227,502
Assets derecognised (excluding write offs)	-	-	-	-
Change in fair value	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Reduced placements due to repayment (maturity)	(22,931)			(22,931)
Assets repaid	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	35	(35)	-	-
Other changes	3,376	141	-	3,517
At 31 December 2024	278,554	268,037	-	546,591

Movement of impairment allowance	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	253	2,540	-	2,793
Assets derecognised (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impairment (Note 13)	23	3,803	-	3,826
Impact of exchange rate differences	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2024	276	6,343	-	6,619

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 23. OTHER ASSETS AND RECEIVABLES

	31 December 2025	31 December 2024
Receivables from card operations	49,500	45,319
Assets acquired in lieu of uncollectible receivables	445	551
Accrued fees	3,084	2,285
Other assets	63,604	58,698
	<b>116,633</b>	<b>106,853</b>
Less: Impairment allowance	(31,720)	(20,975)
	<b>84,913</b>	<b>85,878</b>

Included in other assets are prepayments made by the Bank for the VAT liability on foreign card expenses from Mastercard and VISA, as determined by the Indirect Taxation Authority during the 2023 tax audit of the entire banking sector. Upon receiving the decision establishing the obligation, the Bank filed objections and appeals, which were rejected at the level of Indirect Taxation Authorities, as well as initiated administrative proceeding at the Court of Bosnia and Herzegovina. The Management believes that the determined obligation does not represent a current liability under IAS 37 and expects a positive outcome from the initiated legal actions. Since the appeal and the initiated dispute do not delay the execution, the Bank made the payment of the determined obligation and default interest in 2023 and recognized the paid amount as a prepayment within other assets. Along with the payment, Bank sent a letter to the Indirect Taxation Authority emphasizing that the payments of VAT made for these services do not represent the acceptance of the Indirect Taxation Authority position on the matter. The same treatment was applied to payments made by the Bank after receiving the decision from the Indirect Taxation Authority.

After negative first-instance court decision in November 2025, in January 2026 we have received second-instance court decision by which court rejected our claim against VAT regulator decision. This outcome was fully expected, in line with the assessments and the previous opinion of our attorney, where the positive development is expected on the instance of Constitutional Court or through the arbitration process. We continue further in accordance with the planned strategy.

The total amount paid is BAM 30,006 thousand (31 December 2024: BAM 23,982 thousand). In accordance with regulatory requirements, as explained in section 2.1 of the Compliance Statement, the Bank recognized an impairment allowance for this asset in the amount of BAM 29,036 thousand (31 December 2024: BAM 17,986 thousand)

The movements in impairment allowance are summarized as follows:

	2025	2024
<b>Balance as at 1 January</b>	<b>20,975</b>	<b>3,617</b>
Impairment of assets acquired in lieu of uncollected receivables (Note 14)	-	-
Impairment losses (Note 13)	10,847	17,726
Write-offs	-	(368)
Other changes	(102)	-
<b>Balance as at 31 December</b>	<b>31,720</b>	<b>20,975</b>

Assets acquired in lieu of uncollectible receivables are assets (property, vehicles and other equipment) related to the collection of the overdue receivables from loan and financial lease clients, which are not classified in the investment property portfolio.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 24. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

Company	Activity	%	2025	2024
UniCredit Invest BH	Fund Management Company	51%	612	612
<b>Total</b>			<b>612</b>	<b>612</b>

## 25. PROPERTY AND EQUIPMENT

	Land and buildings	Motor vehicles and equipment	Computers	Leasehold improvements	Assets in progress	Total
<b>COST</b>						
Balance as at 31 December 2023	78,246	36,589	46,189	22,392	5,640	189,056
Additions	-	-	-	-	7,102	7,102
Write-offs	-	(1,895)	(4,419)	(2,344)	-	(8,658)
Disposals	(517)	(59)	-	-	-	(576)
Transfers (from) / to / in use	818	790	2,004	1,258	(4,870)	-
Fair value adjustment	2,769	-	-	-	-	2,769
Transfer between categories	421	-	-	-	(30)	391
<b>Balance as at 31 December 2024</b>	<b>81,737</b>	<b>35,425</b>	<b>43,774</b>	<b>21,306</b>	<b>7,842</b>	<b>190,084</b>
Additions	-	-	-	-	7,341	7,341
Write-offs	-	(1,490)	(3,308)	-	-	(4,798)
Disposals	-	(1,310)	-	-	-	(1,310)
Transfers (from) / to / in use	773	828	3,899	938	(6,438)	-
Fair value adjustment	4,469	-	-	-	-	4,469
Transfer from / (to) intangible assets	(21)	-	(2)	-	676	653
<b>Balance as at 31 December 2025</b>	<b>86,958</b>	<b>33,453</b>	<b>44,363</b>	<b>22,244</b>	<b>9,421</b>	<b>196,439</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>						
Balance as at 31 December 2023	32,720	25,228	39,214	20,964	-	118,126
Depreciation charge for the year	972	1,848	3,277	640	-	6,737
Write-offs	-	(1,962)	(4,359)	(2,344)	(6)	(8,671)
Disposals	(216)	-	-	-	-	(216)
Transfers (from) / to / in use	-	652	(652)	-	-	-
Fair value adjustment	1,334	-	-	-	-	1,334
<b>Balance as at 31 December 2024</b>	<b>34,810</b>	<b>25,766</b>	<b>37,480</b>	<b>19,260</b>	<b>(6)</b>	<b>117,310</b>
Depreciation charge for the year	1,030	1,684	3,142	909	-	6,765
Write-offs	-	(1,473)	(3,259)	-	-	(4,732)
Disposals	-	(1,233)	-	-	-	(1,233)
Transfers (from) / to / in use	-	-	-	-	4	4
Fair value adjustment	2,114	-	-	-	-	2,114
<b>Balance as at 31 December 2025</b>	<b>37,954</b>	<b>24,744</b>	<b>37,363</b>	<b>20,169</b>	<b>(2)</b>	<b>120,228</b>
<b>NET CARRYING VALUE</b>						
31 December 2024	46,927	9,659	6,294	2,046	7,848	72,774
31 December 2025	49,004	8,709	7,000	2,075	9,423	76,211

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

The carrying value of the Bank's non-depreciating land within land and buildings amounted to BAM 6,795 thousand as at 31 December 2025. During 2025, the Bank did not capitalise any borrowing costs related to the acquisition of property and equipment. During 2025, Bank's property and equipment were not pledged as collateral.

Fair value measurement of buildings and land was conducted by an independent appraiser, which is not a member company of UniCredit Group, whose personnel has adequate qualification and experience in assessing fair value of property in relevant locations.

The fair value of the building and the land was determined using: cost approach – replacement cost method; market approach – method of comparable transactions, and yield approach – discounted cash flow method.

The following parameters have been taken into account in the selection of methods for determining the estimated market value of the real estate in question: type of real estate (e.g., residential units, business premises, production facilities, construction land, etc.), purpose of the real estate (e.g., for residential, production, trade, provision of services, storage, administration, etc.), location of the real estate (urban, rural, industrial zone), adequate comparative prices for the sale and/or lease of the real estate and other factors that may influence the choice of the valuation method itself (quality of the building, current use and other).

Information about the fair value hierarchy as at 31 December 2025 is as follows:

Level 1	Level 2	Level 3
-	-	49,004

## 26. RIGHT OF USE ASSETS

	Right of use buildings	Right of use vehicles	Total
<b>COST</b>			
As at 1 January 2024	14,382	-	14,382
Additions	2,762	206	2,968
Disposals	(3,005)	-	(3,005)
As at 31 December 2025	14,137	206	14,343
Additions	3,141	1,803	4,944
Disposals	(3,818)	-	(3,818)
As at 31 December 2025	13,460	2,009	15,469
<b>ACCUMULATED DEPRECIATION</b>			
As at 1 January 2024	6,780	-	6,780
Depreciation charge for the year	3,282	31	3,313
Disposals	(3,074)	-	(3,074)
As at 31 December 2024	6,988	31	7,019
Depreciation charge for the year	3,209	254	3,463
Disposals	(2,952)	-	(2,952)
As at 31 December 2025	7,245	285	7,530
<b>NET CARRYING VALUE</b>			
As at 31 December 2024	7,149	175	7,324
As at 31 December 2025	6,215	1,724	7,939

Right to use assets refer to leased properties and vehicles that the Bank has leased for business operations, and whose lease agreements are longer than 1 year.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 27. INTANGIBLE ASSETS

	Software	Other intangible assets	Assets in progress	Total
<b>COST</b>				
As at 31 December 2023	78,970	2,654	3,972	85,596
Additions	-	-	3,125	3,125
Disposals	-	(251)	-	(251)
Transfers (from) / to	3,066	230	(3,296)	-
As at 31 December 2024	82,036	2,633	3,801	88,470
Additions	-	-	2,899	2,899
Disposals	-	(8)	-	(8)
Transfers (from) / to	2,213	-	(2,213)	-
Transfers (from) / to property and equipment	-	-	(653)	(653)
As at 31 December 2025	84,249	2,625	3,834	90,708
<b>ACCUMULATED AMORTISATION</b>				
As at 31 December 2023	63,050	2,541	552	66,143
Amortisation charge for the year	6,221	103	-	6,324
Disposals	-	(251)	-	(251)
Other movements	37	-	-	37
As at 31 December 2024	69,308	2,393	552	72,253
Amortisation charge for the year	5,368	72	-	5,440
Disposals	-	(8)	-	(8)
Other movements	56	-	-	56
As at 31 December 2025	74,732	2,457	552	77,741
<b>NET CARRYING VALUE</b>				
31 December 2024	12,728	240	3,249	16,217
31 December 2025	9,517	168	3,282	12,967

During 2025 and 2024, the Bank did not capitalise any borrowing costs related to the acquisition of intangible assets. During 2025 and 2024, intangible assets were not pledged as collateral for the Bank's borrowings.

28. CURRENT ACCOUNTS AND DEPOSITS FROM BANKS  
AT AMORTIZED COST

	31 December 2025	31 December 2024
<b>Demand deposits</b>		
- in foreign currency	263	320
- in BAM	10,355	8,490
<b>Fixed-term deposits</b>		
- in foreign currency	-	4
- in BAM	-	-
	10,618	8,814

As at 31 December 2025, current accounts and deposits from banks include BAM 2,706 thousand due to related parties (31 December 2024: BAM 1,733 thousand).

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 29. CURRENT ACCOUNTS AND DEPOSITS FROM CLIENTS AT AMORTIZED COST

	31 December 2025	31 December 2024
<b>Retail</b>		
Current and savings accounts and term deposits - foreign currency	1,391,807	1,370,272
Current and savings accounts and term deposits - BAM	3,004,051	2,596,161
	<b>4,395,858</b>	<b>3,966,433</b>
<b>Corporate (including state and public sector)</b>		
<b>Demand deposits</b>		
- in BAM	1,922,787	1,864,132
- in foreign currency	501,461	495,642
<b>Fixed-term deposits</b>		
- in BAM	65,854	46,469
- in foreign currency	29,721	62,886
	<b>2,519,823</b>	<b>2,469,129</b>
	<b>6,915,681</b>	<b>6,435,562</b>

As at 31 December 2025, the Bank's retail deposits in BAM include BAM 395 thousand (31 December 2024: BAM 410 thousand) and corporate and state deposits in BAM include BAM 4 thousand (31 December 2024: BAM 4 thousand) which have a EUR currency clause, with payments in BAM equivalent translated at the rate applicable at the date of payment.

### 30. BORROWINGS AND SUBORDINATED DEBTS

#### A) BORROWINGS

	31 December 2025	31 December 2024
Foreign banks	266,316	272,036
	<b>266,316</b>	<b>272,036</b>
<b>Maturity analysis:</b>		
Within one year	12,469	5,624
In the second year	12,433	12,433
Third to fifth year	241,414	19,279
After the fifth year	-	234,700
<b>Total</b>	<b>266,316</b>	<b>272,036</b>

Based on the regulatory request for determining the minimum requirement for the Bank's Minimum requirement for own funds and eligible liabilities (MREL) and the Decision on determining the Minimum requirement for own funds and eligible liabilities received from the Federal Banking Agency, in 2024 the Bank initiated the process of alignment with MREL requirements by concluding Agreement on MREL Liability with UniCredit S.p.A. By signing the Agreement and withdrawing the funds, the Bank satisfied the legal conditions and requirements of MREL as prescribed by the Law on Banks of the FBiH and by the Federal Banking Agency. The approved amount is BAM 234,700 thousand with maturity of 5 years.

Main conditions of other borrowings are:

- KfW Low Carbon Energy Facility - The borrowing is intended to finance micro, small, and medium-sized enterprises as well as municipalities in Bosnia and Herzegovina, with the aim of funding investments in energy efficiency under the "Low Carbon Energy Facility - BiH" program. The loan agreement was signed on December 9, 2024, in the amount of 20 million euros with a maturity of 6 years. The Bank has not drawn any funds from this line as at 31 December 2025.
- EBRD Go Digital - The borrowing is intended for the financing of small and medium-sized enterprises through investment in micro, small and medium-sized enterprises in order to help improve competitiveness and compliance with the technical standards of the European Union, Loan agreement signed on 10th November, 2022 in amount EUR 10 million with maturity of 5 years.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 30. BORROWINGS AND SUBORDINATED DEBTS (CONTINUED)

- EBRD Go Green – The borrowing is intended for financing investments in microenterprises and small and medium-sized enterprises in BiH. The main goal is the adoption of green technologies and sustainable practices. The loan agreement was signed on December 26, 2023, in the amount of 7 million euros, with a maturity period of 5 years.
- EBRD GEFF III RePower - The borrowing is intended for the financing green economy investments in the housing sector in Albania, Bosnia and Herzegovina, Kosovo, the Republic of North Macedonia, Montenegro and the Republic of Serbia. The instrument will be supported by grants from the European Western Balkans Joint Fund ("EWBJF"). The loan agreement was signed on March 15, 2024, in the amount of 7 million euros, with a maturity period of 4 years.

As a collateral for the loans received from the EBRD, the Bank pledged EU Bonds with a book value of BAM 22,391 thousand, while in the case of the KfW loan, the collateral is the guarantee of the ultimate owner.

#### B) SUBORDINATED DEBT

	31 December 2025	31 December 2024
Foreign banks	45,258	-
	<b>45,258</b>	<b>-</b>
<b>Maturity analysis:</b>		
Within one year	-	-
In the second year	-	-
Third to fifth year	-	-
After the fifth year	45,258	-
<b>Total</b>	<b>45,258</b>	<b>-</b>

Based on the Decision of the Federal Banking Agency on the method of determining a systemically important bank and the capital buffer for a systemically important bank, UniCredit Bank d.d., as a systemically important bank, is required to ensure an additional capital requirement.

In order to meet this requirement, UniCredit Bank d.d. concluded a Subordinated Loan Agreement with UniCredit SpA on 14 November 2025 and drew funds, with a maturity of 10 years. Balance of BAM 45,258 thousand relates to the drawn funds in the amount of BAM 44,984 thousand and accrued interest in the amount of BAM 274 thousand.

