

OTP banka d.d. and OTP Group
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2025

This version of the auditor's report is translation from the original, which was prepared in the 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 the report takes precedence over this translation.

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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Dear clients, business partners, shareholders and colleagues,

Another extremely dynamic and demanding year is behind us, full of changes in our business environment. Technology is rapidly developing and changing, regulatory and capital requirements are becoming increasingly stringent and complex, while competition is growing more intense and innovative. At the same time, the expectations of all stakeholders continue to rise. All this demands long-term strategic foresight, adaptive business model, a readiness for change and a continuous commitment to modernizing our operations, as well as to our professional and personal growth.

Within OTP banka Group in Croatia we are deeply committed to this type of transformation. In recent years we have experienced substantial growth in our loan portfolio, expanded across all client segments, and further solidified the Bank's position in the market. We have proactively financed initiatives that transform the economic landscape of Croatia: ranging from investments in renewable energy, housing, and infrastructure projects, to the advancement of digital platforms, logistics solutions, and exporters who effectively promote Croatian expertise and products in international markets, all while considering long-term sustainability.

The macroeconomic landscape is marked by moderate, yet stable growth. According to European Commission projections, the euro area economy is anticipated to expand by 1.3% in 2025, with domestic demand gaining strength amidst significant external volatility stemming from geopolitical tensions, geo-fragmentation, and protectionist trade measures. The Croatian economy continued to record exceptionally strong growth rates, achieving real GDP growth of 3.2% in 2025. The main driver of economic expansion was domestic demand, supported by solid growth in private consumption and a strong increase in investments. Government spending also remained elevated, making it an important contributor to overall economic activity. Throughout the year, the trend of significant real wage growth persisted, while key tourism indicators recorded solid increases. However, signs of saturation in the rapid expansion of tourism capacities have become more evident, which may pose a risk to future competitiveness.

After the cycle of reductions of the key interest rate in 2024, the European Central Bank moved closer to a neutral level of interest rates, while inflation in the euro area approached the medium-term target of 2%. Inflationary pressures in Croatia remained relatively strong throughout the previous year; however, they are expected to ease in the period ahead, primarily due to expectations of more modest real wage growth and lower overall economic growth rates.

The performance of OTP banka and OTP banka Group in 2025 underscores our stability, strength, and the consistent implementation of our strategy. The profit after tax reached EUR 131.3 million at the Bank level and EUR 136.8 million at the Group level. With a 9.5% increase in total assets, the Bank has raised its market share to 10.3%, securing the fourth position in the Croatian banking market. In the retail segment, 2025 presented significant challenges; however, we concluded the year with robust growth rates. We observed an increase in housing and cash loans exceeding 12%, achieving nearly 15% market share in the cash loan segment. Despite heightened government activity on the capital markets, we recorded growth of around 11% in total retail deposits. Our number of clients continues to grow, and the positive trend of increasing our client base persisted throughout 2025 in both the retail and corporate segments.

A notably positive outcome was attained in the micro and small business lending segment, largely due to the robust market presence in the domain of housing reserve funds. Corporate activities persisted with investments in infrastructure, housing, renewable energy sources, advanced digital services, food production, and support for export-oriented industries. For the eleventh consecutive year, we were recognized as the premier custodian bank in Croatia by the Global Finance magazine, which further validated our leading status in custodial services, as well as in the factoring segment.

Our business is founded on four key values: customer-centricity, embracing accountability, fostering mutual support, and making a positive contribution to the community. Consequently, our strategic emphasis is on enhancing efficiency, bolstering our market presence in Zagreb, and refining business

LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD (CONTINUED)

processes via digitalization across all business segments. We have implemented Instant payments, facilitated the use of Apple Pay and Google Pay services, and further enhanced our mobile application OTPgo, which is increasingly becoming the central hub for clients' digital interactions with the Bank. By continuously advancing our digital functionalities, we guarantee a more straightforward, quicker, and safer user experience.

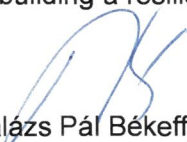
In 2025, risk management focused on maintaining the stability of the expanding portfolio and the operational resilience of the Bank amid increased macroeconomic and geopolitical uncertainties. Particular emphasis was placed on credit and liquidity risks, with existing models and methodologies demonstrating their effectiveness. Concurrently, we further enhanced ICT risk management in compliance with the DORA regulation.

As a responsible community member, we consistently engage in social development through donations, volunteer activities, and humanitarian efforts. We are especially proud of the OTP RoundUp scheme, a scholarship programme for students lacking adequate parental support, and scholarships for student athletes in collaboration with the Marin Čilić Foundation.

In 2026, our focus is on advancing process-oriented management, enhancing automation, implementing cutting-edge digital solutions, and refining the risk management system. We are committed to bolstering our internal IT and data capabilities, which includes establishing a framework for data management and utilizing artificial intelligence. Within the corporate sector, we anticipate the investment cycle to persist, particularly prioritizing renewable energy sources and energy efficiency. Additionally, in the micro and small business sector, we are further developing sustainable financing models.

Our plans for 2026 are grounded in clearly defined strategic guidelines, a strong liquidity position and a stable capital base. We are assured that we will persist as a trustworthy partner to the Croatian economy and its citizens.

In closing, I would like to extend my sincere gratitude to all of you. To our clients and partners for the trust and loyalty you have shown, to employees for their dedication and hard work, for their adaptability and team spirit, and to our shareholders for their continued support. Together, we remain committed to building a resilient, responsible, and sustainable bank for the future.



Balázs Pál Békeffy
President of the Management Board

GENERAL INFORMATION

COMPANY AND HEADQUARTER

OTP banka d.d. (OTP bank or the Bank) is an authorized commercial bank operating in the Republic of Croatia and is the parent company of the Group OTP bank in the Republic of Croatia (Group OTP bank or the Group), which also includes, OTP Leasing d.d., OTP Nekretnine d.o.o. i Cresco d.o.o.. The registered seat of the Bank is in Split, Domovinskog rata 61. The Bank is incorporated in the Republic of Croatia as a joint stock company.

BUSINESS ACTIVITY

Group OTP bank provides a full range of banking services to individuals and legal entities, as well as a wide range of financial services that include leasing and other services, the most important of which are real estate management services.

The Bank's main areas of operation are as follows:

1. Acceptance of all types of deposits
2. Approval of loans to customers
3. Repurchase of receivables
4. Financial lease
5. Issuing guarantees
6. Trading for own account or client's account
7. Payment services
8. Services related to lending activities
9. Issuing and managing other payment instruments
10. Rental of safes
11. Mediation on the money market
12. Issue of electronic money
13. Consulting legal entities on the structure of capital, business strategy, and provision of services related to business combinations and acquisition of shares and business interests
14. Investment related services and activities
15. Investment consulting
16. Offer implementation services, i.e. sale of financial instruments with the obligation of redemption
17. Offer implementation services, i.e. sale of financial instruments without the obligation of redemption
18. Conducting business related to the sale of insurance policies

OWNERSHIP STRUCTURE

The ownership structure and shareholders of the Bank are specified below:

	31 December 2025		31 December 2024	
	Share capital	Ownership interest in %	Share capital	Ownership interest in %
	in EUR millions		in EUR millions	
OTP bank Nyrt Hungary	539.2	100.00	539.2	100.00
Total	539.2	100.00	539.2	100.00

Purchase of own shares

OTP bank d.d. is 100% owned by OTP Bank Nyrt Hungary, and during 2025 it did not buy its own shares.

GENERAL INFORMATION (CONTINUED)

SHARE CAPITAL

The Bank is registered at the Commercial Court in Split, with the registered share capital in the amount of EUR 539,156,898.00 as at 31 December 2025 (31 December 2024: EUR 539,156,898.00). As of 31 December 2025, the Bank's share capital consisted of 19,968,774 ordinary shares (31 December 2024: 19,968,774 ordinary shares), each with a nominal value of EUR 27.00. All ordinary shares carry equal rights and one vote.

REGULATORY CAPITAL

The Group's unaudited temporary regulatory capital amounts to EUR 1,209.1million (2024 - unaudited: EUR 1,103.4 millions) and is composed of the Common Equity Tier capital and additional capital. Additional capital amounts to EUR 164.9 million (2024 - unaudited: EUR 106.9 million). The capital adequacy ratio is 19.61% (2024 - unaudited: 18.96%).

The Bank's unaudited temporary regulatory capital amounts to EUR 1,193.6 million (2024 - unaudited: EUR 1,088.9 millions) and is composed of the Common Equity Tier capital and additional capital. Additional capital amounts to EUR 164.9 million (2024 - unaudited: EUR 106.9 million). The capital adequacy ratio is 21.41% (2024 - unaudited: 20.67%).

GOVERNANCE AND MANAGEMENT

General Assembly as at 31 December 2025 and 31 December 2024:

Annus Szabolcs, the chairman acting by proxy for the President of the Supervisory Board

Supervisory Board as at 31 December 2025 and 31 December 2024:

Péter Csányi	President from 1 April 2020
László Kecskés	Vice president from 1 April 2020
Zlatko Mateša	Member from 15 October 2019
Ibolya Rajmonné Veres	Member from 1 April 2020
Zsolt Ardó	Member from 18 February 2020
Natalija Parlov	Member from 6 July 2022
Árpád Srankó	Member from 6 July 2022

Management Board as at 31 December 2025 and 31 December 2024:

Balázs Pál Békeffy	President from 6 October 2011
Slaven Celić	Member from 1 December 2018
Zvonimir Akrap	Member from 1 December 2018
Bruno Biuk	Member from 1 December 2018
Nikola Mikša	Member from 5 September 2019
Ivan Šimičević	Member from 15 March 2021
Nera Šunjić	Member from 3 December 2024

Audit Committee as at 31 December 2025 and 31 December 2024:

László Kecskés	President from 16 April 2012
Natalija Parlov	Deputy President from July 21, 2022
Zlatko Mateša	Member from 15 October 2019

GENERAL INFORMATION (CONTINUED)

CORPORATE GOVERNANCE CODE

Bank as a credit institution is well aware of the importance of a responsible and ethics-based conduct of corporate entities as an essential prerequisite for developing high-quality relations and loyal competition between business partners as well as for efficient functioning of the market. So, the Bank is developing its business activities and acting in accordance with the good corporate management practice and is trying, by way of its business strategy, business policy, key internal acts and business practice, to contribute to transparent and efficient business activities and better-quality relations with its business environment.

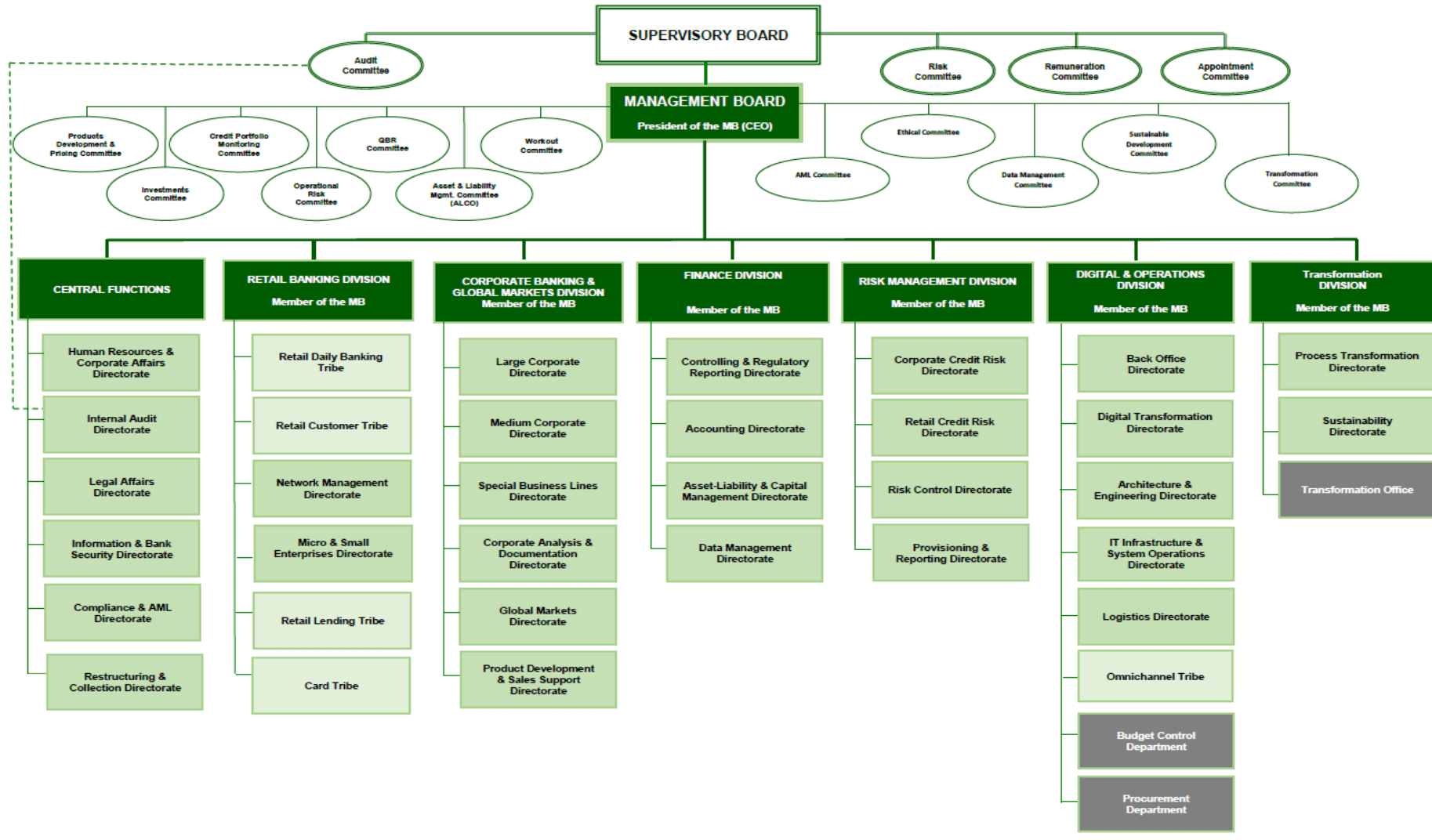
Bank's adequate corporate management includes:

- clear organisational structure with well defined authorisations and responsibilities;
- efficient activities for establishing, measuring and monitoring of the risks the Bank is or may be exposed to as well as related reporting activities;
- adequate internal controls mechanisms which also involve prudent administrative and accounting procedures, the strategies and the procedures for a constant assessment and review of the figures, the structure and the distribution of the internal capital required as coverage for current and future risks;
- fulfilment of general transparency requirements
- meeting the obligations and the responsibilities towards the shareholders, the employees and other interested parties;
- safe and stable business activities in accordance with law and regulations

The Corporate Governance Code is published on the Bank's official website and is available at the following link:

https://www.otpbanka.hr/sites/default/files/doc/Kodeksa%20korporativnog%20upravljanja_HRV_2024.pdf

ORGANIZATION STRUCTURE OF THE BANK



GENERAL INFORMATION (CONTINUED)

BUSINESS NETWORK

The Bank concluded the year 2025 with a network comprising 103 branches and 439 ATMs distributed across 6 business centres. Driven by ongoing assessments of branch profitability and responsiveness to evolving client requirements, the Bank optimizes its business network in terms of both the quantity and nature of its branches. Consequently, the first cashless branch was launched last year, with the goal of expanding this format in the forthcoming years. Furthermore, the newly established branch standard, implemented in 29 locations, highlights the advisory role of the branch, providing clients with the chance to discover the most suitable solutions for their needs in a welcoming environment through discussions with the bank's sales representatives. The standard equipment of the new branches also features free Wi-Fi, an internal radio station, an information kiosk, a queue management system, a children's corner, and an inductive loop designed for hearing impaired people. Within the ATM network, the total number of ATMs equipped with a deposit function has risen to 80, with 11 of these ATM deposit facilities also featuring a device for accepting coins. This trend is expected to persist in the upcoming years, aiming for all branches to be equipped with payment devices. The majority of ATMs incorporate additional Smart ATM functionalities that foster a personalized approach to clients and offer extra features. Both past and future efforts in the development of the business network are directed towards transitioning simple transactions to digital channels and self-service devices, while ensuring that the branch remains a hub of high competence focused on consulting, sales, and the marketing of complex products.

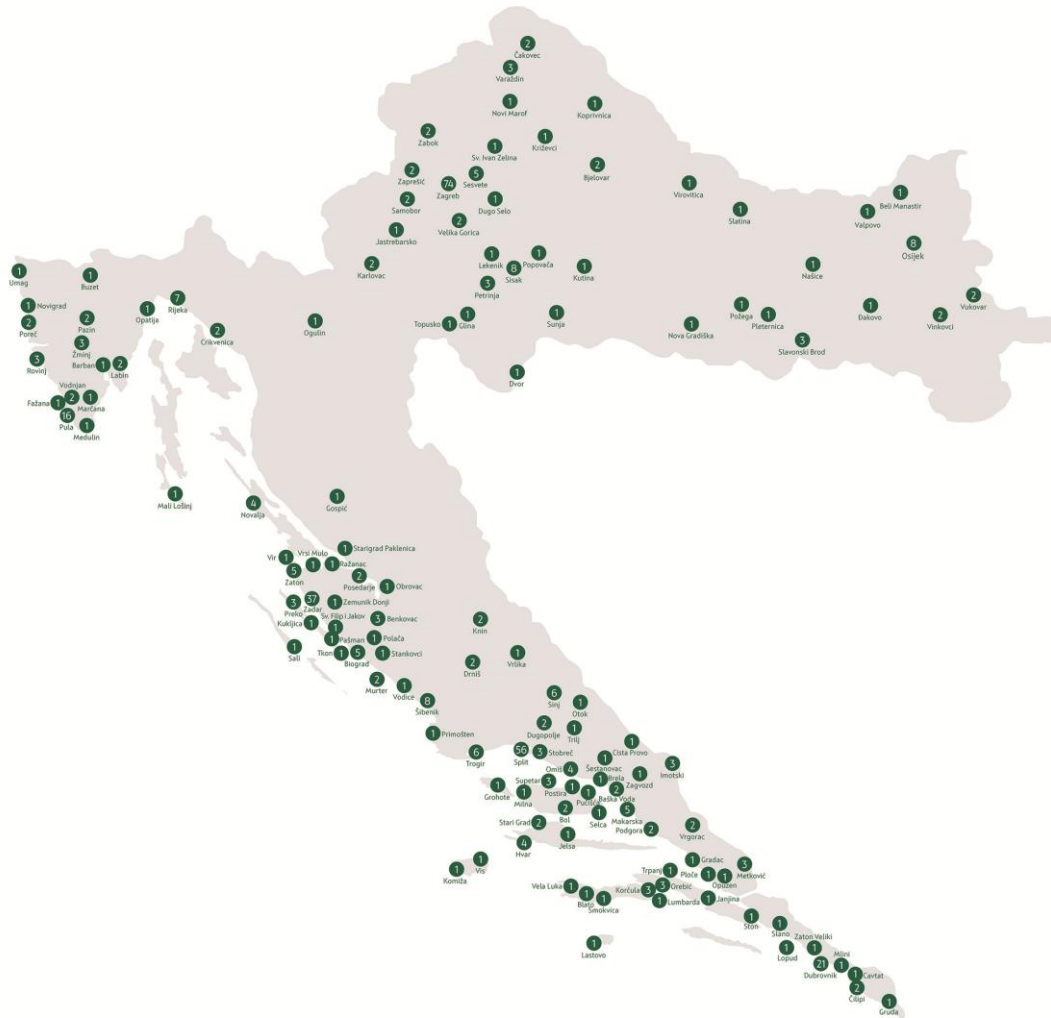
Branch network:



GENERAL INFORMATION (CONTINUED)

BUSINESS NETWORK (CONTINUED)

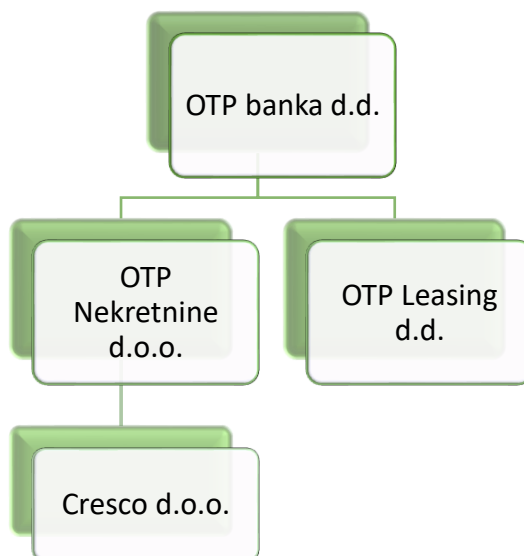
ATM network:



GENERAL INFORMATION (CONTINUED)

GROUP OF OTP BANKA D.D. IN CROATIA

As of December 31, 2025, the Group OTP bank consists of OTP bank as the parent company and the following wholly or majority-owned subsidiaries of the Bank: OTP Nekretnine d.o.o., Cresco d.o.o., and OTP Leasing d.d.



The subsidiaries directly owned by the Bank are as follows:

	Headquarter	Percentage of ownership	Industry
OTP Nekretnine d.o.o.	Zagreb	100%	Organization of project implementation for buildings
OTP Leasing d.d.	Zagreb	60%	Finance and operating lease

In March 2024, OTP Nekretnine d.o.o. concluded an agreement for the purchase and sale of business shares in Zagrebtower d.o.o. After obtaining approval from the regulator CNB, the purchase and sale transaction was realized on August 28, 2024, by which OTP Nekretnine d.o.o. acquired a 100% share in Zagrebtower d.o.o.

On 31 January 2025, the general meetings of OTP Nekretnine d.o.o. and Zagrebtower d.o.o. adopted a decision to merge Zagrebtower d.o.o. with OTP Nekretnine d.o.o. and confirmed the Merger agreement. The merger was implemented by a Decision of the Commercial Court in Zagreb dated 28 February 2025.

In August 2024, the bank entered into an Agreement on the transfer of business shares in the company OTP Invest društvo za upravljanje fondovima d.o.o. The sale of the entire business shares of the Bank in the company was realized after obtaining the approval from HANFA by payment of the purchase price on January 31, 2025.

In October 2025, Bank made the decision to sell its entire shareholding in Georg d.o.o. The sale was completed upon payment of the purchase price on 28 November 2025.

In cooperation with subsidiaries, the Bank develops and provides all groups of services and products that can support banking operations with individuals and legal entities.

GENERAL INFORMATION (CONTINUED)

GROUP OF OTP BANKA D.D. IN CROATIA (CONTINUED)

OTP Leasing d.d.

OTP Leasing d.d. was established in Zagreb by Merkantil Bank Zrt, Hungary, which specialises in lease operations within OTP Group, in 2006. Having initially owned 10% of the shares in the company, in 2019 OTP banka concluded the Share Sale and Assignment Agreement concluded in September 2018, and thus became the majority owner of the company holding 60% of the shares. Merkantil Bank Zrt remained the owner of 40% of the Company's shares.

The main activity of the company are financial and operating lease and activities directly or indirectly related to leasing transactions.

The company has a wide sales network with branches in Zadar, Split, Pula, Rijeka, Zagreb, Varaždin, Slavonski Brod, Osijek and Dubrovnik. Any lease arrangements can be concluded also in the OTP banka branch network, which greatly contributes to the level of availability of the services nationwide.

On 1 July 2022, SB Leasing d.o.o. (founded in 2007) was merged to OTP Leasing d.d., whose business shares (100%) were acquired by the Company through an agreement on the transfer of business shares from Splitska banka d.d. in June 2018, and its activity is financial and operational leasing.

OTP Leasing currently holds the first position in the market in terms of new business completed with a share of 17.6% at the end of 2025. The Company's total assets as of 31 December 2025 amounted to EUR 666 million, which represents a growth of 10.0% compared to the previous year. The Company's net profit for 2025 amounted to EUR 7,072 thousand (2024: EUR 6,094 thousand) and is 16.1% higher compared to 2024. Total net interest and fee income and operating income in 2025 amounted to EUR 25.8 million (2024: EUR 22.5 million) and represents a growth of 14.4% compared to the previous year.

Plans for 2026

According to the projections of leasing market trends, a 5% growth is expected in 2026 compared to 2025, based on the projected GDP growth.

In 2026, the Company will focus its operations on the following priority areas:

- Improvement of business processes and digitization - continuation of digital transformation through further standardization and automation of processes, with the aim of increasing operational efficiency, business scalability and strengthening digital sales channels;
- Product development and optimization – creation of competitive and profitable products aligned with client needs and market trends, with further standardization of the offer;
- Ensuring competitive sources of financing – contracting more favourable credit lines (HBOR and special credit lines of commercial banks) in order to increase price competitiveness and availability of financing to clients;
- Diversification of income sources - further development of insurance distribution as a complementary activity, with the aim of increasing income from non-interest sources and strengthening synergy with the basic leasing activity;
- Adaptation to market and regulatory trends - monitoring opportunities in the segment of energy-efficient solutions and available incentive programs, with a balanced approach to offer development;
- Systematic risk management – continuous strengthening of the management system for all types of business risks, while preserving the stability and quality of the portfolio;
- Development of human resources – investment in knowledge, competences and professional development of employees as a basis for long-term sustainability and growth.

GENERAL INFORMATION (CONTINUED)

GROUP OF OTP BANKA D.D. IN CROATIA (CONTINUED)

OTP Leasing d.d. (continued)

Plans for 2026 (continued)

The Company's sales strategy will remain focused on creating products that are competitive and relevant to the market, executing targeted sales initiatives in collaboration with suppliers, and enhancing sales channels.

As part of the OTP Banka Group, the Company will prioritize aligning its operations with the applicable European regulatory framework, focusing on the implementation of ESG standards and advocating for corporate social responsibility principles across all areas of its operations.

Risk management

Risk management protects the value and profit in accordance with the strategy and objectives. Depending on the approach applied, different instruments are used for enforcing risk management. In order to establish an adequate risk management process, risk policies, guidelines and procedures are adopted and a framework i.e. methodology for risk management is established. In this way, the Company defines the risks to which it is exposed to and, by using certain methods and processes, analyses all types of risks, measures and mitigates existing risks, and manages and controls those risks more effectively.

The most significant risks to which the company is exposed to are: market risk, liquidity risk and credit risk.

Market risk includes interest rate risk and price risk, while currency risk is minimized by the introduction of the euro as the official currency from 1 January 2023 and a small portion of the portfolio in Swiss francs. As of the reporting date, the company was not exposed to price risk because it has no investments in listed equity securities or investment funds.

Interest rate risk represents the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

In view of the fact that interest rate changes are allowed in lease contracts, the company reduces the gap by regular adjustments of interest rates in accordance with periodic changes in interest rates on financing sources.

Liquidity risk is the risk that a company assumes when it does not have adequate funding to meet all payment obligations.

In order to manage liquidity risk, the company undertakes the following activities:

- planning of expected and possible cash outflows and sufficient cash inflows to cover them (projection of cash flows on a daily, weekly, monthly, quarterly and annual basis),
- continuous monitoring of liquidity,
- preventing or eliminating potential causes of illiquidity

Credit risk is the risk of failure of a counterparty to settle its liabilities under a financial instrument, which may cause loss for the other party. The company is exposed to credit risk from activities regarding financial and operating leases, i.e. claims from its lessees. Credit risk is managed by monitoring the concentration per individual clients, regions and economic sectors.

OTP Nekretnine d.o.o.

The company OTP Nekretnine d.o.o. was founded in Zadar in 2000, and is fully owned by the OTP banka d.d. The basic activities include rental and real estate management, appraisal of real properties

and chattels, real estate agency services, development projects and consultancy services. The company operates through its two branches (Zagreb and Zadar).

GENERAL INFORMATION (CONTINUED)

GROUP OF OTP BANKA D.D. IN CROATIA (CONTINUED)

In June 2024, the Bank recapitalized the company OTP Nekretnine d.o.o. in the amount of EUR 5,150,000.00 by cash payment, after which the company's share capital amounts to EUR 39,635,100.00. The share capital increase was registered in the Court Register on June 7, 2024 (decision number Tt-24/23521-2).

The company is a sole owner of Cresco d.o.o., special purpose entity founded in 2008. The main activity of Cresco d.o.o. are the acquisition of real estate at auctions organised as a part of enforcement and bankruptcy, sale of such properties, and real estate agency services.

In 2025, OTP Nekretnine d.o.o. merged with Zagrebtower d.o.o., through the acquisition of which it had obtained the Zagrebtower office building in Zagreb in 2024. The merger was implemented by a Decision of the Commercial Court in Zagreb dated 28 February 2025.

Plans for 2026

The company's business for 2026 concentrate on three primary areas: leasing, assessments, and project development.

In the leasing segment, the emphasis will be on optimizing contractual terms, with a particular focus on enhancing the structure of lessees. Furthermore, there is a plan to sell a portion of the Zagrebtower office building to OTP banka for internal purposes in 2026.

The assessment segment represents a crucial business area that underpins the lending framework of OTP banka. Consequently, in 2026, there is an intention to persist in investing in both knowledge and processes. Specifically, the focus in 2026 will be on the development of an application, which is scheduled to be operational in the latter half of the year, aimed at facilitating a more efficient process, enhancing control, and providing simpler and more comprehensive reporting.

Project development in 2026 will primarily target the RB25 project — the office building currently in the final stages of renovation, which is expected to be leased in the first half of the year — and the HFZ project, where significant efforts are being made on establishing the conditions necessary for the project's implementation.

Risk management

The company pays due attention to risk management. Credit risk is the most significant type of risk to which the company is exposed.

Credit risk is the risk of failure of a counterparty to meet its liabilities under a financial instrument, which may cause loss for the other party. The company is exposed to credit risk arising from the claims from its leasees.

Credit risk is managed by having one keep track of concentration by individual customers, regions and economic sectors. The structure of the leasees in terms of the size of the leased out space is mixed and well balanced. Large companies, IT companies and law firms account for the half of the total leased out space, whereas the other half is rented out by the companies that individually occupy less space, which in turn minimises the risk and optimises revenue in stable market circumstances.

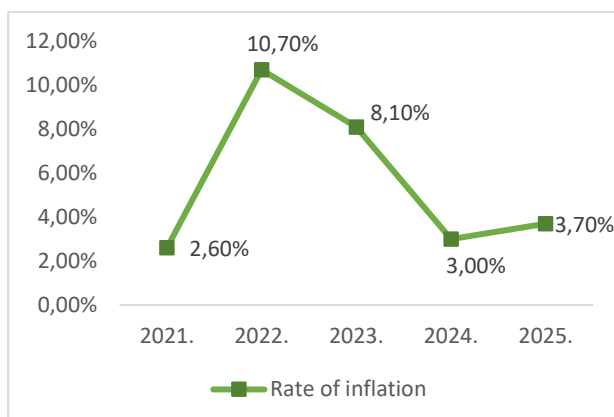
MACROECONOMIC INDICATORS FOR THE REPUBLIC OF CROATIA

The economy of the Republic of Croatia exhibited robust growth in 2025, sustaining the positive trend established in prior years. According to the preliminary data from the Central Bureau of Statistics, the Croatian economy experienced a real growth of 3.6% in the last quarter of 2025 when compared to the same quarter in 2024. The total GDP growth in 2025 amounts to 3.2%. This positions Croatia among the leading Eurozone member states regarding the growth rate of gross domestic product. The primary factors contributing to this growth included personal consumption, bolstered by increases in real wages, and investments supported by the Recovery and Resilience Facility (RRF). As per the most recent macroeconomic forecasts from the Croatian National Bank (CNB) released in December 2025, a gross domestic product growth of 3% is anticipated for 2025, with slightly more tempered growth projected at 2.8% in 2026 and 2.6% in 2027. Domestic demand is expected to remain the principal driver of economic expansion, while the influence of government consumption and investment is likely to diminish. The European Commission's forecasts from September 2025 suggest a similar trajectory for GDP growth in the Republic of Croatia, with an anticipated economic growth rate of 3.2% for 2025.

Inflationary pressures in the Republic of Croatia remained steady in 2025, with the average inflation rate, as indicated by the Harmonized Index of Consumer Prices, at 4.4%. This indicates that inflation in the Republic of Croatia was somewhat more significant compared to the average inflation rate of 4% recorded in 2024, while still being nearly double the average of the Eurozone member states, which stands at 2.1%. The notable rise in prices is mainly attributed to the unfreezing of energy prices for households and the increase in food prices. In terms of the core inflation rate, there is a moderation in the trend of price increases, although they remain relatively significant, particularly in the services sector. In the near future, a trend of diminishing inflationary pressures is anticipated, partly due to the expected reduction in gross domestic product growth, a slowdown in wage growth, and an increase in labour productivity. Additionally, a subdued growth in foreign demand for tourism services is projected, along with a decrease in energy and food raw material prices in the global market. According to the CNB's forecasts from December 2025, the average inflation rate calculated using the HIPC methodology is anticipated to be 3.4% in 2026 and 2.4% in 2027. The European Commission's forecasts also indicate a deceleration in inflation to 2.8% in 2026 and 2.2% in 2027.

Growth rates (%)	2025	2024	2023	2022	2021
Gross domestic product (GDP)	*3.0	3.8	3.1	6.2	13.1
Inflation	*2.3	3.0	8.1	10.7	2.6
Unemployment rate	*4.5	5.1	6.2	7	7.6
Public debt (as % GDP)	*55.3	57.4	63	68.4	78.4
Budget deficit (as % GDP)	*-0.5	-1.9	-0.9	0.4	-2.6
Import	*3.8	8.4	-5.3	25	17.6
Export	*2.1	1.6	-2.9	25.4	36.4
Nominal salaries	*7.0	15	14.7	8.3	4.1
Real salaries	*4.6	11.7	6.2	-2.2	1.5

* Parent company's projections



MACROECONOMIC INDICATORS FOR THE REPUBLIC OF CROATIA (CONTINUED)

The labour market in the Republic of Croatia remained robust, continuing the trend of heightened demand for labour. At the start of 2025, the registered unemployment rate stood at 5.4%, which fell to a record low of 3.8% during the summer months, before stabilizing and rising to 4.6% by the end of the tourist season in December 2025. During this same timeframe, the number of unemployed individuals decreased from 97,341 to 82,625. In the near future, a deceleration in employment growth is anticipated, partly due to the expected moderation in gross domestic product growth. Data from the Central Bureau of Statistics indicates that the trend of significant increases in both nominal and real wages persisted in 2025. Consequently, in December 2025, an annual increase of 11.2% in the average gross wage paid by legal entities was recorded, while the real growth rate was 7.6%. From January to December 2025, the average gross salary per month in legal entities within the Republic of Croatia was EUR 2,016. This figure reflects a nominal increase of 10.7% and a real increase of 6.8% when compared to the same timeframe in 2024. Looking ahead, it is anticipated that the pace of wage growth will decelerate. The Croatian National Bank (CNB) forecasts a real growth rate of 2.8% for gross wages in 2026 and 2.1% in 2027.