### 31. OTHER LIABILITIES

	31 December 2025	31 December 2024
Liabilities for items in the course of settlement	108,597	94,601
Liabilities for card operations	40,354	33,674
Accrued expenses	32,863	31,853
Unilateral contract termination	18,885	19,851
Deferred income	1,069	1,265
Lease users' down payments	1,232	211
Other liabilities	38,886	11,821
	<b>241,886</b>	<b>193,276</b>

Included in other liabilities is the amount of BAM 23,470 thousand that relates to liabilities arising from syndicated loans in use from 2025.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 32. LEASE LIABILITIES

Long-term lease payables	31 December 2025	31 December 2024
less than 1 year	3,652	3,156
1 to 2 years	2,479	2,465
2 to 3 years	1,415	1,439
3 to 4 years	784	489
4 to 5 years	97	109
<b>Total amount of long-term lease payments</b>	<b>8,427</b>	<b>7,658</b>
Discounting effects (unearned finance cost)	(305)	(249)
<b>At 31 December</b>	<b>8,122</b>	<b>7,409</b>

### 33. PROVISIONS FOR LIABILITIES AND CHARGES

	Provisions for contingencies and commitments	Provisions for legal proceedings*	Longterm provisions for employees	Restructuring**	Total
<b>Balance as at 31 December 2023</b>	<b>31,292</b>	<b>12,899</b>	<b>2,846</b>	<b>12,345</b>	<b>48,945</b>
Net charge in profit or loss (Note 12, 13, 14)	(7,521)	925	493	1,113	(4,990)
Provisions used during the period	-	(56)	(834)	(1,136)	(2,026)
Actuarial gain/loss for the period	-	-	218	-	218
Reclassification from other liabilities	-	-	106	-	106
<b>Balance as at 31 December 2024</b>	<b>23,771</b>	<b>13,768</b>	<b>2,829</b>	<b>1,886</b>	<b>42,253</b>
Net charge in profit or loss (Note 12, 13, 14)	(7,379)	(1,927)	334	-	(8,972)
Provisions used during the period	-	(2,098)	(284)	(570)	(2,952)
Actuarial gain/loss for the period	-	-	-	-	62
Reclassification from other liabilities	-	-	-	-	-
Foreign exchange adjustments	(5)	-	-	-	(5)
<b>Balance as at 31 December 2025</b>	<b>16,387</b>	<b>9,743</b>	<b>2,941</b>	<b>1,316</b>	<b>30,386</b>

### 34. SHARE CAPITAL

	Class A Ordinary shares	Class D Preference shares	Total
Number of shares	119,011	184	119,195
Nominal value (in BAM)	1,000	1,000	1,000
<b>Total</b>	<b>119,011</b>	<b>184</b>	<b>119,195</b>

Share capital of the Bank is determined in amount of 119,195,000.00 BAM and it is divided to:

- 119,011 ordinary shares "A" series, nominal value 1,000 BAM per share and
- 184 preferential cumulative shares of "D" series nominal value 1,000 BAM per one share..

Ordinary share of "A" series gives right on one vote on General Assembly of the Banke, right of management of the Bank on the way determined by the Statute, right of participation in Bank's profit proportionally to the nominal value of the share and other rights determined by the Statute and the Law. Preferential cumulative share of "D" series gives right of priority in dividend payout from Bank's profit proportionally to nominal value of the share and right of priority in payout in case of bankruptcy or liquidation of the Bank from non-distributed liquidation estate.

\* **Nature of provisions for legal proceedings:** Provisions for litigation relate to passive litigation, i.e. litigation in which the Bank is the defendant. These proceedings mainly relate to: compensation for damage or lost profits, unjust enrichment, labour disputes, determination of the nullity of contracts for certain products or mortgages or guarantees, inadmissibility of enforcement, determination of the co-ownership of marital property, etc. The Bank regularly estimates the amount of provisions for litigation costs. The estimate is based on the estimated probability of future cash flows arising from legal or constructive obligations. The Bank has provided BAM 9,743 thousand (2024: BAM 13,768 thousand) for litigation, which the Management considers to be a sufficient amount.

\*\* **Nature of provisions for restructuring costs:** In prior years, Bank recognised restructuring provisions related to new business models in retail and the plan for on overall organizational excellence, focusing on the efficiency of central functions, optimization of the business model in line with market needs and client demands, as well as digitalization, innovation, and the simplification of our processes. During 2025, there was no restructuring.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 35. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

	2025	2024
Net profit for the year attributable to ordinary shareholders	206,829	185,369
Weighted average number of ordinary shares during the period	119,011	119,011
<b>Basic earnings per share (BAM)</b>	<b>1,737,90</b>	<b>1,557,58</b>

Diluted earnings per share are not presented, as the Bank has not issued dilutive equity instruments.

### 36. COMMITMENTS AND CONTINGENT LIABILITIES

During its operations, the Bank has commitments and contingent liabilities recorded in off-balance, which are related to guarantees, credentials and unused part of loan facilities.

	31 December 2025	31 December 2024
Financial guarantees and Letters of credit	419,181	402,290
Other undrawn commitments	1,629,644	1,351,901
<b>Total</b>	<b>2,048,825</b>	<b>1,754,191</b>

#### a) Financial guarantees and Letters of credit

Gross exposure	31 December 2025			31 December 2025	
	Stage 1	Stage 2	Stage 3	Total	Total
<b>Internal rating grade<sup>17</sup></b>					
<b>Performing</b>					
Low risk	48,794	-	-	48,794	59,527
Medium risk	339,149	-	-	339,149	329,533
High risk	100	31,138	-	31,238	13,224
<b>Non-performing</b>					
Default	-	-	-	-	6
<b>Total</b>	<b>388,043</b>	<b>31,138</b>	<b>-</b>	<b>419,181</b>	<b>402,290</b>

Movement of gross exposure <sup>18</sup>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	351,160	51,124	6	402,290
New exposure	294,770	17,782	-	312,552
Exposure matured	(259,501)	(36,171)	(6)	(295,678)
Transfers to Stage 1	1,885	(1,885)	-	-
Transfers to Stage 2	(288)	288	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Foreign exchange adjustments	17	-	-	17
<b>At 31 December 2025</b>	<b>388,043</b>	<b>31,138</b>	<b>-</b>	<b>419,181</b>

17 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

18 Movements in gross exposures in both years are presented based on the closing balance classification as at year end.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Movement of gross exposure	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	296,605	102,476	34	399,115
New exposure	279,252	27,626	-	306,878
Exposure matured	(239,753)	(63,922)	(28)	(303,703)
Transfers to Stage 1	15,435	(15,435)	-	-
Transfers to Stage 2	(379)	379	-	-
Transfers to Stage 3	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	351,160	51,124	6	402,290

Movement of provisions	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	1,801	13,166	-	14,967
Transfers to Stage 1	10	(10)	-	-
Transfers to Stage 2	(2)	2	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	1,588	3,066	-	4,654
Impairment due to new financial assets originated or purchased	(1,363)	(7,692)	-	(9,055)
Financial assets that have been derecognised (due to maturity)	7	(3,473)	-	(3,466)
Foreign exchange adjustments	(4)	-	-	(4)
At 31 December 2025	2,037	5,059	-	7,096

Movement of provisions	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	1,236	20,322	(22)	21,536
Transfers to Stage 1	65	(65)	-	-
Transfers to Stage 2	(1)	1	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	98	(5,315)	22	(5,195)
Impairment due to new financial assets originated	1,436	6,515	-	7,951
Financial assets that have been derecognised (due to maturity)	(1,033)	(8,292)	-	(9,325)
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	1,801	13,166	-	14,967

### b) Other undrawn commitments

Gross exposure	31 December 2025			31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total
Internal rating grade <sup>19</sup>					
Performing					
Low risk	-	-	-	-	-
Medium risk	1,590,072	20,387	-	1,610,459	1,347,754
High risk	400	18,713	-	19,113	3,983
Non-performing					
Default	-	-	72	72	164
Total	1,590,472	39,100	72	1,629,644	1,351,901

19 12-month PD ranges for the level of the risk of non-fulfillment of the contractual obligation is as follows: 0-0.43% Low risk, 0.43%-10.12% Medium risk and 10.12%-100% High risk.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 36. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

## b) Other undrawn commitments (continued)

Movement of gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	1,315,752	35,985	164	1,351,901
New exposure	1,064,580	34,543	33	1,099,156
Exposure matured	(789,722)	(31,540)	(131)	(821,393)
Transfers to Stage 1	1,864	(1,864)	-	-
Transfers to Stage 2	(1,970)	1,970	-	-
Transfers to Stage 3	(12)	6	6	-
Changes due to modifications not resulting in derecognised	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	(20)	-	-	(20)
At 31 December 2025	1,590,472	39,100	72	1,629,644

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	897,266	26,776	52	924,094
New exposure	823,744	32,139	63	855,946
Exposure matured	(405,391)	(22,770)	(14)	(428,175)
Transfers to Stage 1	1,690	(1,690)	-	-
Transfers to Stage 2	(1,525)	1,525	-	-
Transfers to Stage 3	(73)	5	68	-
Changes due to modifications not resulting in derecognised	-	-	-	-
Foreign exchange adjustments	-	-	-	-
Other changes	41	-	(5)	36
At 31 December 2024	1,315,752	35,985	164	1,351,901

Movement of provisions	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	4,427	4,184	193	8,804
Transfers to Stage 1	2	(2)	-	-
Transfers to Stage 2	(3)	3	-	-
Transfers to Stage 3	-	2	(2)	-
Net remeasurement of loss allowance	2,572	4,541	17	7,130
Impairment due to new financial assets originated or purchased	(2,083)	(3,822)	(122)	(6,027)
Financial assets that have been derecognised (due to maturity)	(526)	(82)	(7)	(615)
Foreign exchange adjustments	(1)	-	-	(1)
Other changes	-	-	-	-
At 31 December 2025	4,388	4,824	79	9,291

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Kretanje rezerviranja	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	4,736	4,940	80	9,756
Transfers to Stage 1	6	(6)	-	-
Transfers to Stage 2	(5)	5	-	-
Transfers to Stage 3	-	-	-	-
Net remeasurement of loss allowance	225	5	66	296
Impairment due to new financial assets originated or purchased	2,949	4,048	56	7,053
Financial assets that have been derecognised (due to maturity)	(3,481)	(4,808)	(9)	(8,298)
Foreign exchange adjustments	(3)	-	-	(3)
Other changes	-	-	-	-
At 31 December 2024	4,427	4,184	193	8,804

## 37. FUNDS MANAGED ON BEHALF OF THIRD PARTIES AND CUSTODY SERVICES

	31 December 2025	31 December 2024
Assets under custody	557,348	542,082
Loans managed on behalf of third parties	48,475	24,845
	605,823	566,927

These funds are not part of the statement of the financial position of the Bank, nor part of the assets of the Bank, and they are managed separately. The Bank earns fee income for provision of the related services.

## 38. RELATED PARTY TRANSACTIONS

The Bank is a member of the UniCredit Group ("UCI Group"). The key shareholder of the Bank is Zagrebačka banka d.d, with a holding of 99,30% (2024: 99,30%). The Bank considers that it has an immediate related party relationship with its key shareholders and their subsidiaries; Supervisory Board members, Management Board members and other key management personnel (together "key management personnel"); close family members of key management personnel; and entities controlled, or significantly influenced by key management personnel and their close family members.

Related party transactions are part of the Bank's regular operations.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 38. RELATED PARTY TRANSACTIONS (CONTINUED)

An overview of related party transactions as of 31 December 2025 and 31 December 2024 is presented in the table below:

	2025		2024	
	Income	Expenses	Income	Expenses
UniCredit Bank a.d. Banja Luka, BiH	1,185	-	1,345	-
UniCredit Bank Austria AG Vienna, Austria	49	82	57	27
UniCredit S.p.A Milan, Italy	6,922	24,569	11,191	10,997
Zagrebačka banka d.d. Zagreb, Croatia	25	2,274	25	2,328
UniCredit Bank AG München, Germany	268	582	19	20
UniCredit Bank Slovenija d.d. Ljubljana, Slovenia	9	-	8	2
UniCredit Invest BH d.o.o., Mostar, BiH	398	-	-	-
UniCredit Bank Hungary, Budapest, Hungary	3	26	-	42
UniCredit Services GmbH Vienna, Austria	-	-	-	6,851
UniCredit Bank Srbija a.d. Beograd, Serbia	-	1	-	6
UniCredit Global Information Services	76	-	-	-
<b>Total related parties</b>	<b>8,935</b>	<b>27,534</b>	<b>12,645</b>	<b>20,273</b>
Management Board and other key management personnel, and parties related to the Management Board and other key management personnel	-	8,523	4	8,178
	<b>8,935</b>	<b>36,057</b>	<b>12,649</b>	<b>28,450</b>

Realized income from to UniCredit Group members in 2025 includes interest income in the amount of 7,144 thousand BAM (2024: 10,167 thousand BAM), and income based on fees in the amount of 696 thousand BAM (2024: 844 thousand BAM). Realized income in 2025 included 649 thousand BAM of other income.

Realized expenses according to the members of the UniCredit Group in 2025 include expenses based on interest in the amount of 12,189 thousand BAM (2024: 7,813 thousand BAM), expenses based on fees in the amount of 2,051 thousand BAM (2024: 1,977 thousand BAM), other administrative expenses in the amount of 11,116 thousand BAM (2024: 10,471 thousand BAM), and other expenses in the amount of 2,176 thousand BAM (2024: 12 thousand BAM).

An overview of balances at 31 December 2025 and 31 December 2024 is presented below:

	31 December 2025		31 December 2024	
	Exposure*	Liabilities	Exposure*	Liabilities
UniCredit S.p.A Milan, Italy	357,476	282,449	252,205	236,076
Zagrebačka banka d.d. Zagreb, Croatia	17,571	2,490	6,760	1,171
UniCredit Bank Austria AG Vienna, Austria	15,154	572	20,329	347
UniCredit Bank a.d. Banja Luka, BiH	121	4	469	-
UniCredit Services Vienna, Austria	-	-	1,148	-
UniCredit Bank AG München, Germany	13,933	11,879	17,618	16,048
UniCredit Bank Srbija a.d. Beograd, Serbia	1	4	-	16
UniCredit Invest BH d.o.o., Mostar, BiH	-	452	-	-
UniCredit Bank Hungary, Budapest, Hungary	316	48	227	36
UniCredit Bank Slovenija d.d. Ljubljana, Slovenia	76	409	64	238
UniCredit Bank Czech Republic and Slovakia, a.s. Prague, Czech Republic	375	-	302	-
<b>Total related parties</b>	<b>405,023</b>	<b>298,307</b>	<b>299,122</b>	<b>253,932</b>
Management Board and other key management personnel, and parties related to Management Board and other key management personnel	1,188	1,084	1,005	1,132
	<b>406,211</b>	<b>299,391</b>	<b>300,127</b>	<b>255,064</b>

\* Exposure includes loans, interest receivables, other receivables and off-balance-sheet exposure.

As of December 31, 2025, the Bank has guarantees from: UniCredit Bank Austria AG in the amount of BAM 11,433 thousand

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

(December 31, 2024: BAM 20,600 thousand); Zagrebačka banka in the amount of BAM 200 thousand and from UniCredit Bank AG Munich in the amount of BAM 9,151 thousand (December 31, 2024: BAM 641 thousand), while as of December 31, 2025, the Bank did not have any guarantees provided (December 31, 2024: - BAM).

Salaries and fees paid to members of the supervisory board, the bank's management and other key management:

Short-term remuneration	2025	2024
<i>Gross salaries disbursed in the current year for the current year</i>	4,721	4,378
<i>Variable bonuses disbursed in the current year for the previous year - gross</i>	1,334	1,745
<i>Other short term remunerations</i>	671	780
<b>Long-term remuneration</b>		
<i>Variable bonuses disbursed in the current year for prior years – gross</i>	899	550
	<b>7,625</b>	<b>7,453</b>

The Management Board includes 7 employees, while other key management includes 31 employees, including employees who spent only part of 2025 in the aforementioned positions.

The gross remuneration to two members of the Supervisory board of UniCredit Bank in 2025 amounted to BAM 45 thousand (2024: BAM 70 thousand), while third member did not receive fee.

## 39. RISK MANAGEMENT

The Bank's risk management is conducted through a system of policies, programmes, procedures and approved limits, which are continuously upgraded in accordance with changes in legislation, changes in business activities based on market trends and development of new products, as well as through the adoption of risk management standards of the Bank.

The most important types of risk to which the Bank is exposed to are credit risk, market risk and operating risk. In addition, the Bank has identified climate-related risk as an emerging risk arising from financial instruments that has a growing impact on the Bank's activities. Risk related to climate change- environmental, social and governance risks are risks of any negative financial impact arising from the current or future impacts of ESG factors on its counterparties (e.g., borrowers, clients or issuers) or invested assets (i.e., risks arising from the underlying activities). ESG factors include environmental, social or governance factors that may have a negative impact on financial performance or solvency.

The impact of climate change and environmental factors can be reflected in credit, market, operational, and other types of risks. In dealing with clients, the Bank considers climate and environmental risks as risk drivers that affect existing risk categories, distinguishing between the impact of transitional and physical risks. The impact of climate change risks on clients' financial performance can materialize through transitional risk (i.e., the risk arising as a result of the transition to a low-carbon and more environmentally sustainable economy) and physical risk (i.e., the risk arising as a result of the physical effects of climate change on clients' operations). The Bank has defined guidelines for integrating climate and environmental factors into the credit risk management process, which results in identifying the applicable climate and environmental strategy, as well as products/services that, according to the identified strategy, can be offered to the client.

The UniCredit Group has committed to achieving the "Net Zero" goal for financed emissions by 2050. In the first phase, three industries were selected as priority sectors: oil and gas, power generation, and the automotive industry, followed shortly by a fourth: steel. Special short-term and long-term financing strategies are applied to clients in industries within the "Net Zero" scope.

The Supervisory Board and the Management Board define the principles of risk management and internal acts related to risk management.

### 39.1 Credit risk

Credit risk is the risk that the Bank will suffer a loss because its customers or other parties do not meet their contractual obligations. The Bank is exposed to credit risk through credit and investment activities and in cases where it acts as an intermediary on behalf of clients or other third parties.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

Credit risk is the risk of loss due to non-fulfilment of the borrower's financial obligation towards the Bank. It represents the risk that an unexpected change in the credit quality of a client could trigger a change in the value of credit exposure toward it. This change in the value of credit exposure can be the consequence of:

- default by a client who is unable to meet the contractual obligations
- customer credit quality worsening,

The Bank manage and control the credit risk by setting the limit on the amount of risk that is willing to accept, concentrating and monitoring exposures in accordance with these limits.

The Bank's primary exposure to credit risk arises from loans and receivables from customers and banks. The amount of credit exposure in this respect represents the carrying amount of the asset. Furthermore, the Bank is exposed to credit risk in relation to off-balance-sheet liabilities arising from unused funds and guarantees issued. Credit risk mitigation measures are used to reduce the credit risk associated with the exposure of the client / group to:

Material credit protection - a technique for reducing credit risk according to which the reduction of credit risk by exposure arises from the Bank's right to, in case of occurrence of the status of failure to fulfil the obligations of the debtor or the occurrence of other certain credit events related to the debtor, to cash in or transfer to themselves or appropriate or retain certain property or amount to or reduce the amount of exposure to the amount of the difference between the amount of exposure and the amount of the claim against the institution or replace it with the amount of the difference;

Intangible credit protection - a technique for reducing credit risk according to which the reduction of the credit risk by exposure arises from the obligation of a third party to pay a certain amount in the event of the occurrence of the default status of the debtor or the occurrence of other specified credit events.

The Bank has established a credit quality control process to enable early recognition of possible changes in the creditworthiness of other counterparties, including regular collateral audit.

#### Credit risk management

Credit risk management integrates the organizational structure of the Bank on the basis of accurately defined authorities and responsibilities among employees, the system of internal acts, internal controls, and methods of measurement, monitoring and credit risk management.

Credit risk is managed in accordance with the applicable programs and policies of the Bank and the regulatory requirements of the Federal Banking Agency.

Credit exposure to portfolios and individual clients / groups is regularly reviewed taking into account the set limits.

Any proposed significant increase in credit exposure is considered by the Risk Management prior to its approval as well as during the credit exposure monitoring phase and is approved at the appropriate decision-making level.

The Credit Committee is regularly informed of any significant changes in the quantity and quality of the portfolio, including the proposed impairment losses. Credit risk is continuously monitored and reported, facilitating early recognition of impairment in the loan portfolio.

The Bank has established a credit quality control process to enable early recognition of possible changes in the creditworthiness of other counterparties, including regular collateral audit.

In order to manage the level of credit risk, the Bank operates with good credit rating clients, and where appropriate, security instruments are taken.

Most credit risk exposures are secured by collateral in the form of cash, guarantees, mortgages and other forms of collateral.

#### Impairment and provisioning policies

For this purpose, the Bank applies a "3-Stage" model that is based on changes in credit risk of the financial instrument compared to credit risk at initial recognition, aiming to reflect the deterioration of the credit quality of the financial instrument:

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

- **Stage 1** covers financial instruments that do not have a significant deterioration in credit quality since initial recognition or have low credit risk;
- **Stage 2** covers financial instruments that have a significant deterioration in credit quality since initial recognition for which there is no objective evidence of credit loss events;
- **Stage 3** covers financial assets for which there is objective evidence of credit loss on the reporting date, Finally, the transfer of the financial instrument in Stage 3 is necessary if, in addition to the increase in credit risk, there is also a trigger for credit loss

Given the classification in different stages, the classification of credit exposure to performing and non-performing:

- **Stage 1 and 2** may only include performing financial assets,
- **Stage 3** may only include non-performing financial assets,

Financial Instruments in Stage 1 result in Recognition of the 12-month ECL.

Financial instruments in Stage 2 result in the recognition of lifetime ECLs for the instrument. For financial instruments in Stage 3, the lifetime ECL will be recorded.

## Definition of default status and recovery

The client is in the default status if the client is late with the payment of a material amount of more than 90 consecutive calendar days by the counter or when they are unlikely to pay one of their obligations in full (UTP event).

The Bank and Group have implemented a delay counter that takes into account the threshold of materiality, Substantial material liability is assumed when the receivables of the bank from corporate clients are more than BAM 1,000 and 1% of the debtor's exposure, and from natural persons exceeds 1% of the debtor's exposure and 200 BAM.

The recovery period is defined as the indicator of the borrower's ability and willingness to meet the contractual terms of recovery.

This period also aims to prevent the repetition of a default by a debtor shortly after the payment / agreement / entry into force of the deferment.

The period of recovery (rearing) implies that no new event of default may occur during that period and the amount of due receivables may not exceed the defined threshold of materiality.

## PD assessment process

Probability of default (PD) is an estimate of the probability of default, i.e., the client's transition to the default status. It gives an estimate of the likelihood that a client will not be able to settle their obligations over a certain period of time.

The probability of default (PD) reflects the 12-month probability of default based on the long-term average of the one-year default rate which is next adjusted to be point in time, as described in more details below.

There are two approaches to determining the PD for the purposes of calculating impairment.

For the low risk portfolio (Sovereign, Banks), Group Ratios are applied to PDs based on the Group rating model, and for the rest of the portfolio, the Bank's internal data is used, i.e., PDs created based on data on historical default rate of individual groups of exposures on the basis of days overdue and product types.

Classification of credit assets into risk grades is based on the average realized default rates based on which PiT (Point in time) adjustments are performed to calculate the IFRS 9 impairment The Bank uses 12-month PD rates (calculated for each homogenous group based on the Banks internal methodology) based on which individual exposures are classified to the following internal credit rating categories:

- Low risk of non-fulfilment of the contractual obligation: 12m PD range from 0 – 0,43%
- Medium risk of non-fulfilment of the contractual obligation: 12m PD range from 0,43% - 10,12%
- High risk of non-fulfilment of the contractual obligation: 12m PD range from 10,12%-100%

## EAD

EAD (Exposure at Default) represents the measure of exposure at the time of the default event, The EAD lifetime was obtained taking into account the expected changes in future periods, based on the repayment plan. For unused off-balance exposure, the use of CCF of 50% was assumed.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

##### PD assessment process (continued)

##### LGD

LGD (Loss Given Default) represents the percentage of estimated loss, and thus the expected return rate, at the date of the occurrence of a default event.

To assess LGD, the Bank segmented their corporate and retail portfolio into homogeneous portfolios based on key features that are relevant for estimating future cash flows. The data used is based on historically collected loss data and includes a wider set of transaction characteristics (e.g., product type).

LGD is calculated on the basis of cure rate and discounted collateral values after applying haircuts, and efficiency factors (calculated on the basis of historical collateral charge information).

Adjustments to PD and LGD apply according to IFRS 9 requirements:

- Apply PIT adjustment instead of TTC
- Include FLI information
- Expand credit risk parameters in a multi-annual perspective

##### Incorporation of forward-looking information

Since IFRS9 requires to use PDs which are Point in Time and Forward Looking, the TTC lifetime PD curves are adjusted leveraging on delta default rate (Forward Looking component) provided by Group ICAAP & Stress testing function (Satellite models), to be applied on top of the most recent DR (PIT component) – default rate. The Group has decided to leverage on the Stress Test Models for including macro-economic effects into the expected credit losses. The decision to leverage on Satellite models is aimed at ensuring a proper alignment between the various processes that within the Bank foresee the usage of macro-economic forecasts (e.g., portfolio strategy, budgeting, stress testing).

Satellite models are based on internal estimates of macro-economic indicators' forecasts and developed according to well-known econometric models.

The key drivers for credit risk are: GDP growth, unemployment rates and inflation based on which is created list of variables used for satellite model.

IFRS 9 standard requires the estimate of expected credit losses to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

The selected approach implies the use of two different macro-economic scenarios and probability weights for each one, more specifically: baseline, one negative (down-side) scenario and one positive (up-side) scenario are considered. The UniCredit Research department produces semi-annually macroeconomic forecasts under baseline and alternative downside and upside scenarios. Each scenario envisages three years of forecasts including all the relevant macro-economic factors considered in the satellite models (as presented in the Table below). A probability of occurrence, judgmentally defined by the UniCredit Research department, is assigned to each scenario, ensuring that the scenario's probability is not biased to extreme scenarios, otherwise the range and weighting of scenarios would be not representative. An "average" scenario is defined as the weighted average of delta DRs provided under each of the scenarios previously mentioned.

Consideration of multiple scenarios is relevant in case a non-linear relationship between key components of ECL and the relevant economic parameter exists.

Fulfilments of the above explain the requirements of the standard would require calculating the ECL under multiple scenarios and deriving a weighted average ECL based on the probability of each scenario to happen. Alternatively, banks are allowed to derive an overlay factor to account for the non-linearity of the ECL risk components and relevant economic parameters. Running more scenarios under the Loan loss provisions production process would not fit the Loan loss provisions production timeline and has been considered to be an undue cost and effort for the Bank. It was therefore decided to account for multiple macroeconomic scenarios by estimating a yearly overlay factor to be applied to the ECL calculated under the baseline scenario.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

A simple and straightforward approach to derive the overlay factor consists in determining the ratio between the probability weighted ECL and the ECL under the baseline scenario as shown below:

$$\text{Overlay factor} = \frac{\text{ECL}_{\text{Weighted}}}{\text{ECL}_{\text{Baseline}}}$$

ECL weighted is calculated based on scenarios probabilities (for 2025 55% Baseline, Positive 5% and 35% Adverse) as follows:

$\text{ECL}_{\text{weighted}} = 60\% \times \text{ECL}_{\text{Baseline}} + 35\% \times \text{ECL}_{\text{Adverse}} + 5\% \times \text{ECL}_{\text{positive}}$

The overlay factor must be recalibrated semi-annually as soon as the new forecasts and weights under multiple scenarios are available.

The overlay factors on Group Wide portfolios (sovereign, banks) are estimated centrally and shared with the Bank on time for the local application in the monthly Loan loss provisioning process.

Finally, it is underlined that the overlay factor does not represent an estimated parameter, but a multiplicative factor to be applied on top of the Baseline ECL to produce a final ECL that is a probability-weighted amount determined by evaluating a range of possible outcomes.

The final ECL is calculated as:

$$\text{ECL}_{\text{Final}} = \text{ECL}_{\text{Baseline}} \times \text{Overlay factor}$$

The table below provides the list of macroeconomic assumptions used in the baseline, adverse and positive scenarios over the three years period,

Macroeconomic scenario	Baseline (60%)				Adverse (35%)				Positive (5%)			
	2025	2026	2027	2028	2025	2026	2027	2028	2025	2026	2027	2028
GDP, yoy % change	2.50	3.00	3.20	3.20	2.50	2.00	0.60	1.80	2.50	4.00	4.00	3.70
Inflation (CPI) yoy, stock	3.50	2.00	2.00	2.00	3.50	1.50	1.60	1.90	3.50	2.50	2.50	2.20
Inflation (CPI) yoy, average	4.00	1.80	2.00	2.00	4.00	1.50	1.50	1.80	4.00	2.30	2.50	2.20
Average salary, nominal EUR	1,233	1,290	1,356	1,428	1,233	1,273	1,297	1,338	1,233	1,304	1,372	1,435
Unemployment rate, %	27.00	25.50	24.00	22.50	27.00	26.50	27.50	25.50	27.00	25.00	23.50	22.00
Exchange rate /€, eop	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Exchange rate /€, average	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Real estate price index, yoy % change	7.00	6.00	6.00	6.00	7.00	4.00	2.00	3.00	7.00	7.00	7.00	7.00

### Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations.

The management performs sensitivity analysis of ECL as the ratio of:

- the difference between the ECL estimated under the different scenarios (negative and positive) and the one under the baseline;
- the GDP deviations (on 3 years cumulative basis) between adverse and positive compared to baseline scenarios (in % points),

The Implied assumptions are:

- GDP forecast (over 3 years) is assumed to be the most relevant economic factor as indicator of scenario severity;

The results considering the up to date IFRS9 scenarios and portfolio are the following:

- for 1 point of GDP drop (cumulated over 3 years) the ECL is estimated to increase by about 0.2% and for 1 point of GDP increase (cumulated over 3 years) the ECL is estimated to decrease by about 0.1%.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

Sensitivity of OKG vs 3-year cumulated GDP ((%)	% sensitivity of OKG vs 3-year cumulative GDP (%)
For 1 GDP point drop (3-year cumulated basis)	For 1 GDP point rise (3-year cumulated basis)
0.21%	-0.13%

In addition to GDP sensitivity, sensitivity to unemployment rates (as another relevant economic factor) was performed as the ratio of:

- the difference between the ECL estimated under the different scenarios (negative and positive) and the one under the baseline;
- the unemployment rate deviations (on 3 years cumulative basis) between adverse and positive compared to baseline scenarios (in % points),

The results considering the up to date IFRS9 scenarios and portfolio are the following:

- for 0.5 point of unemployment rate drop (cumulated over 3 years) the ECL is estimated to decrease by about 0.09% and for 1 point of unemployment rate increase (cumulated over 3 years) the ECL is estimated to increase by about 0.14%.

Sensitivity of OKG vs 3-year cumulated unemployment rate (%)	% sensitivity of OKG vs 3-year cumulative unemployment rate (%)
For 0.5 unemployment rate point drop (3-year cumulated basis)	For 1 unemployment rate point rise (3-year cumulated basis)
-0.09%	0.14%

#### Incorporating the ESG component into the ECL

During 2024 the bank has integrated ESG components into the calculation of the ECL, the most relevant of which are climate and environmental risks related to transition and physical risk. These are also integrated into PD and LGD.

They are integrated into the PD as an add-on to the PD for legal entities where the impact of these risks is taken into account in accordance with the client's type of activity.

In LGD - physical risks (e.g. hail and floods) and transition risks, which may arise and reduce the value of collateral, are quantified and incorporated into the calculation of the value of the collateral itself and subsequently into the ECL calculation, in accordance with its geographical location and the energy performance certificate (EPC) class of the collateral.

#### Incorporation of geo-political risk in ECL

Starting from 2022 the Bank adopted a specific geo-political overlay to factor-in into the ECL the risks underlying the sharp rise in energy costs, inflation and interest rates, given new geopolitical context and the start of the Russian-Ukraine conflict, for both Corporate and Private individuals portfolio. The macro-economic context as of YE 2025 is characterized by the intensification of geopolitical and trade tensions - including renewed global protectionism, supply chain fragmentation and prolonged market uncertainty which has heightened the risk of adverse credit outcomes. Specifically, geo-political risks have been evolving more towards trade tensions whereas risks underlying current overlays is fading away due to smoothening of past energy supply tensions and stabilization of inflation and interest rate risks. Given the shift from the acute energy shocks to trade tensions, the existing geopolitical Corporate overlay has been re-assessed in 4Q25, to ensure sector sensitive, forward-looking ECL coverage.

The Geo-political overlay is a multiplicative overlay to be applied on top to the ECL based on the following formula:

$$ECL_{\text{Geo-political}} = ECL \times \text{Overlay}_{\text{Geo-political}}$$

YE25 Geopolitical corporate overlay re-assessment leverages on the IFRS9 "Adverse" scenario, used as a starting point, envisa-

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

ging also a more granular sector-based quantification in order to capture the level of sensitiveness of the different industries to trade tensions vulnerabilities. The combined result of satellite and sectoral models is used to determine the adjustment to be applied to the default rate thereby capturing both macro-driven and sector-specific dynamics. Such adjusted default rate is then applied to the relevant categories to estimate the expected new inflows of defaulted exposure, whose ECLs are then calculated according to the adequate coverage rate initially applied to Unlikely to Pay.