The public finances of the Republic of Croatia remained stable throughout 2025, even with the rise in expenditures for civil service salaries. According to projections from the European Commission, the budget deficit may rise from 1.9% in 2024 to 2.8%, primarily due to increases in pensions and salaries within the public sector. In mid-November 2025, the Government of the Republic of Croatia introduced the draft state budget for 2026, which is predicated on an economic growth rate of 2.7%, indicating a potential state budget deficit of 2.9% of GDP. Conversely, a decrease in public debt to 56% of GDP is anticipated, which would comply with the Maastricht criteria. At the close of December 2025, the CNB released data regarding the public debt of the Republic of Croatia as of the end of the third quarter. Consequently, the total debt at the end of September 2025 was recorded at 57.2% of GDP, reflecting a decrease of 2 percentage points year-on-year, while the quarterly comparison shows a reduction of 0.3 percentage points. In light of the expected high budget deficits in the future, the European Commission's forecasts indicate that public debt to GDP will be approximately 56.2% by the end of 2025, with a slight decline projected to 56.1% in 2026. Throughout 2025, all three major credit rating agencies (S&P, Moody's, and Fitch) maintained Croatia's rating in the A category, with either a stable or positive outlook.

In the realm of monetary policy, the European Central Bank (ECB) reduced interest rates by 25 basis points on four separate occasions in 2025, while maintaining the deposit rate at 2% since June. This deposit rate is regarded as neutral, meaning it neither encourages nor hinders additional economic growth. Following the meetings, ECB officials highlighted that the future trajectory of monetary policy will be contingent upon the available macroeconomic data. The inflation rate in the Eurozone has stabilized at the medium-term target of 2%, prompting the ECB to adopt a cautious approach regarding any potential further reductions, partly due to the heightened core inflation driven by price pressures in the services sector. Consistent with market expectations, no additional cuts to the ECB's key interest rates are anticipated until the conclusion of 2026.

The banking system in Croatia has continued to be well-capitalized and highly profitable. In the first three quarters of 2025, the total profit of credit institutions reached EUR 1.1 billion, reflecting a decrease of 5.9% compared to the same timeframe in 2024. Profitability metrics experienced a slight decline relative to 2024, with the return on assets (ROA) recorded at 1.7%, and the return on equity (ROE) at 15.5%. Capitalization levels remained robust, as evidenced by a total capital ratio of 23.1%, with all credit institutions exceeding the mandated minimum capital ratio. The liquidity of the banking system, as indicated by the liquidity coverage ratio (LCR), was 217.9% at the close of September 2025, with all credit institutions fulfilling the minimum liquidity requirements set forth.

FINANCIAL OVERVIEW OF BUSINESS OPERATIONS OF THE GROUP AND BANK FOR THE YEAR 2025

Key financial indicators

in million EUR	Group			Bank		
	2025	2024	Difference	2025	2024	Difference
Key financial result items						
Net operating income	372.5	360.2	+3.4%	341.7	333.0	+2.6%
Operating expenses	-196.7	-172.2	+14.2%	-174.6	-151.9	+14.9%
Operating profit	175.8	188.0	-6.5%	167.1	181.1	-7.7%
Profit for the year (after tax)	136.8	158.3	-13.6%	131.3	152.4	-13.8%

Key items of the statement of financial position

Loans and receivables from customers	7,081.5	6,523.3	+8.6%	6,489.4	5,991.3	+8.3%
Retail customers	4,371.9	3,791.7	+15.3%	4,237.7	3,680.1	+15.2%
Corporate customers	2,944.2	2,957.8	-0.5%	2,481.4	2,532.6	-2.0%
Fair value adjustments of hedged items	-9.3	8.3	-	-9.3	8.3	-
Impairment	-225.3	-234.5	-3.9%	-220.4	-229.7	-4.0%
Deposits of customers	7,254.8	6,573.7	+10.4%	7,266.2	6,577.6	+10.5%
Retail customers	5,006.7	4,471.9	+12.0%	5,006.7	4,471.9	+12.0%
Corporate customers	2,248.1	2,101.8	+7.0%	2,259.5	2,105.7	+7.3%
Capital	1,178.4	1,120.0	+5.2%	1,133.4	1,077.8	+5.2%
Total assets	10,017.7	9,155.4	+9.4%	9,344.0	8,535.4	+9.5%

Key performance indicators

Return on assets (ROA)	1.4%	1.8%	-36 bp	1.5%	1.8%	-37 bp
Return on equity (ROE)	11.9%	14.8%	-285 bp	11.9%	14.7%	-286 bp
Cost to income ratio (C/I)	52.9%	47.9%	+500 bp	51.1%	45.6%	+548 bp
Loan to deposit ratio	97.6%	99.2%	-162 bp	89.3%	91.1%	-178 bp
Capital adequacy ratio (CAR)	20.34%	19.15%	+119 bp	22.15%	20.81%	+134 bp

Having met all regulatory requirements pertaining to the level of capital for coverage of all risks and necessary buffers throughout 2025, OTP Group and OTP banka maintained their respective stable capital positions.

OTP Group's profit for the year 2025 equalled EUR 136.8 million. The main driver of the result was the Bank, contributing with 96.1%, whilst the impact of other subsidiaries, apart from OTP Leasing, were immaterial.

The result achieved in 2025 was influenced by the increase in operating expenses, primarily due to higher employee costs, but also by the rise in costs of labour-intensive services, driven by the overall increase in the price level in the Republic of Croatia. In a highly price-competitive market, revenue growth only partially offset the increase in costs. Additionally, the year-on-year comparison was affected by the more favourable effects recorded in 2024 in the area of credit risk costs, resulting from portfolio recovery and a reduction in the share of non-performing exposures. These developments directly impacted operational efficiency and profitability indicators in the reporting period.

Financial Position Analysis

in million EUR	Group			Bank		
	2025	2024	Difference	2025	2024	Difference
Cash and balances with Croatian National Bank	1,106.1	1,128.4	-2.0%	1,106.1	1,126.9	-1.8%
Financial assets - securities	1,223.0	1,179.2	+3.7%	1,223.0	1,179.2	+3.7%
Fin. assets at amortised cost - except securities	7,381.9	6,533.3	+13.0%	6,789.8	6,001.3	+13.1%
Loans and receivables from banks	300.4	10.0	+2904.0%	300.4	10.0	+2904.0%
Loans and receivables from customers	7,081.5	6,523.3	+8.6%	6,489.4	5,991.3	+8.3%
Other assets	306.7	314.5	-2.5%	225.1	228.0	-1.3%
TOTAL ASSETS	10,017.7	9,155.4	+9.4%	9,344.0	8,535.4	+9.5%

FINANCIAL OVERVIEW OF BUSINESS OPERATIONS OF THE GROUP AND THE BANK FOR THE YEAR 2025 (CONTINUED)

in million EUR	Group			Bank		
	2025	2024	Difference	2025	2024	Difference
Financial liabilities at amortized cost	8,646.3	7,820.0	+10.6%	8,026.3	7,253.0	+10.7%
Amounts due to other banks	30.6	10.7	+186.0%	30.6	10.7	+186.0%
Amounts due to customers	7,254.8	6,573.7	+10.4%	7,266.2	6,577.6	+10.5%
Other borrowed funds	1,360.9	1,235.6	+10.1%	729.5	664.7	+9.7%
Other liabilities	193.0	215.4	-10.4%	184.3	204.6	-9.9%
TOTAL LIABILITIES	8,839.3	8,035.4	+10.0%	8,210.6	7,457.6	+10.1%
Capital	1,178.4	1,120.0	+5.2%	1,133.4	1,077.8	+5.2%
TOTAL LIABILITIES AND CAPITAL	10,017.7	9,155.4	+9.4%	9,344.0	8,535.4	+9.5%

The Bank's **total assets** increased by 9.5% in 2025 compared to the end of 2024, reaching EUR 9,344.0 million as of 31 December 2025 (for OTP Group, the growth was 9.4%). For the most part, this increase in assets derived from a rise in liabilities towards customers by EUR 688.6 million, that is, 10.5%.

OTP banka's **cash and balances with the Croatian National Bank** dropped from EUR 1,126.9 million to EUR 1,106.1 million in 2025, thus reducing the share of this position in the total assets of OTP banka to 11.8% compared to 13.2% in 2024.

OTP banka's **financial assets in the form of securities** grew by 3.7% from EUR 1,179.2 million in 2024 to EUR 1,223.0 million at 2025 year-end. Hence, the share of this position in the total assets of OTP banka dropped from 13.8% in the previous year to 13.1% at 2025 year-end.

In 2025, the Bank's **financial assets measured at amortised cost** increased by EUR 788.5 million, representing a growth of 13.1% (Group by 13.0%) compared to the end of 2024. The rise in loans and receivables from banks by EUR 290.4 million was attributed to the restructuring of the liquid asset portfolio at the year's end, while the increase in loans and receivables from customers in 2025 reached EUR 498.1 million, or 8.3%. Regarding the loans and receivables from customers, the main driver of growth was the retail loans segment, which experienced a 15.2% rise in the balance of loans and receivables. Retail loans experienced particularly swift growth during the second quarter of 2025, just before the implementation of new, more stringent consumer lending regulations on 1 July 2025. Notable growth was recorded in both major categories of retail lending: housing loans and non-purpose cash loans. At the Group level, the increase in loans and receivables from customers was 8.6%, driven by a rise in credit activity from OTP Leasing.

In terms of liabilities, **financial liabilities measured at amortised cost** grew by EUR 773.3 million, reflecting an increase of 10.7% in 2025 (Group by 10.6%). This growth is primarily attributed to a rise in **liabilities towards customers**, which grew by 10.5%, while their share in the total costs of the sources of funding increased from 77.1% to 77.8% in 2025. In the structure of liabilities towards customers, the retail deposits dominate, accounting for 68.9% of the total deposits held by customers. The retail deposits grew by 12.0% in 2025, despite facing heightened competition in this segment from other banks and the state through the tenders of government securities. In addition to focusing on retail deposits, the Bank also actively engaged in attracting deposits from corporate clients during the year, achieving a growth of 7.3% in this segment.

The Bank's **other borrowed funds** grew by 9.7%, mainly attributed to a EUR 70.0 million increase in subordinated debt to comply with more stringent regulatory requirements. In terms of the Group, the liabilities for other borrowed funds grew by 10.1%, largely due to elevated liabilities towards OTP Financing Malta, generated by a greater volume of business activities of OTP Leasing.

FINANCIAL OVERVIEW OF BUSINESS OPERATIONS OF THE GROUP AND THE BANK FOR THE YEAR 2025 (CONTINUED)

OTP banka's **capital** rose by EUR 55.6 million, which translated to 5.2%, whilst at the OTP Group level this position increased by EUR 58.4 million, which translated to 5.2%.

Financial Result Analysis

in million EUR	Group			Bank		
	2025	2024	Difference	2025	2024	Difference
Net interest income	259.4	262.0	-1.0%	244.7	249.0	-1.7%
Net fee and commission income	79.8	72.0	+10.8%	79.0	71.6	+10.3%
Net trading and other income	33.3	26.2	+27.1%	18.0	12.4	+45.2%
Net operating income	372.5	360.2	+3.4%	341.7	333.0	+2.6%
Operating expenses	-196.7	-172.2	+14.2%	-174.6	-151.9	+14.9%
Net losses from loss allowance and provisions	-7.8	4.8	-262.5%	-7.1	5.0	-242.0%
Profit before tax	168.0	192.8	-12.9%	160.0	186.1	-14.0%
Income tax	-31.0	-35.1	-11.7%	-28.7	-33.7	-14.8%
Profit for the year	136.8	158.3	-13.6%	131.3	152.4	-13.8%
Return on equity (ROE)	11.9%	14.8%	-285 bp	11.9%	14.7%	-286 bp
Cost to income ratio (C/I)	52.9%	47.9%	+500 bp	51.1%	45.6%	+548 bp

Net operating income of OTP banka in 2025 amounted to EUR 341.7 million, which was an increase of EUR 8.7 million or by 2.6% in relation to the year 2024, whilst OTP Group grew by 3.4% or EUR 12.3 million.

In 2025, banks encountered a decline in reference market interest rates, faced intense competition in attracting client deposits, and dealt with the implementation of stricter regulatory restrictions regarding retail lending. Consequently, the Bank's **net interest income** experienced a reduction of 1.7% in comparison to 2024. Regarding interest income, the decrease in reference market interest rates, coupled with the lack of growth in the portfolio volume, led to a decline in income from loans advanced to banks and loans to corporate clients. However, there was an increase in interest income within the retail segment, primarily driven by the growth in the portfolio of housing loans and non-purpose cash loans. As for interest expenses, heightened competition in the retail deposit collection segment from other banks and the state, through tenders of government securities, resulted in increased average interest rates and higher interest expenses on retail deposits relative to the previous year. In contrast, interest expenses on deposits from corporate clients and liabilities for borrowed funds from banks saw a decrease, mainly due to lower reference rates in the market compared to 2024. OTP Leasing reported an increase in net interest income due to thriving business activities, resulting in a Group-level decrease in net interest income of 1.0%.

In 2025, the bank generated **net income from fees and commissions** totalling EUR 79.0 million, despite the limitations on fee pricing. This figure represents an increase of EUR 7.4 million or 10.3% compared to 2024 (Group growth rate was 10.8%). The rise in net income from fees and commissions was recorded in both key segments: retail and corporate banking, with a considerable portion attributed to increase in turnover. The positive trend in this business segment is particularly evident in the income from the sale of insurance policies, commissions paid by merchants for card transactions, and fees and commissions for card operations.

As for the **net trading and other income**, the Bank reported an increased net income of EUR 5.6 million, which is primarily attributed to income from dividends payable in 2025 by the Group members, whereas such income was not available in the previous year. The Group recorded an increase in net income of EUR 7.1 million in this position, largely as a result of an increase in rental income of EUR 3.8 million.

FINANCIAL OVERVIEW OF BUSINESS OPERATIONS OF THE GROUP AND THE BANK FOR THE YEAR 2025 (CONTINUED)

In 2025, the Bank's **operating costs** rose by 14.9% in comparison to 2024 (Group recorded a growth of 14.2%). This rise in operating costs was driven by the increase in the cost of third-party services used by the bank and investments in personnel and development projects, aimed at maintaining the competitiveness and satisfaction of our employees.

In 2025, the bank reported a **net loss from impairment and provisions** totalling EUR 7.1 million, whereas the prior year saw a net gain from impairment and provisions amounting to EUR 5.0 million. In 2024, a positive net result was attained, largely due to a substantial release of impairment charges for loans and receivables from customers that was brought about relatively favourable economic trends observed in the preceding year. In 2025, the positive result from the release of impairment charges for loans and receivables from customers has been mostly depleted. Furthermore, the net result in this business segment was adversely impacted by the rise in provisions for court cases compared to the previous year. Conversely, when compared to 2024, the result is positively influenced by the lack of provisions for business optimization.

In 2025, the Bank achieved a **profit for the period** of EUR 131.3 million, which is a decrease of 13.8% compared to EUR 152.4 million in 2024 (Group decrease of 13.6%), while the Bank's ROE decreased from 14.7% to 11.9%. The lower value of net profit for the period, as well as ROE, is primarily a consequence of trends in the environment and rising costs, so that negative trends in these performance indicators were also visible at the level of the entire banking system.

ESG AND CORPORATE SOCIAL RESPONSIBILITY OF THE GROUP AND BANK FOR 2025

Strategic approach and ESG management

The Group has been engaged in promoting sustainability and social responsibility for numerous years. We regard the social and environmental effects, along with the influence on the economic growth of the communities where the Group operates and society at large, as integral to our business mission. As a financial entity, the OTP Banka Group is dedicated to fostering sustainable financing; products and services that enhance social values and support climate and environmental preservation, with its management grounded in ethical standards.

In 2025, in response to the expanding scope of work, the sustainability organizational unit was elevated to the status of the Sustainability Directorate, which serves as the highest organizational structure directly subordinate to the member of the Management Board. This Directorate comprises two specialized departments: the Sustainable Finance Support Department, tasked with the development and promotion of sustainable financial products and financing in collaboration with OTP Group, and in conjunction with the organizational units responsible for financial products and corporate and retail financing. The second department, known as the Regulation, Reporting and Sustainability Department, is charged with ensuring compliance with environmental, social, and governance (ESG) regulations and standards. This department monitors changes in ESG regulations, standards, Group policies, and best practices, while also coordinating the alignment process with the relevant organizational units within the Bank, in addition to overseeing sustainability reporting.

In 2025, the primary focus of the Bank was to enhance sustainable financing across all business sectors, with an initiative to incorporate financing for the micro and small entrepreneurship segment into the Bank's sustainable framework in 2026. This framework is designed to identify investments

ESG ESG AND CORPORATE SOCIAL RESPONSIBILITY OF THE GROUP AND BANK FOR 2025 (CONTINUED)

Strategic approach and ESG management (continued)

that amplify positive impacts and mitigate negative effects on the environment and society, while also assisting companies and communities in adapting to the consequences of climate change.

In 2025, the Bank initiated the *ESG data project*, aimed at systematically gathering data, including both regulatory and sustainability information deemed essential by the Bank for transitioning to a sustainable business model.

The first quarter of 2026 is set for the implementation of a new ESG strategy covering the years 2026-2028. This strategy includes several strategic priorities such as sustainable financing, a decarbonization strategy, sustainability reporting, and a transition plan, which collectively highlight our continued commitment to sustainable financing while adhering to all regulatory requirements.

Actions undertaken to protect the environment and climate

The Bank has earned recognition as a green institution due to its long-standing investments aimed at minimizing environmental impacts. It showcases its dedication to monitoring and managing its own effects responsibly through ongoing enhancements across various areas:

- Utilizing energy from renewable sources, implementing responsible energy management, and enhancing energy efficiency;
- Harnessing energy from its own sources
- Initiatives aimed at creating a plastic-free bank, employing recycled and recyclable materials in its operations (FSC paper), opting for more environmentally friendly materials in the furnishing of branches and business premises, and establishing a responsible waste management system;
- Ongoing reduction of paper usage, the introduction of digital business forms, and modifications in business processes;
- Advancement of online business, guidelines on responsible transport usage, and the procurement of vehicles with a lower environmental impact.

Sustainability reporting and support to public dialogue

In accordance with the provisions of the Accounting Act (OG 85/24, 145/24, 151/25), the Bank applies an exemption from the preparation of a sustainability report. The bank and other members of Group are included in the consolidated report of the parent company OTP Bank Nyrt. with headquarters in Hungary at Nádor utca 21, Budapest.

Pursuant to Article 33, Paragraph 5 of the Accounting Act, Bank is attaching the Statement of the parent company OTP Bank Nyrt. on the inclusion of the Bank and other members of the Group in its consolidated sustainability report.

The bank will publish a certified translation of the consolidated sustainability report of the parent company OTP Bank Nyrt. on its website:

<https://www.otpbanka.hr/o-nama/godisnja-izvjesca>.

In its public communications, the Bank promotes and fosters dialogue on sustainable development and social responsibility. In 2025, it participated in the international ESG Summit of the OTP Group in Belgrade, the Greencajt Conference in Zagreb, Let's Support Sustainable organized by the Croatian Chamber of Commerce, the Unwasted Forum in Opatija, the Green Croatia - Sustainability and Corporate Governance conference organized by HINE, and the 17th Sustainable Development Conference organized by HRPSOR



DECLARATION OF PARENT UNDERTAKING ON SUSTAINABILITY REPORTING OBLIGATIONS

OTP Bank Nyrt. having its registered office at Nádor u. 16, 1051 Budapest, Hungary, registered with the Municipal Court of Budapest as registrar under No.: 01-10-041585, duly represented by Gergely Pókos (hereinafter referred to as "Bank"), within the competence of the parent undertaking as referred to in para (9) of Article 2 of Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (hereinafter referred to as "Directive"), hereby declares that in its consolidated sustainability report to be drawn up in accordance with Articles 19a, 29 and 29a of the Directive and to be published in accordance with Article 30 of the Directive the Bank will include its subsidiary OTP banka d.d., having its registered seat at Ulica Domovinskog rata 61, 21000 Split; registration number 060000531, and the following subsidiaries of OTP banka d.d.:

- CRESCO d.o.o. (registration number: 060240804; registered seat: Radnička cesta 80, 10000 Zagreb);
- OTP Leasing d.d. (registration number: 080571512; registered seat: Petrovaradinska ulica 1, 10000 Zagreb);
- OTP Nekretnine d.o.o. (registration number: 060170907; registered seat: Radnička cesta 80, 10000 Zagreb).

In accordance with the Hungarian Act on Accounting (Act C of 2000) the consolidated sustainability report and the assurance report as part of the annual report will be published until 17. April 2026 at the following link:

<https://www.otpgroup.info/investor-relations/reports/annual>

The statement is drafted in English and translated into Croatian. Furthermore, it is signed by signatories who understand English

IZJAVA MATIČNOG DRUŠTVA O OBVEZAMA IZVJEŠTAVANJA O ODRŽIVOSTI

Društvo OTP Bank Nyrt., sa sjedištem na adresi Nádor u. 16, 1051 Budimpešta, Mađarska, upisano u registar Trgovačkog suda u Budimpešti pod brojem: 01-10-041585, kojeg zastupaju Gergely Pókos (u daljnjem tekstu: „Banka“), u svojstvu matičnog društva, u skladu sa člankom 2. stavkom 9. Direktive 2013/34/EU o godišnjim financijskim izvještajima, konsolidiranim financijskim izvještajima i povezanim izvješćima određenih vrsta poduzeća (u daljnjem tekstu: „Direktiva“), ovime izjavljuje da će u svom konsolidiranom izvješću o održivosti, koje će se izraditi u skladu sa člancima 19.a, 29. i 29.a Direktive te objaviti u skladu sa člankom 30. Direktive, Banka obuhvatiti svoju podružnicu OTP banku d.d., sa sjedištem na adresi Ulica Domovinskog rata 61, 21000 Split, matični broj: 060000531, kao i sljedeće podružnice OTP banke d.d.:

- CRESCO d.o.o. (matični broj: 060240804, sjedište: Radnička cesta 80, 10000 Zagreb),
- OTP Leasing d.d. (matični broj: 080571512, sjedište: Petrovaradinska ulica 1, 10000 Zagreb),
- OTP Nekretnine d.o.o. (matični broj: 060170907, sjedište: Radnička cesta 80, 10000 Zagreb).

U skladu s mađarskim Zakonom o računovodstvu (Zakon C iz 2000.), konsolidirano izvješće o održivosti i izvješće o neovisnoj reviziji, kao dio godišnjeg izvješća, objavit će se do 17. travnja 2026. na sljedećoj poveznici:

<https://www.otpgroup.info/investor-relations/reports/annual>

Ova Izjava sastavljena je na engleskom jeziku i prevedena na hrvatski. Nadalje, potpisuju je potpisnici koji razumiju engleski, ali ne poznaju hrvatski jezik. U slučaju bilo kakvog

but do not speak Croatian. In case of any discrepancy, the English version of the Statement shall prevail.

neslaganja, mjerodavna je engleska verzija izjave.

Budapest, 3 March 2026

Budimpešta, 3. ožujka 2026.

Gergely Pókos
Managing director

Gergely Pókos
Izvršni direktor

Szilvia Gólya
Head of Green Competence Center

Szilvia Gólya
Voditelj Centra za zelene kompetencije

ESG AND CORPORATE SOCIAL RESPONSIBILITY OF THE GROUP AND BANK FOR 2025 (CONTINUED)

Corporate social responsibility

In 2025, the Bank persisted in executing socially responsible initiatives with well-defined objectives and quantifiable outcomes, concentrating on education, health, social inclusion, and the advancement of local communities.

The scholarship programme encompassed 16 students without proper parental care, who received a monthly scholarship of 300 euros. The selection process is conducted through a tender based on academic performance criteria.

Cooperation with the Marin Čilić Foundation in granting scholarships to student athletes continued, which consistently promotes both academic and athletic excellence.

As part of the tender for donations in 2025, 36 projects in the areas of youth, education and science, cultural and natural heritage, humanitarian efforts, and sports were approved. These projects were chosen from several hundred applications, with a focus on supporting vulnerable groups and ensuring a long-term impact on local communities.

The “OTP RoundUp!” donation initiative, launched in collaboration with Mastercard, was broadened in 2025 to encompass organizations that support children lacking proper parental care. The Bank and Mastercard contribute 125,000 euros at the start of each cycle, while clients engage by rounding up their card transaction amounts. In the cycle that concluded at the end of December 2025, a total of 215,500 euros was raised, which was donated to the Sisak General Hospital and SOS Children’s Village Croatia.

In 2025, the Bank’s volunteer club assembled 220 employees who took part in 20 organized activities, accumulating a total of 1,054 volunteer hours. Additionally, 12 voluntary blood donation events were held at four different locations, resulting in the collection of 369 blood donations.

Responsibility for client relations

In 2025, the Bank enhanced its digital channels and processes, including online credit procedures, which led to increased operational efficiency and improved service availability for clients.

The development of products and services is conducted in line with sustainability principles, ensuring clear and transparent communication alongside responsible market practices. The multi-channel business model facilitates quick and secure access to information and personalized solutions that cater to client needs.

In enhancing product availability, the Bank collaborates with the Croatian Bank for Reconstruction and Development, which promotes the financing of projects of significant social importance, including initiatives aimed at regions facing challenging economic conditions and projects led by young entrepreneurs. Concurrently, the Group consistently invests in bolstering financial literacy, particularly focusing on the younger generation, and tailors communication channels to align with their habits and expectations.

The protection of privacy and the security of client funds remain a strategic priority. In 2025, efforts in the realm of cybersecurity were further intensified, with ongoing communication to clients regarding the safe utilization of digital services.

The Bank systematically enhances the accessibility of its branches and digital content for individuals with disabilities and maintains an effective system for receiving and addressing inquiries and complaints, thereby ensuring a high standard of service quality and fostering client trust.

BANK'S PLANS FOR 2026

The Bank's business plans for 2026 are grounded in ongoing macroeconomic forecasts and market dynamics, as well as the internal strengths and values, and their aim is to achieve the business strategy. We persist in investing in critical sectors of data management and human resources to secure long-term competitiveness. By enhancing the business through the ongoing advancement of our digital product offers for clients, we aim to provide superior service and reinforce our national presence.

In market conditions where the uncertainty surrounding the political situation is becoming more pronounced, macroeconomic factors are highly unstable, and market yields suggest a trend towards stability or decline due to significant competition within the financial market of the Republic of Croatia, we will enhance our emphasis on identifying internal strengths and opportunities for sustained growth.

In the retail segment, efforts will concentrate on developing new products aimed at specific client sub-segments, considering their wishes and needs. A key strategic objective of the Bank is to enhance the young client segment by providing financial education and offering suitable products for the younger demographic, as well as by improving the accessibility products and services these clients are seeking. We will assess the needs and expectations of the senior segment, adjusting our offers and services accordingly. Over the past year, through the implementation of the advanced analytics project, we established a solid foundation for a personalized sales approach. We are committed to advancing digital solutions in the areas of savings and credit products, as well as client onboarding. Additionally, we are optimizing our network through rationalization of the branch network, while simultaneously enhancing their design and equipment, with the ultimate goal of strengthening the focus on sales and customer satisfaction.

In the corporate client segment, we acknowledge that the capacity to promptly discern clients' needs, along with fostering a professional rapport with clients, constitutes a significant advantage. Consequently, our emphasis will remain on the quality of our service model and our offers, particularly highlighting the advancement of digital channels. In the near future, it is anticipated that the demand for investment loans will persist in its decline due to sluggish economic activity in neighbouring countries, which are vital trading partners for us. However, investments in tourism and construction are expected to be exceptions, given the already acknowledged peculiarities of our economy. Simultaneously, we adopt a somewhat more cautious approach in overseeing the construction industry, steering clear of unstructured financing.

As a financial institution, the Bank acknowledges its most significant influence in fostering sustainable financing for its clients, particularly businesses that it can assist in their transition towards sustainability and in achieving low-carbon economy objectives. The Bank is dedicated to creating products and services that enhance social values as well as promote climate and environmental preservation, ensuring that management is firmly rooted in ethical principles, with business operations and impacts reported in a transparent manner. Sustainable financing is integrated into various aspects of the Bank's operations and is consistently expanding.

We are advancing initiatives designed to reinforce the role of HR as a strategic partner in achieving business objectives by enhancing competencies, digitizing processes, and launching an employer branding campaign.

RISK MANAGEMENT

As part of the OTP Group, the Bank's Risk Management is defined by the basic principles and guidelines prescribed in the policies and internal regulations of the Bank/OTP Group, together with the legal and regulatory requirements of both local and other relevant statutory bodies. The regulatory framework of the Bank's Corporate Governance ensures the independence of the risk management

RISK MANAGEMENT (CONTINUED)

function/division from commercial and operational functions, as well as from other control functions. The risk management function includes the identification, measurement, assessment, analysis and monitoring of all significant risks of the institution's critical functions. The Risk Management framework includes the entire risk management system, including risk strategy, risk appetite and risk controls (such as policies and methodologies, etc.). The risk strategy summarises the risk approach, vision, mission, values, goals, strategic initiatives that support risk management within the set risk appetite and includes the Risk Appetite Statement (RAS). The Risk Appetite Statement regulates the risk appetite the Bank/OTP Group is willing to accept in order to implement its business and risk strategy. Although it is an integral part of the Risk Strategy, the RAS is approved by the Management Board as a separate document that is reviewed every year.

Main goals:

- Implementation of business strategies, taking into account the risk/return ratio;
- Ensure that potential losses are kept with the risk capacity;
- Adequate provisions for credit losses reflected in price and profitability;
- Adequate hedging for unexpected losses;
- Running the risk management system according to the size and complexity and in line with the regulator's expectations, using international best practices;
- Proactive, aware of risks, supporting business goals in a dynamic environment.

The strategic mission is: to be a partner to our business units; creating a value through data-driven decision making, advanced analytics and process excellence; ensuring a unique and transparent methodology or control environment for managing operational losses as well as maintaining safe growth of the portfolio through economic cycles. Credit, market and operational risks are managed and controlled within the organisational structure of the Risk Management Division, headed by the Risk Management Member (CRO). Compliance risk management, data protection, fraud detection and prevention, information and cyber security, AML/CFT, legal risk and ESG are managed within the organisational structure of the Central Functions Division, headed by President of the Management Board. Interest rate and liquidity risks are managed within the organisational structure of the Finance Division, headed by the Finance Board Member (CFO). The second line of defence/control covering these risks is implemented within the organisational structure of the Risk Management.

Credit risk

Credit risk means the risk that the other party won't be able to fully settle the amounts they owe. The Bank determines credit risk levels by setting a limit for risk amounts it assumes in relation to one client or a group of clients, and according to the business segment or products. Client credit risk management is based on a comprehensive assessment of the client's risk profile from a quantitative (financial) and qualitative point of view using a scoring and evaluation model, along with individual approval given by the corresponding level of approval. The authorisation system is set to reflect the risk profiles of clients as well as the competency level for their assessment. Internal lending limits at the level of client / group of clients, transaction or product are established in line with the Bank's defined risk appetite. The Bank has established a robust monitoring process for funded clients and approved exposures that enables corrective actions to be taken in the event of deterioration. The credit risk exposures are managed through various regular analyses at the level of client or portfolio, product or segment, sales channel or area. In the prevention of credit risk frauds, a wide range of tools and controls have been introduced with the aim of early detection of fraud cases and optimisation of the process.

Market risk

Market risk means the effect of external influences on the value of positions in the Bank's portfolio due to price changes, i.e. trends in the financial markets. According to this definition, market risk consists of currency risk, interest rate risk and price risk.

The fundamental goal of market risk management in the Trading Book is to make a profit by taking advantage of fluctuations in exchange rates and interest rates, i.e. limiting losses that may result from their unfavourable trends in a way not to put at risk the Bank's profitability and operations.

RISK MANAGEMENT (CONTINUED)

Market risk (continued)

The Bank applies the VaR methodology using the historical simulation method with a confidence level of 99% and a time horizon of 1 day to estimate the market risk and maximum expected losses of the positions it holds.

The VaR methodology is a statistically defined probability-based approach that takes into account market volatility as well as risk diversification by identifying offsetting positions and correlations between products and markets.

The Management Board approves an acceptable level of VaR limits, which are monitored on a daily basis. While VaR covers the Bank's daily exposure to currency and interest rate risk, the sensitivity analysis assesses the impact of a reasonably possible change in interest rates or foreign currency exchange rates during the year. The longer horizon of the sensitivity analysis complements VaR and helps the Parent Bank assess its market risk exposure.

Market risk, the risk of foreign countries and counterparty risk in transactions on the financial markets are managed by the Market Risk and Liquidity Control Department. The Department is directly accountable to the chief risk director of the Bank and is fully independent of the business units it supervises. It operates within the Market Risk Division of the OTP Group, and risk measurement methodologies and control procedures of the Bank are aligned with the best practices of the OTP Group.

Liquidity risk

The policy of managing cash flows aimed at maintaining a balance between cash receipts and expenses is part of the Bank's broader asset and liability management policy. In order to ensure a satisfactory level of liquidity reserves, the Bank consistently monitors and plans the cash flow and predicts future liquidity needs taking into account changes in the economic, legislative and other circumstances of its operations. The aforementioned planning includes the identification of known, expected and potential cash outflows and the development of strategies to satisfy the Bank's liquidity reserves in certain currencies. It is important to emphasise that, when managing liquidity risk, the Bank strives to ensure currency compatibility of the portfolio of liquid assets with the currency distribution of its net liquidity outflows.

Operational risk

Operational risk means the risk of loss arising from inadequate or unsuccessful internal processes, humans and systems or from external events, including legal risk.

The Bank's activities in the field of operational risk management are compliant with current regulations and good practices of operational risk management and are reviewed regularly in line with their changes.

Significant operational risks are identified by:

- Self-assessment of risk and control mechanisms (Risk control self-assessment - RCSA)
- Scenario analysis
- Key risk indicators
- Collection of operational risk events
- Business Impact Analysis (BIA)
- Inventory of products from the perspective of conduct risk
- Inventory of models

The Bank uses the standardized approach for calculating capital requirements for operational risk.

By implementing all the adopted measures, the Management Board believes that the risks are adequately and satisfactory managed.

At 2025 year-end, the headcount in the Group equalled 2,604, of which 2,428 were employed by the Bank. Throughout the year, the headcount decreased due to intentional organisational adjustments, business optimization efforts, and status changes within the Group.

As for the age and qualification structure of the workforce, the average age was 42, and 68% of the staff hold associate or bachelor's degree. This ensures a robust professional basis for ongoing business growth.

MANAGEMENT OF GROUP'S HUMAN RESOURCES

Investments in employees and working conditions

From 01 January 2025, a new Collective Bargaining Agreement has been enacted, preserving existing entitlements, the most prominent of which include: thirteenth salary, holiday bonus, special gift vouchers, presents for employees' children, financial support upon birth of a child, loyalty bonuses, bonuses for the participants in the bonus scheme, contributions paid for special work conditions, paid medical check-ups, and more favourable terms for employees when taking loans and using banking services. In addition to these benefits, the new Collective Bargaining Agreement also introduces further material and non-material rights for employees.

Employee salaries have been raised through targeted increases implemented in November 2025.

The Bank continues to utilize a hybrid work model on a 3:2 system (the employee works three days in the office and two days from home) and other flexible arrangements wherever feasible.

Competence Development and Digitalization

In 2025, substantial investments were made in employee education and training, resulting in 377 training sessions totalling 60.1 thousand hours, with 2,481 employees participating. Half of these training sessions were held internally, while nearly half of education were delivered through digital formats, reflecting a modest increase in digital learning methods. Particular attention was given to enhancing digital and leadership competencies, along with regulatory and professional topics.

Engagement and Organizational Culture

74% of the Bank's workforce took part in the annual engagement survey, achieving an engagement rate of 59%. Essential factors contributing to engagement included effective leadership, opportunities for career advancement, a commitment to employee well-being, and transparent communication.

Focus for 2026

In 2025, a new strategy for Employer branding was formulated, aligned with the overarching brand strategy of the Bank, with its implementation set to commence at the start of 2026. The primary focus will continue to be on attracting and retaining essential experts, advancing the digitization of HR processes, and consistently enhancing employee competencies to support the sustainable growth and competitiveness of the Group.

RESEARCH AND DEVELOPMENT

Designing of appealing and competitive financial products and solutions tailored to suit the customers' needs to the highest extent possible, and in accordance with market standards, whilst remaining true to the nature of its business activities, will continue to be an area of paramount importance for the Group in the future.

The Group is very much aware that the contemporary fast-changing society, with a relentless progress of science and technology, calls for an organisational culture that fosters innovation steered towards enhancing of the relationship with customers and upgrading of their experience, thus laying the foundations for sustainable long-term business relations. The Group encourages creativity and thinking outside the box in everyday work and through the Ideaportal platform – an interactive portal where the employees can share proposals for optimisation and improvement of the business processes.

The Group continued rolling out innovative practices and developments throughout 2025, in accordance with its strategic goals of improving the customer experience and satisfaction through development of modern and digitalised products and services. In addition to creating reliable, simple and safe solutions for its customers, the Group boosts the efficiency of its business operations.

RESEARCH AND DEVELOPMENT (CONTINUED)

To begin with, this pertains to mobile banking services for retail segment, where we have continued to enhance the functionality of the OTPGo application, thereby further improving the user experience. Additionally, through mobile banking, we have facilitated a fully integrated digital End-to-End (E2E) lending process for retail clients via our new Cash2Go solution, and we are in the process of developing new features aimed at improving financial literacy among young people.

A significant advancement was achieved in the area of card payments, where we introduced Apple Pay and Google Pay payment options, thereby moving closer to our strategic objective of digitizing the products and services we offer to our clients.

The year 2025 was also characterized by the successful rollout of the Instant payment scheme, which allows clients to execute instant payments around the clock, every day of the year.

In 2025, the Group maintained its intensive efforts towards the execution of the Optimus transformation programme, which was initiated in 2019 and consistently yields measurable improvements in user experience. The focus over the past year was on optimizing internal processes and enhancing the Customer Experience, alongside additional initiatives aimed at boosting volume and market share through the utilization of sophisticated analytical models in cash loans and deposits.

Within the cash operations segment, a notable advancement was made with the introduction of the Softcash solution, which facilitates the complete digitization of the process encompassing automatic posting and fee collection, as well as a digital archive for processed deposits and a discrepancy report.

The year 2025 marked a significant advancement in technological solutions. As part of the programme, three projects were initiated, concentrating on the utilization of AI and ML tools that hold the promise of greatly enhancing processes and operational efficiency. A project to develop a Voicebot solution for the Contact Center was commenced, which is designed to handle incoming calls, conduct initial triage, and respond to basic inquiries. In the realm of corporate lending, a tool utilizing a Small Language Model (SLM) is currently under testing, aimed at accelerating the preparation and oversight of contractual documentation by removing the need for manual entries. Additionally, in the retail segment, an AI solution was tested for its capability to automatically download, process, and standardize documentation from various external sources, in alignment with internal business regulations.

In the upcoming period, our primary focus will be on the implementation of the previously mentioned solutions, alongside an emphasis on process transformation in alignment with the guidelines of the Parent Bank. We will also expand RPA (Robotic Process Automation) solutions into new business sectors that involve repetitive and manual tasks.

Additionally, a new initiative has been introduced - the Retail Next programme, which is designed to enhance the efficiency and quality of client service through our business network. This programme will also promote further digital advancements via digital onboarding, digital marketing, digital assisted sales, and the development of additional digitized products.

For our corporate clients, we have initiated a project aimed at enhancing Internet and mobile banking services. This project will provide clients with improved functionalities and a new design that caters to user needs, ensuring an exceptional user experience.

To better represent the Bank and facilitate communication with clients, a redesigned website will be launched shortly.

Alongside our client-focused efforts, the Bank has been diligently working on enhancing internal efficiency by defining new processes and optimizing existing ones. This includes strengthening process organization, adopting agile methodologies, automating processes, and implementing best practices and standards.

Responsibilities of the Management and Supervisory Board for the preparation and acceptance of the annual report

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

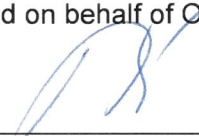
The Management Board is responsible for selecting suitable accounting policies to conform with applicable accounting standards and then apply them consistently, making judgements and estimates that are reasonable and prudent; and preparing the financial statements on a going concern basis unless it is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

The Management Board is also responsible for the preparation and content of the management report on the state of the Bank and its subsidiaries and other information, in accordance with the provisions of the Accounting Act (Official Gazette 85/2024, 145/2024, 151/2025).

The Management Board is responsible for the submission of the annual report, which includes the separate and consolidated financial statements, management report and other information, to the Supervisory Board for acceptance. If the Supervisory Board approves the annual report, it is deemed confirmed by both, the Management Board and the Supervisory Board of the Bank, after which the Supervisory Board submits the annual report, together with the accompanying separate and consolidated financial statements to the General Assembly for adoption.

Separate and consolidated financial statements, as well as the Schedules prepared in accordance with the Decision of the Croatian National Bank on the structure and content of annual financial statements of credit institutions (Official Gazette 80/2025), management report and other information were authorised by the Management Board on 17 March 2026 and submitted to the Supervisory Board for acceptance. To confirm this, the annual report has been signed by authorized persons, as follows.

For and on behalf of OTP banka d.d.:



Balázs Pál Békeffy
President of the Management Board



Nikola Mikša
Member of the Management Board



Slaven Celić
Member of the Management Board



Zvonimir Akrap
Member of the Management Board



Bruno Biuk
Member of the Management Board



Ivan Šimicević
Member of the Management Board



Nera Šunjić
Member of the Management Board



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Ernst & Young d.o.o.
Radnička cesta 50, 10 000 Zagreb
Hrvatska / Croatia
MBS: 080435407
OIB: 58960122779
PDV br. / VAT no.: HR58960122779

Tel: +385 1 5800 800
Fax: +385 1 5800 888
www.ey.com/hr

Banka / Bank:
Erste & Steiermärkische Bank d.d.
Jadranski trg 3A, 51000 Rijeka
Hrvatska / Croatia
IBAN: HR3324020061100280716
SWIFT: ESBCHR22

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of OTP banka d.d.

Report on the audit of the separate and consolidated financial statements

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate and consolidated financial statements* section of our report.

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

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

Key audit matters

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

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



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Key Audit Matter	How we addressed Key Audit Matter
<p>Determination of expected credit losses</p> <p>See Note 14 Loans and advances to customers and Note 1.13 Loss allowance of financial assets.</p> <p>Determination of expected credit losses represent management’s best estimate of the expected credit losses within the loan portfolios at the reporting date.</p> <p>Assessment of appropriate staging of exposures depends mostly on triggers (“trigger events”) identified by management as indicators of significant increase in credit risk of customers and impairment respectively. These triggers are subject to high level of judgement of the Management.</p> <p>Impairment provisions for expected credit losses require use of complex models (depending on the elements of the information system) and significant judgment of the Management Board and include high degree of subjectivity in estimating future cash-flows and timing of recoverability.</p> <p>Additionally, uncertain economic outlook resulted in more complex assessment onto expected credit losses.</p> <p>Additionally, regulator and market are focusing on exposures as they represent core business of the bank and provisioning of the loans is significantly affecting the result of the bank.</p> <p>This area is determined to be a key audit matter as the determination of the appropriate amount of impairment losses requires application of significant judgement and use of subjective and complex assumptions by management.</p>	<p>We obtained an understanding of the control environment and internal controls established by management in the process of measuring impairment provisions for expected credit losses. With the assistance of IT specialists, we assessed the design and tested the operating effectiveness of the controls, including the quality of underlying data and systems.</p> <p>We evaluated the design of controls over the calculation of individual impairments and tested the operational effectiveness of controls over the calculation of individual impairments of the Bank’s portfolios, including the quality of the source data and the system.</p> <p>With the assistance of credit risk specialists, we assessed the methodology developed to calculate loan loss provisions under IFRS 9, concentrating on such aspects as factors for determining a “significant increase in credit risk”, allocating loans to stages, appropriateness of models used for calculation of Stage 1 (A1) and Stage 2 (A2) allowances and portion of Stage 3 (B) allowances calculated on models (exposures below EUR 400 thousand) and estimation of key provisioning parameters.</p> <p>We evaluated matrices used in the calculation of probability of default (“PD”) and loss given default (“LGD”). Additionally, with respect to models, we understood and assessed how the current macroeconomic expectations are incorporated in the model as part of forward- looking information.</p> <p>We examined a sample of exposures and performed procedures to evaluate the adequacy of classification of exposures in stages (including but not limited to assessing the creditworthiness of clients, review of input parameters such as probability of default, testing of reported days past due, assessing adequacy of Early warning signals (“EWS”) and watch list status).</p> <p>Our audit procedures for individually significant exposures focused on measuring the impairment of individually significant credit exposures, including assessing whether historical experience is appropriate for estimating the amount of credit losses in the portfolio.</p> <p>On a sample of individually impaired credit exposures within a portfolio of individually significant exposures,</p>



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	<p>we tested the assumptions used in identifying impairment and quantification including estimates of future cash flows, estimates of related collaterals and estimates of recovery on default and assessed whether the specific Croatian National Bank (“CNB”) provisioning requirements were reflected in the calculation. This also included taking into consideration the impact of forbearance.</p> <p>We also assessed adequacy of the disclosures in Note 1.13 Loss allowance of financial assets and Note 14 Loans and advances to customers in the financial statements and if these are in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).</p>
<p>Assessment of provisions for CHF litigation</p> <p>See Note 26 Provisions for liabilities and charges.</p> <p>As of 31 December 2025, the Bank recorded provisions for litigation cases related to loans originally issued or indexed to Swiss Francs (“CHF”).</p> <p>The provision for litigation cases relates to loans that have been converted and to loans that have not been converted and are still denominated in CHF, including requests for nullifying loan agreements in full and requests for nullifying specific clauses of loan agreements.</p> <p>We focused on this area because there are considerable judgements and estimates in applying the relevant requirements to estimating both timing and size of outflows of economic resources required to settle the Bank’s obligations resulting from these specific litigation claims, given their inherent uncertainty and volume.</p> <p>Therefore, due to the significant judgment involved and considering total amount of provisions we consider this area as a key audit matter.</p>	<p>We obtained an understanding of the control environment and internal controls established by management in the process of assessment of provisions for CHF litigation.</p> <p>Also, we have inquired management in order to gain an understanding of the assumptions considered in determining the need to recognize and measure provisions for CHF litigation.</p> <p>We obtained an overview of the litigation claims against the Bank and the provisions recognized for these cases. We reconciled this information to the information provided in the financial statements and to the information received from independent legal advisers used by management.</p> <p>We obtained and reviewed the opinions and statements of independent legal advisers used by management and compared them to the information received from management in relation to the litigation claims.</p> <p>We obtained and reviewed the calculation of provisions for litigation and assessed whether the assumptions, on which the measurement of provisions is based, are based on relevant and available information from independent parties and the market.</p> <p>We also assessed adequacy of the disclosures in Note 26 Provisions for liabilities and charges in the financial statements and if these are in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).</p>



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Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Appointment of Auditor and Period of Engagement

We were initially appointed as auditors of the Bank on 31 March 2021. Our appointment has been renewed annually by General Assembly of Shareholders, with the most recent reappointment on 31 March 2025, representing a total period of uninterrupted engagement appointment of five years.

Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Bank, which we issued on 10 March 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.



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Provision of Non-audit Services

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

Report on Regulatory requirements

In accordance with the Bylaw on the structure and content of the annual financial statements of credit institutions ((National Gazette no 42/18, 122/2020, 119/2021, 108/2022 and 80/2025) (hereinafter "the Bylaw")) the Bank's management has prepared forms which are presented on pages 195 to 220, and which contain a separate and consolidated statement of financial position as at 31 December 2025, separate and consolidated income statement, separate and consolidated statement on other comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated cash flow statement for the year then ended together with reconciliation with the separate and consolidated financial statements of the Bank and the Group ("financial information"). This financial information is the responsibility of the Bank's management and is, pursuant to statutory accounting regulation as applicable to banks in Croatia, not a required part of the separate and consolidated financial statements but is required by the Bylaw.

Our responsibility with respect to this financial information is to perform the procedures we consider appropriate to conclude whether this financial information have been properly derived from the audited separate and consolidated financial statements. In our opinion based on the procedures performed the financial information presented in the forms has been properly derived, in all material respects, from the audited separate and consolidated financial statements of the Bank which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU) as presented on pages 36 to 194 and are based on underlying accounting records of the Bank and Group.

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

Zvonimir Madunić

Member of the Management Board and Certified auditor

23 March 2026

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb
Republic of Croatia

Consolidated financial statement of profit or loss

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
Continuing operations			
Interest income	3	389.2	394.0
Interest expense	3	(129.8)	(132.0)
Net interest income		259.4	262.0
Fee and commission income	4	111.7	99.2
Fee and commission expense	4	(31.9)	(27.2)
Net fee and commission income		79.8	72.0
Net (losses)/gains from valuation of financial instruments at fair value through profit or loss	5a	(30.6)	21.0
Net (losses) on financial instruments at fair value through other comprehensive income	5b	(1.0)	(0.8)
Net gains/(losses) from trading and converting monetary assets and liabilities	5c	40.9	(11.2)
Net gains on financial assets at amortized cost	5d	-	-
Other operating income	6	24.0	17.2
Net trading and other income		33.3	26.2
Profit before impairment and operating expenses		372.5	360.2
Other operating expenses	7	(73.3)	(61.6)
Depreciation and amortisation expenses	7a	(27.4)	(24.8)
Personnel expenses	8	(96.0)	(85.8)
Net gains/(losses) from loss allowance and provisions	9	(7.8)	4.8
Profit before tax		168.0	192.8
Income tax	10a	(31.0)	(35.1)
Profit for the year from continuing operations		137.0	157.7
Discontinued operations			
Profit / (loss) for the year from discontinued operations	22	(0.2)	0.6
Profit for the year		136.8	158.3
Intended:			
Equity holders of the Group		134.1	155.8
Non-controlling interests		2.7	2.5
		136.8	158.3

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

Consolidated financial statement of other comprehensive income

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
Profit for the year		136.8	158.3
Other comprehensive income:			
Items not reclassified subsequently to profit or loss:			
Net fair value changes of financial asset measured through other comprehensive income - equity securities	28	1.7	7.3
Total		<u>1.7</u>	<u>7.3</u>
Items reclassified or could be reclassified to profit or loss:			
Net fair value changes of financial asset measured through other comprehensive income - debt securities	28	3.7	5.9
Net changes in allowance for expected credit losses of financial asset measured through other comprehensive income - financial assets	9,15	(0.1)	(0.4)
Total		<u>3.6</u>	<u>5.5</u>
Deferred tax	10c	(1.0)	(2.4)
Total other comprehensive income		<u>4.3</u>	<u>10.4</u>
Total comprehensive income		<u>141.1</u>	<u>168.7</u>
Attributable to:			
Equity holders of the Bank		138.4	166.2
Non-controlling interests		2.7	2.5

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

Consolidated financial statement of financial position

As at 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	31/12/2025	31/12/2024
ASSETS			
Cash and balances with Croatian National Bank	11	1,106.1	1,128.4
Loans and receivables from banks	12	300.4	10.0
Financial assets at fair value through profit or loss	13	46.2	44.0
Loans and receivables from customers	14	7,081.5	6,523.3
Equity securities at fair value through other comprehensive income	15a	27.3	25.6
Debt securities at fair value through other comprehensive income	15b	185.4	733.4
Financial assets measured at amortised cost	16	1,010.3	420.2
Property and equipment	18	93.3	91.3
Right-of-use assets	18a	15.2	15.4
Investment property	19	78.1	79.1
Intangible assets	20	22.0	20.7
Goodwill		2.1	2.7
Deferred tax assets	10c	5.1	9.3
Income tax receivables	10b	6.5	0.0
Other assets	21	37.8	51.1
Assets held for sale and discontinued operations	22	0.4	0.9
TOTAL ASSETS		10,017.7	9,155.4

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

Consolidated financial statement of financial position (continued)

As at 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	31/12/2025	31/12/2024
LIABILITIES			
Amounts due to other banks	23	30.6	10.7
Amounts due to customers	24	7,254.8	6,573.7
Other borrowed funds	25	1,360.9	1,235.6
Financial liabilities at fair value through profit or loss	13	24.0	40.5
Provisions for liabilities and charges	26	82.5	79.1
Lease liabilities classified under IFRS 16	18a	15.7	15.7
Income tax liabilities	10b	-	13.0
Other liabilities	27	70.8	66.9
Liabilities associated with assets held for sale	22	-	0.2
Total liabilities		8,839.3	8,035.4
SHAREHOLDERS' EQUITY AND RESERVES			
Share capital		539.2	539.2
Share premium		22.7	22.7
Statutory and legal reserves		67.5	67.5
Fair value reserves		15.5	11.2
Other reserves		0.4	0.4
Retained earnings		514.7	460.6
Total shareholders' equity and reserves of the Group	28	1,160.0	1,101.6
Non-controlling interests		18.4	18.4
Total equity and reserves	28	1,178.4	1,120.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY AND RESERVES		10,017.7	9,155.4

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

Consolidated financial statement of changes in shareholders' equity

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Share capital	Share premium	Legal and statutory reserves	Fair value reserves	Other reserves	Retained earnings	Non-controlling interests	Total
Balance at 1 January 2024	539.2	22.7	67.5	0.8	0.4	379.9	15.9	1,026.4
Changes in equity in 2024	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
- Debt securities (Note 28)	-	-	-	4.8	-	-	-	4.8
- Equity securities (Note 28)	-	-	-	6.0	-	-	-	6.0
Expected credit losses for FVTOCI financial assets (Notes 15b and 28)	-	-	-	(0.4)	-	-	-	(0.4)
Profit for the year	-	-	-	-	-	155.8	2.5	158.3
Total comprehensive income	-	-	-	10.4	-	155.8	2.5	168.7
Dividends	-	-	-	-	-	(75.0)	-	(75.0)
Consolidation adjustment	-	-	-	-	-	(0.1)	-	(0.1)
Balance at 31 December 2024	539.2	22.7	67.5	11.2	0.4	460.6	18.4	1,120.0
Changes in equity in 2025	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
- Debt securities (Note 28)	-	-	-	3.0	-	-	-	3.0
- Equity securities (Note 28)	-	-	-	1.4	-	-	-	1.4
Expected credit losses for FVTOCI financial assets (Notes 15b and 28)	-	-	-	(0.1)	-	-	-	(0.1)
Profit for the year	-	-	-	-	-	134.1	2.7	136.8
Total comprehensive income	-	-	-	4.3	-	134.1	2.7	141.1
Dividends	-	-	-	-	-	(80.0)	(2.4)	(82.4)
Change in non-controlling interest	-	-	-	-	-	-	(0.3)	(0.3)
Consolidation adjustments	-	-	-	-	-	-	-	-
Balance at 31 December 2025	539.2	22.7	67.5	15.5	0.4	514.7	18.4	1,178.4

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

Consolidated financial statement of cash flows

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		167.8	193.4
Adjustments to reconcile profit before taxes to net cash from operating activities			
Net (gains)/losses on impairment of financial assets	9	(6.3)	(26.4)
Net (gains)/ losses on financial assets measured at fair value through profit or loss	5a	30.6	(21.0)
Net (gains)/losses on financial assets measured at fair value through other comprehensive income	5b	1.0	0.8
Impairment of tangible assets, asset taken in lieu and assets held for sale	7	(0.2)	-
Provisions for legal actions and off-balance sheet items	9	14.1	10.2
Other provisions	9	0.3	11.7
Depreciation and amortisation	7a	27.4	24.8
(Gains) on disposal and write-off of property and equipment	6	(1.5)	(1.3)
Interest income	3,6	(389.7)	(394.5)
Interest expense	3, 7	129.8	132.0
Revenue from reversal of accrued expenses	6	1.2	0.2
(Gains) on sale of assets held for sale	6	(0.7)	(0.5)
Other non-cash items, other income and expenses	9	10.7	8.3
Loss on sale of discontinued operations	9	0.3	-
Exchange rate differences	5a	(33.2)	20.7
Operating income before changes in operating assets and liabilities		(48.4)	(41.6)
<i>(Increase)/decrease in operating assets:</i>			
Loans and receivables from banks		42.9	(50.6)
Loans and receivables from customers		(554.1)	(707.8)
Other assets		10.2	(8.6)
<i>Increase/(decrease) in operating liabilities:</i>			
Amounts due to other banks		20.9	(9.7)
Amounts due to customers		711.9	289.0
Other liabilities		(0.7)	(14.5)
Payments from provisions for liabilities and charges		(11.1)	(6.8)
Net cash flow from operating activities before interest and income taxes paid		171.6	(550.6)
Income taxes paid		(47.1)	(37.4)
Interest received		390.3	392.8
Interest paid		(128.4)	(132.7)
Net cash from operating activities		386.4	(327.9)

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

Consolidated financial statement of cash flows (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Gains from financial assets and liabilities measured at fair value through profit or loss		(96.8)	79.1
Gains / (losses) from securities measured at fair value through other comprehensive income		551.6	(119.5)
(Increase) for the purchase of tangible and intangible assets		(28.1)	(29.0)
Proceeds from the sale of tangible and intangible assets		3.6	4.7
(Increase) for assets held for sale		-	-
Proceeds from the sale of assets held for sale		1.3	0.7
(Increase) from Investment property		(0.7)	(0.3)
Proceeds from the sale of investment property		-	0.2
(Increase) from Investment in subsidiaries		-	(32.2)
Proceeds from the sale of subsidiaries		0.7	-
(Increase)/proceeds of investments at amortised cost		(587.9)	(173.5)
Received dividends from investment activities		0.2	0.2
Net cash from investing activities		(156.1)	(269.6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities (IFRS 16)		(4.5)	(4.3)
Increase of other borrowed funds		125.3	204.9
Dividends paid		(82.4)	(75.0)
Net cash from financing activities		38.4	125.6
Net increase / (decrease) in cash and cash equivalents		268.7	(471.9)
Cash and cash equivalents at the beginning of the year		1,137.6	1,607.5
Effect of foreign exchange rate changes on cash and cash equivalents		(0.1)	0.3
Cash and cash equivalents from purchase of Zagrebtower d.o.o.		-	1.7
Cash and cash equivalents at the end of the year	30	1,406.2	1,137.6

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

Unconsolidated financial statement of profit or loss

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
Interest income	3	352.8	362.9
Interest expense	3	(108.1)	(113.9)
Net interest income		244.7	249.0
Fee and commission income	4	110.9	98.7
Fee and commission expense	4	(31.9)	(27.1)
Net fee and commission income		79.0	71.6
Net (losses)/gains from valuation of financial instruments at fair value through profit or loss	5a	(30.6)	21.0
Net (losses) on financial instruments at fair value through other comprehensive income	5b	(1.0)	(0.8)
Net gains from trading and converting monetary assets and liabilities	5c	40.9	(11.2)
Net gains on financial assets at amortized cost	5d	-	-
Other operating income	6	8.7	3.4
Net trading and other income		18.0	12.4
Profit before value adjustment and operating expenses		341.7	333.0
Other operating expenses	7	(66.4)	(55.0)
Depreciation and amortisation expenses	7a	(20.5)	(18.4)
Personnel expenses	8	(87.7)	(78.5)
Net gains/(losses) from loss allowance and provisions	9	(7.1)	5.0
Profit before tax		160.0	186.1
Income tax	10a	(28.7)	(33.7)
Profit for the year		131.3	152.4

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

Unconsolidated financial statement of other comprehensive income

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
Profit for the year		131.3	152.4
Other comprehensive income:			
Items not reclassified subsequently to profit or loss:			
Net fair value changes of financial asset measured through other comprehensive income - equity securities	28	1.7	7.3
Total		1.7	7.3
 Items reclassified subsequently to profit or loss:			
Net fair value changes of financial asset measured through other comprehensive income - debt securities	28	3.7	5.9
Net changes in allowance for expected credit losses of financial asset measured through other comprehensive income - financial assets	9,15	(0.1)	(0.4)
Total		3.6	5.5
Deferred tax	10c	(1.0)	(2.4)
Total other comprehensive income		4.3	10.4
Total comprehensive income		135.6	162.8

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

Unconsolidated financial statement of financial position

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	31/12/2025	31/12/2024
ASSETS			
Cash and balances with Croatian National Bank	11	1,106.1	1,126.9
Loans and receivables from banks	12	300.4	10.0
Financial assets at fair value through profit or loss	13	46.2	44.0
Loans and receivables from customers	14	6,489.4	5,991.3
Equity securities at fair value through other comprehensive income	15a	27.3	25.6
Debt securities at fair value through other comprehensive income	15b	185.4	733.4
Financial asset measured at amortised cost	16	1,010.3	420.2
Investments in subsidiaries	17	46.0	46.7
Property and equipment	18	48.7	46.1
Right-of-use assets	18a	20.7	21.8
Investment property	19	9.0	9.3
Intangible assets	20	21.0	20.0
Deferred tax assets	10c	8.8	13.2
Corporate income tax receivable	10b	7.4	-
Other assets	21	17.3	26.2
Assets held for sale	22	-	0.7
TOTAL ASSETS		9,344.0	8,535.4

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

Unconsolidated financial statement of financial position (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	31/12/2025	31/12/2024
LIABILITIES			
Amounts due to other banks	23	30.6	10.7
Amounts due to customers	24	7,266.2	6,577.6
Other borrowed funds	25	729.5	664.7
Financial liabilities at fair value through profit or loss	13	24.0	40.5
Provisions for liabilities and charges	26	81.8	78.2
Lease liabilities classified under IFRS 16	18a	21.6	22.6
Income tax liabilities	10b	-	12.7
Other liabilities	27	56.9	50.6
Total liabilities		8,210.6	7,457.6
SHAREHOLDERS' EQUITY AND RESERVES			
Share capital		539.2	539.2
Share premium		22.7	22.7
Statutory and legal reserves		67.5	67.5
Fair value reserves		15.5	11.2
Other reserves		0.4	0.4
Retained earnings		488.1	436.8
Total shareholders' equity and reserves	28	1,133.4	1,077.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY AND RESERVES		9,344.0	8,535.4

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

Unconsolidated financial statement of changes in shareholders' equity

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Share capital	Share premium	Legal and statutory reserves	Fair value reserves	Other reserves	Retained earnings	Total
Balance at 1 January 2024	539.2	22.7	67.5	0.8	0.4	359.4	990.0
Other comprehensive income	-	-	-	-	-	-	-
- Debt securities (Note 28)	-	-	-	4.9	-	-	4.9
- Equity securities (Note 28)	-	-	-	6.0	-	-	6.0
Expected credit losses for FVTOCI financial assets (Notes 15b and 28)	-	-	-	(0.5)	-	-	(0.5)
Actuarial gains on provisions for severance pay (Notes 26 and 28)	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	152.4	152.4
Total comprehensive income	-	-	-	10.4	-	152.4	162.8
Dividends	-	-	-	-	-	(75.0)	(75.0)
Balance at 31 December 2024	539.2	22.7	67.5	11.2	0.4	436.8	1,077.8
Balance at 1 January 2025	539.2	22.7	67.5	11.2	0.4	436.8	1,077.8
Other comprehensive income	-	-	-	-	-	-	-
- Debt securities (Note 28)	-	-	-	3.0	-	-	3.0
- Equity securities (Note 28)	-	-	-	1.4	-	-	1.4
Expected credit losses for FVTOCI financial assets (Notes 15b and 28)	-	-	-	(0.1)	-	-	(0.1)
Actuarial gains on provisions for severance pay (Notes 26 and 28)	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	131.3	131.3
Total comprehensive income	-	-	-	4.3	-	131.3	135.6
Dividends	-	-	-	-	-	(80.0)	(80.0)
Balance at 31 December 2025	539.2	22.7	67.5	15.5	0.4	488.1	1,133.4

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

Unconsolidated financial statement of cash flows

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		160.0	186.1
Adjustments to reconcile profit before taxes to net cash from operating activities			
Net (gains)/losses on impairment of financial assets	9	(7.0)	(26.4)
Net (gains)/ losses on financial assets measured at fair value through profit or loss	5a	30.6	(20.9)
Net (gains)/losses on financial assets measured at fair value through other comprehensive income	5b	1.0	0.8
Impairment of investments in subsidiaries	7	0.4	-
Impairment of tangible assets. asset taken in lieu and assets held for sale	7	(0.5)	-
Provisions for legal actions and off-balance sheet items	9	14.1	10.1
Other provisions	9	0.4	11.7
Depreciation and amortisation	7a	20.5	18.4
(Gains) on disposal of assets held for sale	6	(0.5)	(0.5)
Interest income	3.6	(353.1)	(363.3)
Interest expense	3.7	108.1	113.8
Revenue from reversal of accrued expenses	6	(1.2)	(0.1)
Other non-cash items. other income and expenses	6. 7	6.4	8.2
Exchange rate differences	5c	(33.2)	20.7
Operating income before changes in operating assets and liabilities		(54.0)	(41.4)
<i>(Increase)/decrease in operating assets:</i>			
Loans and receivables from banks		42.9	(50.7)
Loans and receivables from customers		(494.6)	(635.0)
Other assets		6.3	(7.7)
<i>Increase/(decrease) in operating liabilities:</i>			
Amounts due to other banks		20.9	(9.7)
Amounts due to customers		719.4	284.6
Other liabilities		4.1	(15.9)
Payments from provisions for liabilities		(11.0)	(6.9)
Net cash flow from operating activities before interest and income taxes paid		234.0	(482.7)
Income taxes paid		(45.4)	(36.2)
Interest received		354.1	362.0
Interest paid		(107.0)	(114.6)
Net cash from operating activities		435.7	(271.5)
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets and liabilities at fair value through profit or loss		(96.8)	79.0
Securities at fair value through other comprehensive income		551.7	(119.5)
Purchases of tangible and intangible assets		(17.7)	(18.4)
Increase of investment in subsidiary		-	(5.2)
Proceeds from sale of repossessed real estate		0.6	0.7
Proceeds from sale of subsidiaries		0.9	-
(Increase) of investments at amortised cost		(587.9)	(173.6)
Received dividends from investment activities		4.1	0.2
Net cash from investing activities		(145.1)	(236.8)

Unconsolidated financial statement of cash flows (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities (IFRS 16)		(5.6)	(5.2)
Increase of other borrowed funds		65.1	116.8
Dividends paid		(80.0)	(75.0)
Net cash from financing activities		(20.5)	36.6
Net increase in cash and cash equivalents		270.1	(471.7)
Cash and cash equivalents at the beginning of the year		1,136.1	1,607.5
Effect of foreign exchange rate changes on cash and cash equivalents		-	0.3
Cash and cash equivalents at the end of the year	30	1,406.2	1,136.1

The accompanying accounting policies and 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 millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES

Significant information regarding the accounting policies utilized in the preparation of these financial statements are outlined below. These policies have been consistently applied across all periods presented, unless stated otherwise.

1.1 Basis of preparation

1.1.1 Statement of Compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, based on the going concern principle.

These financial statements include both the separate financial statements of the Bank and the consolidated financial statements of the Group, as outlined in International Accounting Standard 27 Separate Financial Statements and International Financial Reporting Standard 10 Consolidated Financial Statements.

In the preparation of these financial statements for the year ending 31 December 2025, the Group/Bank has continued to consider certain minimum provisions in line with the relevant regulations of the Croatian National Bank (CNB), particularly concerning the assessment of credit losses for individual loans that have been in default for an extended duration and provisions for specific categories of litigation. The Group is confident that the adherence to the remaining regulations does not compromise the material compliance of the statements with IFRS.

1.1.2 Basis of measurement

The separate and consolidated financial statements have been prepared in accordance with the historical cost convention, with the exception of financial instruments that are measured at fair value through profit or loss ("FVTPL") and those measured at fair value through other comprehensive income ("FVOCI").

1.1.3 Functional and presentation currency

Items presented in the financial statements are expressed in the currency of the primary economic environment where the entity functions (referred to as the "functional currency"). The financial statements are denominated in euros ("eur"), which serves as both the functional and presentation currency for the Group/Bank. Amounts are rounded to the nearest million with one decimal place (unless stated otherwise). The exchange rates provided by the Croatian National Bank for the key currencies utilized to convert the Group/Bank's monetary assets and liabilities as of the date of the statement of financial position were as follows:

31 December 2024 1 EUR = 0.435 CHF 1 EUR = 1.0444 USD

31 December 2025 1 EUR = 0.9293 CHF 1 EUR = 1.1757 USD

All currencies utilized by OTP banka for business transactions are displayed on the Bank's official exchange rate list (accessible on the Bank's website) along with an additional exchange rate list for exotic currencies (which can be requested). For all currencies included in the aforementioned lists, official exchange rates can be obtained through Bloomberg and LSEG-Workspace terminals (which are held by OTP banka / Markets Department) that are used to update these rates when compiling the exchange rate list in relation to the domestic currency, EUR.

1.1.4 Use of estimates and judgments

In preparing the financial statements the management makes judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of commitments and contingencies at the reporting date, as well as the amounts of income and expenses

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1. Basis of preparation (continued)

1.1.4 Use of estimates and judgments (continued)

and other comprehensive income for the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the information available as of the date of preparation of the financial statements, the results of which form the basis for making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Actual results may 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, that is in the period of revision and future periods if the revision affects both the current and future periods. Judgments made by management in the application of appropriate standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are described in Note 2.

1.1.5 Changes in accounting policy and disclosures

The accounting policies implemented are aligned with those of the preceding financial year, with the exception of the following International Financial Reporting Standards (IFRS) and their amendments that have been adopted by the Group/Bank effective 01 January 2025:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (amendments)**

The amendments will be effective for annual reporting periods commencing on or after 01 January 2025. The amendments specify that the entity must ascertain whether the currency is exchangeable and the method for establishing the spot exchange rate when exchangeability is absent. A currency is deemed exchangeable for another currency when an entity can acquire the other currency within a timeframe that accommodates standard administrative delays, and through a market or market mechanism, which enables the exchange transaction to generate enforceable rights and identifiable obligations. In cases where the currency is not exchangeable for another currency, the entity is required to estimate the spot rate as of the measurement date. The goal of the entity in estimating the spot exchange rate is to represent the rate at which a regular transaction would occur at the measurement date among market participants, considering the prevailing economic conditions in the market. The amendments clarify that an entity may utilize either the unadjusted observable rate or an alternative valuation method.

The adoption of new IFRSs and their amendments did not have a significant impact on the Group's/Bank's financial statements.