If default rates for some sectors are not considered representative of the underlying and expected riskiness, it was deemed appropriate to better calibrate the negative DR for these sectors, considering the three year average DR as a basis for the overlay calculation.

The overlay estimation approach of re-assessed geopolitical Corporate overlay remains coherent to previous methodology resulting in 4.5 mil BAM increase in ECL for geopolitical Corporate overlay as of 31.12.2025.

At the end of 2025, the geopolitical overlay amounts to 14.9 mil BAM, compared to 10.4 mil BAM at the end of 2024.

## Decision on credit risk management and determination of expected credit losses

As disclosed in Note 2.1 as of 1 January 2020, the Bank measures expected credit losses in accordance with the requirements of the Decision on Credit Risk Management and Determination of Expected Credit Losses.

The requirements of the Decision regarding impairment are based on the model of expected credit losses of IFRS 9, with certain specifics (for example, the prescribed minimum rates of expected credit losses for credit risk levels), based on which the Bank applies the following rules of minimum coverage to define the ECL:

### Credit risk stage 1

The Bank shall determine and record the expected credit losses for exposures allocated to credit risk level 1 at least in the following amounts:

- a) for low risk exposures – 0.1% of exposures,
- b) for exposures to central governments and central banks outside Bosnia and Herzegovina for which there is a credit assessment by a recognized external credit rating institution which is assigned to credit quality step 3 and 4 in accordance with Article 69 of the Decision on calculating the bank's capital, 0.1% exposure,
- c) for exposures to banks and other entities of the financial sector for which there is a credit assessment by a recognized external institution for credit rating assessment, which in accordance with Article 69 of the Decision on calculating the bank's capital is assigned to credit quality level 1, 2 or 3 – 0.1 % exposure,
- d) for other exposures – 0.5% of exposures.

### Credit risk stage 2

The Bank is obliged to determine and record the expected credit losses in the amount higher of two of the following for exposures allocated to credit risk stage 2:

- a) 5% exposure,
- b) the amount determined in accordance with the bank's internal methodology.

### Credit risk stage 3

For exposures allocated to credit risk level 3, the bank shall determine and record expected credit losses at least in the amounts defined in Table 1 or Table 2.

**Table 1. Minimum expected credit loss rates for exposures secured by eligible collateral:**

N°	Days of delay	Minimum credit loss expected
1.	up to 180 days	15%
2.	from 181 to 270 days	25%
3.	from 271 to 365 days	40%
4.	from 366 to 730 days	60%
5.	from 731 to 1460 days	80%
6.	over 1460 days	100%

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.1 Credit risk (continued)

Decision on credit risk management and determination of expected credit losses (continued)

Table 2. Minimum expected credit loss rates for exposures not secured by eligible collateral:

N°	Days of delay	Minimum expected credit loss
1.	up to 180 days	15%
2.	from 181 to 270 days	45%
3.	from 271 to 365 days	75%
4.	from 366 to 456 days	85%
5.	over 456 days	100%

Exceptionally, if the Bank has taken appropriate legal action and can document the certainty of collection from eligible collateral in the next three years, the increase in the level of expected credit losses is not required to exceed 80% of the exposure. In doing so, the estimate of future cash flows from eligible collateral reduced to present value must be greater than 20% of that receivable.

In the event the Bank does not collect receivables in the specified period of three years, it is obliged to record the expected credit losses in the amount of 100% of the exposure. The Bank shall determine the rates of expected credit losses for trade receivables, receivables from factoring and financial leasing, and other receivables at least in the amounts as shown in Table 3.

Tabela 3. Minimalne stope očekivanih kreditnih gubitaka za lizing i ostala potraživanja

N°	Days of delay	Minimum expected credit loss
1.	there is no delay in material significant amount	0.5%
2.	up to 30 days	2%
3.	from 31 to 60 days	5%
4.	from 61 to 90 days	10%
5.	from 91 to 120 days	15%
6.	from 121 to 180 days	50%
7.	from 181 to 365 days	75%
8.	over 365 days	100%

The effects of the difference between IFRS 9 and the FBA Decision are presented in Note 2.1.

**Grouping of financial assets measured on a collective and individual approach**

Depending on the level of exposure toward a person or a group of related persons, clients are assigned one of the following portfolios:

- Individually significant exposure - for exposures above 150,000 BAM;
- Small exposure portfolio - for exposures below 150,000 BAM;

Group of clients/transactions with similar risk characteristics taking into account the time of default and in accordance with developed LGD models.

Expected credit losses of exposures in default are calculated individually for "individually significant exposures" in default. Impairment calculation for Stage 3 for exposures that are not individually significant is based on portfolio assessment, by building homogeneous groups of clients/transactions with similar risk characteristics, taking into account the time of default

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

and in accordance with the developed LGD models. For all performing exposures, the Bank calculates the expected credit loss on a collective basis.

## Significant increase of credit risk (Significant increase of credit risk – SICR)

The principle of the ECL model under IFRS 9 is the reflection of the general pattern of changes in the credit quality of financial instruments from the beginning, for the timely recognition of expected credit losses. The amount of ECL recognized depends on the degree of deterioration of the credit from the initial recognition, The Standard introduces two measurement measures for ECL (12-month and lifetime ECL).

IFRS 9 transfer logic is reflected in the impairment tool for IFRS 9 and each contract is undoubtedly assigned to one of the 3 Stages according to the general rules as follows:

At the next measurement dates the financial instrument is assigned to:

- Stage 1, if the reporting date is not in the default status and: the credit risk has not increased significantly since initial recognition
- Stage 2, if the reporting date is not in the default status and the credit risk has significantly increased since initial recognition,
- Stage 3, if the reporting date is in the status of default,

The IFRS 9 guidelines are quite comprehensive in terms of the principle of a significant increase in credit risk (SICR).

Four groups of SICR criteria are defined:

- Quantitative criteria (related to PD changes),
- Qualitative Criteria,
- Back-stops,
- Manual overrides.

The quantitative approach for determining SICR is based on a quantile regression model that applies to a rated portfolio.

Qualitative criteria supplement the quantitative approach and will be taken into account if the basic criteria are:

- not included in the rating system and
- significant.

Under back-stops, the following criteria are considered:

- 30 days delay,
- Forbearance.

Manual overrides are defined as the fourth and last component of the transfer logic. The manual override process is a non-mandatory component of the non-quantitative part of the transfer logic and may be required to overcome possible exceptions due to specific factors when all other trigger triggers fail to capture special events of significant loan deterioration.

The Bank uses qualitative criteria, back stops and manual overrides.

SICR catalogue of the Bank:

- Days overdue
- Forbore classification
- Restructuring classification
- Watch list
- Default status in the previous the past 6 months
- Non-investment grade for securities
- Manual override,
- Client marked as RED on Radar report (for FBS clients).

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.1 Credit risk (continued)

## 39.1.1 Maximum exposure to credit risk

The Bank continuously apply prudent methods and tools in the credit risk assessment process, The maximum exposure to credit risk relating to items in the statement of financial position and commitments (off-balance-sheets items) is as follows:

Statement of financial position	31 December 2025	31 December 2024
Current accounts at CBBH and other banks (Note 16)	844,105	1,127,874
Obligatory reserve at CBBH (Note 17)	711,940	662,789
Loans to and receivables from banks (Note 18)	438,011	417,441
Debt securities at fair value through other comprehensive income (Note 20)	334,806	463,100
Financial assets at fair value through profit or loss (Note 21)	2,190	2,026
Loans and receivables from clients (Note 19)	4,967,299	4,354,792
Debt securities at amortized cost (Note 22)	983,397	539,972
Hedging derivatives (Note 21)	2,065	-
Other assets exposed to credit risk (part of Note 23)	73,943	84,591
<b>Total credit risk exposure relating to assets</b>	<b>8,357,756</b>	<b>7,652,585</b>
<b>Off-balance-sheet items (Note 36)</b>		
Unused loan facilities	1,629,644	1,351,901
Guarantees	406,283	384,377
Letters of credit	12,898	17,913
<b>Total off-balance sheet credit risk exposure</b>	<b>2,048,825</b>	<b>1,754,191</b>
	<b>10,406,581</b>	<b>9,406,776</b>

The above table represents the maximum credit risk exposure of the Bank as at 31 December 2025 and 2024, without taking into account any collateral held or other credit enhancements attached. For items in the statement of financial position, the exposures set out above are based on net carrying amounts as reported in the statement of financial position. For commitments the maximum credit risk exposure equals the total undrawn amounts.

The total maximum exposure of the Bank to credit risk arises from loans and receivables from customers 47.7% (December 31, 2024: 46.3%), loans and receivables from banks 4.2% (December 31, 2024: 4.4%), investments in financial assets at amortized cost 9.4% (31 December 2024: 5.7%) and investments in financial assets at fair value through other comprehensive income 3.2% (December 31, 2024: 4.9%).

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39.1.2 Concentration of assets and liabilities toward state sector

The table below shows the concentration of placements and liabilities to the State of Bosnia and Herzegovina and the entities: the Federation of Bosnia and Herzegovina and Republic of Srpska:

	31 December 2025	31 December 2024
Current account with CBBH (Note 16)	559,857	886,160
Obligatory reserve at CBBH (Note 17)	711,940	662,789
Bonds of the Government of Federation of Bosnia and Herzegovina	675,786	421,534
Bonds of the Government of Republic of Srpska	143,100	169,222
Current tax liability	(2,836)	(3,160)
State and public sector (Note 19)	285,964	173,399
	<b>2,373,811</b>	<b>2,309,944</b>

In addition, liabilities to state institutions are as follows:

	31 December 2025	31 December 2024
Short-term deposits	(432,113)	(397,160)

The Bank had no off-balance sheet sovereign risk exposure or liabilities at 31 December 2025 and 31 December 2024.

### 39.1.3 Restructuring Department portfolio

Clients of the Restructuring domain are the ones where the focus of the business relationship shifted from making profit to mitigating losses on lending exposure at a stage when legal action for mitigating losses is not yet needed. The objective is timely identification of clients where restructuring would enable them to continue in business and to mitigate or prevent further losses for the Bank.

Restructuring and Workout for PI/LE - restructuring domain activities are based on cooperation with other organisational parts of the Group, which identify clients/exposures that should be the subject of restructuring, work on defining the appropriate restructuring strategy, analysing restructuring applications, suggesting measures and making recommendations for restructuring, monitoring progress, monitoring the portfolio, assessing the level of provisions and the Bank's proposed measures to improve collateral coverage in order to strengthen its position in the collection of receivables.

In 2025, the restructured portfolio of legal entities amounted to BAM 49,493 thousand (2024: BAM 60,226 thousand), with the portfolio coverage by provisions of 28.77% (2024.: 40.87%), while restructured retail portfolio/private individuals amounted to BAM 6,150 thousand (2024: BAM 3,118 thousand), with the portfolio coverage by provisions of 44.49% (2024: 36.43%).

In 2025, the restructured portfolio of legal entities recorded increased in volume by 32.84% compared to the portfolio of legal entities at the end of 2024. The increase of the portfolio is the result of client migration.

In 2025, the restructured portfolio of private individuals recorded significant decrease compared to the restructured portfolio of private individuals at the end of last year. The reduction of the portfolio is a result of collection of receivables as well as of the migration of clients to other categories.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

##### 39.1.3 Restructuring Department portfolio (continued)

Forborne (Restructured exposures)								
31 December 2025	Total gross loans to customers ("UBZ")	Modified exposure ("MI")	Refinanced exposures ("RI")	%(MI + RI) / UBZ	Total ECL allowance ("UV")	Total ECL allowance for restructured exposures ("UV R")	%UV R / UV	
Households	2,938,068	4,995	1,155	0.2%	94,498	2,736	2.9%	
Non-financial companies	2,186,084	1,275	48,218	2.3%	77,462	14,237	18.4%	
Other financial companies	15,257	-	-	-	150	-	-	
<b>Total</b>	<b>5,139,409</b>	<b>6,270</b>	<b>49,373</b>	<b>1%</b>	<b>172,110</b>	<b>16,973</b>	<b>9.9%</b>	

Restructured exposures (risk group)						
31 December 2025	Stage 1		Stage 2		Stage 3	
	Restructured exposure - gross (stage 1)	ECL allowance for restructured exposure (stage 1)	Restructured exposure - gross (stage 2)	ECL allowance for restructured exposure (stage 2)	Restructured exposure - gross (stage 3)	ECL allowance for restructured exposure (stage 3)
Households	-	-	3,668	382	2,482	2,354
Non-financial companies	-	-	48,413	13,267	1,080	970
Other financial companies	-	-	-	-	-	-
<b>Total</b>			<b>52,081</b>	<b>13,649</b>	<b>3,562</b>	<b>3,324</b>

Forborne (Restructured exposures)								
31 December 2024	Total gross loans to customers ("UBZ")	Modified exposure ("MI")	Refinanced exposures ("RI")	%(MI + RI) / UBZ	Total ECL allowance ("UV")	Total ECL allowance for restructured exposures ("UV R")	%UV R / UV	
Households	2,597,404	22,993	2,492	1.0%	83,924	8,703	10.4%	
Non-financial companies	1,913,848	3,099	34,159	1.9%	81,901	14,399	17.6%	
Other financial companies	9,432	-	-	-	67	-	-	
<b>Total</b>	<b>4,520,684</b>	<b>26,092</b>	<b>36,651</b>	<b>1%</b>	<b>165,892</b>	<b>23,102</b>	<b>13.9%</b>	

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

31 December 2024	Restructured exposures (risk group)					
	Stage 1	Stage 2		Stage 3		
	Restructured exposure - gross (stage 1)	ECL allowance for restructured exposure (stage 1)	Restructured exposure - gross (stage 2)	ECL allowance for restructured exposure (stage 2)	Restructured exposure - gross (stage 3)	ECL allowance for restructured exposure (stage 3)
Households	243	11	22,209	7,375	3,033	1,316
Non-financial companies	-	-	32,125	9,566	5,132	4,834
Other financial companies	-	-	-	-	-	-
<b>Total</b>	<b>243</b>	<b>11</b>	<b>54,334</b>	<b>16,941</b>	<b>8,165</b>	<b>6,150</b>

### 39.1.4 Received collateral and other instruments of credit security

The Bank defines the policy for managing techniques for mitigating credit risk, which has the objective to ensure optimum management by collateral instruments, and mitigate potential losses on placements in case of default.

The Bank's internal acts are harmonized with legal and group guidelines, they prescribe the criteria for the acceptance of collateral instruments and the rules for their evaluation and monitoring. This ensures reliable and timely collection from collateral instruments, as well as their impact on credit risk reduction.

The efficient implementation of credit risk mitigation techniques in Bank's business processes leads to optimization of capital use.

Collateral valuation is one of the basic elements of loan approval process, in addition to the assessment of client's credit worthiness.

Client quality is based on the credit worthiness assessment and the quality of business relationship with the Bank. The collateral can never be substitute for client rating. If client rating or credit worthiness are not adequate, the loan cannot be approved. Collateral instruments serve for the Bank to protect itself in case of default, when the debtor is not able to make payments.

Basic condition for accepting collateral instruments is the legal enforcement, It is necessary to employ due care and diligence to ensure that the possibility for collection from collateral instruments is not endangered due to legal reasons.

Careful and adequate collateral management is required, in the sense of continuous monitoring and assessment. Assessed collateral must be regularly monitored, at least annually. The more regular monitoring and supervision is required in case of significant changes of market conditions.