1.1.6 The standards/amendments that are not yet effective, but they have been endorsed by the European Union

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental,

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1. Basis of preparation (continued)

1.1.6 The standards/amendments that are not yet effective, but they have been endorsed by the European Union (continued)

social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU. Management has assessed that the changes in the standard will not lead to significant changes in the financial statements of the Group/Bank in the period of the first application of the standard.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. Management has assessed that the changes in the standard will not lead to significant changes in the financial statements of the Group/Bank in the period of the first application of the standard.
- **Annual Improvements to IFRS Accounting Standards – Volume 11.** The annual improvement process of the committee for IFRS focuses on clarifications and amendments to IFRSs that, while not urgent, are essential. In July 2024, the committee for IFRS released Annual Improvements to IFRS Accounting Standards – Volume 11. An entity is required to implement these amendments for annual reporting periods commencing on or after 01 January 2026. The Annual Improvements to IFRS Accounting Standards – Volume 11 encompass amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify terminology and rectify minor unforeseen consequences, omissions, or inconsistencies within the requirements of the standards. The Management Board anticipates that the modifications to the standard will not result in significant alterations to the financial statements of the Group/Bank during the initial application of the standard.

1.1.7 Standards issued but not yet effective and not early adopted

- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards.
IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU. Management has

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1. Basis of preparation (continued)

1.1.7 Standards issued but not yet effective and not early adopted (continued)

assessed that the changes in the standard will lead to significant reclassification in the Statement of Profit or Loss but will not have an impact on the final result.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** - IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard has not yet been endorsed by the EU. Management has assessed that the changes in the standard will not lead to significant changes in the financial statements of the Group/Bank in the period of the first application of the standard.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (amendments).**

The amendments will take effect for annual reporting periods commencing on or after 01 January 2027, with the option for earlier application. These amendments mandate the translation from a non-hyperinflationary functional currency to a hyperinflationary presentation currency using the exchange rate at the end of the period. In cases where an entity's functional currency is that of a non-hyperinflationary economy, but its presentation currency is from a hyperinflationary economy, the entity's results and financial position must be translated into the presentation currency by converting all amounts (including assets, liabilities, equity items, income, and expenses) as well as all comparative amounts at the exchange rate at the end of the period of the latest statement of financial position. An entity whose functional currency and presentation currency are both from a hyperinflationary economy must restate the comparative amounts of a foreign operation whose functional currency is not from a non-hyperinflationary economy by applying a general price index to the comparative amounts of that foreign operation. Additionally, the amendments introduce specific new disclosure requirements. These amendments have not yet been implemented at the European Union level. The Management Board anticipates that the amendments to the standard will not result in significant alterations to the financial statements of the Group/Bank during the initial application of the standard.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that the changes in the standard will not lead to significant changes in the financial statements of the Group/Bank in the period of the first application of the standard.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.2. Consolidation

The consolidated financial statements encompass the financial statements of the Bank along with those of the entities that it directly and indirectly controls (collectively referred to as the "Group"). The details regarding the composition of the Group are provided in Note 17.

Business combinations

Business combinations are recognized using the acquisition method as of the acquisition date, which is defined as the date when control over the other entity is established. The Bank is considered to control another entity when it possesses rights to variable returns from its engagement with that entity, and its authority over the entity enables it to influence those returns. The Bank re-evaluates its control status whenever one or more aspects of control undergo changes. This includes situations where the Bank's protective rights gain significance, thereby granting the Bank power over the entity.

Subsidiaries

Subsidiaries refer to companies that are under the control of the Bank. The financial statements of these subsidiaries are incorporated into the consolidated financial statements from the moment control is acquired until it is relinquished. The accounting policies of the subsidiaries are modified as needed to maintain alignment with the Group's policies. Losses that are attributable to non-controlling interests in subsidiaries are assigned to the owners of those non-controlling interests, even if this results in a negative balance. In the separate financial statements of the Bank, investments in subsidiaries are recorded at cost, adjusted for any impairment.

Investments in subsidiaries are completely consolidated within the Group's consolidated financial statements.

Non-controlling interests

The Group assesses non-controlling interests based on their proportional share of the recognized value of the acquiree's identifiable net assets as of the acquisition date.

Loss of control

When a subsidiary is no longer under the Bank's control, the Bank will derecognise the subsidiary's assets (including goodwill) and liabilities at their carrying amounts on the date control is lost. It will also derecognise the carrying amount of non-controlling interests in the former subsidiary at that date (including all components of other comprehensive income attributable to them), acknowledge the fair value of the consideration received and any retained interests in the former subsidiary, and treat any resulting differences as gain or loss. Amounts reported in other comprehensive income concerning the subsidiary are either reclassified to profit or loss or directly transferred to retained earnings, in accordance with the requirements of other IFRSs.

Transactions removed during consolidation

Intragroup balances, transactions, and unrealized income and expenses (excluding gains and losses from exchange differences) that result from intragroup transactions are removed when preparing consolidated financial statements. Unrealized losses are treated similarly to unrealized gains, but only if there is no indication of impairment.

1.3. Foreign currency translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions for the Group and Bank. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities denominated in foreign currencies at the year-end rates are recognised in profit and loss in the position Net gains/(losses) from trading and valuation of financial instruments (Note 5c).

Foreign currency denominated non-monetary assets and items that are measured in terms of historical cost are translated at the exchange rates in effect on the transaction dates and are not retranslated at

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3. Foreign currency translation (continued)

the reporting date. Changes in fair value of debt securities denominated in a foreign currency, which are, in line with IFRS 9, measured at fair value through other comprehensive income are recognised through other comprehensive income. Foreign exchange differences and expected credit losses for these securities are recognised through profit or loss in the position Net (losses) from the valuation of financial assets, which is measured through other comprehensive income. Changes in fair value and foreign exchange differences of equity securities denominated in a foreign currency are recognised through other comprehensive income – option of fair value through other comprehensive income.

1.4. Interest income and expense

The Group/Bank interest income and expense recognises in profit or loss using the effective interest method, in the period to which it relates. Interest income includes coupons earned on fixed yield investments and securities as well as accrued discount and premium other discounted instruments. Interest income and expense include interest from interest derivatives and from non-interest derivatives that are kept in the Bank's book.

The Group/Bank recognizes one-off loan origination fees for loans which are probable of being drawn down, (together with related direct costs) as an adjustment to the effective yield of the loan and as such adjusts the interest income.

The Group/Bank recognizes interest income on financial assets classified as Stage 3 financial asset in the statement of profit or loss when collected in the position Net interest income (Note 3).

Penalty interests for financial assets and financial liabilities are recognised in Other operating income (Note 6) or Other operating costs (Note 7).

1.5. Fee and commission income and expense

The fees and commissions calculated and charged to clients by the Group/Bank for the provision of financial services consist mainly of fees for domestic and foreign payment services and credit guarantee services, account management services, card services, asset management services and other similar financial services provided by the Group/Bank in accordance with the registration. Fees included in the calculation of the effective

interest rate are recognized as interest income and expense. Fee and commission income and expense are recognized in the profit and loss account in the position Net fee income and commissions (Note 4) under the service contract in question at the time the particular service is provided. Fees and commissions that are paid and charged in advance are deferred over the period of providing the service for services provided continuously over a longer period of time.

1.6. Net gains and losses from financial assets measured at fair value through profit or loss, and the result from trading and revaluation of monetary assets and liabilities

The Bank/Group includes in this category income from foreign currency trading, realised and unrealised gains and losses on debt and equity securities held for trading, other financial instruments measured at fair value through profit or loss, derivative financial instruments, as well as net foreign exchange gains and losses arising from the revaluation of monetary assets and liabilities denominated in foreign currencies.

1.7. Net gains and losses from the valuation of financial assets measured through other comprehensive income

The Bank/Group includes in this category the gains and losses arising from debt and equity securities classified at fair value through other comprehensive income.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Other operating income and other operating expenses

Other operating income includes dividend income, income from the sale of goods and the provision of services, Group income related to operating leases, investment property, and other income. These items are recognised in the statement of profit or loss in the period in which the goods are sold or the services are rendered. Other operating expenses include the costs of professional services, administrative expenses, marketing costs, and other expenses. These items are recognised in the income statement in the period in which they are incurred or when the service is received.

1.9 Employee benefits

Short-term benefits

The Group/Bank pays its employees regular monthly incomes, within which make payments of all public benefits to the state, as well as payments to pension funds. As part of regular monthly payments, the Group/Bank also pays benefits for short-term absences, such as paid vacation, sick leave, etc..All the mentioned incomes are recognized as an expense in the profit and loss account under the item Employee expenses (Note 8) in the period in which they arise.

Bonuses

The Group/Bank estimates the cost of annual bonuses based on the set key performance indicators of the employees and for the total achievement of the set goals of 100%. After the evaluation of the employee's work in the past year, that is, after the evaluation of the set development goals, the annual bonus is paid to the employees using the estimated funds.

Retirement benefits

When the conditions for a full employee pension are met, the Group/Bank awards a one-time compensation to employees in the amount of the maximum non-taxable amount prescribed by the Act and Regulation on income tax. The payment is made using the funds reserved based on the calculation by an independent qualified appraiser. The calculation is carried out once a year according to data at the end of the year on the number of employees, seniority and years of life. Based on the calculation obtained by an independent qualified appraiser, the Group/Bank records actuarial gains/losses in other comprehensive income in the period in which they arise, while the interest cost, past and current work cost is recognized in the profit and loss account under the position Employee expenses (Note 8), in the period in which arise. The amount of the liability is shown in the Provisions for liabilities and charges.

Jubilee awards

The Group/Bank awards jubilee awards to employees on a monthly basis when the conditions for obtaining the jubilee award are met, i.e. when the requirement of a total length of service of 10 years in the Group/Bank is met, and every subsequent 5 years. Payments are made using funds that are reserved based on calculations by an independent qualified appraiser. The calculation is carried out once a year according to data at the end of the year on the number of employees, seniority and years of life. Based on the calculation obtained from an independent qualified appraiser, the Group/Bank records the amount of the obligation for jubilee awards in the profit and loss account under the position Employee expenses (Note 8). The amount of the liability is shown in the Provisions for liabilities and charges.

1.10. Taxation

Income tax expense is based on taxable income for the year and represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the statement of comprehensive income because it excludes items of income or expense

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10. Taxation (continued)

Current tax (continued)

that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's/Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

The Group/Bank reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the tax assets to be recovered.

The Group/Bank measures deferred tax assets and liabilities at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group/Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group/Bank intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred taxes are recognised as an expense or income in the position Income tax (Note 10), except when they relate to items presented directly in equity, in which case the tax is also recognised in equity, or where they arise from the initial accounting for a business combination.

1.11. Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents comprise cash, balances with the Croatian National Bank (CNB), accounts with other banks and term deposits with other banks with contractual maturities of up to three months.

Cash and cash equivalents exclude guarantee deposits, as these funds are not available for the Bank's day-to-day operations.

1.12. Financial instruments

Classification

The Group/Bank recognizes buying and selling of financial assets at the settlement date, except for the derivative financial assets, that are recognized on the trade date. The Group/Bank applies IFRS 9 and, depending on business model for management of financial assets and contractual cash flow characteristics, classifies financial assets into following measurement categories: financial assets at amortised cost; financial assets at fair value through other comprehensive income (FVTOCI); financial assets designated at fair value through other comprehensive income (FVTOCI); financial assets at fair value through profit or loss (FVTPL).

The Group/Bank classifies derivatives, units in investment funds and securities held for trading in Financial assets at fair value through profit or loss since this payments do not represent solely payments of principal and interest on unpaid principal.

Business model assessment

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

Classification (continued)

Business model is based on activities conducted by the Group/Bank to achieve objectives in accordance with Group's/Bank's strategy and how Group/Bank manages its' financial assets with aim of generating profits.

Types of business models considering cash flow generation are described in following paragraphs:

- **Business model held to collect**
Objective of this model is to hold assets in order to collect contractual cash flows. Sale is not integral part of this business model within assets are measured at amortised cost, but sales could be consistent with this business model provided: a) sale is frequent, but insignificant (not more than 5% assets within homogeneous group occurred in observed period), b) sale is infrequent, but significant, c) sale is close to maturity or d) sale due to increase in credit risk (e.g. interest rate increase, sale of NPL portfolio). Sale in stress liquidity situations could also be classified within this model.
In 2024, the Bank completed several NPL sales (both individual transactions and portfolio sales), which did not result in a breach of the business model but were carried out due to the deterioration of credit risk of certain clients. In 2025, there were no NPL sales.
- **Business model held to collect and sell**
Objective is achieved by collecting contractual cash flows and by sale of financial assets. It is not required to observe frequency, value and reason of sale, but typically this business model involves greater frequency and value of sales.
- **Other models (other strategies)**
Objective is to achieve short term profit on disposal of financial assets and this business model includes assets held for trading. All other business models are allocated in measurement category fair value through profit or loss.

Business model is determined by the Group's/Bank's key management personnel. Key management personnel includes Group's/Bank's Management Board. Every Management Board member has an authority to determine business model for financial assets portfolio within his competence.

SPPI test (Solely Payment of Principal and Interest)

SPPI test is conducted to assess contractual cash flow characteristics of particular financial instruments, i.e. to assess if contractual cash flows represent solely payments of principal and interest on unpaid principal in accordance with basic lending arrangement (without specific modifications related to prepayment fee, index linked payments, mismatch between interest rate and reference interest rate etc.).

In cases where the SPPI test indicates the existence of modification of the time value of money, an additional assessment is conducted to determine whether the modification is significant (the benchmark test). Benchmark test is conducted by comparing undiscounted contractual cash flows and undiscounted cash flows that would arise if the time value of money element was not modified (reference or benchmark cash flows).

Relevant comparable benchmark instrument is instrument with identical contractual terms and the identical credit risk, either existing or hypothetical instrument.

If based on conducted assessments, result is significant difference between contractual cash flows and reference/benchmark cash flows, financial asset fails SPPI test and shall be allocated to measurement category fair value through profit or loss.

OTP Bank Nyrt has defined an SPPI test (questionnaire) that is conducted at the level of a product portfolio with the same or similar characteristics, the so-called homogeneous product groups. In specific cases of financing that cannot be attributed to a specific homogeneous product group, the SPPI test is conducted on an individual basis.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

SPPI test (Solely Payment of Principal and Interest) (continued)

Below are listed the basic homogeneous groups of products for which the SPPI test was conducted. The Group/Bank further elaborates listed homogeneous groups taking into account the currency, interest rate type, certain types of funding programs, and other specific features and characteristics of the product.

1. Corporate clients products:

- Investment loans with administrative interest rate
- Investment loans with fixed interest rate
- Investment loans with variable interest rate
- Working capital loans with administrative interest rate
- Working capital loans with fixed interest rate
- Working capital loans with variable interest rate
- Other loans with administrative interest rate
- Other loans with fixed interest rate
- Other loans with variable interest rate
- Overdrafts on gyro account with fixed interest rate
- Overdrafts on gyro account with variable interest rate
- Refinancing loans with administrative interest rate
- Refinancing loans with fixed interest rate
- Refinancing loans with variable interest rate
- Guarantees
- Syndicated loans

2. Small corporate clients products:

- Long-term loan with a fixed interest rate
- Long-term loan with a variable interest rate
- Long-term loan with administrative interest rate
- Long-term loan with a fixed interest rate for residential buildings
- Long-term loan with a variable interest rate for residential buildings
- Agro loan for pre-financing with a fixed interest rate
- Agro loan for pre-financing with a variable interest rate
- Short-term loan with a fixed interest rate
- Short-term loan with administrative interest rate
- Short-term loan with variable interest rate
- Overdrafts on a giro account with a fixed interest rate
- Overdrafts on a giro account with a variable interest rate
- Revolving loan with a fixed interest rate
- Revolving loan with a variable interest rate
- Revolving loan with administrative interest rate
- Subsidized loans with a fixed interest rate
- Subsidized loans with variable interest rate

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

SPPI test (Solely Payment of Principal and Interest) (continued)

3. Retail clients products:

- Housing loans with fixed interest rate
- Housing loans with combination of fixed and variable interest rate
- Subsidized housing loans
- Cash loans with fixed interest rate
- Lombard loans
- Express loans
- Mortgage loans
- Tourism loans
- Car loans
- Housing loans without mortgage
- Overdraft loans with fixed interest rate
- Credit card loans - revolving
- Credit card loans - charge
- Credit card loans - instalment

Modifications

The modification applies to all financial assets and liabilities within the scope of IFRS 9. Any change in a contractual provision is considered a modification. The Group/Bank defines the significance of the modification. In case of significant modification, the Group/Bank derecognizes the existing instrument and carries out initial recognition of the new instrument. Upon initial recognition of a new instrument, the Group/Bank implements all necessary requirements defined in IFRS 9 for the initial recognition of financial assets. If the modification is insignificant, the Group/Bank continues to recognize the existing instrument and calculates the modification differences using the effective interest rate. Modification gains and losses are recognized through the profit and loss statement.

The most common form of modification is restructuring, where in almost all cases the Group/Bank derecognizes an existing instrument and recognizes a new instrument. Also, insignificant modification differences result in continued recognition of the existing instrument, while in cases of significant modification differences, the Group/Bank derecognises the existing instrument and recognizes a new one, which is subject to all requirements of IFRS 9 on initial recognition of financial assets.

Recognition and derecognition

Financial assets and liabilities are initially recognized at fair value, increased or decreased by transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The fair value of a financial instrument on initial recognition is usually the purchase price of the transaction.

After initial measurement, the Group/Bank measures financial assets at amortized cost or at fair value (through other comprehensive income or through profit or loss), depending on the Group/Bank's financial asset management model and contractual cash flow characteristics.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

SPPI test (Solely Payment of Principal and Interest) (continued)

Write-offs

The Group/Bank writes off financial assets in cases where it is not possible to collect, or when all payment possibilities have been exhausted, or when the collection costs exceed the amount of possible collection.

The Group/Bank writes off financial assets that are completely impaired or whose fair value is equal or approximately zero.

In case of financial assets recorded in off-balance sheet records, for which certain collection procedures of mostly formal nature have not yet been completed, the Group/Bank continues to monitor them and collect wherever possible. These financial assets are finally written off only when there is no longer any reason for the Group/Bank to continue collection, or when there is no possibility of partial collection in the future.

Discharge of debt is done by the Group/Bank if the receivables are written off in line with court decisions in accordance with applicable legal regulations or in other specific cases defined in the Group/Bank's internal policies.

Gains and losses

Gains and losses from financial assets and financial liabilities measured at fair value through profit or loss are recognized in profit and loss account in the position Net (losses)/gains from valuation of financial assets measured through profit or loss (Note 5a). Income and expenses from interest derivatives and from non-interest derivatives that are kept in the Bank's book are shown in the position Net interest income (Note 3).

Gains or losses arising from change in fair value and foreign exchange gain or loss for equity instruments designated at fair value through other comprehensive income are presented in other comprehensive income. Only dividends are recognized as gain in relevant reporting period in the position Other income (Note 6).

Fair value measurement principles

The fair values of quoted securities are based on current closing bid prices. If the market for a financial asset is not active (and for unlisted securities), or if, for any other reason, the fair value cannot be reliably measured by market price, the Group/Bank determines the fair value using valuation techniques. These include the use of prices achieved in recent arm's length transactions between knowledgeable and willing parties, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate. The fair value of non-traded derivatives is estimated at the amount that the Group/Bank would receive or pay to terminate the contract at the statement of financial position date, taking into account current market conditions and the current creditworthiness of the counterparties.

Valuation techniques and assumptions for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined by reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

Valuation techniques and assumptions for the purposes of measuring fair value (continued)

- The fair values of derivative financial instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivative financial instruments, and option pricing models for optional derivative financial instruments. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

1.13. Loss allowance of financial assets

Loss allowance of financial assets measured at amortised cost

Definition and calculation method of expected credit losses for each stage

Expected credit loss calculation methodology depends on type of portfolio and risk stage of portfolio subject to assessment. Portfolio classified into lower risk stages (Stage 1 and Stage 2) is assessed collectively.

The Group/Bank also recognizes expected credit losses on a monthly basis for exposures subject to loss allowance requirements in amounts equal to:

- 1) 12 month expected credit loss for Stage 1 risk subcategory;
- 2) lifetime expected credit loss for Stage 2 and Stage 3 risk subcategory

Portfolio classified into Stage 3 is assessed collectively with lifetime expected credit loss recognized in cases of retail portfolio and individually in cases of corporate portfolio. Exceptionally, in case of corporate portfolio, for clients with group exposure below EUR 0.4 million, collective assessment is applied in expected credit loss calculation.

For individual method, expected credit losses are calculated as difference between gross carrying amount of individual exposure and present value of expected future cash flows discounted at effective interest rate. At least two scenarios are projected for expected cash flow assessment. Weights are applied to each scenario based on probability of occurrence. The present value calculated as the weighted average of the individual scenarios is used to calculate the transaction of loss allowance. In calculation of individual expected credit losses the following information is taken into account: expected operating cash flow, expected cash from the sale of collateral (real estate), the effective interest rate, and the estimated collateral realisation period.

In case of collective assessment, the Group/Bank uses internal model in accordance with IFRS 9 for calculation of expected credit losses, applying PD (probability of default), LGD (loss given default) and EAD (exposure at default; for off-balance exposures CCF of 100% is applied) as parameters for loss allowance calculation. Group/Bank also applies 5 different macroeconomic scenarios that reflect forecasts. Macroeconomic scenarios and its probabilities are based on regional macroeconomic forecasts. Expected loss (EL) is calculated separately for each scenario and final expected loss (EL) assessment is weighted average of expected loss in cases of multiple scenarios. Model calculation is performed monthly.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13. Loss allowance of financial assets (continued)

Loss allowance of financial assets measured at amortised cost (continued)

Definition and calculation method of expected credit losses for each stage (continued)

Basic assumption in the model is credit segmentation based on client type (sovereign, banks, corporate, retail). Retail segment is further subdivided by product type into the sub-segment of housing, mortgage, cash, car and other loans and the sub-segments of overdrafts and credit cards. Each segment is further elaborated according to the time when the receivable was recorded in the system (book criterion), and according to the calculating provisions class (provisioning bucket) which is defined according to the number of days past due in combination with stage where necessary.

The classes are as follows:

Stage 1: DPD 0-30

Stage 2: DPD 0-30 when there is no delay but the claim is stage 2 according to another criterion

Restructured exposure with a delay of up to 30 days over a 2-year follow-up period (FB_PE)

DPD 31-60, DPD 61-90

Stage 3: DPD 0-90 - when the claim is in default even though there is no delay over 90 days

DPD 91-120, DPD 121-150, DPD 151-180, DPD 181-360, DPD above 360

Restructured exposure with a delay of up to 30 days over a 1-year follow-up period (FB_NPE)

For the purposes of capturing the LGD parameter, the ECL calculation model also uses a breakdown of secured and unsecured exposures, currencies, and number of quarters since entering the default status.

The Group/Bank uses the aggregate method to calculate the expected credit loss of exposures classified in Stage 3 in the case of Retail portfolio (included in Note 14 Loans and receivables from customers), and to calculate the expected credit loss of exposures classified in Stage 1 and Stage 2, and for assets carried at amortized cost which is included in notes 11 Cash, current accounts with banks and balances with Croatian National Bank, 12 Loans and receivables from banks, 14 Loans and receivables from customers, 16 Financial assets measured at amortized cost, and 21 Other financial assets subject to impairment.

After initial recognition financial assets are allocated into one of three stages:

- 1) Stage 1 - performing,
- 2) Stage 2 - performing, but for which significant increase in credit risk was observed since initial recognition,
- 3) Stage 3 - default and other non performing exposures

Performing assets (Stage 1) include all financial assets for which the events and conditions applicable to Stage 2 and Stage 3 do not exist at the reporting date.

A financial asset shows significant increase in credit risk (Stage 2), if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the default stage (Stage 3):

- the payment delay 31 to 90 (by introducing materially significant delays this trigger now works on both payment delay counter and the economic counter)
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan and no hedge position exists in respect thereof (CHF) (valid only for retail placements),
- the loan-to-value ratio (LTV) exceeds a predefined rate (at present 125% for secured Retail loans)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13. Loss allowance of financial assets (continued)

Loss allowance of financial assets measured at amortised cost (continued)

Definition and calculation method of expected credit losses for each stage (continued)

- the transaction/client rating exceeds a previously defined value (for cash loans and corporate - rating 8 and 9; for housing loans - rating 7, 8 and 9) or enters a certain range, or has deteriorated compared to historical values and dropped to a predefined level. In the event that the determination of the stage based on the rating is not possible (because the rating category is not available), the following rule is used as a trigger for Stage 2: if in the last 6 months the number of days of delay (DPD) is greater than 10 days, the case in question is determined as Stage 2
- In case there is 3x increase in PD since initial recognition of housing and cash loans and at the same time the rating is 6 and above and due debt greater than EUR 5
- all placements of a client whose at least one placement is classified in Stage 3 (if placements in Stage 3 are in the status of default due to objective criteria, and their balance sheet exposure is less than 20% of the total balance sheet exposure of the client, then all other placements are in Stage 2)
- exposure is marked as a watch-list (non retail)
- In case there is significant change in macroeconomic environment and it results in significant increase in the lifetime credit risk, the OTP Bank's HQ Group Reserve Committee has the right to request transfer of affected loans / portfolios to stage 2 which is approved in coordination between OTP Bank Nyrt and management of Group/Bank,
- In case it is determined in the post-controls of approved loans that there was no adequate credit capabilities, the exposure can be considered as increased credit risk, which is why it is classified in Stage 2.
- new risk: an unforeseen risk arising from energy supply, supply chains in general, environmental risks, inflation, geopolitical risks and the high-interest-rate environment (as defined by the European Central Bank). The new risk factors are not direct triggers for allocation to Stage 2, but rather a basis for an overlay in which the potential impacts of possible migrations are assessed.

A financial asset is default (Stage 3) if following conditions for allocation of exposure into default are met:

- objective criterion: consecutive DPD 90+ with material credit obligation;
- probability criterion: the analysis of the probability that the obligor getting unable to pay its credit obligations in full (criteria of "unlikely to pay", i.e. UTP);
- distressed restructuring and forbore exposure classified as NPL where the existence of UTP criteria is identified, or there is a significant NPV loss (1%) compared to the original cash flows subsequent to the restructuring measure;
- all placements of a client whose at least one placement is classified in Stage 3 (if placements in Stage 3 are in the status of default due to objective criteria, and their balance sheet exposure exceeds 20% of the total balance sheet exposure of the client, then all other placements are in Stage 3);
- the new exposure of the obligor has to be qualified as default if obligor's previously defaulted exposure has been sold or written off.

Purchased or originated credit impaired asset (POCI) assessment

Purchased or originated credit impaired asset is credit impaired at initial recognition.

At every reporting date, the Group/Bank recognizes cumulative change in lifetime expected credit losses as loss allowance gain or loss in profit and loss account. If credit loss for POCI asset decreases after initial recognition, Group/Bank recognizes loss allowance gain. If credit loss for POCI asset increases after initial recognition, Group/Bank recognizes loss allowance loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13. Loss allowance of financial assets (continued)

Loss allowance of financial asset measured at fair value through other comprehensive income

At each reporting date, the Group/Bank reassesses all financial instruments in the scope of impairment to determine if objective evidence of impairment exists. Expected credit loss definition per each stage, significant increase in credit risk identification and expected credit loss calculation methodology is identical to rules implemented for portfolio of financial assets measured at amortised cost.

Loss allowance of financial assets reclassified from off-balance sheet records

In the ordinary course of business, the Group/Bank assumes contingent liabilities related to guarantees, letters of credit and undrawn loan commitments. Contingent liabilities are subject to the calculation of expected credit losses in accordance with the requirement of IFRS 9. When these assets become payable, they are reclassified to assets carried at amortized cost and the calculation of expected credit losses, identification of significant credit risk and loss allowance is carried out according to the rules for assets carried at amortized cost.

Loss allowance of financial assets not covered by IFRS 16 and IFRS 15

All financial assets within the scope of IFRS 15 (assets) and IFRS 16 (leases), which are not subject to impairment under IFRS 16 and IFRS 15, are subject to impairment according to IFRS 9 requirements.

1.14. Derivative financial instruments

The Group/Bank uses derivative financial instruments to hedge economically its exposure to foreign exchange and interest rate risks arising from its operational, financing and investing activities. In accordance with its treasury policy, the Group/Bank does not hold or issue derivative financial instruments for speculative trading purposes. Derivative financial instruments are classified within financial instruments that are carried at fair value through profit or loss as financial instruments held for trading or as derivative financial instruments that are preferred for the risk management purposes. Derivative financial instruments, including foreign exchange contracts, currency forward agreements and cross-currency swaps, are recognised initially in the statement of financial position and subsequently re-measured at their fair value. The fair values are obtained from quoted market prices or discounted cash flow models as appropriate. All derivative financial instruments are recognized as assets if their fair value is positive, i.e. as liabilities if their fair value is negative.. Changes in the fair value of derivative financial instruments held for trading are recognized in profit or loss under the item Net (losses)/gains from valuation of financial instruments at fair value through profit or loss (Note 5a). Interest income and expense on interest-bearing derivative financial instruments and on non-interest-bearing derivative financial instruments that are kept in the bank's book are shown in the position Net interest income (Note 3). Interest income and expense on non-interest-bearing derivative financial instruments that are kept in the trading book are shown in the position Net (losses)/gains from valuation of financial instruments at fair value through profit or loss (Note 5a).

1.15. Hedging accounting

The Group/Bank uses hedge accounting to manage the interest rate risk in the banking book. The Group/Bank applies fair value hedge accounting at the level of a group of financial assets and hedge accounting for individual financial assets with a fixed yield. The group of financial assets as a hedged item is associated with portfolio of housing loans with a fixed interest rate denominated in euros. Individual financial assets as a hedged item are government bonds with a fixed coupon denominated in euros. The fair value hedging instrument is a derivative financial instrument - interest rate swap agreement.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15. Hedging accounting (continued)

At the inception of a hedge relationship, the Group/Bank formally designates and documents the hedge relationship to which the Group/Bank wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group/Bank will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged items fair value or cash flows attributable to the hedged risk. The Group/Bank assesses the fulfillment of hedge effectiveness requirements on a monthly basis in order to determine the effectiveness of the hedging relationship between the hedged item and the hedging instrument.

In the case of financial assets that is measured at amortized cost, the profit or loss from the hedged item that can be attributed to the risk against which the hedge is provided is adjusted to the book value of the hedged item and recognized in the statement of profit or loss. These adjustments are amortized in the statement of profit or loss using the effective interest rate method. Amortization begins at the moment when the hedged item ceases to be adjusted for the effects arising from the risk against which protection is provided. If the instrument is derecognised, the remaining unamortized amount is immediately recognized in its entirety in the statement of profit or loss.

1.16. Tangible and intangible assets

Tangible and intangible assets are stated at cost less accumulated depreciation/amortisation and impairment loss, if any. Land and assets under development are not depreciated.

Depreciation and amortisation are provided for all assets, except for land and assets under construction, under the straight line method at rates estimated to write down the cost of each asset to its residual value over the estimated useful life, which is as follows:

	2025	2024
Tangible assets		
Buildings	33-40 years	33-40 years
Computers	4-5 years	4-5 years
Furniture and equipment	2,5-10 years	2.5-10 years
Motor vehicles	4-5 years	4-5 years
Intangible assets		
Investment in leased assets	according to the years of rent	according to the years of rent
Software	3-5 years	3-5 years
Contracts with customers	5 years	5 years

The Group/Bank depreciates buildings for which the value cannot be divided into components at a uniform rate, because it is not possible to estimate the value of each individual component.

The residual value of the asset, the depreciation method and estimated useful lives are reviewed at each reporting date and adjusted if necessary. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to the recoverable amount.

Gains and losses on the sale of property and equipment are determined as the difference between the amount charged and the carrying amount and are included in the statement of profit or loss. In the carrying amount of property and equipment the Group/Bank includes the cost of replacing the part of an item when such cost arises if it is probable that the Group/Bank will have future economic benefits contained in that item and if the purchase value of such item can be reliably estimated. All other repair and maintenance costs are recognized as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17. Impairment of tangible and intangible assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation and are tested for impairment at least annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are not yet available for use are assessed at each reporting date. Impairment losses are recognised whenever the carrying amount of an asset exceeds the asset's recoverable amount. Impairment losses are recognised in the statement of comprehensive income. An impairment loss is recognized in all cases where the carrying amount of an asset is greater than its recoverable amount.

The recoverable amount of property and equipment and of intangible assets is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash inflows (cash-generating units). 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.

Non-financial assets that have suffered an impairment loss are reviewed for possible reversal of the loss at each reporting date. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

1.18. Leases

When entering into a contract, the Group/Bank assesses whether the contract is lease contract, or contains a lease characteristics. A contract is, or contains a lease characteristics if it conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Group as a lessee

At the commencement date of the lease, the Group recognizes a right-of-use asset and a lease liability for all leases, except for short-term leases (with a lease term of less than 12 months) and leases of low-value assets (less than USD 5.000 converted to the functional currency at the middle exchange rate on the contract date), for which no financial liabilities nor the right-of-use assets will be recognized. These types of payments will be recognized as expenses using the linear method over the life of the lease.

a) Recognition of right-of-use assets

The right-of-use asset is initially measured at cost, reduced by accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability.

The cost of a right-of-use asset comprises:

- the initial estimate of lease liabilities (excluding VAT),
- all lease payments paid at the commencement date or earlier, less any lease incentives receivable,
- initial costs directly incurred by the lessee as a result of entering into a lease agreement,
- estimates of costs which are to be incurred by the lessee as a result of an obligation to disassemble and remove an underlying asset or to carry out renovation/restoration.

The right-of-use assets is depreciated on a straight-line basis over the lease term.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.18. Leases (continued)

b) Recognition of a lease liability

The Group/Bank recognizes lease liabilities for operating leases and measures them at the present value of future lease payments. Lease payments are discounted at the interest rate implicit in the lease or, if that rate can not be readily determined, the incremental borrowing rate of the Group. At the date of initial recognition, lease payments included in the measurement of the lease liability include the following types of payments:

- fixed lease payments less all lease incentives,
- variable lease payments which are dependent on market indices,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of the purchase option, if it is reasonably certain that the option will be exercised, and
- payment of contractual penalties for terminating the lease, if the lease period reflects that the lessee used the option of terminating the lease.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs. The Group always separates non-lease components of a lease contract and recognizes them as an expense. The value added tax cost under all lease contracts in accordance with IFRS 16 is recognized directly in administrative expenses and is presented in Note 7.

Group as a lessor

The Group determines at the commencement of the lease whether the lease is a finance lease or an operating lease. A lease is classified as a finance lease if substantially all risks and rewards incidental to ownership of the underlying asset are transferred to the lessee; otherwise, it is classified as an operating lease. In assessing whether a lease is a finance or an operating lease, the Group considers indicators such as whether ownership of the underlying asset is transferred to the lessee at the end of the lease term, whether the lease term covers the major part of the economic life of the asset even if ownership is not transferred, and whether the present value of lease payments at the commencement date amounts to substantially all of the fair value of the underlying asset.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The Group regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

1.19. Investment property

Investments into property are carried at cost less accumulated depreciation and impairment losses. These investments include those investments held for the purpose of earning rent or increasing their market value, but not those held for sale. Investments are depreciated on a straight-line basis at prescribed rates, which write off the acquisition cost over the estimated useful life. The useful life and the residual value are checked and adjusted as necessary at each reporting date. Transfers to and from real estate investments are made when a change of property occurs, which is manifested upon termination or commencement of use by the owner. Investments are derecognized upon disposal or upon final retirement or when no future benefits are expected from disposal. Gains or losses on withdrawal or disposal are recognized in the profit and loss account in the period of withdrawal or disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.20. Non-current assets held for sale and discontinued operations

Assets that are expected to be offset primarily by sale rather than continued use are classified as held for sale. The following conditions must be fulfilled:

the property must be available for sale in its existing condition; its sale must be highly probable; as expected and planned sale must occur within one year from the date of classification.

Prior to being classified as held for sale, assets are measured in accordance with the accounting policies of

the Group/Bank, after which they are measured at the lower of cost or fair value less costs to sell, whichever is lower. Non-current assets classified as held for sale are not depreciated. At the time of reclassification, when a change of intention or when the conditions required by IFRS 5 are no longer met, the Group/Bank does not restate the comparative information in the Statement of financial position. In the case of reclassification, the valuation is adjusted in accordance with the relevant standards, as if no reclassification had taken place.

The result of discontinued operations is presented as a single amount in the statement of profit or loss, separately from the results of continuing operations. Cash flows attributable to discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in Note 22. The Group includes proceeds from the sale within the cash flows from discontinued operations. Additional information and disclosures related to assets held for sale and discontinued operations are provided in Note 22.

1.21. Investment in subsidiaries

Subsidiaries are entities controlled by the Group. Investments in subsidiaries are carried at cost decrease for any impairment losses in the Bank's financial statements.

1.22. Current accounts and deposits from banks and customers

Current accounts and deposits are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest method.

The definition of the calculation of expected credit losses for each stage, the identification of significant credit risk, and the manner of determining the loss allowance for expected credit losses are consistent with the rules for the portfolio of financial assets carried at amortized cost.

1.23. Other financial liabilities

Other financial liabilities include other borrowed funds (interest-bearing loans) that are initially recognized at fair value, decreased for the relating transaction costs incurred. Subsequent measurement is carried at amortized cost and any difference between the proceeds (decreased for transaction costs) and the amount payable on maturity is recognized in the income statement over the loan period using the effective interest method.

Other financial liabilities include all financial liabilities that are not held for trading or are not predetermined to be stated at fair value through profit or loss. Other financial liabilities include liabilities to other banks, liabilities to customers and other borrowed funds.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.24. Provisions

The Group/Bank recognises a provision when it has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. The Management Board determines the adequacy of the provision based by analysing individual items, past loss experience, considering the current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors at the reporting date. Provisions are discounted to present value where the effect is material.

Restructuring provision are recognized if the Group/Bank has made formal restructuring plan and if initiation of the plan or publishing their main features among those affected with the plan has initiated reasonable expectation that restructuring will be performed. Only direct restructuring costs are included in determining the amount of restructuring provisions, and these are costs that are necessarily related to the restructuring but are not related to the entity's current operations.

1.25. Off-balance sheet commitments

In the ordinary course of business, the Group/Bank enters into credit related commitments which are recorded in off-balance-sheet records and primarily include guarantees, letters of credit and undrawn loan commitments and global lines, potential liabilities for factoring operations and potential liabilities for leasing operations. Such financial commitments are included in the Group/Bank's statement of financial position if and when they become payable.

The definition of the calculation of expected credit losses for each stage, the identification of significant credit risk, and the manner of determining the impairment are consistent with the rules for the portfolio of financial assets that are carried at amortized cost. In the aggregate method, the Group/Bank uses an internal IFRS 9 model to calculate expected credit losses using PD (probability of default), LGD (loss given default) and EAD (exposure at default); 100% credit conversion factor applies to off-balance sheet contingent liabilities) impairment parameters. Please see Note 1.13 for more details.

1.26. Asset managed on behalf of third parties

The Group/Bank manages assets on the behalf of corporate entities and individuals. The mentioned assets do not form part of the assets of the Group/Bank and are therefore excluded from the financial position report. More details are shown in Note 37. The Group/Bank recognizes fees for such services as income when earned and reports it under Other operating income (Note 6).

1.27. Share capital

Share capital represents the nominal value of paid-in ordinary shares classified as equity and is denominated in Croatian euros.

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

1.28. Retained earnings

Any profit for the year that is not allocated to dividends and reserves are kept as retained earnings.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group/Bank makes certain judgments and estimates about uncertain events, including estimates and judgments concerning the future. Such accounting estimates and judgments are regularly reviewed and are based on past experience and other factors, such as the reasonably expected course of future events under given circumstances, but which nevertheless represent sources of uncertainty. The estimation of impairment losses in the Group/Bank's credit risk portfolio represents the most significant source of estimation uncertainty. The risk as well as other key sources of estimation uncertainty with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Loss allowance for expected credit losses on financial assets that is subject to impairment, including requirements in accordance with the Decision on the classification of exposures into risk categories and the method of determining credit losses (OG 114/2017, 110/2018 and 139/2022). The stated decision is aligned with IFRS 9 and the EBA Guidelines.

Group/Bank continuously monitors credit worthiness of its customers. In accordance with regulation, impairment of on-balance and off-balance exposures to credit risk is assessed at least quarterly.

Expected credit losses are recognized as a decrease of the net book value of: current accounts with banks (presented in Note 11), loans and receivables from banks and other customers (presented in Notes 12 and 14), impairment for financial assets measured at amortised cost (presented in Note 16), receivables from other financial assets measured at amortized cost (presented in Note 21), impairment losses for assets measured at fair value through other comprehensive income (presented in Note 15). Loss allowance for risks and costs resulting from potential liabilities, loan commitments, mostly in form of granted unused credit lines, guarantees, letters of credit and unused credit card limits (presented in Note 29) are recognized as a provision (presented in Note 26).

The estimate of expected credit losses represents the best estimate of the risk of default and expected credit losses (ECL) on financial assets, and all off-balance sheet exposures, on the reporting date, and as a part of this, the fair value estimation of collateral in real estate is the main source of estimation uncertainty. This and other key sources of estimation uncertainty have a significant risk of causing possible significant adjustments to the carrying amounts of assets and liabilities in the next financial year.

Expected credit loss is present value of difference between contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive. For lifetime expected credit losses, an entity shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

For calculation of expected credit losses Group/Bank uses internal model in accordance with IFRS 9 applying PD (probability of default), LGD (loss given default) and EAD (exposure at default) as impairment parameters. Risk parameters also depend on macroeconomic scenarios. Expected loss (EL) is calculated separately for each scenario and final expected loss (EL) assessment is weighted average of expected loss in cases of multiple scenarios. Model calculation is performed monthly. Basic assumption in the model is credit segmentation based on client type (sovereign, banks, corporate, retail). These parameters for calculating expected credit losses are usually estimated once a year.

In November 2024, the parameters were adjusted due to new economic trends on the domestic and international market in 2024. Based on the above, the GDP growth for 2025 was reduced.

When determining expected credit losses that are known to exist on reporting date, but that are not separately identified, Group/Bank uses internal model in accordance with IFRS 9.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Taxation

The Group/Bank determines its tax liabilities in accordance with the tax legislation of the Republic of Croatia. Tax returns are subject to the approval of the Tax Administration, which may perform subsequent tax audits of taxpayers' records. The tax calculation and estimates are presented in Note 10.

Litigation and restructuring costs

The Bank makes provisions for litigation and restructuring costs in accordance with IAS 37. Provisions are recognized when the Group/Bank has a present obligation as a result of past events and for which the Group/Bank is aware that they have been incurred, and if it is probable that an outflow of resources containing economic benefits will be required to settle the liabilities and if the amount of the liabilities can be measured reliably. Provisions are reduced only for those expenses for which provisions are initially recognized. If an outflow of economic benefits to settle the obligation is no longer probable, provisions are reversed.

When forming provisions for litigation, the Group/Bank also takes into account all the criteria laid down in the Decision of the Croatian National Bank on the obligation to make provisions for litigation conducted against a credit institution. The amount of such formed provisions does not deviate from the amount estimated in accordance with IAS 37.

In the ordinary course of business, several lawsuits and complaints have been filed against the Group/Bank, the outcome of which is uncertain.

According to the Management's estimate, the provisions formed are sufficient to cover the costs of active litigation and restructuring costs.

Estimates for litigation, restructuring costs and provisions for disputes related to loans in Swiss francs are presented in note 26 Provisions for liabilities and charges.

Impairment of non-financial assets

The residual value, the depreciation method and the useful life of an assets are reviewed at least at each financial year-end and adjusted if appropriate. The net carrying amount of a non-financial asset is reduced to its recoverable amount if the asset's net carrying amount is greater than its estimated recoverable amount.

For details see accounting policies Notes 1.17 and 1.19 to 1.21.

Impairment of investments in subsidiaries

Once a year, the Bank reviews investments in subsidiaries in order to determine possible impairment. The Bank applies adequate methods in testing the impairment of investments in subsidiaries. Supported by the valuations performed, the carrying value of investments in subsidiaries is recoverable.

Fair value measurement

The fair values of quoted securities are based on current closing bid prices. If the market for a financial asset is not active (and for unlisted securities), or if, for any other reason, the fair value cannot be reliably measured by market price, the Group/Bank determines the fair value using valuation techniques. These include the use of prices achieved in recent arm's length transactions between knowledgeable and willing parties, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate.

The fair value of non-traded derivatives is estimated at the amount that the Group/Bank would receive or pay to terminate the contract at the statement of financial position date, taking into account current market conditions and the current creditworthiness of the counterparties. For details please accounting policies Note 1.12 Financial instruments. The fair value of investment property is measured using appraisals performed by an external independent appraiser.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

3. NET INTEREST INCOME

	Group		Bank	
	2025	2024	2025	2024
Interest income				
Retail loans	175.3	152.1	168.1	146.0
Corporate loans	114.1	117.5	84.9	92.5
Cash reserves and amounts due from other banks	66.0	91.8	66.0	91.8
Debt securities	25.7	24.1	25.7	24.1
Derivatives	8.1	8.5	8.1	8.5
	389.2	394.0	352.8	362.9
Interest expenses				
Other borrowed funds	55.6	54.7	33.7	36.4
Other borrowed funds owed to banks	0.7	0.9	0.6	0.9
Current accounts and retail deposits	13.3	9.7	13.3	9.7
Current accounts and corporate deposits	17.6	24.4	17.6	24.4
Derivatives	42.3	42.0	42.3	42.0
Interest expenses IFRS 16	0.3	0.3	0.6	0.5
	129.8	132.0	108.1	113.9

The Group's interest income for 2025 amounts to EUR 12.0 million (2024: EUR 8.1 million) and the Bank's interest income for 2025 amounts to EUR 7.0 million (2024: EUR 8.1 million), which refer to the interest income charged on the assets which were previously impaired as Stage 3.

Deferred interest loan origination fees are recognized in interest income as an adjustment to the effective interest income. The total amount of these fees in the Group's interest income in 2025 amounts to EUR 7.6 million (2024: EUR 6.7 million) and in the Bank's interest income in 2025 amounts to EUR 6.2 million (2024: EUR 5.4 million).

Penalty interest calculated on loans and receivables from customers is shown in other operating income (Note 6).

Interest income is recognized as a point in time in accordance with IFRS 15.

4. NET FEE AND COMMISSION INCOME

a) Net fee and commission income – analysis by source

	Group		Bank	
	2025	2024	2025	2024
Fee and commission income				
Retail customers	41.0	39.7	40.9	39.6
Corporate customers	47.6	41.0	46.8	40.3
Banks	23.1	18.5	23.2	18.8
	111.7	99.2	110.9	98.7
Fee and commission expense				
Banks	23.6	19.2	23.6	19.2
Corporate customers	8.3	8.0	8.3	7.9
	31.9	27.2	31.9	27.1

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

4. NET FEE AND COMMISSION INCOME (CONTINUED)

b) Net fee and commission income – analysis by fee type

	2025	Group 2024	2025	Bank 2024
Fee and commission income				
Domestic payment transaction related fees and commissions	27.6	26.1	27.6	26.1
Package fees charged to individuals	19.9	15.2	20.0	15.2
Card-related fees and commissions	19.2	17.6	19.2	17.6
Merchant fees for card business	15.6	16.4	15.6	16.4
Sale of insurance policies	5.4	3.1	5.4	3.1
Loan-related fees and commissions	4.8	3.5	4.8	3.5
Account maintenance fees	4.0	3.3	4.0	3.3
Asset management fees	3.5	3.2	3.5	3.4
Guarantee-related fees and commissions	3.1	2.7	3.1	2.7
Fees for other services related to client accounts	2.9	3.0	2.9	3.0
Foreign payment transaction related fees and commissions	2.2	2.0	2.2	2.0
Brokerage and consultancy service fees	1.1	1.0	1.1	1.0
Exchange office business – commission	0.1	0.1	0.1	0.1
Other fees and commissions received	2.3	2.0	1.4	1.3
	111.7	99.2	110.9	98.7
Fee and commission expense				
Card-related fees and commissions	21.9	17.8	21.9	17.8
Domestic payment transaction related fees and commissions	6.2	5.6	6.2	5.6
Asset management fees	1.6	1.2	1.6	1.2
Foreign payment transaction related fees and commissions	0.5	0.7	0.5	0.7
Other fees and commissions paid	1.7	1.9	1.7	1.8
	31.9	27.2	31.9	27.1

Fee income is recognized in accordance with IFRS 15 and is recognized at the point in time.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

5. NET GAINS / (LOSS) FROM TRADING AND VALUATION OF FINANCIAL INSTRUMENTS

a) Net (losses)/gains from trading and valuation of financial instruments at fair value through profit or loss

	Group		Bank	
	2025	2024	2025	2024
Net (loss)/gain on derivative financial assets	(30.5)	20.8	(30.5)	20.8
Net (loss)/gain on financial asset at fair value through profit or loss	(0.1)	0.2	(0.1)	0.2
	(30.6)	21.0	(30.6)	21.0

Financial assets that are measured through profit or loss, and to which these net (losses)/gains relate, are presented in Note 13.

b) Net (losses) from trading and valuation of financial instruments at fair value through other comprehensive income

	Group		Bank	
	2025	2024	2025	2024
Realised (loss) on securities at fair value through other comprehensive income	(1.0)	(0.8)	(1.0)	(0.8)
	(1.0)	(0.8)	(1.0)	(0.8)

Financial assets measured through other comprehensive income, to which these net (loss) relate, are included in Note 15.

c) Net gains/(losses) from trading and converting monetary assets and liabilities

	Group		Bank	
	2025	2024	2025	2024
Net gain from currency sale and purchase	7.7	9.5	7.7	9.5
Net gain/(loss) from conversion of monetary assets and liabilities denominated in foreign currencies and foreign currency clause	33.2	(20.7)	33.2	(20.7)
	40.9	(11.2)	40.9	(11.2)

d) Net gains on financial assets at amortized cost

	Group		Bank	
	2025	2024	2025	2024
Net gain from the sale of financial assets at amortized cost	-	-	-	-
	-	-	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

6. OTHER OPERATING INCOME

	2025	Group 2024	2025	Bank 2024
Leases	8.0	4.2	0.6	0.5
Operating leasing	6.8	7.0	-	-
Sale of real estate and equipment	2.8	2.0	0.5	0.5
Collection of written-off receivables from previous years	0.8	1.0	0.7	1.0
Reverse of accrued costs	1.2	0.2	1.2	0.2
Default interest on loans and receivables from customers	0.5	0.5	0.3	0.3
Income from real estate appraisals	0.5	0.4	-	-
Amounts recovered through court actions	0.3	0.1	0.3	0.1
Dividends received	0.2	0.2	4.1	0.2
Inventory income	0.1	0.2	0.1	0.2
Collected costs of court fees	0.1	0.1	0.1	0.1
Other income	2.7	1.3	0.8	0.3
	<u>24.0</u>	<u>17.2</u>	<u>8.7</u>	<u>3.4</u>

Gains from the sale of property and equipment relate to the sale of the building with the associated land (2024: the sale of the building with the associated land,) are provided in Note 22.

7. OTHER OPERATING EXPENSES

	2025	Group 2024	2025	Bank 2024
Professional services and cost of material	49.6	43.3	44.4	38.4
Marketing expenses	7.5	7.5	7.0	7.1
Administrative expenses	7.3	6.7	6.9	6.3
Savings deposit insurance premiums	3.1	-	3.1	-
Supervision fee	2.2	1.9	2.2	1.9
Other taxes and contributions	1.2	1.1	1.0	0.9
Sale of equity interests	0.4	-	-	-
Receivables write-off	0.1	0.2	0.1	0.1
Impairment of investments in subsidiaries	-	-	0.4	-
Other costs	1.9	0.9	1.3	0.3
	<u>73.3</u>	<u>61.6</u>	<u>66.4</u>	<u>55.0</u>

In 2025, the external auditor provided services as follows: audit of quarterly and annual financial statements, audit of the reporting package to OTP Bank Nyrt Hungary, other agreed procedures to verify compliance with financial, accounting or regulatory matters, statutory engagement, assessment of compliance of general information system controls and other services. In accordance with EU Regulation 537/2014, services provided during the year are services that are allowed. The cost (with included VAT) of mentioned services amounts to EUR 0.7 million for 2025 for Group (2024: EUR 0.6 million) and EUR 0.6 million for the Bank (2024: 0.5 million). The costs of auditing are shown under the position Professional services and cost of materials.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

7a DEPRECIATION AND AMORTISATION EXPENSE

	2025	Group 2024	2025	Bank 2024
Depreciation of tangible assets (Note 18)	15.1	14.7	8.7	8.2
Assets classified under IFRS 16 (Note 18a)	4.6	4.3	5.6	5.3
Depreciation of investment property (Note 19)	1.7	1.0	0.3	0.3
Amortisation of intangible assets (Note 20)	6.0	4.8	5.9	4.6
	27.4	24.8	20.5	18.4

8. PERSONNEL EXPENSES

	2025	Group 2024	2025	Bank 2024
Gross salaries	67.7	62.3	62.4	57.5
- net salaries	49.0	45.1	45.3	41.8
- taxes, surtaxes and contributions	18.7	17.2	17.1	15.7
Contributions on salaries	10.0	9.3	9.2	8.6
Accrued expenses for bonuses	10.6	8.3	8.8	7.0
Other employee expenses	7.8	5.9	7.3	5.4
	96.1	85.8	87.7	78.5

The Group had 2,604 employees (2024: 2,650) while the Bank had 2,428 employees (2024: 2,457) at year-end. This information includes all employees who have concluded an Employment Contract with the Group/Bank as at 31 December 2025.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

9. NET GAINS / (LOSSES) FROM LOSS ALLOWANCE FOR EXPECTED CREDIT LOSSES AND PROVISION

		2025	Group 2024	2025	Bank 2024
(Increases) of expected credit losses of loans and receivables from banks	12	(0.2)	-	(0.2)	-
Decreases/(increases) of expected credit loss of loans and receivables from customers	14	6.8	16.5	7.4	16.6
Decrease due to sale of receivables	14	-	9.9	-	9.9
Decreases/(Increases) of expected credit loss of financial assets measured at amortized cost	16	0.4	0.5	0.4	0.5
Decreases of expected credit loss of investments measured through other comprehensive income	15	0.1	0.4	0.1	0.4
(Increases) of expected credit loss of other asset	21	(0.8)	(0.8)	(0.7)	(0.8)
(Increases) of litigation provisions	26	(14.7)	(10.7)	(14.7)	(10.6)
Decreases/(increases) of provisions on other basis	26	-	1.1	-	1.1
(Increases) of provisions for restructuring	26	-	(11.3)	-	(11.3)
(Increases)/decreases of expected credit loss of contingent liabilities and commitments	29	0.6	(0.8)	0.6	(0.8)
		(7.8)	4.8	(7.1)	5.0

From the total loss allowance for expected credit losses total gain/loss classified by Stages amounts to:

- The Group – on Stage 1 and Stage 2 gain in the amount of EUR 5.4 million (2024: gain of EUR 9.5 million), on Stage 3 gain in amount of EUR 1.5 million (2024: gain of EUR 6.3 million).
- The Bank - on Stage 1 and Stage 2 gain in the amount of EUR 6.2 million (2024: gain of EUR 9.3 million) on Stage 3 gain in amount of EUR 1.4 million (2024: gain of EUR 6.6 million).

In accordance with the Decision of the HNB, in the event of default and when the assessment of future cash flows is based on the value of adequate security instruments, and appropriate legal actions have not been taken for the purpose of collection of claims through the realization of security instruments, the Bank classifies such exposures in the risk subcategory B-1 or worse subcategory and carries out a corresponding impairment in the amount of at least 15% of the exposure. If appropriate legal actions have not been taken to collect claims by implementing adequate security instruments within one year from the date of default of a debtor, a reduction in value of at least 25% of the exposure is made. This condition does not apply in cases where there is no legal basis for initiating legal actions. Regardless of the legal actions taken for the purpose of collection of claims through the realization of the security instrument, if no collection occurs two years from the date of non-fulfillment of the debtor's obligations, the Bank will classify unpaid exposures until the date of their collection into risk subcategory B-1 or a worse subcategory and, taking into account the probability of collection, carry out a reduction in the value of at least 30% of the receivables based on the principal, and every 180 days increase it by an additional 5% of the receivables based on the principal. Quantitative effect of the overlay described above in 2025 amounts to EUR 0.4 million for the Bank/Group (2024: EUR 0.5 million).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

10. TAXATION

(a) Income tax expense recognised in profit or loss

	2025	Group 2024	2025	Bank 2024
Current income tax	27.8	39.8	25.3	38,2
Net deferred tax (credit)/charge	3.2	(4.7)	3.4	(4,5)
	<u>31.0</u>	<u>35.1</u>	<u>28.7</u>	<u>33.7</u>

Global Minimum Corporate Tax

The global minimum tax legislation has been enacted, or substantively enacted, in certain jurisdictions the OTP Group operates, generally in the EU Member States. The legislation is effective for the Group's financial year beginning 1 January 2024 and introduces a minimum rate of effective taxation of 15%.

The OTP Group is in scope of the enacted or substantively enacted legislation including its constituent entities resident in Croatia, thus, among them, OTP banka d.d. and its related companies in respect of financial year beginning 1 January 2024. The global minimum tax legislation (Pillar Two) has been adopted in Croatia in the Global Minimum Tax Act.

From an accounting perspective, it was unclear if the global minimum rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognize or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applied the temporary exception for the year ended 31 December 2024 and 31 December 2025.

The Bank together with the constituent entities resident in Croatia has performed an assessment of its potential exposure to the top-up tax under the global minimum tax rules (the parent company prepared the calculation based on the data provided by the Group OTP bank in Croatia). The assessment is based on the most recent information available regarding the financial performance of the constituent entities in Croatia. Based on the assessment, potential exposure to top-up tax has not been identified in respect of the profits earned by the constituent entities resident in Croatia, because had the global minimum tax legislation been effective for the current year the expected global minimum tax effective tax rate would have exceeded 15%. Taking into account the information available or reasonably estimated as of December 31, 2025 and the still existing ambiguities in interpretation, also the permission to use the transitional safe harbor, the global minimum tax exposure of the OTP banka Group in Croatia, should be considered as "insignificant".

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

10. TAXATION (CONTINUED)

(b) Reconciliation of the accounting profit and income tax expense at the tax rate of 18%

	2025	Group 2024	2025	Bank 2024
Profit before tax	<u>167.8</u>	<u>192,8</u>	<u>160.0</u>	<u>186.1</u>
Tax at the statutory rate of 18%	30.9	35,0	28.8	33.5
Non-taxable income, net of expenses not recognised for tax purposes	(0.1)	0,1	(0.1)	0.2
Expenses not tax deductible until realization	3.5	7,7	3.5	7.5
Utilisation of expenses from previous years that were not tax deductible	(6.6)	(2,9)	(6.8)	(2.9)
Tax adjustment from previous years	0.1	(0,1)	(0.1)	(0.1)
Current income tax	<u>27.8</u>	<u>39,8</u>	<u>25.3</u>	<u>38.2</u>
Deferred tax on expenses not tax deductible until realization	(3.5)	(7,7)	(3.5)	(7.5)
Deferred tax on utilisation of expenses from previous years that were not tax deductible	6.6	2,9	6.8	2.9
Deferred tax at fair value from integration with Splitska banka	(0.1)	(0,1)	(0.1)	(0.1)
Other adjustments	0.2	0,2	0.2	0.2
Deferred tax	<u>3.2</u>	<u>(4,7)</u>	<u>3.4</u>	<u>(4.5)</u>
Current year income tax recognised in profit and loss	<u>31.0</u>	<u>35,1</u>	<u>28.7</u>	<u>33.7</u>
Effective tax rate - current income tax	18.5%	18,2%	17.9%	18.1%

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

10. TAXATION (CONTINUED)

(c) Movement in deferred tax assets and liabilities

Group

	Unrealised losses from financial assets measured at fair value through profit or loss	Provisions for long-term liabilities in accordance with IAS 37 and 19	Provisions for current liabilities	Deferred loan origination fees	Unrealised gains/(losses) through OCI	Unrealised gains / (losses) at fair value from integration with Splitska banka	Tax impact of the purchase of Zagreb tower d.o.o.	Other	Total
Balance at 31 December 2024	6.7	6.1	2.1	1.8	(2.6)	(0.4)	(5.7)	1.3	9.3
Through profit or loss	(3.1)	(0.2)	0.1	-	-	-	0.2	(0.2)	(3.2)
Through other comprehensive income	-	-	-	-	(1.0)	-	-	-	(1.0)
Balance at 31 December 2025	3.6	5.9	2.2	1.8	(3.6)	(0.4)	(5.5)	1.1	5.1
	Unrealised losses from financial assets measured at fair value through profit or loss	Provisions for long-term liabilities in accordance with IAS 37 and 19	Provisions for current liabilities	Deferred loan origination fees	Unrealised gains/(losses) through OCI	Unrealised gains / (losses) at fair value from integration with Splitska banka	Tax impact of the purchase of Zagreb tower d.o.o.	Other	Total
Balance at 31 December 2023	5.1	3.7	1.7	1.6	(0.2)	(0.5)	-	1.3	12.7
Through profit or loss	1.6	2.4	0.4	0.2	-	0.1	-	-	4.7
Through other comprehensive income	-	-	-	-	(2.4)	-	-	-	(2.4)
Purchase of Zagrebtower d.o.o.	-	-	-	-	-	-	(5.7)	-	(5.7)
Balance at 31 December 2024	6.7	6.1	2.1	1.8	(2.6)	(0.4)	(5.7)	1.3	9.3

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

10. TAXATION (CONTINUED)

(c) Movement in deferred tax assets and liabilities (continued)

Bank

	Unrealised losses from financial assets measured at fair value through profit or loss	Provisions for long-term liabilities in accordance with IAS 37 and 19	Provisions for current liabilities	Deferred loan origination fees	Unrealised gains/(losses) through OCI	Unrealized gains / (losses) at fair value from integration with Splitska banka	Other	Total
Balance at 31 December 2024	6.7	6.1	1.8	1.0	(2.5)	(0.4)	0.5	13.2
Through profit or loss	(3.1)	(0.2)	0.1	-	-	-	(0.2)	(3.4)
Through other comprehensive income	-	-	-	-	(1.0)	-	-	(1.0)
Balance at 31 December 2025	3.6	5.9	1.9	1.0	(3.5)	(0.4)	0.3	8.8
	Unrealised losses from financial assets measured at fair value through profit or loss	Provisions for long-term liabilities in accordance with IAS 37 and 19	Provisions for current liabilities	Deferred loan origination fees	Unrealised gains/(losses) through OCI	Unrealized gains / (losses) at fair value from integration with Splitska banka	Other	Total
Balance at 31 December 2023	5.1	3.7	1.5	0.9	(0.1)	(0.5)	0.5	11.1
Through profit or loss	1.6	2.4	0.3	0.1	-	0.1	-	4.5
Through other comprehensive income	-	-	-	-	(2.4)	-	-	(2.4)
Balance at 31 December 2024	6.7	6.1	1.8	1.0	(2.5)	(0.4)	0.5	13.2

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

11. CASH, CURRENT ACCOUNTS WITH BANKS AND BALANCES WITH CROATIAN NATIONAL BANK

	2025	Group 2024	2025	Bank 2024
Cash in hand	173.6	197.3	173.6	197.3
Current account balance	74.5	75.9	74.5	74.4
Current accounts with foreign banks	14.1	19.4	14.1	19.4
Current accounts with domestic banks	0.5	7.8	0.5	7.8
Deposit with the CNB	843.4	828.0	843.4	828.0
Assets included in cash and cash equivalents (Note 30)	1,106.1	1,128.4	1,106.1	1,126.9
Impairment on expected credit losses	-	-	-	-
	1,106.1	1,128.4	1,106.1	1,126.9

Due to the nature of the receivables, on assets with the CNB Bank does not allocate impairment on expected credit loss since expected credit loss is insignificant.

Group

2025

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	1,128.4	-	-	-	1,128.4
Net (decrease)	(22.3)	-	-	-	(22.3)
Balance at 31 December 2025	1,106.1	-	-	-	1,106.1

Movement in provisions for impairment:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	-	-	-	-	-
Net (decrease)	-	-	-	-	-
Balance at 31 December 2025	-	-	-	-	-

2024

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	1,607.5	-	-	-	1,607.5
Net (decrease)	(479.1)	-	-	-	(479.1)
Balance at 31 December 2024	1,128.4	-	-	-	1,128.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

11. CASH, CURRENT ACCOUNTS WITH BANKS AND BALANCES WITH CROATIAN NATIONAL BANK (CONTINUED)

Movement in provisions for impairment:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	-	-	-	-	-
Net (decrease)	-	-	-	-	-
Balance at 31 December 2024	-	-	-	-	-

Bank

2025

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	1,126.9	-	-	-	1,126.9
Net (decrease)	(20.8)	-	-	-	(20.8)
Balance at 31 December 2025	1,106.1	-	-	-	1,106.1

Movement in provisions for impairment:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	-	-	-	-	-
Net (decrease)	-	-	-	-	-
Balance at 31 December 2025	-	-	-	-	-

2024

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	1,607.5	-	-	-	1,607.5
Net (decrease)	(480.6)	-	-	-	(480.6)
Balance at 31 December 2024	1,126.9	-	-	-	1,126.9

Movement in provisions for impairment:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	-	-	-	-	-
Net (decrease)	-	-	-	-	-
Balance at 31 December 2024	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

12. LOANS AND RECEIVABLES FROM BANKS

	2025	Group 2024	2025	Bank 2024
Short-term placements with other banks	300.6	10.0	300.6	10.0
Loss allowance for expected credit losses	(0.2)	-	(0.2)	-
	<u>300.4</u>	<u>10.0</u>	<u>300.4</u>	<u>10.0</u>

Loans and receivables from other banks are measured at amortised cost.

Group

2025

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	10.0	-	-	-	10.0
Net increase	290.6	-	-	-	290.6
Balance at 31 December 2025	<u>300.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300.6</u>

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	-	-	-	-	-
Net increase	0.2	-	-	-	0.2
Balance at 31 December 2025	<u>0.2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.2</u>

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	-	-	-	-	-
Net increase	10.0	-	-	-	10.0
Balance at 31 December 2024	<u>10.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10.0</u>

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	-	-	-	-	-
Net increase/(decrease)	-	-	-	-	-
Balance at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

12. LOANS AND RECEIVABLES FROM BANKS (CONTINUED)

Bank

2025

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	10.0	-	-	-	10.0
Net increase	290.6	-	-	-	290.6
Balance at 31 December 2025	300.6	-	-	-	300.6

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	-	-	-	-	-
Net increase	0.2	-	-	-	0.2
Balance at 31 December 2025	0.2	-	-	-	0.2

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	-	-	-	-	-
Net increase	10.0	-	-	-	10.0
Balance at 31 December 2024	10.0	-	-	-	10.0

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	-	-	-	-	-
Net increase/(decrease)	-	-	-	-	-
Balance at 31 December 2024	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	Group 2024	2025	Bank 2024
Financial assets				
Units in open-end investment funds managed by related party	17.0	16.0	17.0	16.0
Derivative financial assets	28.3	26.0	28.3	26.0
VISA International Series C preferred stock	0.9	2.0	0.9	2.0
	46.2	44.0	46.2	44.0
Financial liabilities				
Derivative financial liabilities	24.0	40.5	24.0	40.5
	24.0	40.5	24.0	40.5

Visa Inc. was obliged to partially convert the preferred share of Visa International Series C into Visa Series A tradeable shares. In this context on 18 August 2025, VISA Inc reduced the conversion factor for Visa Series C preferred shares from 1.786, to 0.764, while each holder of a share of preferred stock will receive a number of shares of Series A preferred stock equal to the applicable conversion adjustment divided by 100. The Bank classified the Series A preferred stock as Financial assets at fair value through other comprehensive income (Note 15).

Group

	2025			2024		
	Asset	Liabilities	Contractual amount	Asset	Liabilities	Contractual amount
Derivative financial instruments held for trading						
FX Swap and Forwards	2.3	4.2	1,289.3	8.8	7.6	1,009.2
Interest rate swap	13.0	13.0	475.9	14.7	14.7	425.9
Derivative financial instruments – fair value hedge						
Interest rate swap	13.0	6.8	726.1	2.5	18.2	468.8
Derivative financial instruments used to hedge cash flow						
Option	-	-	-	-	-	-
	28.3	24.0	2,491.3	26.0	40.5	1,903.9

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Bank

	2025			2024		
	Asset	Liabilities	Contractual amount	Asset	Liabilities	Contractual amount
Derivative financial instruments held for trading						
FX Swap and Forwards	2.3	4.2	1,289.3	8.8	7.6	1,009.2
Interest rate swap	13.0	13.0	475.9	14.7	14.7	425.9
Derivative financial instruments – fair value hedge						
Interest rate swap	13.0	6.8	726.1	2.5	18.2	468.8
Derivative financial instruments used to hedge cash flow						
Option	-	-	-	-	-	-
	28.3	24.0	2,491.3	26.0	40.5	1,903.9

Derivative financial instruments held for trading allow the Bank and its clients to transfer, modify or reduce the currency and / or interest rate risk. In addition to standard currency derivative financial instruments (primarily forwards) used to manage currency risk, the Bank also contracts interest rate swaps to minimize the risk of interest rate fluctuations. All derivative financial instruments have been agreed on the OTC market.

Hedge accounting

Prior to application of hedge accounting, the Bank formally designates and documents the hedge relationship to which the Bank wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method for monitoring the effectiveness of changes in the fair value of the hedging instrument and the hedged item.

The Bank applies the hedge accounting to manage the interest rate risk, that is, the reduction of exposure to interest rate risk in the banking book related to fixed income financial assets. During 2023, the Bank started applying fair value hedge accounting for individual financial assets as well as for groups of financial assets, with the objective of reducing its exposure to structural interest rate risk, in accordance with internal limits and interest rate risk management procedures in the bank's book.

Individual financial assets as a hedged item are government bonds with a fixed coupon denominated in euros classified as financial assets measured at amortized cost and government bond measured at fair value through other comprehensive income, while the group of financial assets as a hedged

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

item is associated with portfolio of housing loans with a fixed interest rate denominated in euros. The fair value hedging instrument is a derivative financial instrument - interest rate swap agreement.

The economic relationship between the hedged item and the hedging instrument is defined by the approximate matching of the following conditions:

- nominal amount and currency of the hedged item and hedging instrument,
- the maturity date of the contract of the hedged item and hedging instrument,
- dates of interest inflows and outflows for the hedged item and hedging instrument,
- the date of repayment and amortization of the nominal value of the hedged item and hedging instrument.