In applying the credit risk mitigation technique, the Bank emphasize the importance of processes and controls of legal protection requirements, as well as assessing the suitability of collateral.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

##### 39.1.4 Received collateral and other instruments of credit security (continued)

31 December 2025	Gross carrying value	Net carrying value	Collateral			Received guarantees				
			Mortgages	Securities	Other	State and central bank	Banks	Other financial institutions	Other	
<b>Secured balance exposure</b>										
Full secured	904,535	895,113	791,530	-	7,004	-	96,579	-	-	-
-of which: NPL	1,891	1,889	1,873	-	7	-	9	-	-	-
Partially secured	1,166,469	593,972	489,071	-	5,076	-	-	-	-	-
-of which: NPL	5,285	1,708	1,703	-	-	-	-	-	-	-
<b>Secured off-balance exposure</b>										
Full secured	118,536	115,301	111,679	-	-	-	3,622	-	-	-
-of which: NPL	-	-	-	-	-	-	-	-	-	-
Partially secured	321,079	85,857	40,306	-	386	-	6	-	-	-
-of which: NPL	-	-	-	-	-	-	-	-	-	-

31 December 2024	Gross carrying value	Net carrying value	Collateral			Received guarantees				
			Mortgages	Securities	Other	State and central bank	Banks	Other financial institutions	Other	
<b>Secured balance exposure</b>										
Full secured	940,772	912	744,949	-	18,268	-	149,023	-	-	-
-of which: NPL	4,896	5	4,895	-	-	-	-	-	-	-
Partially secured	971,416	426	373,464	-	1,973	-	51,040	-	-	-
-of which: NPL	9,017	1	1,230	-	-	-	-	-	-	-
<b>Secured off-balance exposure</b>										
Full secured	111,776	108,778	91,124	-	-	-	17,654	-	-	-
-of which: NPL	-	-	-	-	-	-	-	-	-	-
Partially secured	85,751	15,840	14,725	-	-	-	1,115	-	-	-
-of which: NPL	-	-	-	-	-	-	-	-	-	-

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39.1.5 Gross exposure on housing and consumer loans according to LTV indicator

The following is an LTV ratio (the ratio of loan coverage to value of collateral pledged with that loan) for a portfolio of individual clients:

### Housing and consumer loans

#### Deposits and properties where material value is > 0

2024							In mln BAM
LTV	0%	0.01-30%	30-60%	60-80%	80-100%	>100%	TOTAL
Gross loans for purchase of a flat or a house	152	34	153	167	155	7	668
Gross consumer loans	1,716	1	1	-	2	-	1,720
<b>Total</b>	<b>1,868</b>	<b>35</b>	<b>154</b>	<b>167</b>	<b>157</b>	<b>7</b>	<b>2,388</b>

2025							In mln BAM
LTV	0%	0.01-30%	30-60%	60-80%	80-100%	>100%	TOTAL
Gross loans for purchase of a flat or a house	118	40	197	199	229	14	797
Gross consumer loans	1,914	-	-	-	-	-	1,914
<b>Total</b>	<b>2,032</b>	<b>40</b>	<b>197</b>	<b>199</b>	<b>229</b>	<b>14</b>	<b>2,711</b>

#### Deposits and mortgages independent of the material value

2024							In mln BAM
LTV	0%	0.01-30%	30-60%	60-80%	80-100%	>100%	TOTAL
Gross loans for purchase of a flat or a house	45	39	175	190	195	24	668
Gross consumer loans	1,716	1	1	1	2	-	1,720
<b>Total</b>	<b>1,761</b>	<b>40</b>	<b>176</b>	<b>191</b>	<b>196</b>	<b>24</b>	<b>2,388</b>

2025							In mln BAM
LTV	0%	0.01-30%	30-60%	60-80%	80-100%	>100%	TOTAL
Gross loans for purchase of a flat or a house	69	46	210	209	233	30	797
Gross consumer loans	1,914	-	-	-	-	-	1,914
<b>Total</b>	<b>1,983</b>	<b>46</b>	<b>210</b>	<b>209</b>	<b>233</b>	<b>30</b>	<b>2,711</b>

Remarks:

- Transaction overdrafts and card loans are not included in Gross Consumer Loans
- LTV=LTV current represents the ratio between the gross value of the loan and the market value of the real estate/other eligible collaterals pledged with that loan (market value after deduction for previous encumbrances and without the application of corrective factors)
- LTV=0% - for loans that do not require collateral
- Material value - is the value of collateral calculated by applying the collateral factor to the market (initial) value, which may be allocated to the collateral. Collateral material value serves for the purpose of identifying the level of credit protection applied to a particular exposure taking into account all risk aspects.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.1 Credit risk (continued)

## 39.1.6 Analysis by debt maturity and collateral

The NPL portfolio adjustment coverage in 2025 is 89.89% for the Bank (31 December 2024: 94.13%), calculated by dividing the non-performing ECL by the non-performing balance sheet portfolio.

The total impairment of loans and receivables from clients and financial leases for the Bank amounts to BAM 172,110 thousand (December 31, 2024: BAM 165,892 thousand), of which 4,291 thousand BAM (December 31, 2024: BAM 15,472 thousand) refers to impairment of loans for which impairment has been determined individually, and the remaining amount of 167,819 thousand BAM (December 31, 2024: 150,420 thousand BAM) refers to impairment on a portfolio basis.

	31 December 2025	31 December 2024
<b>Retail loans</b>		
Loans that are neither past due nor impaired	2,811,040	2,491,012
Past due loans that are not impaired	60,361	49,514
Impaired loans	66,440	56,663
<b>Gross</b>	<b>2,937,841</b>	<b>2,597,189</b>
Less: Impairment allowance	(94,443)	(83,849)
<b>Net</b>	<b>2,843,398</b>	<b>2,513,340</b>

	31 December 2025	31 December 2024
<b>Corporate, including state and public sector</b>		
Loans that are neither past due nor impaired	2,133,629	1,844,003
Past due loans that are not impaired	27,928	32,036
Impaired loans	4,908	10,416
<b>Gross</b>	<b>2,166,465</b>	<b>1,886,455</b>
Less: Impairment allowance	(74,297)	(80,070)
<b>Net</b>	<b>2,092,168</b>	<b>1,806,385</b>
<b>Finance lease</b>		
Financial lease receivables that are not past due	33,515	36,221
Past due receivables on financial lease that are not impaired	998	-
Non-performing receivables on financial leasing (impaired receivables on financial leasing)	590	819
<b>Gross</b>	<b>35,103</b>	<b>37,040</b>
Less: Impairment allowance	(3,370)	(1,988)
<b>Net</b>	<b>31,733</b>	<b>35,052</b>

## a) Loans that are neither past due nor impaired

The quality of the portfolio of loans to clients that have not matured can be assessed based on internal standard monitoring. Client loans are regularly monitored and systematically reviewed to detect irregularities or warning signs. They are the subject of constant monitoring with the aim of taking timely actions, which are aligned with the improvement / deterioration of the client's risk profile.

The table below disclose exposures that are neither past due nor impaired divided into monitoring groups, as follows: standard monitoring relates to clients with no warning signals and special monitoring relates to clients with identified warning signs (i.e. identified as watch list client).

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Retail			Total	Corporate, including state and public sector			Total	Finance lease
	Cash and consumer loans	Credit cards and overdrafts	Housing loans		Large	Medium	Small		Total
<b>31 December 2025</b>									
Standard monitoring	1,625,063	187,521	722,584	2,535,168	1,010,280	890,535	82,101	1,982,916	32,260
Special monitoring	184,244	23,331	67,958	275,533	41,604	99,882	9,227	150,713	1,255
	<b>1,809,307</b>	<b>210,852</b>	<b>790,542</b>	<b>2,810,701</b>	<b>1,051,884</b>	<b>990,417</b>	<b>91,328</b>	<b>2,133,629</b>	<b>33,515</b>
<b>31 December 2024</b>									
Standard monitoring	1,446,753	167,556	602,497	2,216,806	728,689	821,432	69,113	1,619,234	34,379
Special monitoring	184,065	29,737	60,473	274,275	97,092	118,949	8,568	224,609	1,940
	<b>1,630,818</b>	<b>197,293</b>	<b>662,970</b>	<b>2,491,081</b>	<b>825,781</b>	<b>940,381</b>	<b>77,681</b>	<b>1,843,843</b>	<b>36,319</b>

### b) Past due loans that are not impaired

	Retail			Total	Corporate, including state and public sector			Total	Finance lease
	Cash and consumer loans	Credit cards and overdrafts	Housing loans		Large	Medium	Small		Total
<b>31 December 2025</b>									
Past due up to 30 days	41,311	11,318	2,096	54,725	6,889	4,238	-	11,127	998
Past due 31 to 60 days	3,695	416	-	4,111	-	-	-	-	-
Past due 61 to 90 days	1,385	140	-	1,525	-	16,801	-	16,801	-
Past due over 90 days	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>46,391</b>	<b>11,874</b>	<b>2,096</b>	<b>60,361</b>	<b>6,889</b>	<b>21,039</b>	<b>-</b>	<b>27,928</b>	<b>998</b>
Estimated value of collateral	21	-	-	21	5,990	797	-	6,787	-
<b>31 December 2024</b>									
Past due up to 30 days	34,187	9,894	1,621	45,703	9,509	21,817	704	32,029	-
Past due 31 to 60 days	2,426	285	217	2,928	-	-	6	6	-
Past due 61 to 90 days	768	114	-	882	-	-	-	-	-
Past due over 90 days	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>37,382</b>	<b>10,294</b>	<b>1,838</b>	<b>49,514</b>	<b>9,509</b>	<b>21,817</b>	<b>710</b>	<b>32,036</b>	<b>-</b>
Estimated value of collateral	-	-	85	85	8,383	14,842	152	23,377	-

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.1 Credit risk (continued)

##### 39.1.6 Analysis by overdue receivables and collateral (continued)

###### b) Past due loans that are not impaired (continued)

Estimated values of properties pledged as collateral are based on valuations done by authorised surveyors/agency upon initial approval of a loan or possible subsequent re-evaluation, weighted by the value of the loan in the total exposure secured by the same collateral, up to the estimated value of collateral. The value of deposits and State guarantees is weighted in the same manner up to the outstanding balance of related secured exposure. Guarantors, co-debtor ship and bills of exchange are not valued in the table above although they are usually required as collateral.

###### c) Non-performing loans (impaired loans)

The Bank expects to collect the amount of non-performing loans exceeding the estimated value of collateral from other sources. Gross amount of non-performing loans to clients and financial lease receivables for the Bank as of 31 December 2025 amounts to BAM 71,938 thousand (31 December 2024: BAM 67,902), while on net level before cash flows from received collateral instruments they amount to BAM 7,223 thousand (31 December 2024: BAM 4,135 thousand).

The breakdown of the net amount of the individually impaired loans to clients, along with the fair value of related collateral held by the Bank as security, is as follows:

	Retail			Total	Corporate, including state and public sector			Total	Finance lease Total
	Cash and consumer loans	Credit cards and over-drafts	Housing loans		Large	Medium	Small		
<b>31 December 2025</b>									
Non-performing loans, gross	57,491	4,320	4,629	66,440	-	2,789	2,119	4,908	590
Non-performing loans, provision	52,356	3,644	3,624	59,624	-	2,506	2,025	4,531	560
Non-performing loans, net	5,135	676	1,005	6,816	-	283	94	377	30
Estimated value of collateral	7	-	948	955	-	-	-	-	-
<b>31 December 2024</b>									
Non-performing loans, gross	47,751	3,662	5,250	56,663	1,841	6,898	1,677	10,416	818
Non-performing loans, provision	45,055	3,191	4,969	53,215	1,672	6,609	1,648	9,929	770
Non-performing loans, net	2,696	471	281	3,448	169	289	29	487	48
Estimated value of collateral	-	-	265	265	169	238	-	407	-

The Bank expects to collect the excess in the carrying value of non-performing loans from the estimated value of the related collateral from sources other than collateral.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39.2 Liquidity risk

Liquidity risk is the potential risk that the Bank will not be able to meet its obligations as scheduled, in full and without delay. It arises in the Bank's financing activities and assets and liabilities management. Adjusting its business with regard to liquidity risk is achieved through compliance with the relevant legislation, internal policies for maintenance of liquidity reserves, compliance of assets and liabilities, setting limits and planned liquidity indicators.

Balance sheet Management department manages liquidity reserves on a daily basis. to enable the funding of clients' needs and to ensure an optimum balance between continuity and flexibility of financing through use of sources with different maturities.

The Bank has access to a diverse funding base including various types of retail and corporate and bank deposits, borrowings, subordinated debt, issued debt securities, share capital and reserves. These enhance funding flexibility and limit dependence on any one source of funds as well as generally ensure better funding cost management.

Liquidity needs are planned every month for a period of three months and controlled and matched on a daily basis.

#### 39.2.1 Structural liquidity risk

Structural liquidity management aims to ensure the financial stability of the Bank. The primary objective is to avoid undue and unexpected pressures on the financing needs of a short-term liquidity position and to ensure optimal financing sources and associated costs. This can be achieved by striking a balance between medium-term and long-term stable assets and adequate stable sources of financing.

Restrictions are defined in the form of limits and alert levels:

- "limit" is a firm point that metrics should not exceed; in the event of a limit being exceeded. The escalation process is initiated and corrective actions are taken to re-align with the prescribed limit as soon as possible (position reduced within the limit);
- the alert level is the point in which the check and analysis process is triggered. The overreach signals the need for an active approach in monitoring the causes and the potential adoption of action plans, although corrective action is not necessary.

#### Structural Liquidity Ratio

The Structural Liquidity Ratio is calculated as the ratio between medium-long-term liabilities and assets that mature over the same time bucket. The Structural Liquidity Ratio (SLR) represents an economic view of the Bank's structural liquidity, in accordance with the principles on which maturity transformation rules are adjusted, which are adjusted by applying behavioral models. SLR provides a counterbalance to the regulatory view, taking into account both behavioral and economic assumptions.

	(in BAM million)	
Structural Liquidity Ratio>1Y	31 December 2025	31 December 2024
Liabilities >1Y	5,180	5,033
Assets >1Y	4,718	4,110
Trigger	92%	91%
Limit	90%	90%
Ratio	110%	122%

	(in BAM million)	
Omjer strukturne likvidnosti >3G	31 December 2025	31 December 2024
Liabilities >3Y	4,407	4,241
Assets >3Y	2,945	2,496
Trigger	100%	100%
Limit	-	-
Ratio	150%	170%

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.2 Liquidity risk (continued)

## 39.2.1 Structural liquidity risk (continued)

Items that provide stable funding sources are sufficient to cover items that require stable funding sources in the relevant classes over one and three years.

Changes in the ratio during 2025 compared to 2024 are mostly related to the sight deposit behavior model, which was updated at the end of 2025 where a larger stable liquidity part was used for the behavioral component, which consequently led to an increase in deposits.

## Structural liquidity gap

Structural liquidity gap monitors maturity gap by material currencies (EUR, BAM, Other) in the buckets over one year. based on the "Structural Liquidity Ratio" metric methodology.

(in BAM million)		
Structural liquidity gap EUR >1Y	31 December 2025	31 December 2024
Liabilities >1Y	1,118	1,099
Assets >1Y	995	731
Trigger	(307)	(303)
<b>GAP</b>	<b>123</b>	<b>368</b>

(in BAM million)		
Structural liquidity gap BAM >1Y	31 December 2025	31 December 2024
Liabilities >1Y	4,108	3,935
Assets >1Y	3,723	3,379
Trigger	0	0
<b>GAP</b>	<b>385</b>	<b>556</b>

Changes in the Structural liquidity gap in EUR and BAM during 2025 compared to 2024 are mostly related to the increase of Assets, mostly to the Loans to Clients increase.

(in BAM million)		
Structural liquidity gap OTHER >1Y	31 December 2025	31 December 2024
Liabilities >1Y	-	-
Assets >1Y	-	-
Trigger	(6)	(6)
<b>GAP</b>	<b>-</b>	<b>-</b>

## Net stable funding ratio (NSFR) requirement

The NSFR (Net Stable Funding Ratio) requirement is the ratio between the amount of stable funding sources and the required funding sources. It aims to ensure a minimum acceptable level of long-term sources of financing for the current level and structure of the bank's assets. and to limit the ability to rely on short-term sources of funding. especially during periods of stress.

(in BAM million)		
NSFR	31 December 2025	31 December 2024
Items that provide stable funding sources	6,643	6,120
Items that require stable funding sources	3,971	3,445
Trigger	110%	110%
Limit	105%	105%
<b>Stable funding source ratio requirement (%)</b>	<b>167%</b>	<b>178%</b>

Changes in the ratio during 2025. compared to 2024. are mostly related to the increase of Items that require stable funding sources, mostly RSF from Loans to Clients increase.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39.2.2 Future cash flows from financial instruments

The following table details the Bank's remaining contractual maturity for its non-derivative and derivative financial assets. The table has been drawn up based on the undiscounted cash flows of the financial assets including interest that will be earned on those assets except where the Bank anticipate that the cash flow will occur in a different period.