The Bank establishes hedge ratios by aligning the fair value of the fixed-rate loan or bond and the fair value of the interest rate swap designated as a hedging instrument and their fair value sensitivity. When hedging individual items of financial assets, the amount of hedged items is equal to the amount of hedging instruments. In the case of protection of a group of financial assets, the Bank uses internal models based on historical data to estimate potential early loan repayments and forced collection in case of default by the debtor, and projects the amount of the protected item within the entire portfolio to be protected that is defined in each individual hedge accounting document.

Fair value hedge accounting protects the Bank only and exclusively from the risk of changes in market interest rates. During the economic life of hedge accounting, the Bank conducts hedge efficiency tests on a monthly basis based on a pre-documented and defined procedure. The hedging efficiency test is carried out by scenario analysis of the relationship between the value of the hedged item and the hedging instrument in the event of a change in interest rates. The priority of hedging effectiveness, along with the quantitative ratio of value changes based on scenario analysis, is the opposite economic effect of a change in the value of the hedged item and a change in the value of the hedging instrument on the account of the Bank's profit or loss. By analyzing the effectiveness of hedging, the Bank assesses, on the basis of internally defined documents and procedures, the acceptable ineffectiveness of hedging resulting from the impossibility of perfect matching of cash flows from hedged items and hedging instruments, and to a lesser and materially insignificant extent, differences in the application of interest calculation conventions. If the economic effectiveness of the hedge is absent or the hedge is not materially significant at the level of the individual item and the related hedge instrument, hedge accounting ceases and unrealized effects are recognized in the Bank's profit or loss account.

Given that only the Bank within the Group applies hedge accounting, the tables below show data only for the Bank.

Derivative financial assets held for hedge accounting - notional amounts

	Bank 2025	Bank 2024
Interest rate		
- swap	726.1	468.8
Total	726.1	468.8

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

Derivative financial assets held for hedge accounting - positive and negative fair value

	Bank 2025	Bank 2024
Positive fair value		
- Interest rate swap	13.0	2.5
Total positive fair value	13.0	2.5
Negative fair value		
- Interest rate swap	6.8	18.2
Total negative fair value	6.8	18.2

Derivative financial assets held for hedge accounting - residual life of notional amounts

Bank

2025

	Up to 1 year	1 to 5 years	Over 5 years	Total
Interest rate swap	23.9	142.7	559.5	726.1
Average fixed interest rate	2.71	2.71	2.71	2.71
Total	23.9	142.7	559.5	726.1

Bank

2024

	Up to 1 year	1 to 5 years	Over 5 years	Total
Interest rate swap	12.0	88.0	368.8	468.8
Average fixed interest rate	2.74	2.74	2.74	2.74
Total	12.0	88.0	368.8	468.8

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness at 31 December 2025 were as follows:

Bank

	Carrying amount			Line item in the statement of financial position where the hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
	Nominal amount	Positive fair value	Negative fair value				
Interest rate swap - Hedge of financial assets measured at amortised cost	726.1	11.1	4.1	Financial assets and liabilities measured at fair value through profit or loss	22.7	-	Net gains/(losses) from the valuation of financial assets measured through profit or loss

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness at 31 December 2024 were as follows:

Bank

	Carrying amount			Line item in the statement of financial position where the hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
	Nominal amount	Positive fair value	Negative fair value				
Interest rate swap - Hedge of financial assets measured at amortised cost	468.8	0.5	15.9	Financial assets and liabilities measured at fair value through profit or loss	(6.7)	-	Net gains/(losses) from the valuation of financial assets measured through profit or loss

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

The amounts relating to items designated as hedged items at 31 December 2025 were as follows:

Bank

	Nominal amount		The accumulated amount of the fair value hedge adjustments included in the hedged item		Line item in the statement of financial position where the hedged item is include	Changes in value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedged gains and losses
	Assets	Liabilities	Assets	Liabilities			
Loans and receivables from customers	699.9	-	1.2	10.5	Financijska imovina po amortiziranom trošku	(17.6)	-
Debt securities at amortized cost	212.5	-	2.9	1.0	Financijska imovina po amortiziranom trošku	(6.8)	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

13. FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Hedge accounting (continued)

The amounts relating to items designated as hedged items at 31 December 2024 were as follows:

Bank

	Nominal amount		The accumulated amount of the fair value hedge adjustments included in the hedged item		Line item in the statement of financial position where the hedged item is include	Changes in value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedged gains and losses
	Assets	Liabilities	Assets	Liabilities			
Loans and receivables from customers	360.9	0.3	8.3	-	financial assets measured at amortised cost	5.1	-
Debt securities at amortized cost	212.5	-	8.7	-	financial assets measured at amortised cost	2.6	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

14. LOANS AND RECEIVABLES FROM CUSTOMERS

Structure by type of product

	2025	Group 2024	2025	Bank 2024
Local-currency denominated				
Retail customers	4,367.6	3,786.4	4,233.4	3,674.8
Corporate customers	2,897.3	2,956.1	2,434.5	2,530.9
Currency clause denominated				
Retail customers	4.3	5.3	4.3	5.3
Corporate customers	1.7	1.7	1.7	1.7
Foreign-currency denominated				
Corporate customers	45.2	-	45.2	-
Total gross loans and receivables	7,316.1	6,749.5	6,719.1	6,212.7
The accumulated fair value adjustment amount of the hedged item in the fair value hedge	(9.3)	8.3	(9.3)	8.3
Loss allowance for expected credit losses	(225.3)	(234.5)	(220.4)	(229.7)
	7,081.5	6,523.3	6,489.4	5,991.3

Currency clause nominees include currency clause loans linked to the exchange rate of the Swiss franc (CHF) and the US dollar (USD). Repayments of the principal and interest of these loans are determined in foreign currency, and payment is made in the euro equivalent at the exchange rate on the day of payment.

Deferred income from loan origination fees included in gross loans and receivables for the Group amounts to EUR 5.1 (2024: EUR 6.9 million), while for the Bank it amounts to EUR 4.7 million (2024: EUR 4.5 million).

The Group/Bank applies fair value hedge accounting for a portfolio of housing loans with a fixed interest rate denominated in euros. As at 31 December 2025, the book value of loans as hedged items amounted to EUR 699.9 million (2024: EUR 360.9 million). Further details in Note 13.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

14. LOANS AND RECEIVABLES FROM CUSTOMERS (CONTINUED)

Group

2025

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 31 December 2024	5,817.8	728.5	176.7	26.5	6,749.5
Net increase / (decrease)	672.2	(72.0)	(25.8)	(5.9)	568.5
Transfer to Stage 1	200.8	(198.0)	(2.8)	-	-
Transfer to Stage 2	(167.6)	177.6	(10.0)	-	-
Transfer to Stage 3	(18.3)	(25.8)	44.1	-	-
Sale of receivables*	-	-	-	-	-
Written off	-	-	(1.9)	-	(1.9)
Balance as at 31 December 2025	6,504.9	610.3	180.3	20.6	7,316.1

*The amounts are shown in the gross amount of the sale on the date of payment of the purchase price.

Movement in loss allowance for expected credit losses:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	28.9	49.0	138.5	18.1	234.5
Net increase / (decrease)	(10.8)	1.3	1.2	(1.6)	(9.9)
Reclassification to Other assets	-	-	(0.5)	-	(0.5)
Transfer to Stage 1	12.9	(11.8)	(1.1)	-	-
Transfer to Stage 2	(1.0)	4.7	(3.7)	-	-
Transfer to Stage 3	(0.1)	(3.7)	3.8	-	-
Exchange differences	-	-	-	-	-
Increase due to change of parameters	1.7	0.5	0.9	-	3.1
Sale of receivables*	-	-	-	-	-
Written off	-	-	(1.9)	-	(1.9)
Balance at 31 December 2025	31.6	40	137.2	16.5	225.3

* Amounts are shown in gross sales amount on the date of payment of the purchase price

2024

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	5,058.6	744.0	227.8	40.3	6,070.7
Net increase / (decrease)	787.7	(41.9)	(24.1)	(10.6)	711.1
Transfer to Stage 1	131.5	(128.6)	(2.9)	-	-
Transfer to Stage 2	(147.9)	171.7	(23.8)	-	-
Transfer to Stage 3	(12.1)	(16.7)	28.8	-	-
Sale of receivables*	-	-	(25.2)	(1.9)	(27.1)
Written off	-	-	(3.9)	(1.3)	(5.2)
Balance at 31 December 2024	5,817.8	728.5	176.7	26.5	6,749.5

*The amounts are shown in the gross amount of the sale on the date of payment of the purchase price.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

14. LOANS AND RECEIVABLES FROM CUSTOMERS (CONTINUED)

Movement in loss allowance for expected credit losses:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	28.9	57.2	166.2	31.5	283.8
Net increase/(decrease)	(6.0)	1.8	11.7	(10.2)	(2.7)
Transfer to Stage 1	12.2	(10.8)	(1.4)	-	-
Transfer to Stage 2	(1.0)	11.2	(10.2)	-	-
Transfer to Stage 3	(0.1)	(2.6)	2.7	-	-
Exchange differences	-	-	(0.5)	-	(0.5)
Increase / (decrease) due to change of parameters	(5.1)	(7.8)	(0.9)	-	(13.8)
Sale of receivables*	-	-	(25.2)	(1.9)	(27.1)
Written off	-	-	(3.9)	(1.3)	(5.2)
Balance at 31 December 2024	28.9	49.0	138.5	18.1	234.5

* Amounts are shown in gross sales amount on the date of payment of the purchase price

Bank

2025

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 31 December 2024	5,343.2	674.4	168.6	26.5	6,212.7
Net increase / (decrease)	613.3	(78.3)	(20.8)	(5.9)	508.3
Transfer to Stage 1	175.7	(173.6)	(2.1)	-	-
Transfer to Stage 2	(139.0)	147.4	(8.4)	-	-
Transfer to Stage 3	(15.2)	(22.9)	38.1	-	-
Sale of receivables*	-	-	-	-	-
Written off	-	-	(1.9)	-	(1.9)
Balance as at 31 December 2025	5,978.0	547.0	173.5	20.6	6,719.1

*The amounts are shown in the gross amount of the sale on the date of payment of the purchase price.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

14. LOANS AND RECEIVABLES FROM CUSTOMERS (CONTINUED)

Movement in loss allowance for expected credit losses:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	27.4	48.5	135.7	18.1	229.7
Net increase/(decrease)	(10.8)	1.4	0.5	(1.6)	(10.5)
Transfer to Stage 1	12.4	(11.5)	(0.9)	-	-
Transfer to Stage 2	(0.9)	3.9	(3.0)	-	-
Transfer to Stage 3	(0.1)	(3.6)	3.7	-	-
Exchange differences	-	-	-	-	-
Increase due to change of parameters	1.7	0.5	0.9	-	3.1
Sale of receivables*	-	-	-	-	-
Written off	-	-	(1.9)	-	(1.9)
Balance at 31 December 2025	29.7	39.2	135.0	16.5	220.4

* Amounts are shown in gross sales amount on the date of payment of the purchase price

2024

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	4,657.5	689.9	219.7	40.3	5,607.4
Net increase / (decrease)	714.2	(41.9)	(24.1)	(10.6)	637.6
Transfer to Stage 1	131.5	(128.6)	(2.9)	-	-
Transfer to Stage 2	(147.9)	171.7	(23.8)	-	-
Transfer to Stage 3	(12.1)	(16.7)	28.8	-	-
Sale of receivables*	-	-	(25.2)	(1.9)	(27.1)
Written off	-	-	(3.9)	(1.3)	(5.2)
Balance at 31 December 2024	5,343.2	674.4	168.6	26.5	6,212.7

*The amounts are shown in the gross amount of the sale on the date of payment of the purchase price.

Movement in loss allowance for expected credit losses:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2023	27.6	56.3	163.3	31.5	278.7
Net increase / (decrease)	(5.6)	1.8	11.2	(10.2)	(2.8)
Transfer to Stage 1	11.6	(10.4)	(1.2)	-	-
Transfer to Stage 2	(1.0)	11.2	(10.2)	-	-
Transfer to Stage 3	(0.1)	(2.6)	2.7	-	-
Exchange differences	-	-	(0.1)	-	(0.1)
(Decrease) due to change of parameters	(5.1)	(7.8)	(0.9)	-	(13.8)
Sale of receivables*	-	-	(25.2)	(1.9)	(27.1)
Written off	-	-	(3.9)	(1.3)	(5.2)
Balance at 31 December 2024	27.4	48.5	135.7	18.1	229.7

* Amounts are shown in gross sales amount on the date of payment of the purchase price

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

14. LOANS AND RECEIVABLES FROM CUSTOMERS (CONTINUED)

Concentration of loans and receivables from customers by industry:

	Group		Bank	
	2025	2024	2025	2024
Wholesale and retail trade, repair of motor vehicles and motorcycles	491.9	444.2	431.3	366.0
Manufacturing industries	449.9	415.4	414.6	385.9
Construction	440.1	430.7	379.7	375.5
Accommodation and food service activities	251.6	235.1	235.1	221.9
Electricity, gas, steam and air conditioning supply	207.2	292.0	206.4	289.8
Transport and storage	194.0	168.0	124.8	109.0
Administrative and support service activities	186.4	169.0	30.0	27.0
Real estate activities	148.1	84.7	158.8	96.7
Public administration and defence, mandatory social security	126.1	203.2	125.4	202.5
Information and communication	107.6	69.8	99.0	61.6
Agriculture, forestry and fisheries	104.5	125.5	99.6	120.6
Professional, scientific and technical activities	88.4	173.3	62.5	147.8
Financial and insurance activities	57.5	52.4	55.8	51.1
Water supply; wastewater disposal; waste management and environmental remediation activities	28.6	48.8	23.4	41.7
Other services	28.1	13.6	9.2	10.1
Health and social work activities	15.5	16.1	12.6	13.9
Arts, entertainment and recreation	11.6	9.6	8.3	6.9
Education	5.0	5.1	3.4	4.1
Mining and quarrying	2.1	1.0	1.5	0.2
Activities of extraterritorial organizations	-	0.3	-	0.3
Total corporate loans	2,944.2	2,957.8	2,481.4	2,532.6
Retail customers	4,371.9	3,791.7	4,237.7	3,680.1
	7,316.1	6,749.5	6,719.1	6,212.7
The accumulated fair value adjustment amount of the hedged item in the fair value hedge	(9.3)	8.3	(9.3)	8.3
Loss allowance for expected credit losses	(225.3)	(234.5)	(220.4)	(229.7)
	7,081.5	6,523.3	6,489.4	5,991.3

Industry sectors are defined according to the structure of the FINREP report.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	Group 2024	2025	Bank 2024
Equity securities	27.3	25.6	27.3	25.6
Debt securities	185.4	733.4	185.4	733.4
	<u>212.7</u>	<u>759.0</u>	<u>212.7</u>	<u>759.0</u>

(a) Equity securities

	2025	Group 2024	2025	Bank 2024
Listed	26.9	25.1	26.9	25.1
Unlisted	0.4	0.5	0.4	0.5
	<u>27.3</u>	<u>25.6</u>	<u>27.3</u>	<u>25.6</u>

Overview of the Bank's investments in equity securities with a breakdown of listed and unlisted securities on 31 December 2025 and 2024 is given below.

Company name	Type of investment	Listed/unlisted
VISA International (Series A)	Preferential share	listed
VISA International (Series C)	Preferential share	listed
Zagrebačka burza d.d.	Ordinary share	listed
Hrvatski nogometni klub Hajduk Split š.d.d.	Ordinary share	unlisted
Hrvatski registar obveza po kreditima d.o.o.	Investment in ltd.	unlisted
Istarska autocesta d.o.o.	Investment in ltd.	unlisted
Središnje klirinško depozitarno društvo d.d.	Ordinary share	unlisted
SWIFT-Fortis Bank	Preferential share	unlisted

This note includes equity securities that are not held for trading nor are acquired through acquisitions to which IFRS 3 applies. In accordance with OTP Bank Nyrt policies, they are held at fair value through other comprehensive income – the option of fair value through other comprehensive income.

Securities are divided on listed and unlisted. This type of assets is valued through an internal model for calculating the fair value of unlisted equity securities that are not listed on the financial market and for which there is no market or published price. Given the portfolio that the Bank has and the motive for its presence in the Bank's balance sheet, the most appropriate valuation method (internal model) is the residual income method.

Residual income is recognized as net income less opportunity costs incurred, in this case, by owning a stake in a particular economic entity. From the position of the economic entity (the company) it is the residual, part of the income after the calculation of the cost of capital of the company.

Other listed equity securities for which fair value can be measured reliably are held at fair value through other comprehensive income – the option of fair value through other comprehensive income. The equity shares valuation method is explained in Note 38.

The impact of changes in fair value through other comprehensive income is disclosed in Note 28.

The Bank received dividends of EUR 0.2 million from VISA International in 2025 (2024: EUR 0.2 million). The equity ownership in VISA International is listed.

"In 2025, the Bank also received a dividend from the Zagreb Stock Exchange in the amount of EUR 5 thousand (2024: EUR 5 thousand), as well as the dividend from the Istrian Motorway in the amount of EUR 0.3 thousand.

For other equity securities presented in Note 15 the Bank did not receive a dividend in 2025 and 2024.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

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

(b) Debt securities

	2025	Group 2024	2025	Bank 2024
Bonds of the Republic of Croatia	185.4	233.4	185.4	233.4
Total listed securities	185.4	233.4	185.4	233.4
Treasury bills of the National Bank of Hungary	-	500.0	-	500.0
Total unlisted securities	-	500.0	-	500.0
	185.4	733.4	185.4	733.4

The Bank classifies debt securities that it intends to hold for collection or sale, and which have met the requirements of the SPPI test, in financial assets measured at fair value through other comprehensive income.

The SPPI test is performed on each individual instrument (securities).

In 2025 bonds of the Republic of Croatia include short-term and long-term EUR bonds (in 2024 short-term and long-term euro bonds).

Group

2025

Movement of gross carrying amount of debt securities:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	733.4	-	-	-	733.4
Net (decrease)	(548.0)	-	-	-	(548.0)
Balance at 31 December 2025	185.4	-	-	-	185.4

Movement in loss allowance for expected credit losses through other capital reserves (Note 28):

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	0.2	-	-	-	0.2
Net (decrease)	(0.1)	-	-	-	(0.1)
Increase due to parameter change	-	-	-	-	-
Balance at 31 December 2025	0.1	-	-	-	0.1

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

**15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
(CONTINUED)**

2024

Movement of gross carrying amount of debt securities:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	616.1	-	-	-	616.1
Net increase	117.3	-	-	-	117.3
Balance at 31 December 2024	733.4	-	-	-	733.4

Movement in loss allowance for expected credit losses through other capital reserves (Note 28):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	0.6	-	-	-	0.6
Net (decrease)	(0.5)	-	-	-	(0.5)
Increase due to parameter change	0.1	-	-	-	0.1
Balance at 31 December 2024	0.2	-	-	-	0.2

Bank

2025

Movement of gross carrying amount of debt securities:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	733.4	-	-	-	733.4
Net (decrease)	(548.0)	-	-	-	(548.0)
Balance at 31 December 2025	185.4	-	-	-	185.4

Movement in loss allowance for expected credit losses through other capital reserves (Note 28):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	0.2	-	-	-	0.2
Net (decrease)	(0.1)	-	-	-	(0.1)
Increase due to parameter change	-	-	-	-	-
Balance at 31 December 2025	0.1	-	-	-	0.1

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

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

2024

Movement of gross carrying amount of debt securities:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	616.1	-	-	-	616.1
Net increase	117.3	-	-	-	117.3
Balance at 31 December 2024	733.4	-	-	-	733.4

Movement in loss allowance for expected credit losses through other capital reserves (Note 28):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	0.6	-	-	-	0.6
Net (decrease)	(0.5)	-	-	-	(0.5)
Increase due to parameter change	0.1	-	-	-	0.1
Balance at 31 December 2024	0.2	-	-	-	0.2

16. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2025	Group 2024	2025	Bank 2024
Bonds of the Republic of Croatia	351.8	313.0	351.8	313.0
Corporate Bonds	66.5	39.5	66.5	39.5
Foreign bond	137.3	8.3	137.3	8.3
Foreign financial institutions bonds	51.9	52.0	51.9	52.0
Hungarian National Bank notes	401.8	-	401.8	-
	1,009.3	412.8	1,009.3	412.8
The accumulated fair value adjustment amount of the hedged item in the fair value hedge	1.9	8.7	1.9	8.7
Loss allowance for expected credit losses	(0.9)	(1.3)	(0.9)	(1.3)
	1,010.3	420.2	1,010.3	420.2

In financial assets measured at amortized cost, the Bank classifies debt securities that it intends to hold for collection, and which have met the requirements of the SPPI test.

The bonds of the Republic of Croatia in 2025 and 2024 include long-term euro bonds. Foreign government bonds include in 2025, bonds of the Slovak, Romanian, Hungarian, French and Spanish governments (in 2024, long-term euro bonds of the Slovak government).

Corporate bonds and bills of exchange in 2025 and 2024 are denominated in euros.

The SPPI test is performed on each individual instrument (securities).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

16. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTINUED)

The Group/Bank applies fair value hedge accounting for government bonds with a fixed coupon denominated in euros. The book value of these bonds on 31 December 2025 amounted to EUR 212.5 million (2024: EUR 212.5 million). Further details in Note 13.

Group

2025

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	400.4	12.4	-	-	412.8
Net increase	596.2	0.3	-	-	596.5
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2025	996.6	12.7	-	-	1,009.3

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	0.5	0.8	-	-	1.3
Net increase/ (decrease)	0.3	(0.7)	-	-	(0.4)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Decrease due to parameter change	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2025	0.8	0.1	-	-	0.9

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	224.5	13.3	0.2	-	238.0
Net new approvals / (derecognition)	175.9	(0.9)	(0.2)	-	174.8
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2024	400.4	12.4	-	-	412.8

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

16. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTINUED)

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	0.5	1.2	0.1	-	1.8
Net (decrease)	-	(0.4)	(0.1)	-	(0.5)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Decrease due to parameter change	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2024	0.5	0.8	-	-	1.3

Bank

2025

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	400.4	12.4	-	-	412.8
Net increase	596.2	0.3	-	-	596.5
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2025	996.6	12.7	-	-	1,009.3

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	0.5	0.8	-	-	1.3
Net increase / (decrease)	0.3	(0.7)	-	-	(0.4)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Decrease due to parameter change	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2025	0.8	0.1	-	-	0.9

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

16. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTINUED)

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	224.5	13.3	0.2	-	238.0
Net increase / (decrease)	175.9	(0.9)	(0.2)	-	174.8
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2024	400.4	12.4	-	-	412.8

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	0.5	1.2	0.1	-	1.8
Net (decrease)	-	(0.4)	(0.1)	-	(0.5)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
(Decrease) due to parameter change	-	-	-	-	-
Write off	-	-	-	-	-
Balance at 31 December 2024	0.5	0.8	-	-	1.3

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

17. INVESTMENT IN SUBSIDIARIES

The net carrying amount of the Bank's investments in subsidiaries is presented in the following table:

31/12/2025	Headquarter	Ownership percentage	Industry	Net book value
OTP Nekretnine d.o.o.	Zagreb	100%	Organization of project implementation for buildings	39.7
OTP Leasing d.d.	Zagreb	60%	Finance and operating lease	6.3
Total investment in subsidiaries:				46.0

31/12/2024	Headquarter	Ownership percentage	Industry	Net book value
OTP Nekretnine d.o.o.	Zagreb	100%	Organization of project implementation for buildings	39.7
Georg d.o.o.	Zagreb	76%	Business and other management consultancy activities	0.7
OTP Leasing d.d.	Zagreb	60%	Finance and operating lease	6.3
Total investment in subsidiaries:				46.7

In October 2025 Bank made the decision to sell its entire shareholding in Georg d.o.o. The sale was completed upon payment of the purchase price on 28 November 2025.

In August 2024, the Bank signed the Agreement on the sale of shares in OTP Invest d.o.o. (81.7%). The sale of the entire business shares of the Bank in the company was realized after obtaining the approval from HANFA by payment of the purchase price on January 31, 2025.

OTP Nekretnine d.o.o. in 2025 generated net profit for the year in amount of EUR 1.6 million (2024: EUR 0.8 million).

Cresco d.o.o. (activity: Real estate business) is 100% owned by OTP Nekretnine d.o.o.

The investment cost of OTP Nekretnine d.o.o. to Cresco d.o.o. is EUR 2 thousand and the share of OTP Nekretnine in net assets is EUR 0.9 million (2024: EUR 0.9 million).

On 31 January 2025, the general meetings of OTP Nekretnine d.o.o. and Zagrebtower d.o.o. adopted a decision to merge Zagrebtower d.o.o. with OTP Nekretnine d.o.o. and confirmed the Merger agreement. The merger was implemented by a Decision of the Commercial Court in Zagreb dated 28 February 2025.

OTP Leasing d.d. in 2025 generated a net income in amount of EUR 7.1 million (2024: EUR 6.1 million).

In 2025 OTP Nekretnine have received a dividend from Cresco d.d. in amount of EUR 0.1 million (2024: OTP Nekretnine have not received a dividend from its related companies).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

18. PROPERTY AND EQUIPMENT

Assets recognised in accordance with IAS 16

Group

	Land and building	Computers	Furniture and equipment	Motor vehicles	Asset under construction	Total
Cost						
Balance at 1 January 2024	83.8	34.4	26.3	38.7	9.0	192.2
Reclassification	-	-	-	-	-	-
Transfer from assets under construction	1.0	5.1	2.6	-	(8.7)	-
Increases	0.1	0.2	0.1	9.7	8.8	18.9
Transfer to other assets (Note 21)	-	-	-	(1.7)	-	(1.7)
Transfer to Loans and receivables from customers (Note 14)	-	-	(0.1)	(1.2)	-	(1.3)
Reclassification from Investment property (Note 19)	-	-	-	-	-	-
Reclassification in Investment property (Note 19)	(1.0)	-	-	-	-	(1.0)
Decrease due to sale	-	-	-	(8.0)	-	(8.0)
Decrease due to write-off	(0.4)	(0.4)	(1.4)	-	-	(2.2)
Balance at 31 December 2024	83.5	39.3	27.5	37.5	9.1	196.9
Balance at 1 January 2025	83.5	39.3	27.5	37.5	9.1	196.9
Reclassification	-	(6.6)	6.6	-	-	-
Transfer from assets under construction	1.6	3.9	2.7	0.1	(8.3)	-
Increases	-	-	-	9.8	10.9	20.7
Transfer to Other assets (Note 21)	-	-	-	(1.6)	-	(1.6)
Transfer to Loans and receivables from customers (Note 14)	-	-	-	(1.6)	-	(1.6)
Reclassification in Investment property (Note 19)	(0.2)	-	-	-	-	(0.2)
Decrease due to write-off	-	(1.2)	(1.0)	-	-	(2.2)
Decrease due to sale	(0.5)	-	-	(5.2)	-	(5.7)
Discontinuation of operations	-	(0.1)	-	(0.2)	-	(0.3)
Balance at 31 December 2025	84.4	35.3	35.8	38.8	11.7	206.0
Value adjustment and impairment						
Balance at 1 January 2024	41.9	24.9	20.9	12.2	-	99.9
Reclassification	-	-	-	-	-	-
Depreciation expense for the current year	3.1	4.6	1.7	5.3	-	14.7
Impairment	-	-	-	-	-	-
Transfer to Other assets (Note 21)	-	-	-	(0.9)	-	(0.9)
Transfer to Loans and receivables from customers (Note 14)	-	-	-	(0.5)	-	(0.5)
Reclassification from Investment property (Note 19)	(0.8)	-	-	-	-	(0.8)
Decrease due to sale	-	-	-	(4.6)	-	(4.6)
Decrease due to write-off	(0.4)	(0.4)	(1.4)	-	-	(2.2)
Balance at 31 December 2024	43.8	29.1	21.2	11.5	-	105.6
Balance at 1 January 2025	43.8	29.1	21.2	11.5	-	105.6
Reclassification	-	(4.1)	4.1	-	-	-
Depreciation expense for the current year	3.0	4.1	2.8	5.2	-	15.1
Impairment	(0.6)	-	-	-	-	(0.6)
Transfer to Other assets (Note 21)	-	-	-	(0.9)	-	(0.9)
Transfer to Loans and receivables from customers (Note 14)	-	-	-	(0.8)	-	(0.8)
Reclassification in Investment property (Note 19)	(0.1)	-	-	-	-	(0.1)
Decrease due to write-off	-	(1.2)	(0.9)	-	-	(2.1)
Decrease due to sale	(0.1)	-	-	(3.1)	-	(3.2)
Discontinuation of operations	-	(0.1)	-	(0.2)	-	(0.3)
Balance at 31 December 2025	46.0	27.8	27.2	11.7	-	112.7
Net carrying amount						
Balance at 31 December 2024	39.7	10.2	6.3	26.0	9.1	91.3
Balance at 31 December 2025	38.4	7.5	8.6	27.1	11.7	93.3

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

18. PROPERTY AND EQUIPMENT (CONTINUED)

Assets recognised in accordance with IAS 16 (continued)

Group (continued)

The Group did not pledge any property as collateral for borrowings.

The Group's real estate and equipment includes assets given in operating lease with a net book value of EUR 27.0 million (2024: EUR 25.9 million).

The total fair value of the land and building is EUR 80.7 million (2024: EUR 74.5 million). Fair value amounts are measured by independent up-to-date estimates by an external appraiser.

Bank

	Land and building	Computers	Furniture and equipment	Motor vehicles	Asset under construction	Total
Cost						
Balance at 1 January 2024	55.7	33.7	25.7	0.6	8.8	124.5
Reclassification	-	-	-	-	-	-
Transfer from assets under construction	0.9	5.1	2.6	-	(8.6)	-
Increases	-	-	-	-	8.7	8.7
Reclassification in Investment property (Note 19)	(1.0)	-	-	-	-	(1.0)
Reclassification in Asset held for sale (Note 22)	-	-	-	-	-	-
Decrease due to sale	-	-	-	-	-	-
Decrease due to write-off	(0.4)	(0.4)	(1.4)	-	-	(2.2)
Balance at 31 December 2024	55.2	38.4	26.9	0.6	8.9	130.0
Balance at 1 January 2025	55.2	38.4	26.9	0.6	8.9	130.0
Reclassification	-	(6.6)	6.6	-	-	-
Transfer from assets under construction	1.6	3.9	2.7	-	(8.2)	-
Increases	-	-	-	-	10.8	10.8
Reclassification to Investment property (Note 19)	(0.2)	-	-	-	-	(0.2)
Reclassification to Asset held for sale (Note 22)	-	-	-	-	-	-
Decrease due to sale	-	-	-	-	-	-
Decrease due to write-off	-	(1.2)	(0.9)	-	-	(2.1)
Balance at 31 December 2025	56.6	34.5	35.3	0.6	11.5	138.5
Value adjustment and impairment						
Balance at 1 January 2024	33.1	24.5	20.5	0.6	-	78.7
Reclassification	-	-	-	-	-	-
Depreciation expense for the current year	2.0	4.6	1.6	-	-	8.2
Impairment	-	-	-	-	-	-
Reclassification in Investment property (Note 19)	(0.8)	-	-	-	-	(0.8)
Decrease due to sale	-	-	-	-	-	-
Decrease due to write-off	(0.4)	(0.4)	(1.4)	-	-	(2.2)
Balance at 31 December 2024	33.9	28.7	20.7	0.6	-	83.9
Balance at 1 January 2025	33.9	28.7	20.7	0.6	-	83.9
Reclassification	-	(4.0)	4.0	-	-	-
Depreciation expense for the current year	2.0	4.0	2.7	-	-	8.7
Impairment	(0.6)	-	-	-	-	(0.6)
Reclassification to Investment property	(0.1)	-	-	-	-	(0.1)
Decrease due to sale	-	-	-	-	-	-
Decrease due to write-off	-	(1.2)	(0.9)	-	-	(2.1)
Balance at 31 December 2025	35.2	27.5	26.5	0.6	-	89.8
Net carrying amount						
Balance at 31 December 2024	21.3	9.7	6.2	-	8.9	46.1
Balance at 31 December 2025	21.4	7.0	8.8	-	11.5	48.7

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

18. PROPERTY AND EQUIPMENT (CONTINUED)

Assets recognised in accordance with IAS 16 (continued)

The Bank does not have assets given as collateral for loans.

The total fair value of real estate and equipment is EUR 55.6 (2024: EUR 47.7 million). Fair value amounts are measured by independent up-to-date estimates by an external appraiser.

18a ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH IFRS 16

Right-of-use assets

Group

	Land and buildings	Furniture and equipment	Motor vehicles and other	Total
Balance at 1 January 2024	26.4	-	0.6	27.0
New contracts	3.2	-	0.1	3.3
Contract modifications	-	-	-	-
Expired contracts	(0.2)	-	(0.1)	(0.3)
Balance at 31 December 2024	29.4	-	0.6	30.0
Balance at 1 January 2025	29.4	-	0.6	30.0
New contracts	3.1	0.2	0.1	3.4
Contract modifications	0.4	-	-	0.4
Expired contracts	(0.4)	-	(0.1)	(0.5)
Balance at 31 December 2025	32.5	0.2	0.6	33.3
Balance at 1 January 2024	11.3	-	0.3	11.6
Depreciation expense	4.2	-	0.1	4.3
Contract modifications	(1.0)	-	-	(1.0)
Expired contracts	(0.2)	-	(0.1)	(0.3)
Balance at 31 December 2024	14.3	-	0.3	14.6
Balance at 1 January 2025	14.3	-	0.3	14.6
Depreciation expense	4.4	0.1	0.1	4.6
Contract modifications	(0.6)	-	-	(0.6)
Expired contracts	(0.4)	-	(0.1)	(0.5)
Balance at 31 December 2025	17.7	0.1	0.3	18.1
Net carrying amount				
Balance at 31 December 2024	15.1	-	0.3	15.4
Balance at 31 December 2025	14.8	0.1	0.3	15.2

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

18a ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH IFRS 16 (CONTINUED)

Right-of-use assets (continued)

Bank

	Land and buildings	Furniture and equipment	Motor vehicles and other	Total
Balance at 1 January 2024	37.1	-	1.0	38.1
New contracts	3.2	-	0.5	3.7
Contract modifications	0.1	-	(0.1)	-
Expired contracts	(0.1)	-	(0.2)	(0.3)
Balance at 31 December 2024	40.3	-	1.2	41.5
Balance at 1 January 2025	40.3	-	1.2	41.5
New contracts	3.1	-	0.4	3.5
Contract modifications	0.4	-	-	0.4
Expired contracts	(0.3)	-	-	(0.3)
Balance at 31 December 2025	43.5	-	1.6	45.1
Balance at 1 January 2024	15.3	-	0.5	15.8
Depreciation expense	5.1	-	0.2	5.3
Contract modifications	(1.0)	-	(0.1)	(1.1)
Expired contracts	(0.1)	-	(0.2)	(0.3)
Balance at 31 December 2024	19.3	-	0.4	19.7
Balance at 1 January 2025	19.3	-	0.4	19.7
Depreciation expense	5.3	-	0.3	5.6
Contract modifications	(0.6)	-	-	(0.6)
Expired contracts	(0.3)	-	-	(0.3)
Balance at 31 December 2025	23.7	-	0.7	24.4
Net carrying amount				
Balance at 31 December 2024	21.0	-	0.8	21.8
Balance at 31 December 2025	19.8	-	0.9	20.7

The table below present an overview of expenses related to payments which are not included in the measurement of the lease liability in accordance with IFRS 16 (but are included and disclosed in Note 7 *Other operating expenses* position *Professional services and material costs*):

	2025	Group 2024	2025	Bank 2024
Short-term leases	0.1	0.1	0.2	0.2
Variable leases payments	0.1	0.1	0.2	0.2
Total	0.2	0.2	0.4	0.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

18a ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH IFRS 16 (CONTINUED)

Lease liabilities classified under IFRS 16

At 31 December 2025, lease liabilities of the Group amounts to EUR 15.7 million (2024: EUR 15.7 million) while lease liabilities of the Bank amounts to EUR 21.6 million (2024: EUR 22.6 million).