#### Maturity for non-derivative and derivative financial assets

	Weighted average interest rate	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
<b>31 December 2025</b>							
Non-interest bearing	-	269,387	-	2,060	18	-	271,465
Variable interest rate instruments	4.70%	1,615,883	31,522	224,338	20,099	18,748	1,910,590
Fixed interest rate instruments	4.20%	742,960	492,618	1,160,246	3,220,162	1,603,206	7,219,192
	-	<b>2,628,230</b>	<b>524,140</b>	<b>1,386,644</b>	<b>3,240,279</b>	<b>1,621,954</b>	<b>9,401,247</b>
<b>Derivative assets</b>							
FX Derivatives	-	606,929	-	-	-	-	606,929
	-	<b>606,929</b>	-	-	-	-	<b>606,929</b>
<b>31 December 2024</b>							
Non-interest bearing	-	316,089	3,256	7,174	17	101	326,637
Variable interest rate instruments	4.80%	1,796,885	20,973	71,460	229,447	141,317	2,260,083
Fixed interest rate instruments	4.06%	886,901	460,662	841,199	2,578,267	1,246,336	6,013,364
	-	<b>2,999,875</b>	<b>484,891</b>	<b>919,833</b>	<b>2,807,731</b>	<b>1,387,754</b>	<b>8,600,084</b>
<b>Derivative assets</b>							
FX Derivatives	-	647,238	-	-	-	-	647,238
	-	<b>647,238</b>	-	-	-	-	<b>647,238</b>

The following table details the Bank's remaining contractual maturity for its non-derivative and derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Bank can be required to pay. The table includes both interest and principal cash flows.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.2 Liquidity risk (continued)

## 39.2.2 Future cash flows from financial instruments (continued)

## Maturity for non-derivative and derivative financial liabilities

Financial liability by type	Weighted average interest rate	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
<b>31 December 2025</b>							
<b>Non-derivative liabilities</b>							
Non-interest bearing		53,447	575	4,867	7,772	2,800	69,461
Variable interest rate instruments	4.72%	771	2,289	10,355	340,606	-	354,021
Fixed interest rate instruments	0.94%	6,460,840	94,313	193,800	152,469	4,583	6,906,005
Issued financial guarantee and letters of credit contracts		419,181	-	-	-	-	419,181
Issued loan commitments		1,629,644	-	-	-	-	1,629,644
		<b>8,563,883</b>	<b>97,177</b>	<b>209,022</b>	<b>500,847</b>	<b>7,383</b>	<b>9,378,312</b>
<b>Derivative liabilities</b>							
FX Derivatives		606,868	-	-	-	-	606,868
		<b>606,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606,868</b>
<b>31 December 2024</b>							
<b>Non-interest bearing</b>							
Variable interest rate instruments	-	21,747	1,792	5,683	8,924	2,016	40,162
Fixed interest rate instruments	0.55%	12,793	257,330	78,590	143,802	3	492,519
Issued financial guarantee and letters of credit contracts	0.34%	5,898,027	69,771	177,551	89,939	2,121	6,237,409
Issued loan commitments	-	402,290	-	-	-	-	402,290
Izdate obveze po kreditima	-	1,351,901	-	-	-	-	1,351,901
		<b>7,686,758</b>	<b>328,893</b>	<b>261,824</b>	<b>242,665</b>	<b>4,140</b>	<b>8,524,280</b>
<b>Derivative liabilities</b>							
FX Derivatives	-	647,236	-	-	-	-	647,236
		<b>647,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>647,236</b>

The Bank expect to meet their other obligations from operating cash flows and proceeds of maturing financial assets and assets at fair value through other comprehensive income.

## 39.3 Market risk

Market risk is defined as the effect that general and specific movements and market variable changes in the market have on the statement of profit or loss and other comprehensive income and statement of financial position of the Bank.

Basic risk factors include:

- interest rate risk,
- credit margin risk, and
- currency risk and

The aim of market risk management on Bank level is management and control of market risk exposure within acceptable parameters to ensure the solvency of the Bank with the optimisation of risk return.

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

Overall exposure to market risks is monitored within Risk Management using various methodologies and techniques of risk measurement. Daily reports on market risk exposures are created together with defined limits of market risk exposure for the purpose of risk management. Revision of existing limits is conducted at least once a year. Alterations to the limits of the Bank are coordinated by Zagrebačka banka. In addition to development and implementation of techniques for measuring market risk, the Bank continuously works on improving its business processes and quality of data.

## Market risk measurement techniques:

On Bank level, market risk management includes continuous reporting on risk exposure, followed by use of limits and daily review of all positions where market risk exposures exist. The positions are aggregated on daily basis and compared with defined limits.

Market risk metrics, used both for measuring and internal reporting on Bank's market risks, are compliant with UniCredit Group and they encompass:

- Value at Risk
- Sensitivity metrics (basis point value – BPV, basis point value for credit margin CPV, net open foreign currency position and other sensitivity measures),
- Alarming level of losses (applied to cumulative result through specific time horizon), and
- Results of stress resistance tests.

### 39.3.1 Value at Risk

The Bank uses Value-at-Risk methodology (VaR) to estimate the market risk and the maximum potential losses expected on positions classified under IFRS 9 – fair value through profit or loss (FVtPL) and fair value through other comprehensive income (FVtOCI).

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements, as a measure of maximum potential loss for the defined holding period or a period in which the position could be closed. Loss can occur in the overall or individual positions based on assumptions of various market variables.

The risk model calculates VaR daily with a confidence level of 99%. The model uses historical simulation based on last 250 observations of daily indicators.

Bank's VaR according to risk types in 2025 and 2024 is as follows:

2025 (000)	Minimum	Mean	Max	End of year
FVtOCI Total	405.4	629.7	822.1	559.5
FVtPL Total	26.0	40.3	47.6	45.3
2024 (000)	Minimum	Mean	Max	End of year
FVtOCI Total	67.7	771.6	1.593.7	440.6
FVtPL Total	0.4	10.9	26.9	26.4

### 39.3.2 Stress-testing

Stress-testing is used to evaluate the effect of market risks on the Bank's portfolio. In the stress-testing process the Bank currently covers the following risk categories - currency risk and interest rate risk:

- Currency risk is tested for individual currencies and currency groups - testing includes appreciation and depreciation shocks of 5%, 10% and 30% for currencies BAM and EUR.
- Interest rate risk is tested by each currency for the Bank's overall position. The scenarios include parallel shifts in interest rates by 200 basis point, interest rate level changes, curve rotation, increase of interest rates, including various shocks on currency interest rate curves.

Testing is performed monthly and test results are included into regular FRC reports.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 39. RISK MANAGEMENT (CONTINUED)

## 39.4 Foreign currency risk

Foreign currency risk is the risk of losses caused by adverse exchange rate movements. Foreign currency exposure arises from credit, deposit-taking, and trading activities. It is monitored daily in accordance with regulations and internally set limits per certain foreign currencies and in the total amount for all assets and liabilities denominated in foreign currencies or tied to foreign currencies.

Foreign currency risk management is performed in accordance with UniCredit Group standards by setting principles and limits for foreign currency exposures and by monitoring exposures against limits of open foreign currency positions stated in absolute values.

The Bank directs business activities in order to minimise the gap between assets and liabilities denominated in foreign currency by aligning its positions with set limits.

As of 31 December 2025	BAM	EUR	USD	Other currencies	Total
<b>Assets</b>					
Cash and cash equivalents	772,571	197,100	51,794	102,233	1,123,698
Obligatory reserve at CBBH	700,835	11,105	-	-	711,940
Loans and receivables from banks	14	312,986	125,011	-	438,011
Financial assets at FV OCI	159,697	175,109	-	-	334,806
Financial assets at fair value through profit or loss	2,190	-	-	-	2,190
Loans and receivables from clients	4,947,344	19,955	-	-	4,967,299
Hedging derivatives	-	2,065	-	-	2,065
Deferred tax assets	3,194	-	-	-	3,194
Investments in subsidiaries and affiliates	612	-	-	-	612
Other assets and receivables	378,375	(292,227)	(1,240)	5	84,913
Right-of-use assets	7,939	-	-	-	7,939
Securities at amortized cost	337,297	646,100	-	-	983,397
Property and equipment and intangible assets	89,115	63	-	-	89,178
	<b>7,399,183</b>	<b>1,072,256</b>	<b>175,565</b>	<b>102,238</b>	<b>8,749,242</b>
<b>Liabilities</b>					
Current accounts and deposits in banks	10,355	263	-	-	10,618
Current accounts and deposits from clients	4,992,692	1,650,604	172,035	100,350	6,915,681
Hedging	-	10,727	-	-	10,727
Lease liabilities	8,122	-	-	-	8,122
Financial liabilities at fair value through profit or loss	70	-	-	-	70
Borrowings and subordinated debt	-	311,574	-	-	311,574
Current tax liabilities	2,836	-	-	-	2,836
Other liabilities	184,645	52,436	3,454	1,351	241,886
Equity and reserves	1,217,342	-	-	-	1,217,342
Provisions for liabilities and expenses	28,422	1,351	76	537	30,386
	<b>6,444,484</b>	<b>2,026,955</b>	<b>175,565</b>	<b>102,238</b>	<b>8,749,242</b>
Net position	<b>954,699</b>	<b>(954,699)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

As of 31 December 2024	BAM	EUR	USD	Other currencies	Total
<b>Assets</b>					
Cash and cash equivalents	1,124,849	214,994	21,156	74,665	1,435,663
Obligatory reserve at CBBH	651,480	11,309	-	-	662,789
Loans and receivables from banks	566	234,743	142,392	39,740	417,441
Financial assets at FV OCI	213,977	249,123	-	-	463,100
Financial assets at fair value through profit or loss	2,026	-	-	-	2,026
Loans and receivables from clients	3,655,843	698,949	-	-	4,354,792
Hedging derivatives	-	5,234	-	-	5,234
Deferred tax assets	612	-	-	-	612
Investments in subsidiaries and affiliates	4,853	-	-	-	4,853
Other assets and receivables	(187,296)	272,305	1,532	(664)	85,877
Right-of-use assets	7,324	-	-	-	7,324
Securities at amortized cost	261,695	278,277	-	-	539,972
Property and equipment and intangible assets	87,995	996	-	-	88,991
	<b>5,823,924</b>	<b>1,965,930</b>	<b>165,080</b>	<b>113,741</b>	<b>8,068,674</b>
<b>Liabilities</b>					
Current accounts and deposits in banks	8,490	320	-	4	8,814
Current accounts and deposits from clients	4,491,311	1,671,138	160,526	112,587	6,435,562
Hedging	-	16,007	-	-	16,007
Lease liabilities	7,408	-	-	-	7,408
Financial liabilities at fair value through profit or loss	9	-	-	-	9
Borrowings and subordinated debt	-	272,036	-	-	272,036
Current tax liabilities	3,160	-	-	-	3,160
Other liabilities	148,168	39,539	4,473	1,096	193,276
Equity and reserves	1,090,149	-	-	-	1,090,149
Provisions for liabilities and expenses	38,145	3,975	81	54	42,254
	<b>5,786,840</b>	<b>2,003,015</b>	<b>165,080</b>	<b>113,741</b>	<b>8,068,676</b>
<b>Net position</b>	<b>37,084</b>	<b>(37,084)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 39.4.1 Foreign currency sensitivity analysis

The Bank is mainly exposed to EUR and USD. Since currency board arrangement is in force in Bosnia and Herzegovina, the Bank is not exposed to risk of change of EUR exchange rate (fixed exchange rate. Convertible Mark (BAM) is pegged to EUR).

The following table details the sensitivity to a 10% increase or decrease in BAM against USD. BAM is pegged to EUR due to the Currency board, therefore Bank do not have FX risk, so for this reason we stressed USD as our main currency which besides BAM and EUR has the largest open FX exposure as 31 December 2025.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only receivables and liabilities denominated in foreign currency and adjusts their translation at the period end for a 10% change in USD. A positive number below indicates an increase in profit where BAM strengthens 10% against USD. For a 10% weakening of BAM against USD there would be an equal and opposite impact on the profit, and the balances below would be negative.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.4 Foreign currency risk (continued)

##### 39.4.1 Foreign currency sensitivity analysis (continued)

Bank	USD Impact	
	31 December 2024	31 December 2025
Profit/Loss	(9)	(78)

#### 39.5 Interest rate risk

Interest rate risk represents the risk of decrease in asset values caused by adverse interest rate changes. Interest rate changes directly affect the net present value of future cash flows and consequently net interest income.

Interest rate change risk sources are:

- Repricing risk resulting from unfavourable changes in the fair value of assets and liabilities in the remaining period until the next interest rate change;
- Yield curve risk as the risk of changes in shape and slope of yield curve; and
- Basis risk as the risk of different base rates of corresponding asset and liabilities (e.g. EURIBOR vs LIBOR).

##### 39.5.1 Interest rate sensitivity analysis

The sensitivity analysis below has been determined through the measurement of risk by calculating the net present value of a change in the value of the portfolio in a scenario where the interest rate changes by 0.01% (1 basis point) with the basis point value (BP01) limit applied as the sensitivity measure according to currencies and time periods. Daily compliance limits are set by UniCredit Group.

IRRBB BP01 sensitivity analysis for the Bank per currency in 2025:

31st December 2025	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	4	(29)	(124)	185	(130)	(94)
EUR	(3)	(1)	(17)	(110)	(1)	(132)
USD	0	0	0	0	0	1
OTHER	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>(30)</b>	<b>(140)</b>	<b>75</b>	<b>(132)</b>	<b>(225)</b>

Overview according to IFRS9 classification:

IR BP01 FVOCI:

31st December 2025	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	0	(3)	(11)	(10)	0	(24)
EUR	(1)	(1)	(7)	(23)	0	(32)
USD	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>Total</b>	<b>(1)</b>	<b>(4)</b>	<b>(18)</b>	<b>(33)</b>	<b>0</b>	<b>(56)</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## IR BP01 FVTPL

31st December 2024	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	0	0	0	0	0	0
EUR	0	0	0	0	0	0
USD	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>Total*</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*BP01 FVTPL usage in „Total“ is below 1ths BAM

Values in 2025 are presented in BAM thousands. Deviations in the "Total" line are possible due to rounding.

BP01 limits are monitored through an internal model, IMOD, which is also used for the calculation of VaR (developed by the UniCredit Group).

Additionally, an overview of the sensitivity of net interest income (NII sensitivity), which represents the sensitivity of the budgeted net interest income to the shift in interest rates.

## IRRBB BP01 sensitivity analysis for the Bank per currency in 2024:

31st December 2024	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	(2)	(49)	(123)	31	(81)	(224)
EUR	(1)	(2)	13	110	3	123
USD	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>Total</b>	<b>(3)</b>	<b>(51)</b>	<b>(110)</b>	<b>141</b>	<b>(78)</b>	<b>(101)</b>

Overview according to IFRS9 classification:

## IR BP01 FVOCI:

31st December 2024	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	0	(4)	(22)	(13)	0	(39)
EUR	(2)	(1)	(7)	(30)	0	(40)
USD	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>Total</b>	<b>(2)</b>	<b>(5)</b>	<b>(29)</b>	<b>(43)</b>	<b>0</b>	<b>(79)</b>

## IR BP01 FVTPL:

31st December 2024	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 10 years	Over 10 years	Total
BAM	-	-	-	-	-	-
EUR	-	-	-	-	-	-
USD	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.5 Interest rate risk (continued)

##### 39.5.1 Interest rate sensitivity analysis (continued)

Overview of result for 2024 and 2025:

31.12.2024		31.12.2025	
SOT Parallel Up	SOT Parallel Down	SOT Parallel Up	SOT Parallel Down
2.50%	(5.09%)	1.53%	(3.54%)

Also, an overview of changes in the economic value of capital resulting from interest rate fluctuations for 2024 and 2025:

	31.12.2024.	31.12.2025.
EV sensitivity (SOT)	(6.76%)	(6.22%)
EV sensitivity +/-200 BP	(5.23%)	(6.22%)

##### 39.5.2 Effective interest rates

The table below presents effective interest rates applicable to various balance-sheet categories calculated as the weighted average interest rates for the period:

	31 December 2025	31 December 2024
	%	%
Cash and cash equivalents	0.93%	1.37%
Obligatory reserve at CBBH	0.45%	0.42%
Financial assets at FVOCI and at amortised cost	3.18%	3.32%
Loans and receivables from banks	2.49%	3.57%
Loans and receivables from clients	4.19%	4.19%
Current accounts and deposits from banks	0.00%	0.00%
Current accounts and deposits from clients	0.10%	0.10%
Interest-bearing borrowings	4.93%	4.08%
Subordinated debt	5.48%	-

### 39.6 Operating risk

Operational risk is a risk of losses caused by inadequate or unsuccessful internal processes, personnel and systems or external events, including legal risk.