Lease liabilities IFRS 16 - residual maturity (undiscounted amount):

Group

31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Total lease liabilities	0.4	0.8	3.1	5.7	6.8	16.8

31 December 2024	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Total lease liabilities	0.4	0.8	3.3	6.3	6.0	16.8

Bank

31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Total lease liabilities	0.5	1.0	4.0	7.9	9.8	23.2

31 December 2024	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
Total lease liabilities	0.5	1.0	4.2	8.5	10.1	24.3

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

19. INVESTMENT PROPERTY

Group

	Investment property
Cost	
Balance at 1 January 2024	35.9
Increase	0.2
Acquisition by purchase of the company Zagrebtower d.o.o.	51.5
Reclassification from Property and equipment (note 18)	1.0
Reclassification from Assets held to sale (note 22)	0.5
Reclassification in Assets held to sale (note 22)	(1.2)
Sale	(0.1)
Balance at 31 December 2024	87.8
Balance at 1 January 2025	87.8
Increase	0.7
Reclassification from Property and equipment (note 18)	0.2
Reclassification from Assets held to sale (note 22)	-
Reclassification in Assets held to sale (note 22)	(0.6)
Sale	-
Balance at 31 December 2025	88.1
Depreciation and impairment	
Balance at 1 January 2024	7.5
Reclassification from Property and equipment (note 18)	0.8
Reclassification in Assets held to sale (note 22)	(1.0)
Reclassification from Assets held to sale (note 22)	0.4
Depreciation expense for the current year	1.0
Balance at 31 December 2024	8.7
Balance at 1 January 2025	8.7
Reclassification from Property and equipment (note 18)	0.1
Reclassification in Assets held to sale (note 22)	(0.5)
Reclassification from Assets held to sale (note 22)	-
Depreciation expense for the current year	1.7
Balance at 31 December 2025	10.0
Net carrying amount	
Balance at 31 December 2024	79.1
Balance at 31 December 2025	78.1

Investment property includes real estate not used by the Group for operational purposes, but assets intended for sale or lease. The Group shall reclassify the assets it intends to sell in accordance with IFRS 5 when all of the requirements prescribed by said IFRS are met. Assets intended for sale are presented in Note 22. The total fair value of investment property is EUR 92.1 million (2024: EUR 87.8 million). Fair value is measured by independent up-to-date assessments of external appraisers.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

19. INVESTMENT PROPERTY (CONTINUED)

Bank

	Investment property
Cost	
Balance at 1 January 2024	15.5
Reclassification from property and equipment (Note 18)	1.0
Reclassification from assets held for sale (Note 22)	0.5
Reclassification in assets held for sale (Note 22)	(1.2)
Balance at 31 December 2024	15.8
Balance at 1 January 2025	15.8
Reclassification from property and equipment (Note 18)	0.2
Reclassification from assets held for sale (Note 22)	-
Reclassification in assets held for sale (Note 22)	(0.6)
Balance at 31 December 2025	15.4
Depreciation and impairment	
Balance at 1 January 2024	6.0
Reclassification from property and equipment (Note 18)	0.8
Reclassification from assets held for sale (Note 22)	0.4
Reclassification in assets held for sale (Note 22)	(1.0)
Depreciation expense for the current year	0.3
Balance at 31 December 2024	6.5
Balance at 1 January 2025	6.5
Reclassification from property and equipment (Note 18)	0.1
Reclassification from assets held for sale (Note 22)	-
Reclassification in assets held for sale (Note 22)	(0.5)
Depreciation expense for the current year	0.3
Balance at 31 December 2025	6.4
Net carrying amount	
Balance at 31 December 2024	9.3
Balance at 31 December 2025	9.0

Investment property includes real estate not used by the Bank for operational purposes, but assets intended for sale or lease. The Bank shall reclassify the assets it intends to sell in accordance with IFRS 5 when all of the requirements prescribed by said IFRS are met. The total fair value of investment property is EUR 18.7 million (2024: EUR 16.7 million).

Fair value is measured by independent up-to-date assessments of external appraisers. The fair value of investment property is measured using appraisals obtained from an independent external appraiser. Real estate that is no longer used for business purposes (due to closure of branches or closure of other business premises) is recognized by the Bank in accordance with IAS 40 and accordingly reclassified from assets that were recognized according to IAS 16.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

20. INTANGIBLE ASSETS

Group

	Software	Contracts with clients	Asset under construction	Total
Cost				
Balance at 1 January 2024	55.9	37.6	7.7	101.2
Transfer from assets under construction	8.8	-	(8.8)	-
Increases	0.3	-	9.9	10.2
Decrease due to write-off	(0.5)	-	-	(0.5)
Balance at 31 December 2024	64.5	37.6	8.8	110.9
Balance at 1 January 2025	64.5	37.6	8.8	110.9
Transfer from assets under construction	10.8	-	(10.8)	-
Increases	-	-	7.3	7.3
Decrease due to write-off	(1.9)	-	-	(1.9)
Discontinued operations	(0.2)	-	-	(0.2)
Balance at 31 December 2025	73.2	37.6	5.3	116.1
Impairment and amortization				
Balance at 1 January 2024	48.8	37.1	-	85.9
Amortization expense for the current year	4.3	0.5	-	4.8
Decrease due to write-off	(0.5)	-	-	(0.5)
Balance at 31 December 2024	52.6	37.6	-	90.2
Balance at 1 January 2025	52.6	37.6	-	90.2
Amortization expense for the current year	6.0	-	-	6.0
Decrease due to write-off	(1.9)	-	-	(1.9)
Discontinued operations	(0.2)	-	-	(0.2)
Balance at 31 December 2025	56.5	37.6	-	94.1
Net carrying amount				
Balance at 31 December 2024	11.9	-	8.8	20.7
Balance at 31 December 2025	16.7	-	5.3	22.0

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

20. INTANGIBLE ASSETS (CONTINUED)

Bank

	Software	Contracts with clients	Asset under construction	Total
Cost				
Balance at 1 January 2024	54.0	37.6	7.7	99.3
Transfer from assets under construction	8.7	-	(8.7)	-
Increases	-	-	9.7	9.7
Decrease due to write-off	(0.5)	-	-	(0.5)
Balance at 31 December 2024	62.2	37.6	8.7	108.5
Balance at 1 January 2025	62.2	37.6	8.7	108.5
Transfer from assets under construction	10.7	-	(10.7)	-
Increases	-	-	6.9	6.9
Decrease due to write-off	(1.9)	-	-	(1.9)
Balance at 31 December 2025	71.0	37.6	4.9	113.5
Impairment and amortization				
Balance at 1 January 2024	47.3	37.1	-	84.4
Amortization expense for the current year	4.1	0.5	-	4.6
Decrease due to write-off	(0.5)	-	-	(0.5)
Balance at 31 December 2024	50.9	37.6	-	88.5
Balance at 1 January 2025	50.9	37.6	-	88.5
Amortization expense for the current year	5.9	-	-	5.9
Decrease due to write-off	(1.9)	-	-	(1.9)
Balance at 31 December 2025	54.9	37.6	-	92.5
Net carrying amount				
Balance at 31 December 2024	11.3	-	8.7	20.0
Balance at 31 December 2025	16.1	-	4.9	21.0

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

21. OTHER ASSETS

	2025	Group 2024	2025	Bank 2024
Other financial assets				
Accounts receivable	18.0	23.3	7.9	6.4
Receivables for fees and commissions	12.4	10.7	12.4	10.7
Collateral deposits for derivative financial instruments	-	11.8	-	11.8
Receivables in respect of credit card operations	0.5	0.5	0.5	0.5
Operating lease receivables	0.7	0.3	-	-
Other assets subject to impairment in accordance with IFRS 9	31.6	46.6	20.8	29.4
Loss allowance for expected credit losses:	(8.4)	(7.4)	(7.4)	(7.0)
Net other assets after impairment	23.2	39.2	13.4	22.4
Other non-financial assets				
Prepaid expenses	6.8	6.0	3.3	2.9
Other	7.8	5.9	0.6	0.9
Other non-financial assets (not subject to impairment in accordance with IFRS 9)	14.6	11.9	3.9	3.8
	37.8	51.1	17.3	26.2

Group

2025

Movement in gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at 31 December 2024	39.6	0.2	6.8	-	46.6
Net (decrease) / increase	(15.3)	-	0.6	-	(14.7)
Transfer to Stage 1	0.1	-	(0.1)	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(0.1)	-	0.1	-	-
Sold receivables*	-	-	-	-	-
Write off	-	-	(0.3)	-	(0.3)
Balance at 31 December 2025	24.3	0.2	7.1	-	31.6

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

21. OTHER ASSETS (CONTINUED)

Movement in loss allowance for expected credit losses of other financial assets:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	0.6	-	6.8	-	7.4
Net increase	-	-	0.8	-	0.8
Reclassification from Loans and Receivables from Customers	-	-	0.5	-	0.5
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Sold receivables*	-	-	-	-	-
Write off	-	-	(0.3)	-	(0.3)
Balance at 31 December 2025	0.6	-	7.8	-	8.4

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	30.2	0.2	7.6	-	38.0
Net increase	9.4	-	-	-	9.4
Transfer to Stage 1	0.1	-	(0.1)	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(0.1)	-	0.1	-	-
Sold receivables*	-	-	(0.4)	-	(0.4)
Write off	-	-	(0.4)	-	(0.4)
Balance at 31 December 2024	39.6	0.2	6.8	-	46.6

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

Movement in loss allowance for expected credit losses of other financial assets:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	0.5	-	6.9	-	7.4
Net increase	0.1	-	0.7	-	0.8
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Sold receivables*	-	-	(0.4)	-	(0.4)
Write off	-	-	(0.4)	-	(0.4)
Balance at 31 December 2024	0.6	-	6.8	-	7.4

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

21. OTHER ASSETS (CONTINUED)

**Bank
2025**

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	23.6	0.1	5.7	-	29.4
Net increase / (decrease)	(8.9)	-	0.6	-	(8.3)
Transfer to Stage 1	0.1	-	(0.1)	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(0.1)	-	0.1	-	-
Sold receivables*	-	-	-	-	-
Write off	-	-	(0.3)	-	(0.3)
Balance at 31 December 2025	14.7	0.1	6.0	-	20.8

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

Movement in loss allowance for expected credit losses of other financial assets:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2024	0.1	-	6.9	-	7.0
Net increase / (decrease)	(0.1)	-	0.8	-	0.7
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Sold receivables*	-	-	-	-	-
Write off	-	-	(0.3)	-	(0.3)
Balance at 31 December 2025	-	-	7.4	-	7.4

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

2024

Movement in gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	16.1	0.1	6.5	-	22.7
Net new approvals	7.5	-	-	-	7.5
Transfer to Stage 1	0.1	-	(0.1)	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(0.1)	-	0.1	-	-
Sold receivables*	-	-	(0.4)	-	(0.4)
Write off	-	-	(0.4)	-	(0.4)
Balance at 31 December 2024	23.6	0.1	5.7	-	29.4

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

21. OTHER ASSETS (CONTINUED)

Bank 2024

Movement in loss allowance for expected credit losses of other financial assets:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance at 31 December 2023	-	-	7.0	-	7.0
Net increase	0.1	-	0.7	-	0.8
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Sold receivables*	-	-	(0.4)	-	(0.4)
Write off	-	-	(0.4)	-	(0.4)
Balance at 31 December 2024	0.1	-	6.9	-	7.0

* Amounts are shown in the gross amount of sales on the date of payment of the purchase price

22. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

When conditions for sale are met, the Group and the Bank reclassifies assets acquired in the course of collection to assets held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Group

a) Discontinued operations

In August 2024, the Group entered into a Share Purchase Agreement for the sale of its entire business shares in OTP Invest d.o.o. (81.7%), whose core business activity was the establishment and management of UCITS funds. As a result, the company's assets and liabilities were presented in the 2024 financial statements as held for sale and as discontinued operations, since fund management represented a significant business segment of the Group.

The Share Purchase Agreement became effective in January 2025, following the approval of the regulator, HANFA, and on 31 January 2025 the transaction was completed by the payment of the purchase price by the acquirer, whereby control over company OTP Invest .o.o. was transferred to the acquirer.

Relevant information on the discontinued operations for the period up to the date of derecognition is presented below.

Effect of discontinued operations on other comprehensive income and cash flow of the Group

The data on comprehensive income and cash flow for 2025 refer to the period up to 31 January 2025 and to the entire year 2024.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

22. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

	2025	2024
Fee and commission income	0.2	1.7
Fee and commission expense	-	-
Net fee and commission income	0.2	1.7
Profit before impairment and operating expenses	0.2	1.7
Other operating expenses	-	(0.4)
Personnel expenses	(0.1)	(0.7)
Profit before tax	0.1	0.6
Income tax	-	-
Loss on the sale of discontinued operations	(0.3)	-
(Gubitak) / Profit for the year from discontinued operations	(0.2)	0.6
	2025	2024
Net cash from business activities	-	0.1
Net cash from investment activities	0.7	-
Net cash from financial activities	-	-
Net increase in cash and cash equivalents from discontinued operations	0.7	0.1
	2025	2024
Details regarding the sale of the subsidiary		
Total purchase fee	0.7	-
Non-controlling interest	0.3	-
Net book value of assets sold	(1.3)	-
Sales loss	(0.3)	-

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

22. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Net book value of assets and liabilities as of the date of sale (January 31. 2025):

	31.01.2025
ASSETS	
Cash	1.2
Property and equipment	0.1
Right-of-use assets	0.1
Other assets	0.2
TOTAL ASSETS	1.6
LIABILITIES	
Lease liabilities IFRS 16	0.1
Other liabilities	0.2
TOTAL LIABILITIES	0.3
NET ASSETS	1.3

The following assets and liabilities are presented as discontinued operations as of December 31 2024 and December 31 2025:

	31.12.2025	31.12.2024
ASSETS		
Other assets	-	0.2
TOTAL ASSETS	-	0.2
LIABILITIES		
Other liabilities	-	0.2
TOTAL LIABILITIES	-	0.2
NET ASSETS	-	-

b) Disposal group

In October 2025, the Group decided to sell its entire business shares (76%) in Georg d.o.o., which resulted in the assets and liabilities (disposal group) of the company being classified as held for sale. Since Georg d.o.o. does not meet any of the criteria prescribed by IFRS 5, it was not classified as a discontinued operation.

The sale of the company was completed by paying the purchase price on 28 November 2025, when control of the company was transferred to the acquirer. The Group realized a loss of EUR 0.4 million on the sale of the share in the company, which is disclosed in Other operating expenses (Note 7). The related Goodwill in the amount of EUR 0.6 million was included in the net assets of the disposal group at the date of sale and formed an integral part of the calculation of the aforementioned loss on sale.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

22. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

The net book value of the company's assets and liabilities at the date of sale (28 November 2025) was as follows:

	31.01.2025.
ASSETS	
Goodwill	0.6
Other assets	0.1
TOTAL ASSETS	0.7
LIABILITIES	
Other liabilities	0.1
TOTAL LIABILITIES	0.1
NET ASSETS	0.6

c) Property held for sale

	31.12.2025.	31.12.2024.
Property in the process of sale	0.4	0.7
Assets acquired in exchange for impaired receivables	-	-
Total assets held for sale	0.4	0.7

During 2025, the Group sold a property previously classified as held for sale, resulting in a profit of EUR 0.9 million. The effects of the sale are presented in Other operating income (Note 6).

Bank

	31.12.2025.	31.12.2024.
Investment in OTP Invest	-	0.7
Property in the process of sale	-	-
Assets acquired in exchange for impaired receivables	-	-
Total assets held for sale	-	0.7

Due to the conditions that were met, the Bank reclassified the investment in OTP Invest d.o.o. in 2024 from Investments in subsidiaries (Note 17) to Assets held for sale (Note 22). At the time of reclassification, there were no impairment losses on the investment. The sale of the share in the company was realized upon receipt of the purchase price on 31 January 2025, with no additional effects on the Bank's profit and loss account. For further details, see Note 17.

In October 2025, the Bank decided to sell its entire business share in Georg d.o.o., which created

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

22. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

the conditions for reclassification of the share to Assets held for sale (Note 22). On the date of reclassification, the Bank recognized an impairment loss of EUR 0.4 million on the investment in the associated company, due to the reduction to fair value less costs to sell. Impairment losses on the investment are presented under Other operating expenses (Note 7). The sale was completed by payment of the purchase price on 28 November 2025.

23. AMOUNTS DUE TO OTHER BANKS

	2025	Group 2024	2025	Bank 2024
Demand deposits				
Local currency denominated	15.5	3.3	15.5	3.3
Foreign-currency denominated	-	-	-	-
Term deposits				
Local currency denominated	-	-	-	-
Foreign-currency denominated	15.1	7.4	15.1	7.4
	30.6	10.7	30.6	10.7

24. AMOUNTS DUE TO CUSTOMERS

	2025	Group 2024	2025	Bank 2024
Retail customers				
Demand deposits				
Local currency denominated	3,736.6	3,369.1	3,736.6	3,369.1
Foreign-currency denominated	208.6	232.3	208.6	232.3
Term deposits				
Local currency denominated	981.8	783.2	981.8	783.2
Foreign-currency denominated	79.7	87.3	79.7	87.3
	5,006.7	4,471.9	5,006.7	4,471.9
Corporate customers				
Demand deposits				
Local currency denominated	1,475.6	1,493.1	1,486.6	1,496.5
Foreign-currency denominated	34.4	38.0	34.4	38.0
Term deposits				
Local currency denominated	653.1	543.2	653.5	543.7
Foreign-currency denominated	80.4	17.0	80.4	17.0
Liabilities for guarantees received on loans	0.3		0.3	
Liabilities for received payments of founding shares in escrow accounts	4.3	10.5	4.3	10.5
	2,248.1	2,101.8	2,259.5	2,105.7
	7,254.8	6,573.7	7,266.2	6,577.6

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

25. OTHER BORROWED FUNDS

	2025	Group 2024	2025	Bank 2024
OTP Bank Nyrt	658.6	594.2	646.7	582.2
OTP Financing Malta	593.5	501.2	-	-
HBOR(Croatian Bank for Reconstruction and Development)	86.4	111.7	82.6	82.3
Other local banks	22.2	28.3	-	-
Others	0.2	0.2	0.2	0.2
	1,360.9	1,235.6	729.5	664.7

Liabilities of the Group to OTP Bank Nyrt include funds borrowed for the purpose of maintaining the minimum Requirement for regulatory capital and liabilities (MREL) in accordance with EU regulations: MREL loan in the amount of EUR 461.6 million (2024: EUR 461.9 million) and subordinated loan in the amount of EUR 180.9 million (2024: EUR 111.1 million) and a received repo loan in the amount of EUR 4.2 million (in 2024, EUR 9.2 million) and received credit for financing the purchase of Zagrebtower d.o.o. in the amount of EUR 11.9 million (in 2024, EUR 12.0 million). The Bank's obligation to OTP Nyrt includes borrowed funds for the purpose of maintaining the minimum requirement for regulatory capital and subordinated liabilities (MREL) in accordance with EU regulations: MREL loan in the amount of EUR 461.6 million (2024: EUR 461.9 million) and subordinated loan in the amount of EUR 180.9 million (2024: EUR 111.1 million) and received repo loan in the amount of EUR 4.2 million (2024 EUR 9.2 million).

Liabilities to OTP Financing Malta include liabilities for the financing of leasing operations. Liabilities to the Croatian Bank for Reconstruction and Development (HBOR) include funds borrowed from HBOR are designated for approving loans to end-beneficiaries – corporate and retail customers – under the programmes supported by HBOR.

Other borrowed funds relates to the commitment to the Fund for financing employment growth in economically inadequately developed and highly migrant areas of the SFRY (former Yugoslavia) to finance employment growth in economically underdeveloped areas. The funds were intended for the establishment of private entities for the returnee from temporary work from the Federal Republic of Germany. These funds were transferred to banks, which were granted to individuals with the irrevocable guarantee of the Fund.

26. PROVISIONS FOR LIABILITIES AND CHARGES

	2025	Group 2024	2025	Bank 2024
Litigation provision	59.3	51.9	58.7	51.1
Provision for severance and retention payments	9.6	13.0	9.6	13.0
Provision for unused vacations	1.7	1.7	1.6	1.6
Provisions for other liabilities	0.4	0.4	0.4	0.4
	71.0	67.0	70.3	66.1
Provisions for off-balance sheet items (Note 29)	11.5	12.1	11.5	12.1
	82.5	79.1	81.8	78.2

Litigation provision related to legal actions against the Group, i.e. where the Group is the defendant, amount to EUR 59.3 million (2024: EUR 51.9 million) and for the Banka amount to EUR 58.7 million (2024: EUR 51.1 million).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

26. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Provisions for litigation are calculated in accordance with IAS 37 (Note 1.25 and Note 2).

When forming provisions for litigation, the Bank also takes into account all criteria prescribed by the CNB's Decision on the obligation to make provisions for litigations conducted against a credit institution. The amount of such formed provisions does not deviate from the amount estimated in accordance with IAS 37.

Provisions for legal cases for loans in Swiss francs:

Provisions for legal cases regarding the CHF loans are presented within the litigation provisions and amount to EUR 36.3 million (2024: EUR 30.8 million).

In relation to CHF cases, the Bank acts in a way that provisions for the sued unconverted cases are allocated according to the sued amount (VPS) upon receipt of the lawsuit, including legal penalty interest and costs in total amount. For court cases for converted CHF loans, provisions are based on model that takes into consideration outcomes of individual cases, but also estimations that are based on total number of active cases, average total value of the lawsuit (including legal penalty interest and connected costs), share of lost cases in relation to all closed cases and percentage of payout in relation to total value of the case.

The provisions recognised in the financial statements are measured using all currently available information and historical data from up to now closed cases and represent the best estimate of the obligations in light of significant uncertainties related to their timing and amount.

In September 2019 the Supreme Court of the Republic of Croatia made a ruling, which to a large extent confirms the earlier ruling of the High Commercial Court of the Republic of Croatia dated June 2018 in the case of protection of collective interest and rights of the consumers who had taken loans with principals indexed to Swiss franc (Ruling No. Rev- 2221/2018- 11 of the Supreme Court of the Republic of Croatia, hereinafter referred to as "the Ruling").

In February 2021 the Constitutional Court rejected the lawsuits of seven Croatian banks filed against the judgments of the Supreme Court of the Republic of Croatia and High Commercial Court of the Republic of Croatia in a collective dispute initiated by the Consumers Association over unfair provisions related to the Swiss francs.

In December 2022, the Supreme Court adopted a legal understanding that, in relation to converted loans, the Court confirms that the conversion has also carried out full restitution in relation to these clients, and that the consumer has the right to payment the associated default interest on overpaid amounts charged to it by the bank when calculating the loan conversion in accordance with Article 19.c of the Act on Consumer Credit calculated in accordance with Article 1115 of the Civil Obligations Act from the day of each individual payment to the day of the conversion. However, the legal interpretation did not enter into force, so it did not become binding both for the lower courts and for the VSRH itself.

On 14 June 2023, the statute of limitations began in relation to claims based on the currency clause in CHF, as a result of the lapse of a period of 5 years from the final judgment of the High Commercial Court (VTS) by which the currency clause in CHF was determined to be null and void.

On July 11, 2024, the Court of the EU issued a judgment in the combined cases C-554/21, C-622/21 and C-727/21 regarding the request for a preliminary decision related to the function of recorders in second-instance courts and binding legal understandings of the session of the department or all judges of the court, and it was confirmed that only the judicial panel deciding the case can decide on the outcome and that no one else can interfere in that decision. The decision in question has a significant impact on court proceedings and on the function of court records in general. The decision of the EU Court confirmed that legal understanding cannot be a source of law and does not produce legal effects. During 2024 and 2025, after the above-mentioned judgment of the EU Court, the Supreme Court issued several different judgments in cases with comparable facts. The rendered judgments mostly ruled in favor of the banks, i.e. in accordance with the earlier position (that is, the legal understanding that did not enter into force) of the Supreme Court that the conversion also carried out restitution.

Possible liabilities of the Bank arising from the decisions of competent courts related to the existing individual consumer claims are considered contingent liabilities.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

26. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Provisions for legal cases for loans in Swiss francs (continued)

In accordance with the provisions of paragraph 92 of IAS 37, additional information on contingent liabilities has not been disclosed as their disclosure may seriously prejudice the outcome of the aforementioned legal proceedings and the Group/Bank's position in them.

Group

	Litigation provision	Provision for severance and retention payments	Provision for unused vacations	Provision s for other liabilities	Total
Balance at 31 December 2024	51.9	13.0	1.7	0.4	67.0
Paid out	(7.3)	(3.8)	-	-	(11.1)
Net charge to statement of profit or loss (Note 8 and 9)	14.7	0.4	-	-	15.1
Net charge to other comprehensive income (Note 28)	-	-	-	-	-
Balance at 31 December 2025	59.3	9.6	1.7	0.4	71.0

	Litigation provision	Provision for severance and retention payments	Provision for unused vacations	Provision s for other liabilities	Total
Balance at 31 December 2023	47.4	1.7	1.6	1.9	52.6
Paid out	(6.2)	(0.4)	-	(0.2)	(6.8)
Net charge to statement of profit or loss (Note 8 and 9)	10.7	11.7	0.1	(1.3)	21.2
Net charge to other comprehensive income (Note 28)	-	-	-	-	-
Balance at 31 December 2024	51.9	13.0	1.7	0.4	67.0

Provisions for severance and retention payments in the amount of EUR 9.6 million (2024: EUR 13.0 million) include provisions for:

- liabilities for employees based on restructuring – EUR 7.7 million (2024: EUR 11.3 million)
- liabilities for severance and jubilee awards – EUR 1.9 million (2024: EUR 1.7 million)

The cost of provisions in the amount of EUR 7.7 million were formed in accordance with IAS 37 on the basis of the restructuring plan which includes approximate number of employees included in the plan, expenses to be incurred due to restructuring and time frame for the implementation of the plan, which covers the period until the end of 2027. The Group regularly, on a annual basis, monitors the plan implementation and, in accordance with the current situation, defines the future use of the provided amount.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

26. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Bank

	Litigation provision	Provision for severance and retention payments	Provision for unused vacations	Provisions for other liabilities	Total
Balance at 31 December 2024	51.1	13.0	1.6	0.4	66.1
Paid out	(7.1)	(3.8)	-	-	(10.9)
Net charge to statement of profit or loss (Note 8 and 9)	14.7	0.4	-	-	15.1
Net charge to other comprehensive income (Note 28)	-	-	-	-	-
Balance at 31 December 2025	58.7	9.6	1.6	0.4	70.3

	Litigation provision	Provision for severance and retention payments	Provision for unused vacations	Provisions for other liabilities	Total
Balance at 31 December 2023	46.9	1.6	1.5	1.9	51.9
Paid out	(6.4)	(0.3)	-	(0.2)	(6.9)
Net charge to statement of profit or loss (Note 8 and 9)	10.6	11.7	0.1	(1.3)	21.1
Net charge to other comprehensive income (Note 28)	-	-	-	-	-
Balance at 31 December 2024	51.1	13.0	1.6	0.4	66.1

Provisions for severance and retention payments in the amount of EUR 9.6 million (2024: EUR 13.0 million) include provisions for:

- liabilities for employees based on restructuring – EUR 7.7 million (2024: EUR 11.3million)
- liabilities for severance and jubilee awards – EUR 1.9 million (2024: EUR 1.7 million)

The cost of provisions in the amount of EUR 7.7 million were formed in accordance with IAS 37 on the basis of the restructuring plan which includes approximate number of employees included in the plan, expenses to be incurred due to restructuring and time frame for the implementation of the plan, which covers the period until the end of 2027. The Bank regularly, on a annual basis, monitors the plan implementation and, in accordance with the current situation, defines the future use of the provided amount.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

27. OTHER LIABILITIES

	2025	Group 2024	2025	Bank 2024
Liabilities in respect of credit card operations	16.7	13.4	16.7	13.4
Accrued expenses – uninvoiced	13.3	11.8	13.0	11.3
Accrued expenses for bonuses and other employee benefits	13.0	10.6	11.1	9.1
Salaries and contributions payable	6.5	6.1	5.9	5.6
Advances received	5.5	7.6	0.2	0.2
Funds in the calculation	5.0	3.5	3.1	2.3
Liabilities towards suppliers	3.3	4.5	1.6	2.7
Accrued expenses for saving deposits insurance	2.2	2.2	2.2	2.2
Accrued income	1.9	1.7	0.3	0.1
Liabilities for fees	1.6	1.4	1.5	1.6
Value added tax liability	1.2	3.2	0.7	1.2
Obligations to clients for unallocated cash	0.4	0.6	0.4	0.6
Other liabilities	0.2	0.3	0.2	0.4
	70.8	66.9	56.9	50.6

28. SHAREHOLDERS' EQUITY AND RESERVES

SHARE CAPITAL

As of 31 December 2025 the share capital of the Group consisted of 19,968,774 ordinary shares (2024: 19,968,774 ordinary shares), with a nominal value of EUR 27.00 each, which represents EUR 539,156,898.00 of equity capital of the Bank (2024: EUR 539,156,898.00). All ordinary shares provide equal rights and carry one vote per share.

In 2025 the Bank has paid dividend to OTP Bank Nyrt for 2024 in amount of EUR 80.0 million (2024: EUR 75.0 million). During 2025, Bank has received dividend from OTP Nekretnine d.o.o. in amount of EUR 0.2 million and from OTP Leasing d.d. in amount of EUR 3.7 million. (2024: the Bank has not received dividends from the subsidiaries).

SHARE PREMIUM

The premium on issued shares consists of premiums arising from the issuance of new ordinary shares from previous years in the amount of EUR 22.2 million and from the premiums arising from the purchase of own ordinary shares from previous years in the amount of EUR 0.5 million.

RESERVES

	2025	Group 2024	2025	Bank 2024
Statutory reserves	40.6	40.6	40.6	40.6
Legal reserves	26.9	26.9	26.9	26.9
Fair value reserves	15.5	11.2	15.5	11.2
Other reserves	0.4	0.4	0.4	0.4
	83.4	79.1	83.4	79.1

The legal reserve has been formed in accordance with Croatian law, which requires 5% of the profit for the year to be transferred to this reserve until it reaches 5% of the issued share capital.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

28. SHAREHOLDERS' EQUITY AND RESERVES (CONTINUED)

RESERVES (CONTINUED)

The legal reserve, in the amount of up to 5% of the issued share capital, can be utilised to cover current and prior year losses. In addition, in accordance with the Bank's Statute, an additional reserve equivalent to the legal reserve has been created in an amount of up to 5% of the share capital for the purpose of covering impairment losses and for the same purposes as the legal reserve. Changes in other reserves are reflected in the Statement of changes in shareholders' equity.

The Bank's other reserves refer to collected funds for bonds of the Republic of Croatia (Big Bonds from 2004).

Fair value reserves

	2025	Group 2024	2025	Bank 2024
Reserve for measuring fair value of financial asset at fair value through other comprehensive income – equity securities	17.0	15.6	17.0	15.6
Reserve for measuring fair value of financial asset at fair value through other comprehensive income – debt securities	(1.8)	(4.8)	(1.8)	(4.8)
Expected credit losses on financial asset at fair value through other comprehensive income (Note 15)	0.1	0.2	0.1	0.2
Actuarial gains on provisions for severance pay (Note 28)	0.2	0.2	0.2	0.2
Total fair value reserves:	15.5	11.2	15.5	11.2

Fair value reserve comprises unrealized gains and losses from the change in the fair value of financial assets through other comprehensive income.

Movement in the fair value reserves is as following:

Equity securities

	2025	Group 2024	2025	Bank 2024
Balance as of 1 January	15.6	9.6	15.6	9.6
Increase in reserves	1.7	7.3	1.7	7.3
Tax	(0.3)	(1.3)	(0.3)	(1.3)
Balance as of 31 December of the current year	17.0	15.6	17.0	15.6

Debt securities

	2025	Group 2024	2025	Bank 2024
Balance as of 1 January	(4.8)	(9.6)	(4.8)	(9.6)
Increase in reserves	3.5	5.9	3.7	5.9
Tax	(0.5)	(1.1)	(0.7)	(1.1)
Balance as of 31 December of the current year	(1.8)	(4.8)	(1.8)	(4.8)

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

28. SHAREHOLDERS' EQUITY AND RESERVES (CONTINUED)

Retained earnings

Retained earnings represent the cumulative amount of profit of the Group/Bank retained up to 31 December 2024, increased by the profit earned in 2025 and reduced by dividends paid. The movement in retained earnings is presented in the Statement of changes in shareholders' equity.

Dividends

In 2025 the Bank has paid dividend from the profit earned in 2024 in amount EUR 80.0 million. At the 2026 Annual General Meeting, the Bank's Management Board will propose a dividend for 2025 in the amount of EUR 50.0 million.