The Bank is exposed to operational risk in all its activities, and as a consequence of this fact, through an established organizational structure, on a daily basis tends to affect the spread of culture and awareness of the importance of operational risk management.

The Bank established an appropriate system for recognising, measuring, grading and monitoring of operational risks, aiming at its optimum management and reduction by using the positive experience of the UniCredit Group regarding operational risks, standards and principles defined by the local regulator and the Basel Committee as well as its own findings based on its own experience in this area.

Operational risk management is inbuilt throughout the entire organisational structure of the Bank, through regular, strategic, supervisory, and audit management. In this way the Bank has a special focus on continuous analysis and development of solutions to avoid control and transfer operational risk to third parties.

With the system of adequate measures, the Bank intends to decrease the possibility of operational risk events that would have negative implications for the Bank's operations, i.e. to decrease them when they occur. In that sense, the Bank has particularly ensured adequate management of the following, given their significance and scope:

- information system and information system risks

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

- outsourcing risks
- legal risk
- business continuity
- anti-money laundering and terrorism financing system, and
- other relevant systems in the Bank.

The Bank uses standard procedures within its established operational risk management system, which include gathering information about default events, monitoring key operational risk indicators, assessing operational risk when implementing new products/systems/procedures or before conducting new business activities, assessment of risk of information and communication technology, scenario analysis and analysis and reporting of the Non-financial Risk Committee, reporting to the Management Board and other key management personnel and supervisory bodies on the Bank's exposure to operational risk, which also includes reporting on the results of operational risk management.

The Bank makes decisions on operational risk management both strategically and in everyday working processes. Raising awareness on the operational risks management culture is continuous through employee education and adequate reporting system and is additionally supported by adequate and efficient implementation of elements of operational risks management in the Bank's specific policies, processes and procedures.

The central element of the Strategy is the concept of integrated risk management and synergy with business development. By focusing on the assessment of the most significant risks and their prevention and mitigation, we have achieved one of the most important steps toward the successful implementation of business strategy and goals.

### 39.7 Reputational risk

Reputational risk represents the risk of loss of confidence in the Bank's integrity caused by unfavourable public opinion on the Bank's business practice, which arises from its activities, business relationships with individual clients or activities of the members of Bank's bodies, regardless of whether the basis for such public opinion exists.

The Bank is exposed to reputational risks in all its activities since reputational risk represent current or future risk that may affect revenues or equity as a result of unfavourable seeing of the Bank's image by the clients. other counterparties, shareholders/investors, regulator or employees (stakeholders).

The Bank recognises the importance of preventing and mitigating actions in reputational risk management. According to the standards of UniCredit Group and own knowledge based on extensive experience and continuous improvements in the area, in its daily operational activities, the Bank is systematically approaching to the strategy, monitoring and evaluation for each individual case of reputational risk, as well as continuous education of employees.

Reputational risk management system encompasses tools and mechanisms for continuous recognition. assessment and monitoring of actual or potential reputational risk events and reporting to the higher management and responsible bodies on the Bank's exposure to reputational risk.

Responsibility for reputational risk management is distributed through the overall hierarchical structure of the Bank. and continuous rising of awareness on importance of reputational risk is one of the pillars of the risk management.

### 39.8 Environmental, Social & Governance (ESG) Risks

Environmental, Social & Governance (ESG) Risks are risks of any negative financial impact stemming from the current or prospective impacts of ESG factors on its counterparties (e.g. a borrower, a client or an issuer) or invested assets (i.e. the risks arising from the core activities). ESG factors are environmental, social or governance matters that may have a negative impact on the financial performance or solvency.

UniCredit Bank d.d. Mostar (hereinafter: The Bank), as a member of UniCredit Group (hereinafter: UCG) integrated climate and environmental risks into existing risk management framework. At the level of UCG a strategic approach to manage these risks has been adopted, using the full array of the risk management instruments. This includes strategically realigning portfolios, setting clear risk appetites, developing mitigation strategies, adjusting qualitative credit criteria, and assessing materiality/capital adequacy.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 39. RISK MANAGEMENT (CONTINUED)

#### 39.8 Environmental, Social & Governance (ESG) Risks (continued)

Also, the Banking Agency of the Federation of Bosnia and Herzegovina has published a Guideline on climate and environmental risks management (hereinafter: Guideline) in the Official Gazette of Federation of Bosnia and Herzegovina. According to this Guideline UniCredit Bank d.d. Mostar has realised following activities:

- Materiality assessment of climate and environmental risks which contains:
  - Identification of risk drivers (mapping out risk drivers with the purpose of identifying transmission channels)
  - Identification of exposures (risk assessment methods with the purpose of assessing materiality of exposures)
  - Determination of materiality (establishment of a methodology for assessing materiality with the purpose of defining materiality thresholds and subsequent follow-up activities)
- Inclusion of climate and environmental risks in the business model and the strategy through the preparation of Frame for business model and strategy of the Bank for application of Guideline on climate and environmental risks management
- Inclusion of climate and environmental risks in the system of internal management and tendency to take risks through the adjustment of the Rulebook on the organization of UniCredit Bank d.d. and Employee compensation policy of UniCredit Bank d.d.
- Climate and environmental risk management system, which involves establishing a process for managing the impact that climate and environmental risks may have on existing risk categories. Incorporating climate and environmental risks into the loan approval process involves updating the client's sustainability review, the client's exposure to physical and transitional risks and the client's climate change mitigation plans as defined in the Climate and Environmental Risk Management Procedure.

Climate and environmental risks encompass two main risk drivers:

- Physical risk refers to the financial impact of climate change including more frequent extreme weather events and gradual climate changes, as well as environmental degradation such as air, water and soil pollution, biodiversity loss and deforestation, etc. Physical risk is therefore categorized as "acute" and "chronic".
- Transition risk refers to the financial loss to an institution that may arise, directly or indirectly, from the process of adaptation towards a low-carbon and more environmentally sustainable economy.

Transitional and physical risks are considered to represent a comprehensive representation of climate risk. Regarding the first, which includes the political and regulatory, technological and market changes needed to address the mitigation and adaptation requirements related to climate change, the macroeconomic variables of the scenario already consider its impact at the aggregate level. As for the second, the treatment is differentiated according to the type of physical risk. Chronic physical risk, associated with long-term changes in climate patterns (e.g. permanent temperature rise, sea level rise), is embedded in the values of macroeconomic variables of the scenario. On the other hand, acute physical risks arising from extreme events are included through bottom-up models.

An assessment was developed for each risk identified through Pillar I and Pillar II, in a qualitative manner, considering the current business/operational model of the Bank and using available literature to support assumptions about the relevant mechanism to be considered when translating climate risk into existing financial and non-financial risks.

Identification of relevant risk drivers is a prerequisite for safe and prudent risk management. The Bank considers climate and environmental risks as drivers of risks that affect existing risk categories, distinguishing between the impact of transitional and physical risks.

The impact of climate change risk on clients' financial performance can be materialized through transition risk (i.e. the risk arising as a result of the transition towards a low-carbon and more environmentally sustainable economy) and physical risk, which is the risk arising as a result of the physical impacts of climate change effects, including liability for contributing to climate change.

The Bank monitors following exposures towards climate and environmental risks:

- Transition Risk of corporate clients;
- Physical Risk of corporate clients;

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

- Reputational risk - every business relationship and every support to business activities must minimize reputational risk that may arise from environmental, social and governance issues and must comply with applicable laws, internal and external regulations, Group commitments (e.g. Net Zero), internationally recognized standards and industry best practices;
- High-carbon relevant industries (Net Zero);
- Collateral valuation - Transition and Physical Risk.

The Bank is expected to comprehensively include climate and environmental risks in its materiality assessment for all its business areas under different scenarios. The methodological framework used by the Bank, as well as UniCredit Group, aims to assess the impact of climate and environmental risks, considering both transitory and physical components, for long-term and short-term horizon scenarios. Methodological assumptions for each type of risk are presented below:

A materiality assessment was developed for each risk identified through Pillar I and Pillar II, in a qualitative manner, considering the Bank's current business/operational model and using available literature to support assumptions about the relevant mechanism to be considered when translating climate risk into existing financial and non-financial risks.

Identification of relevant risk drivers is a prerequisite for safe and prudent risk management. The Bank considers climate and environmental risks as drivers of risks that affect existing risk categories, distinguishing between the impact of transitional and physical risks.

The impact of climate change risk on the financial performance of clients can materialize through transition risk (i.e. the risk that arises as a result of the transition to a low-carbon and more environmentally sustainable economy) and physical risk, which is the risk that arises as a result of the physical impacts of the effects of climate change, including responsibility for contributing to climate change.

The bank monitors the following exposures to climate and environmental risks:

- Transition risk of clients of the segment of legal entities;
- Physical risk of clients of the segment of legal entities;
- Reputational risk;
- High-carbon relevant industries (Net Zero);
- Valuation of collateral - Transitional and physical risk.

The Bank is expected to comprehensively include climate and environmental risks in its materiality assessment for all its business areas under different scenarios. The methodological framework used by the Bank, as well as UniCredit Group, aims to assess the impact of climate and environmental risks, considering both transitory and physical components, for long-term and short-term horizon scenarios.

The risk is assessed as material (significant) if the losses are greater than the materiality threshold:

- Losses >1% of CET1 or
- Losses >5% of actual (average 3-Y) gross operating profit

At a minimum, the bank identifies the risks to which it is exposed or could be exposed to in the annual dynamics. Based on the materiality assessment and regarding the defined materiality thresholds, the climate risk for 2025 is not significant.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 40. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Reconciliation of movements of liabilities to cash flows arising from financing activities

2025	Borrowings	Lease liabilities
Balance at 01 January	272,036	7,408
Payment of lease liability	-	(4,280)
New lease liability	-	4,994
Subordinated debt	44,984	-
Receipts from interest-bearing borrowings	-	-
Repayment of interest-bearing borrowings	(5,624)	-
<b>Total changes from financing cash flows</b>	<b>39,360</b>	<b>714</b>
<b>Liability-related</b>		
Interest expense	13,651	350
Interest paid	(13,351)	(350)
Accrued up-front fee	(122)	-
<b>Total liability-related other changes</b>	<b>178</b>	<b>-</b>
<b>Balance as at 31 December</b>	<b>311,574</b>	<b>8,122</b>
2024	Borrowings	Lease liabilities
Balance as at 01 January	16,977	7,570
Payment of lease liability	-	(3,809)
New lease liability	-	3,698
Subordinated debt	-	-
Receipts from interest-bearing borrowings	260,824	-
Repayment of interest-bearing borrowings	(5,867)	-
<b>Total changes from financing cash flows</b>	<b>254,957</b>	<b>(111)</b>
<b>Liability-related</b>	<b>-</b>	<b>-</b>
Interest expense	9,170	271
Interest paid	(9,170)	(321)
Accrued up-front fee	102	-
<b>Total liability-related other changes</b>	<b>102</b>	<b>(50)</b>
<b>Balance as at 31 December</b>	<b>272,036</b>	<b>7,409</b>

# Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 41. CAPITAL MANAGEMENT

In compliance with laws, regulations and internal acts the Bank monitors and reports quarterly to regulators on its capital, risk-weighted assets and capital adequacy ratios.

Through its management reporting the Bank also regularly monitors capital movements, capital adequacy ratios as well as all changes in methodology which will have an impact on its capital.

During 2025, the Bank has been in compliance with all regulatory capital requirements and according to the local regulations in line with Basel III methodology had a capital adequacy ratio of 21.08%.

The regulatory capital of the Bank consists of core and supplementary capital.

The core capital of the Bank (fully equal to ordinary core equity) consists of paid shares, own treasury shares, share premium, retained unallocated profit and other reserves formed from profit after taxation on the basis of the decision of the Bank's General Assembly, net revaluation reserves based on changes in fair value of assets (accumulated comprehensive income), net of the amount of treasury shares, intangible assets and deferred tax assets.

Supplementary capital consists of equity instruments recognized as ancillary capital - paid-in equity instruments, less own equity instruments.

The minimum capital requirements are as follows:

- regular core capital rate 6.75%
- core capital rate 9%
- regulatory capital rate 12%

In addition to the statutory minimum adequacy rate, the Bank is also required to provide a protection layer for capital preservation that is to be maintained in the form of regular core capital in the amount of 2.5% of the total exposure amount.

The capital requirement based on the SREP assessment has been changed amounts to 0.75% (31 December 2024: 1.00%).

According to the Decision on Determining Systemically Important Banks in the Federation of BiH from 2025, Bank is classified as systemically important based on criteria such as size, interconnectedness, substitutability, and complexity, and additional capital requirement in the amount 2.5% applies.

The total risk-weighted exposure used for capital adequacy calculation includes: risk-weighted assets and credit equivalents, position risk, currency risk, commodity risk, and operational risk.

On 1 October 2021, the European Commission (EC) published an implementing decision confirming the equivalence of the supervisory and regulatory framework in Bosnia and Herzegovina with regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment institutions, company and amending Regulation (EU) no. 648/2012 (CRR) and Directive 2013/36 / EU 2013 of the European Parliament and of the Council on the accession of credit institutions and prudential supervision of credit institutions and investment firms (CRD). This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Equivalence in the segments of supervision and regulatory framework for the banking system has wider significance and long-term effects on the status of Bosnia and Herzegovina, investment rating assessments, risk weights for calculating capital requirements to cover banking risks. interest rate levels. investment security, etc.

The capital adequacy ratio under Basel III methodology for 2025 was significantly above the prescribed limit of 12%. The composition of capital and capital ratios as at 31 December 2025 is given in the table below.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 41. CAPITAL MANAGEMENT (CONTINUED)

	31 December 2025	31 December 2024
<b>Regulatory capital</b>	<b>1,030,171</b>	<b>877,516</b>
<i>Core capital</i>	<i>985,003</i>	<i>877,332</i>
<i>Regular core capital</i>	<i>985,003</i>	<i>877,332</i>
Issued share capital – Ordinary shares	119,011	119,011
Share premium	48,354	48,354
Accumulated comprehensive income	(13,050)	(24,882)
Statutory regulatory and other reserves	846,280	753,310
Deductions from regular core capital		
<i>intangible assets</i>	<i>(8,346)</i>	<i>(9,877)</i>
<i>own shares</i>	-	-
<i>deferred tax assets</i>	<i>(6,634)</i>	<i>(7,972)</i>
<i>significant investment in capital of financial sector entities</i>	<i>(612)</i>	<i>(612)</i>
Deductions from additional core capital exceeding the additional core capital	-	-
<b>Total regular core capital capital</b>	<b>985,003</b>	<b>877,332</b>
Additional core capital	-	-
<b>Core capital</b>	<b>985,003</b>	<b>877,332</b>
<b>Supplementary capital</b>		
Issued own capital – Priority shares	45,168	184
<i>Own shares</i>	-	-
General credit risk allowances	-	-
Missing credit loss provisions	-	-
Deductions from supplementary capital exceeding supplementary capital	-	-
<b>Total regulatory capital</b>	<b>1,030,171</b>	<b>877,516</b>
<b>Risk weighted assets (unaudited)</b>	<b>4,886,363</b>	<b>4,357,311</b>
<b>Capital adequacy ratio</b>	<b>21.08%</b>	<b>20.13%</b>

The Bank is obligated to ensure and maintain financial leverage rate as an additional security and simple capital hedge in the amount of at least 6%.

The Bank's financial leverage ratio is the ratio of the amount of the core capital to the total risk exposure of the Bank as at the reporting date, expressed as a percentage, and as at 31 December 2025 it is significantly above the stated minimum, amounting to 10.71%.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 42. FAIR VALUE MEASUREMENT

This note provides information about how the Bank determines fair values of various financial assets and financial liabilities.

#### 42.1 Fair value of Bank's financial assets and financial liabilities that are measured at fair value on a recurring basis, from period to period

Some of the Bank's financial assets and financial liabilities are measured at fair value at the end of each reporting period. In addition, the information is given about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

31 December 2025	Fair value		
	Level 1	Level 2	Level 3
<b>Financial assets at FVOCI (see Note 20)</b>			
Listed equity securities in Bosnia and Herzegovina	32	-	-
Unlisted debt securities in Bosnia and Herzegovina:			
Bonds of the Government of Federation of BH	-	-	131,164
Bonds of the Government of Republic of Srpska	-	114,100	29,000
Bonds of the Government of Republic of Croatia	-	8,406	-
Bonds of the Republic of Poland	-	-	-
Bonds of the Government of Romania	52,104	-	-
Assets	52,136	122,506	160,164
Liabilities	-	-	-

31 December 2024	Fair value		
	Level 1	Level 2	Level 3
<b>Financial assets at FVOCI (see Note 20)</b>			
Listed equity securities in Bosnia and Herzegovina	32	-	-
Unlisted debt securities in Bosnia and Herzegovina:			
Bonds of the Government of Federation of BH	-	-	157,259
Bonds of the Government of Republic of Srpska	-	112,037	57,185
Bonds of the Government of Republic of Croatia	75,185	11,872	-
Bonds of the Government of Romania	49,530	-	-
Assets	124,747	123,909	214,444
Liabilities	-	9	-

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

## 42. FAIR VALUE MEASUREMENT (CONTINUED)

## 42.1 Fair value of Bank's financial assets and financial liabilities that are measured at fair value on a recurring basis, from period to period (continued)

## Valuation techniques and key inputs

## Financial assets at fair value through other comprehensive income

For the securities presented under Level 1 valuation technique is based on quoted bid prices in an active market.

For the securities presented under Level 1 discounted mark-to-market technique is applied. Instruments that are not quoted in an active market are valued by using the models which include maximum relevant and available inputs and, also unobservable inputs, but at minimum level. Depending on significance of inputs that are unobservable debt securities are awarded with Level 2 or Level 3. Valuation for bonds classified as FVOCI, whose prices are not quoted on the market, is carried out according to Mark-to-Model prices. Significant increase in discount factors and spreads used in model would result in lower fair values.

Securities from 31.12.2025 have FVHL 1, 2 and 3 for the purposes of market risk, while levels 1 and 2 are considered for liquidity risk.

## Foreign currency forward contracts

Valuation technique applied for forward contracts presented under Level 2 is discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

## 42.2 Fair value of the Bank's financial assets and financial liabilities that are not measured at fair value on a recurring basis, from period to period (but fair value disclosures are required)

Valuation technique applied for forward contracts presented under Level 2 is discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<i>Loans and receivables:</i>				
Loans and receivables from clients	4,967,299	4,898,270	4,345,011	4,329,108
Securities at amortized cost	983,397	977,077	539,972	537,996
<b>Financial liabilities</b>				
<i>Financial liabilities held at amortised cost:</i>				
- Current accounts and deposits from clients	6,915,681	6,885,905	6,435,562	6,408,500
- Borrowings	266,590	265,442	272,036	270,892

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Fair value hierarchy as at 31 December 2025			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
<i>Loans and receivables:</i>				
- Loans and receivables from clients	-	2,371,559	2,526,711	<b>4,898,270</b>
- Securities at amortized cost	652,147	-	324,930	<b>977,077</b>
	<b>652,147</b>	<b>2,371,559</b>	<b>2,851,641</b>	<b>5,875,347</b>
<b>Financial liabilities</b>				
<i>Financial liabilities held at amortised cost:</i>				
- Current accounts and deposits from clients	-	-	6,885,905	<b>6,885,905</b>
- Borrowings	-	-	265,442	<b>265,442</b>
	-	-	<b>7,151,347</b>	<b>7,151,347</b>

The Bank provide finance lease of equipment and vehicles.

	Fair value hierarchy as at 31 December 2024			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
<i>Loans and receivables:</i>				
- Loans and receivables from clients	-	2,531,303	1,797,805	<b>4,329,108</b>
- Securities at amortized cost	259,632	-	278,364	<b>537,996</b>
	<b>259,632</b>	<b>2,531,303</b>	<b>2,076,169</b>	<b>4,867,104</b>
<b>Financial liabilities</b>				
<i>Financial liabilities held at amortised cost:</i>				
- Current accounts and deposits from clients	-	-	6,408,500	<b>6,408,500</b>
- Borrowings	-	-	270,892	<b>270,892</b>
	-	-	<b>6,679,392</b>	<b>6,679,392</b>

Assumptions used for estimate and measurement of fair value of particular financial instruments for 2025 are based on requirements of IFRS 13, by applying the methodology developed on UniCredit Group level.

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties and the concept of risk neutral "Probability of Default" approach based on market parameters, introduced for determining fair value by restricting dependence on internal parameters. The parameters included in the calculation are the market premium and correlation of assets return and the market.

For the purpose of classification of instruments in the fair value hierarchy (Level 2 or Level 3), a value limit / materiality of the difference between the fair value of risk-free and full fair value was established. If the determined difference is equal to or greater than 5% instrument is classified as Level 3. Accordingly, if the total fair value is not significantly different from the risk-free fair value (less than 5%), the instrument is classified as Level 2.

The table shows the calculations of fair value for performing loans and deposits from clients with fixed and variable interest rates. Fair value of non-performing loans of clients is equalled to book value. Significant increase in discount rates used in model would result in lower fair values of financial assets and higher fair values of financial liabilities.

### 42.3 Reconciliation of Level 3 fair value measurements

Fair value of equity securities in Bosnia and Herzegovina, which do not have the price on the active market cannot be reliably measured. Therefore, they are measured at cost, as they have no material impact on the Bank's financial statements.

## Notes to the financial statements for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

### 43. AUDITING EXPENSES

In accordance with a contract to audit the 2025 annual report, Group reporting package and regulatory reports for Banking Agency of Federation of Bosnia and Herzegovina the Bank contracted with KPMG B-H d.o.o. the amount of BAM 196,342 without VAT and expenses (2024: BAM 190,993 without VAT and expenses).

In accordance with a contract to perform limited review of Group reporting package for Q1, Q2 and Q3 the bank contracted with KPMG B-H d.o.o. the amount of BAM 117,549 without VAT and expenses (2024: BAM 114,348 without VAT and expenses).

In accordance with a contract for auditing the report on compliance with loan covenants, compliance of the Bank with the requirements for depositary banks for investment funds and compliance of the Bank with anti-money laundering and terrorism financing procedures the Bank contracted with KPMG B-H d.o.o. the amount of BAM 33,957 without VAT and expenses (2024: BAM 33,033 without VAT and expenses).


In accordance with a contract for auditing of the information system for 2025 (obligatory reporting to Banking Agency of Federation of Bosnia and Herzegovina) the Bank contracted with KPMG B-H d.o.o. the amount of BAM 22,318 without VAT and expenses (2024: BAM 21,710 without VAT and expenses).

In accordance with a contract for other assurance services the Bank contracted with KPMG B-H d.o.o. the amount of BAM 29,337 without VAT and expenses (2024: -).

The total amount spent on auditing and other assurance services in 2025 amounted to BAM 399,503 without VAT and expenses (2024: BAM 360,084 without VAT and expenses).

### 44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements on the pages 32 to 144 were approved by the Management Board on 11 February 2026 for the submission to the Supervisory Board:

  
 \_\_\_\_\_  
 President of the Board  
 Amina Mahmutović



  
 \_\_\_\_\_  
 Member of the Board for Finance Management  
 Zvonimir Čolak

## Address and phone numbers

### Headquarters

Address	Kardinala Stepinca b.b. Mostar
Phone	00387 (0) 36 312 112
Fax	00387 (0) 36 356 227
SWITCHBOARD	00387 (0) 36 312 112 00387 (0) 36 312 116
RETAIL	00387 (0) 36 312 112
CORPORATE	00387 (0) 33 491 708
RISK MANAGEMENT	00387 (0) 36 312 112
FINANCE	00387 (0) 36 312 112
GBS	00387 (0) 36 312 112

## UniCredit Bank d.d. business network as of December 31, 2025

Branch	Address	City	PTT	Phone	
REGION SOUTH					
Branch 1 Mostar (Mepas)	Križanje ulica Kardinala Stepinca i ulice Kneza Višeslava	Mostar (Mepas mall)	88000	036 333 902	036 333 902
Branch 2 Mostar - Mostarka	Dubrovačka 4	Mostar (Mostarka)	88000	036 325 702	036 323 424
Branch 3 Mostar - Revija	Mostarskog bataljona 4	Mostar (Revija)	88000	036 501 412	036 501 418
Branch 5 Mostar (Rondo)	Kralja Petra Krešimira IV B2	Mostar (Rondo)	88000	036 333 902	036 333 914
Branch Čapljina	Vukovarska br. 6	Čapljina	88300	036 810 712	036 810 710
Branch Stolac	Hrvatskih branitelja bb	Stolac	88360	036 810 712	036 853 306
Branch Neum	Dr. Franje Tuđmana bb	Neum	88390	036 810 712	036 880 149
Branch Čitluk	Bročanski trg 1	Čitluk	88260	039 831 340	036 640 435
Branch Konjic	Trg Državnosti Alije Izetbegovića bb	Konjic	88400	036 712 430	036 712 438
Branch Grude	Dr. Franje Tuđmana br. 124	Grude	88340	039 660 123	039 660 746
Branch 1 Široki Brijeg	Fra Didaka Buntića 13	Široki Brijeg	88220	039 702 532	039 705 546
Branch Ljubuški	Ulica IV. Brigade HVO Stjepana Radića br.63	Ljubuški	88320	039 831 340	039 835 933
Branch Livno	Kralja Tvrtka bb	Livno	80101	034 208 222	034 208 220
Branch Tomislavgrad	Brigade Kralja Tomislava bb	Tomislavgrad	80240	034 356 201	034 356 209
Branch Posušje	Fra Grge Martića 28	Posušje	88240	039 685 415	039 685 157

## UniCredit Bank d.d. business network as of December 31, 2025

Branch	Address	City	PTT	Phone	Phone
Branch Uskoplje	Bana Jelačića bb	Uskoplje	70240	030 496 596	030 494 181
Branch Rama	Kralja Tomislava bb	Rama	88440	030 496 596	036 771 061
<b>REGION NORTHWEST</b>					
Branch Vitez	Petra Krešimira IV	Vitez	72250	030 717 410	030 718 746
Branch Donji Vakuf	770 Slavne Brdske brigade 23	Donji Vakuf	70220	030 259 661	030 259 660
Branch Novi Travnik	Kralja Tvrtka 3/C	Novi Travnik	72290	030 795 500	030 795 500
Branch 1 Travnik	Bosanska 56	Travnik	72270	030 547 017	030 547 012
Branch Jajce	Maršala Tita bb	Jajce	70101	030 654 564	030 654 561
Branch Bugojno	Zlatnih ljiljana 16	Bugojno	70230	030 259 577	030 259 576
Branch Bihać	Ulica V. Korpusa bb	Bihać	77000	037 229 988	037 229 970
Branch 1 Bihać	Bosanska bb	Bihać	77000	037 229 988	037 229 280
Branch Velika Kladuša	Maršala Tita 23	Velika Kladuša	77230	037 776 606	037 776 600
Branch 1 Cazin	Cazinskih brigada bb	Cazin	77220	037 515 024	037 515 021
Branch Bosanska Krupa	511. Slavne brdske brigade bb	Bosanska Krupa	77240	037 229 988	037 476 883
Branch 1 Sanski Most	Trg oslobodilaca bb	Sanski Most	79260	037 688 547	037 688 543
Branch Žepče	Stjepana Tomaševića bb	Žepče	72230	032 887 904	032 887 904
Branch Zenica	Školska br. 10	Zenica	72000	032 449 346	032 449 340

## UniCredit Bank d.d. business network as of December 31, 2025

Branch	Address	City	PTT	Phone	Phone
Branch 1 Zenica	Londža 81	Zenica	72000	032 449 346	032 202 620
Branch Kakanj	Alije Izetbegovića bb	Kakanj	72240	032 557 212	032 557 211
Branch Zavidovići	Pinkasa Bandta bb	Zavidovići	72220	032 869 200	032 869 200
Branch Maglaj	Aleja ljljana bb	Maglaj	74250	032 609 811	032 609 810
<b>REGION CENTER</b>					
Branch 1 Sarajevo	Maršala Tita 48	Sarajevo	71000	033 253 383 033 253 378	033 253 372
Branch 4 Sarajevo	Alipašina 45a	Sarajevo (Ciglane)	71000	033 560 790	033 560 795
Branch 12 Sarajevo	Zelenih beretki 24	Sarajevo	71000	033 491 636	033 491 600
Branch 16 Sarajevo	Zmaja od Bosne 4	Sarajevo (hotel Holiday)	71000	033 252 288	033 491 754
Branch 7 Sarajevo	Trg međunarodnog prijateljstva 14	Sarajevo	71000	033 776 130	033 776 134
Branch 17 Sarajevo	Bulevar Meše Selimovića 2 A	Sarajevo (OTOKA)	71000	033 721 815	033 721 808
Branch 18 Sarajevo	Zmaja od Bosne 74	Sarajevo	71000	033 727 022	033 727 022
Branch 19 Sarajevo	Mustafe Kamerića 5	Sarajevo (Dobrinja )	71000	033 775 851	033 775 851
Branch Vogošća	Igmanska 60	Vogošća	71320	033 476 361	033 476 362
Branch Ilidža	Mala Aleja 10	Ilidža	71210	033/776-140	033 776 157
Branch Hadžići	Hadželi 177	Hadžići	71240	033 475 396	033 475 390

## UniCredit Bank d.d. business network as of December 31, 2025

Branch	Address	City	PTT	Phone	Phone
Branch 1 Visoko	Branilaca 20a	Visoko	71300	032 730 057	032 730 061
Branch Breza	Alije Izetbegovića 80	Breza	71370	032 786 014	032 786 012
Branch Vareš	Zvijezda 63	Vareš	71330	032 848 032	032 848 031
Branch Fojnica	Mehmeda Spahe 18	Fojnica	71270	030 547 022	030 547 022
Branch Kiseljak	Josipa Bana Jelačića bb	Kiseljak	71250	030 877 122	030 877 122
<b>REGION NORTHEAST</b>					
Branch 1 Tuzla	Džafer Mahala 53-55	Tuzla	75000	035 259 059	035 259 037
Branch 2 Tuzla	Armije BiH 3	Tuzla	75000	035 306 478	035 306 472
Branch Gradačac	Ulica šehida 1	Gradačac	76250	035 822 504	035 822 504
Branch Lukavac	Kulina Bana 2	Lukavac	75300	035 551 331	035 551 331
Branch Gračanica	22 Divizije bb	Gračanica	75320	035 701 471	035 701 470
Branch Srebrenik	Bosanskih Branilaca bb	Srebrenik	75350	035 646 093	035 646 093
Branch Živinice	Ulica Oslobođenja bb	Živinice	75270	035 743 143	035 743 143
Branch Kalesija	Trg šehida bb	Kalesija	75260	035 610 111	035 610 110
Branch Orašje	Treća ulica broj 47	Orašje	76270	031 716 707	031 716 707
Branch Odžak	Titova 17	Odžak	76290	035 822 504	035 822 504
Branch Brčko	Bosne Srebrene 7b	Brčko	76120	049 233 760	049 233 760
Branch Banja Luka	I Krajiškog korpusa br.37	Banja Luka	78000	051 348 063	051 348 063

## UniCredit Bank d.d. business network as of December 31, 2025

Branch	Address	City	PTT	Phone	Phone
Branch Prijedor	Zanatska bb	Prijedor	79101	052 240 764	052 240 764
Branch Doboj	Kralja Dragutina 2a	Doboj	74000	053 209 402	053 209 401
Branch Bijeljina	Majora Dragutina Gavrilovića 2 - ulaz s ulice Svetog Save	Bijeljina	76300	055 225 090	055 225 080
Branch Tešanj	Braće Pobrić bb	Tešanj	74260	032 665 197	032 665 197
Branch Jelah	Mustafe Ćemana 7	Jelah	74264	032 667 892	032 667 892
Branch Olovo	Branilaca 17	Olovo	71340	032 829 530	032 829 530