29. CONTINGENT LIABILITIES AND COMMITMENTS

	2025	Group 2024	2025	Bank 2024
Guarantees	466.4	359.7	466.7	359.9
Letters of credit	16.1	18.1	16.1	18.1
Approved unused facilities and global lines	1,726.7	1,531.3	1,807.5	1,614.1
Factoring	95.9	81.3	95.9	81.3
Binding letters of intent	7.7	7.6	7.7	7.6
Contingent and assumed liabilities under leasing operations	12.9	16.5	-	-
	2,325.7	2,014.5	2,393.9	2,081.0
Provisions for loss allowance for contingent liabilities and commitments	(11.5)	(12.1)	(11.5)	(12.1)
	2,314.2	2,002.4	2,382.4	2,068.9

Group

2025

Movement of gross carrying amount:

	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as of 31 December 2024	1,834.0	166.4	13.9	0.2	2,014.5
Net increase / (decrease)	312.1	(0.5)	(0.6)	0.2	311.2
Transfer to Stage 1	13.7	(13.6)	(0.1)	-	-
Transfer to Stage 2	(16.2)	18.8	(2.6)	-	-
Transfer to Stage 3	(1.6)	-	1.6	-	-
Balance as of 31 December 2025	2,142.0	171.1	12.2	0.4	2,325.7

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

29. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2024	6.7	1.9	3.5	-	12.1
Net increase / (decrease)	2.5	(0.4)	(1.8)	-	0.3
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Decrease due to change of risk parameters	(0.9)	-	-	-	(0.9)
Balance as of 31 December 2025	8.3	1.5	1.7	-	11.5

2024

Movement of gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2023	1,720.3	73.7	13.3	0.1	1,807.4
Net increase	141.5	65.3	0.2	0.1	207.1
Transfer to Stage 1	9.3	(9.1)	(0.2)	-	-
Transfer to Stage 2	(36.5)	36.5	-	-	-
Transfer to Stage 3	(0.6)	-	0.6	-	-
Balance as of 31 December 2024	1,834.0	166.4	13.9	0.2	2,014.5

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2023	7.2	2.0	2.1	-	11.3
Net increase	0.8	0.1	1.5	-	2.4
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
(Decrease) due to change of risk parameters	(1.3)	(0.2)	(0.1)	-	(1.6)
Balance as of 31 December 2024	6.7	1.9	3.5	-	12.1

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

29. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Bank

2025

Movement of gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2024	1,935.6	140.0	5.2	0.2	2,081.0
Net increase / (decrease)	313.8	(0.5)	(0.6)	0.2	312.9
Transfer to Stage 1	13.7	(13.6)	(0.1)	-	-
Transfer to Stage 2	(16.2)	18.8	(2.6)	-	-
Transfer to Stage 3	(1.6)	-	1.6	-	-
Balance as of 31 December 2025	<u>2,245.3</u>	<u>144.7</u>	<u>3.5</u>	<u>0.4</u>	<u>2,393.9</u>

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2024	6.7	1.9	3.5	-	12.1
Net increase / (decrease)	2.5	(0.4)	(1.8)	-	0.3
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
(Decrease) due to change of risk parameters	(0.9)	-	-	-	(0.9)
Balance as of 31 December 2025	<u>8.3</u>	<u>1.5</u>	<u>1.7</u>	<u>-</u>	<u>11.5</u>

2024

Movement of gross carrying amount:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2023	1,815.3	47.3	4.6	0.1	1,867.3
Net increase / (decrease)	148.1	65.3	0.2	0.1	213.7
Transfer to Stage 1	9.3	(9.1)	(0.2)	-	-
Transfer to Stage 2	(36.5)	36.5	0.0	-	-
Transfer to Stage 3	(0.6)	-	0.6	-	-
Balance as of 31 December 2024	<u>1,935.6</u>	<u>140.0</u>	<u>5.2</u>	<u>0.2</u>	<u>2,081.0</u>

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

29. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Movement in loss allowance for expected credit losses:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Balance as of 31 December 2023	7.2	2.0	2.1	-	11.3
Net increase	0.8	0.1	1.5	-	2.4
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
(Decrease) due to change of risk parameters	(1.3)	(0.2)	(0.1)	-	(1.6)
Balance as of 31 December 2024	6.7	1.9	3.5	-	12.1

30. CASH AND CASH EQUIVALENTS

For the purposes of cash flow statements, cash and cash equivalent comprise the following balances with original maturities of up to 90 days:

	2025	Group 2024	2025	Bank 2024
Cash and balances with Croatian National Bank (Note 11)	1,106.1	1,128.4	1,106.1	1,126.9
Loans and receivables from banks (Note 12)	300.1	9.2	300.1	9.2
	1,406.2	1,137.6	1,406.2	1,136.1

Changes in liabilities arising from financing activities:

Group

2025

	<u>Lease liabilities IFRS 16</u>	<u>Other borrowed funds</u>
Opening balance	15.7	1,235.6
Cash flow	(4.8)	125.5
Non-monetary items:		
<i>Interest</i>	0.3	(0.2)
<i>Lease modifications</i>	1.2	
<i>Exchange differences</i>	-	-
<i>Increase in liabilities</i>	3.3	-
Closing balance	15.7	1,360.9

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

30. CASH AND CASH EQUIVALENTS (CONTINUED)

2024

	Lease liabilities IFRS 16	Other borrowed funds
Opening balance	15.7	1,016.2
Cash flow	(4.6)	204.9
Non-monetary items:		
<i>Interest</i>	0.3	(3.1)
<i>Exchange differences</i>	-	-
<i>Lease modifications</i>	1.9	-
<i>Increase in liabilities</i>	2.4	-
<i>Liabilities from purchase of Zagrebtower d.o.o.</i>	-	17.6
Closing balance	15.7	1,235.6

Bank

2025

	Lease liabilities IFRS 16	Other borrowed funds
Opening balance	22.6	664.7
Cash flow	(6.1)	65.3
Non-monetary items:		
<i>Interest</i>	0.5	(0.5)
<i>Exchange differences</i>	-	-
<i>Lease modifications</i>	1.1	-
<i>Increase in liabilities</i>	3.5	-
Closing balance	21.6	729.5

2024

	Lease liabilities IFRS 16	Other borrowed funds
Opening balance	23.0	551.0
Cash flow	(5.7)	116.8
Non-monetary items:		
<i>Interest</i>	0.5	(3.1)
<i>Exchange differences</i>	-	-
<i>Lease modifications</i>	2.1	-
<i>Increase in liabilities</i>	2.7	-
Closing balance	22.6	664.7

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

31. CAPITAL RISK MANAGEMENT

The Croatian National Bank (“the CNB”), as the Group’s / Bank’s principal regulator, determines and supervises the capital requirements of the Bank as a whole. The amount of capital allocated to individual operations is based primarily on regulatory requirements. The allocation of capital to specific activities is performed independent of individuals in charge of those activities. Although the maximisation of return on the risk-weighted capital is the key basis used in determining the allocation of capital to the Group’s / Bank’s individual activities, it is not the only basis in the decision-making process. Synergies with other activities, availability of the Management Board and other resources, as well as the alignment of the activities with the Group’s / Bank’s long-term strategic goals are also considered. The directors review the Group’s / Bank’s capital management and allocation policies regularly.

The capital adequacy ratio is determined as the ratio of the regulatory capital to the risk-weighted assets, risk exposures to position risks, settlement / delivery risk, risk for credit adjustment valuation, foreign exchange risk and operational risk.

The Group’s regulatory capital amounts to EUR 1,209.1 million (2024: EUR 1,114.3 millions) and is composed of the Common Equity Tier capital and additional capital. Additional capital amounts to EUR 164.9 million (2024: EUR 106.9 million). The capital adequacy ratio on consolidation level is 19.61% (2024: 19.15%). The Bank’s regulatory capital amounts to EUR 1,193.6 million (2024: EUR 1,096.3 millions) and is composed of the Common Equity Tier capital and additional capital. Additional capital amounts to EUR 164.9 million (2024: EUR 106.9 million). The capital adequacy ratio of the Bank is 21.41% (2024: 20.81%). The data provided for the Group and the Bank for 2025 are preliminary unaudited data that will be audited by 31 March 2026.

During 2025, the Group / Bank met and complied with all of the regulatory requirements defining the maintenance of a sufficient level of capital to cover all risks and required capital buffers. The Group / Bank confirmed its strong and stable capital position.

In accordance with Article 92 of Regulation (EU) No. 575/2013, the prescribed minimum capital ratios are the following:

- ✓ ordinary share capital rate in the amount of 4.5% of total risk exposure,
- ✓ share capital rate in the amount of 6% of total risk exposure,
- ✓ total capital rate in the amount of 8% of total risk exposure.

In addition to the minimum capital rates, the Group is on a consolidated basis, and the Bank is on an individual basis, in accordance with Articles 117, 118 and 130 of the Credit Institutions Act and Articles 129, 130 and 133 of the Directive 2013/36/EU, also obliged to comply with the following protective layers of ordinary share capital:

- ✓ a buffer for capital safeguarding in the amount of 2.5% of total risk exposure,
- ✓ a buffer for structural systemic risk in the amount of 1.5% of total risk exposure,
- ✓ a buffer for other systemic important institutions in the amount of 1.5% of the total risk exposure,
- ✓ an institution-specific countercyclical capital buffer in the amount of 1.5% of the total risk exposure,

Credit institutions are required to maintain an institution-specific countercyclical capital buffer equivalent to their total exposure amount calculated in accordance with Article 92 (3) of Regulation (EU) No. 575/2013, multiplied by the weighted average of the countercyclical buffer rates calculated in accordance with Article 140 of the Directive 2013/36/EU. Based on an analytical assessment of the evolution of systemic risks of a cyclical nature, the CNB has determined that the rate of the countercyclical capital buffer is 1.5%.

Based on the CNB Decision, the Bank has been identified as Other Systemically Important Credit Institution (OSI Credit Institution) which is subject to the obligation to maintain a protective layer rate for OSV credit institutions of 1.5% of the total amount of risk exposure in the form of ordinary share capital on a consolidated and individual basis.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

31. CAPITAL RISK MANAGEMENT (CONTINUED)

The Group's / Bank's regulatory capital and capital rate have been calculated in accordance with the requirements of the European Banking Authority (hereinafter: EBA) and the national discretion of the CNB and are presented in the table below.

Capital

	Group		Bank	
	2025	2024	2025	2024
Share capital	539.2	539.2	539.2	539.2
Share premium	22.7	22.7	22.7	22.7
Retained earnings (excluding profit for the year)	415.3	375.3	396.8	356.8
Other reserves	67.9	67.9	67.9	67.9
Transitional adjustments to ordinary share capital*	-	7.4	-	7.4
Accumulated other comprehensive income	15.3	11.0	15.3	11.0
Deductions under EBA requirements*	(16.2)	(16.1)	(13.3)	(15.6)
Common Equity Tier 1 capital *	1,044.2	1,007.4	1,028.6	989.4
Core capital*	1,044.2	1,007.4	1,028.6	989.4
Additional capital	164.9	106.9	164.9	106.9
Regulatory capital*	1,209.1	1,114.3	1,193.5	1,096.3
Risk-weighted assets and other risk components*	6,164.5	5,819.5	5,575.0	5,268.4
Common Equity Tier 1 capital ratio*	16.94%	17.31%	18.45%	18.78%
Core capital ratio*	16.94%	17.31%	18.45%	18.78%
Total capital ratio*	19.61%	19.15%	21.41%	20.81%

* data for 2025 are unaudited, and for 2024 audited

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK

The Group / Bank is exposed to credit risk, which is the risk that the counterparty will not be able to settle in full the amounts owed as they fall due. The Group / Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, or a group of borrowers and industry segments. The Group / Bank monitors the risks and reviews them on an annual or more frequent basis. The exposure to credit risk for all assets is limited by the carrying amount of each asset reported in the statement of financial position. The exposure to credit risk of derivative financial instruments which relate to foreign currencies is equal to the sum of the positive current market value of the underlying contract and the potential exposure to the counterparty risk. Additionally, the Group / Bank is exposed to credit risk on off-balance-sheet items, which include undrawn commitments to extend credit, issued guarantees and letters of credit.

The Group / Bank manages its exposure to credit risk by regularly analysing the ability of the borrowers and potential borrowers to repay interest and principal and by revising the credit limits, where necessary, or obtaining collateral, corporate or personal guarantees.

Group

	Note	31/12/2025		31/12/2024	
		Gross exposure	Net exposure	Gross exposure	Net exposure
ASSETS					
Cash and balances with the Croatian National Bank	11	932.5	932.5	931.1	931.1
Loans and receivables from banks	12	300.4	300.4	10.0	10.0
Financial assets at fair value through profit or loss	13	28.3	28.3	26.0	26.0
Loans and receivables from customers	14	7,306.8	7,081.5	6,757.8	6,523.3
Debt securities at fair value through other comprehensive income	15b	185.4	185.4	733.4	733.4
Financial assets measured at amortized cost	16	1,011.2	1,010.3	421.5	420.2
Other financial assets	21	31.6	23.3	46.6	39.2
		9,796.2	9,561.7	8,926.4	8,683.2

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

Bank

	Note	31/12/2025		31/12/2024	
		Gross exposure	Net exposure	Gross exposure	Net exposure
ASSETS					
Cash and balances with the Croatian National Bank	11	932.5	932.5	929.6	929.6
Loans and receivables from banks	12	300.6	300.4	10.0	10.0
Financial assets at fair value through profit or loss	13	28.3	28.3	26.0	26.0
Loans and receivables from customers	14	6,719.1	6,489.4	6,212.7	5,991.3
Debt securities at fair value through other comprehensive income	15b	185.4	185.4	733.4	733.4
Financial assets measured at amortized cost	16	1,011.2	1,010.3	421.5	420.2
Other financial assets	21	20.8	13.4	29.4	22.4
		9,197.9	8,959.7	8,362.6	8,132.9

Credit risk exposure in net of loss allowance is gross exposure for expected credit losses, without taking into account pledges and other collateral instruments.

The (gross) credit risk exposure for contingent liabilities and commitments (Note 29) is as follows:

	Group		Bank	
	2025	2024	2025	2024
Guarantees and letters of credit	478.2	373.0	478.5	373.2
Approved unused facilities and other liabilities	1,834.6	1,625.0	1,915.4	1,707.8
Contingent liabilities and commitments for leasing transactions	12.9	16.5	-	-
	2,325.7	2,014.5	2,393.9	2,081.0

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

An overview of macroeconomic factors:

Variable	ECL-scenario	Weight	2025	2026	2027	2028	2029	Long-term rate
GDP	Optimistic	10%	3.1%	3.2%	3.7%	3.6%	3.4%	2.9%
	Forecast	60%	3.1%	2.9%	3.0%	3.0%	3.0%	2.9%
	Mild stress	20%	3.1%	1.5%	1.8%	2.5%	2.6%	2.9%
	Severe stress	10%	3.1%	-3.5%	-0.6%	1.9%	1.0%	2.9%
Export	Optimistic	10%	5.0%	5.4%	6.4%	6.2%	5.8%	4.7%
	Forecast	60%	5.0%	4.6%	4.9%	4.9%	4.9%	4.7%
	Mild stress	20%	5.0%	1.6%	2.2%	3.8%	4.0%	4.7%
	Severe stress	10%	5.0%	-7.7%	-2.2%	2.5%	0.5%	4.7%
Consumption	Optimistic	10%	2.6%	2.8%	3.3%	3.1%	3.0%	2.5%
	Forecast	60%	2.6%	2.4%	2.5%	2.5%	2.5%	2.5%
	Mild stress	20%	2.6%	0.9%	1.2%	2.1%	2.1%	2.5%
	Severe stress	10%	2.6%	-4.5%	-1.4%	1.4%	0.3%	2.5%
Investment	Optimistic	10%	3.3%	3.5%	4.2%	4.0%	3.8%	3.0%
	Forecast	60%	3.3%	3.0%	3.2%	3.2%	3.2%	3.0%
	Mild stress	20%	3.3%	0.9%	1.3%	2.5%	2.6%	3.0%
	Severe stress	10%	3.3%	-6.4%	-2.2%	1.5%	0.1%	3.0%
Real estate prices (nominal)	Optimistic	10%	8.8%	6.8%	7.2%	7.5%	7.3%	6.5%
	Forecast	60%	8.8%	6.6%	6.5%	6.6%	6.6%	6.5%
	Mild stress	20%	8.8%	6.0%	4.3%	5.5%	6.0%	6.5%
	Severe stress	10%	8.8%	3.4%	-1.9%	4.4%	4.3%	6.4%
Employment	Optimistic	10%	1.1%	1.0%	1.1%	1.2%	1.1%	0.9%
	Forecast	60%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%
	Mild stress	20%	1.1%	0.8%	0.4%	0.7%	0.8%	0.9%
	Severe stress	10%	1.1%	0.1%	-1.1%	0.6%	0.3%	0.9%
Unemployment (change of rate)	Optimistic	10%	-1.0%	-1.0%	-1.2%	-1.2%	-1.2%	-1.0%
	Forecast	60%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
	Mild stress	20%	-1.0%	-0.8%	-0.3%	-0.7%	-0.8%	-1.0%
	Severe stress	10%	-1.0%	0.0%	1.6%	-0.6%	-0.3%	-0.9%
Wages (nominal)	Optimistic	10%	5.4%	4.2%	4.3%	4.5%	4.4%	4.1%
	Forecast	60%	5.4%	4.2%	4.1%	4.2%	4.2%	4.1%
	Mild stress	20%	5.4%	4.1%	3.2%	3.7%	3.9%	4.1%
	Severe stress	10%	5.4%	3.8%	0.0%	3.2%	3.3%	4.0%

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

For the calculation of expected credit losses under the aggregate method, the Group / Bank uses an internal model in accordance with IFRS 9 using PL (probability of default), LGL (loss given default) and EAD (risk exposure) parameters for impairment. Risk parameters also depend on macroeconomic scenarios. The expected loss (EL) is calculated separately for each scenario and the final estimate of the expected loss (EL) is a weighted average of the expected loss in case of different scenarios.

When formulating the scenario, GDP and 7 other macroeconomic variables are used, such as exports, consumption, investments, employment, changes in the average salary, real estate prices. 5 scenarios are formed (1-3 – not stressful; 4-5 – stressful) where the first three are based on the model; the other two are technical scenarios resulting from the forecast made by the OTP Research Centre. Each variable is projected for the next 3 to 5 years, which is not long enough to project the expected credit loss (EL) of long-term loans, so a long-term rate was created for this purpose.

The table below includes Stage 2 and 3 assets that were transferred to forborne status during the period:

	Group		Bank	
	2025	2024	2025	2024
Total principal	19.3	64.1	18.5	64.1
ECL	6.2	6.9	6.1	6.9

The table of movements inside forborne portfolio:

Group:

	31/12/2025		31/12/2024	
	Principal exposure	ECL	Principal exposure	ECL
Facilities that have cured since modification (transfer from Stage 3 to Stage 2)	5.9	1.3	15.9	1.3
Reverted to Stage 3	<u>1.0</u>	<u>0.4</u>	<u>0.9</u>	<u>0.3</u>

Bank

	31/12/2025		31/12/2024	
	Principal exposure	ECL	Principal exposure	ECL
Facilities that have cured since modification (transfer from Stage 3 to Stage 2)	5.0	0.8	15.9	1.3
Reverted to Stage 3	<u>1.0</u>	<u>0.4</u>	<u>0.9</u>	<u>0.3</u>

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

The following tables provide a summary of forborne assets:

31/12/2025

Group

Portfolio	Forborne Stock			ECL			Forbearance ratio	Coverage
	Performing principal	Non-performing principal	Total principal	Stage 2	Stage 3	Total forborne		
Corporate	8.2	18.2	26.4	0.8	13.4	14.2	1.0%	53.9%
MSE	0.4	1.3	1.7	-	1.1	1.1	0.3%	65.5%
Retail Consumer	11.8	18.8	30.6	2.0	11.0	13.0	1.5%	42.7%
Retail Housing	3.5	2.8	6.2	0.3	1.4	1.7	0.3%	65.5%
Total	23.9	41.0	64.9	3.1	26.9	30.0	0.9%	46.4%

Bank

Portfolio	Forborne Stock			ECL			Forbearance ratio	Coverage
	Performing principal	Non-performing principal	Total principal	Stage 2	Stage 3	Total forborne		
Corporate	7.5	17.4	24.9	0.8	13.3	14.1	1.0%	56.5%
MSE	0.2	1.2	1.4	-	1.0	1.1	0.4%	72.7%
Retail Consumer	11.8	18.7	30.5	2.0	11.0	13.0	1.6%	42.7%
Retail Housing	3.5	2.8	6.3	0.3	1.4	1.7	0.3%	27.8%
Total	23.0	40.1	63.1	3.1	26.7	29.9	0.9%	47.4%

31/12/2024

Group

Portfolio	Forborne Stock			ECL			Forbearance ratio	Coverage
	Performing principal	Non-performing principal	Total principal	Stage 2	Stage 3	Total forborne		
Corporate	86.4	19.5	105.8	7.7	14.8	22.5	3.1%	21.3%
MSE	0.2	1.6	1.8	0.0	1.2	1.2	0.4%	67.6%
Retail Consumer	11.5	18.5	30.0	2.1	11.0	13.0	1.7%	43.5%
Retail Housing	4.2	3.4	7.5	0.4	1.6	2.0	0.4%	26.7%
Total	102.3	43.0	145.1	10.2	28.6	38.7	2.0%	26.7%

Bank

Portfolio	Forborne Stock			ECL			Forbearance ratio	Coverage
	Performing principal	Non-performing principal	Total principal	Stage 2	Stage 3	Total forborne		
Corporate	86.4	18.2	104.5	7.7	14.2	21.9	3.5%	20.9%
MSE	-	1.4	1.4	-	1.1	1.1	0.6%	79.7%
Retail Consumer	11.5	18.5	29.9	2.1	11.0	13.0	1.8%	43.5%
Retail Housing	4.2	3.4	7.5	0.4	1.6	2.0	0.4%	26.7%
Total	102.1	41.5	143.3	10.2	27.9	38.0	2.1%	26.5%

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

Collateral and other forms of credit risk insurance

The Group / Bank in its internal policies defines conditions under which certain collaterals, which serve to reduce credit risk, are acceptable, and methods of their initial and subsequent regular valuation.

The basic types of acceptable collaterals that are accepted with value are:

- for corporate lending: cash, state guarantees, bank guarantees, real estate, movable property, transfers of state claims, insurance policies.
- for lending to private persons: cash, real estate, insurance policies.

The Group / Bank also accepts corporate guarantees and interests in corporations that are accepted with value only under certain conditions and letters of comfort from parent companies for loans granted to subsidiaries, shares in companies and operational security instruments such as debentures and bills of exchange, which are not accepted with value.

As of 31 December 2025, the total value of collateral held by the Group as collateral for loans and advances and contingent liabilities and commitments amounts to EUR 10,614.0 million (2024: EUR 7,748.0million).

Total allocated value of collaterals as of 31 December 2025 amounts to EUR 4,936.6 million (2024: EUR 4,205.1 million).

As of 31 December 2025, the total value of collateral held by the Bank as collateral for loans and advances and contingent liabilities and commitments amounts to EUR 9,959.2 million (2024: EUR 7,154.4 million).

Total allocated value of collaterals as of 31 December 2025 amounts to EUR 4,281.8million (2024: EUR 3,611.5 million).

The tables below present maximum exposure to credit risk by category of financial assets, total market value of collateral allocated, the remaining collateral available (to the extent to which the total market value of the collateral is greater than the exposure to which it refers) and the maximum exposure after deducting the allocated collateral value.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

Group

2025

	Maximum credit risk exposure (gross exposure)	Total allocated market value of collateral	Deposits	Real estate	Guarantees	Object of financial leasing	Other	Maximum exposure after deducting the market value of collateral	Available collateral value (above gross exposure)
Cash and balances with the Croatian National Bank	932.5	-	-	-	-	-	-	932.5	-
Loans and receivables from banks	300.4	-	-	-	-	-	-	300.4	-
Financial assets at fair value through profit or loss	28.3	-	-	-	-	-	-	28.3	-
Loans and receivables from customers	7,306.8	4,435.4	11.9	3,009.5	702.8	654.8	56.4	2,871.4	5,116.5
Financial assets that are valued through other comprehensive income	185.4	-	-	-	-	-	-	185.4	-
Financial assets measured at amortized cost	1,011.2	-	-	-	-	-	-	1,011.2	-
Other financial assets	31.6	-	-	-	-	-	-	31.6	-
Total credit risk exposure of balance sheet items	9,796.2	4,435.4	11.9	3,009.5	702.8	654.8	56.4	5,360.8	5,116.5
Guarantees and letters of credit	478.2	238.3	3.3	99.9	125.4	-	9.7	239.9	540
Approved unused facilities and global lines	1,847.5	262.9	1.3	77.3	182.8	-	1.5	1,584.6	20.9
Total credit risk exposure of off-balance sheet items	2,325.7	501.2	4.6	177.2	308.2	-	11.2	1,824.5	560.9
Total credit risk exposure	12,121.9	4,936.6	16.5	3,186.7	1,011.0	654.8	67.6	7,185.3	5,677.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

2024

	Maximum credit risk exposure (gross exposure)	Total allocated market value of collateral	Deposits	Real estate	Guarantees	Object of financial leasing	Other	Maximum exposure after deducting the market value of collateral	Available collateral value (above gross exposure)
Cash and balances with the Croatian National Bank	931.1	-	-	-	-	-	-	931.1	-
Loans and receivables from banks	10.0	-	-	-	-	-	-	10.0	-
Financial assets at fair value through profit or loss	26.0	-	-	-	-	-	-	26.0	-
Loans and receivables from customers	6,757.8	3,886.9	12.0	2,743.9	460.2	593.6	77.2	2,870.9	3,415.7
Financial assets that are valued through other comprehensive income	733.4	-	-	-	-	-	-	733.4	-
Financial assets measured at amortized cost	421.5	-	-	-	-	-	-	421.5	-
Other financial assets	46.6	-	-	-	-	-	-	46.6	-
Total credit risk exposure of balance sheet items	8,926.4	3,886.9	12.0	2,743.9	460.2	593.6	77.2	5,039.5	3,415.7
Guarantees and letters of credit	373.0	86.7	1.6	71.5	4.9	-	8.7	286.3	113.3
Approved unused facilities and global lines	1,641.5	231.5	1.3	105.4	118.4	-	6.4	1,410.0	13.9
Total credit risk exposure of off-balance sheet items	2,014.5	318.2	2.9	176.9	123.3	-	15.1	1,696.3	127.3
Total credit risk exposure	10,940.9	4,205.1	14.9	2,920.8	583.5	593.6	92.3	6,735.8	3,542.9

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

Bank

2025	Maximum credit risk exposure (gross exposure)	Total allocated market value of collateral	Deposits	Real estate	Guarantees	Other	Maximum exposure after deducting the market value of collateral	Available collateral value (above gross exposure)
Cash and balances with the Croatian National Bank	932.5	-	-	-	-	-	932.5	
Loans and receivables from banks	300.6	-	-	-	-	-	300.6	
Financial assets at fair value through profit or loss	28.3	-	-	-	-	-	28.3	
Loans and receivables from customers	6,719.1	3,780.6	11.9	3,009.5	702.8	56.4	2,938.5	5,116.5
Financial assets that are valued through other comprehensive income	185.4	-	-	-	-	-	185.4	-
Financial assets measured at amortized cost	1,011.2	-	-	-	-	-	1,011.2	-
Other financial assets	20.8	-	-	-	-	-	20.8	-
Total credit risk exposure of balance sheet items	9,197.9	3,780.6	11.9	3,009.5	702.8	56.4	5,417.3	5,116.5
Guarantees and letters of credit	478.5	238.3	3.3	99.9	125.4	9.7	240.2	540.0
Approved unused facilities and global lines	1,915.4	262.9	1.3	77.3	182.8	1.5	1,652.5	20.9
Total credit risk exposure of off-balance sheet items	2,393.9	501.2	4.6	177.2	308.2	11.2	1,892.7	560.9
Total credit risk exposure	11,591.8	4,281.8	16.5	3,186.7	1,011.0	67.6	7,310.0	5,677.4

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

2024

	Maximum credit risk exposure (gross exposure)	Total allocated market value of collateral	Deposits	Real estate	Guarantees	Other	Maximum exposure after deducting the market value of collateral	Available collateral value (above gross exposure)
Cash and balances with the Croatian National Bank	929.6	-	-	-	-	-	929.6	-
Loans and receivables from banks	10.0	-	-	-	-	-	10.0	-
Financial assets at fair value through profit or loss	26.0	-	-	-	-	-	26.0	-
Loans and receivables from customers	6,212.7	3,293.3	12.0	2,743.9	460.2	77.2	2,919.4	3,415.7
Financial assets that are valued through other comprehensive income	733.4	-	-	-	-	-	733.4	-
Financial assets measured at amortized cost	421.5	-	-	-	-	-	421.5	-
Other financial assets	29.4	-	-	-	-	-	29.4	-
Total credit risk exposure of balance sheet items	8,362.6	3,293.3	12.0	2,743.9	460.2	77.2	5,069.3	3,415.7
Guarantees and letters of credit	373.2	86.7	1.6	71.5	4.9	8.7	286.5	113.3
Approved unused facilities and global lines	1,707.8	231.5	1.3	105.4	118.4	6.4	1,476.3	13.9
Total credit risk exposure of off-balance sheet items	2,081.0	318.2	2.9	176.9	123.3	15.1	1,762.8	127.3
Total credit risk exposure	10,443.6	3,611.5	14.9	2,920.8	583.5	92.3	6,832.1	3,542.9

32. CREDIT RISK (CONTINUED)

Allocated value of collaterals for balance sheet and off-balance sheet asset items is presented as the market value net of previous liabilities without applying haircut, in such a way that it is spread up to the maximum amount of exposure of an individual placement. If the value of the collateral at the level of placement is greater than the total exposure of the placement, the excess, that is, the value of the collateral above the gross exposure is summarized (all types of collateral) in a separate column - Available collateral value (above gross exposure). If a single placement is covered by multiple types of collateral with a value, and one type of collateral is sufficient to cover the entire gross exposure of the placement, the allocated value of that single collateral is shown, and the value of other collateral in that placement is shown in the item above the gross exposure amount. The allocation priority by type of collateral is determined as follows:

- Deposits
- Real estate
- Guarantees
- Other

Deposits

A deposit (term deposit or blocked amount in the Bank's transaction account) as a collateral is a special type of pledged assets from which the Group / Bank is entitled to settle their claims in the event of the debtor defaulting, whereby the Group / Bank shall collect their debt directly, without the enforcement procedure. If the deposit does not meet all the necessary conditions, the financial pledge can be seized through court proceedings or in other (out-of-court) procedures, which are not deemed as direct collection. When the liability ceases to exist, the control over the deposit shall be restored to the debtor or the collateral issuer.

Real estate

Real estate taken as collateral by the Group / Bank may be residential or non-residential. Residential real estate: real estate (share in property) for residential purposes entered or to be entered in the real estate register as residential houses or apartments, together with associated land, provided that the relevant building permit is issued or, in case of simple structures, only an official certificate of construction, which is or will be occupied or rented by the owner. All other real estate belongs to the category of non-residential real estate. Real estate can only be pledged by mortgaging. The mortgage can be entered in the land registers for the real estate as a whole or in case of real estate in regulated co-ownership parts for the entire portion belonging to a co-owner.

When granting standard housing loans, particular emphasis is placed on limiting production based on the LTV (Loan to value) indicator, which represents the ratio between the exposure and the market value of the mortgaged real estate. Eligible LTVs can be up to 100%, where a maximum of 45% of total placements can be with an LTV ratio of over 80%, only for the best locations in Croatia that are determined based on the economic strength statistics, tourism potential and real estate sales in individual cities and municipalities. In addition, production is limited to 5% of loans with an LTV of more than 90% and 2% of loans with an LTV of more than 95%.

Furthermore, it is also important to note that the value of real estate in the pledged portfolio is regularly monitored and updated in the collateral system on basis of statistics data for all types of real estate where application is possible such as apartments, family houses and holiday homes, apartments and agricultural lands. OTP real estate experts checks the value for other types of real estate where the application of statistical data is not possible. When applying statistics, the value correction can only be performed to lower, never to higher.

Loans with a foreign currency clause can only be approved for loans with LTV rates of up to 90%, except for clients with a currency of receipt equivalent to the loan currency.

Furthermore, since they are non-purpose, mortgage loans have additional restrictions on the amount, term and LTV indicator of maximum up to 62.5% (exceptionally up to 80%, but only for the premium segment of clients) on the best locations (Prime 1 and 2), and a maximum of 43.5% (exceptionally up to 62.5% as 'override') on Non prime locations and a maximum of 40% (without exceptions) on Sub prime locations.

32. CREDIT RISK (CONTINUED)

Guarantees

The Group/Bank accepts the following guarantees to secure its claims each of which may be absolute (unconditional) or contingent (conditional):

- ✓ Bank guarantee/confirmed letter of credit
- ✓ Company guarantee
- ✓ Personal guarantee (guarantors)/joint guarantee (co-debt).
- ✓ Special forms of guarantee
- ✓ Guarantee by the Croatian Agency for SMEs, Innovations and Investments (HAMAG)
- ✓ Guarantee by the Government of the Republic of Croatia and the Croatian National Bank
- ✓ Guarantee by OECD member states, their central banks
- ✓ Guarantee of local self-government units of the Republic of Croatia
- ✓ Guarantee by HBOR (including insurance policy) and international development banks.

The guarantee must, as a rule, be unconditional and irrevocable (written guarantee statement/guarantee agreement, with "on first demand" and "no objection" clauses, without additional conditions). An exception is the HAMAG guarantee, where conditional guarantees, up to the amount of the guarantee, also have collateral value.

Object of financial leasing

The object financed by financial leasing is also considered as collateral, which arises from the fact that the Group (leasing company) is the owner of the leasing object during the entire contractual relationship. This fact arises from the definition of leasing prescribed by IFRS 16 "Leases", and from the definition of "Leasing activities" prescribed by the Leasing Act (Article 4, paragraph 2) according to which the leasing business is a legal transaction in which, based on a purchase agreement with the vendor, the lessor acquires the right to ownership of the leased asset and assigns a right to the lessee to temporarily use the leased asset, for a specified fee.

Other

The Group / Bank also accepts the following types of collateral for its claims:

- ✓ machines
- ✓ equipment
- ✓ personal and commercial vehicles
- ✓ stocks
- ✓ airplanes
- ✓ naval vessels, floating and stationary coastal structures, yachts and boats, inland navigation vessels
- ✓ other movable property (patents, trademarks, and similar)
- ✓ securities
- ✓ cessions

With these types of collateral, particular attention is paid to checking whether the pledger owns the lien or not. With the exception of floating objects and civil aircraft whose ownership is recorded in official registers, the lienor must in any case provide credible proof of the origin of the lien (original invoice, customs documents, supporting documents, comparison of the markings on these documents with the marking on the property, etc.).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

32. CREDIT RISK (CONTINUED)

Concentration of assets and liabilities relating to a group of related parties - Republic of Croatia

		2025	Group 2024	2025	Bank 2024
Current account with the Croatian National Bank	11	74.5	74.4	74.5	74.4
Deposits with the Croatian National Bank	11	843.4	828.0	843.4	828.0
Bonds of the Ministry of Finance	15	185.4	233.4	185.4	233.4
Bonds of the Ministry of Finance	16	351.8	321.7	351.8	321.7
Loans and receivables from customers	14	525.4	701.5	524.2	701.3
Total asset:		1,980.5	2,159.0	1,979.3	2,158.8
Other borrowed funds	25	86.4	111.8	82.6	82.3
Total liabilities:		86.4	111.8	82.6	82.3

Concentration of assets and liabilities* with respect to territorial division

Group

	Croatia	Hungary	Other	Total
As at 31 December 2025				
Assets	8,564.4	812.5	184.8	9,561.7
Contingent liabilities	2,224.9	14.0	75.3	2,314.2
	10,789.3	826.5	260.1	11,875.9

	Croatia	Hungary	Other	Total
As at 31 December 2024				
Assets	8,061.1	583.0	39.1	8,683.2
Contingent liabilities	1,928.6	1.0	72.8	2,002.4
	9,989.7	584.0	111.9	10,685.6

Bank

	Croatia	Hungary	Other	Total
As at 31 December 2025				
Assets	7,962.4	812.5	184.8	8,959.7
Contingent liabilities	2,293.1	14.0	75.3	2,382.4
	10,255.5	826.5	260.1	11,342.1

	Croatia	Hungary	Other	Total
As at 31 December 2024				
Assets	7,510.8	583.0	39.1	8,132.9
Contingent liabilities	1,995.1	1.0	72.8	2,068.9
	9,505.9	584.0	111.9	10,201.8

*includes net exposure (gross exposure net of loss allowance for expected credit loss)

33. MARKET RISK

MARKET RISK IN TRADING BOOK

Market risk is the effect of external influences on the value of positions in the Group's / Bank's portfolio due to changes in prices or fluctuations in the financial markets. Market risk, by that definition, consists of:

- Currency risk
- Interest rate risk and
- Price risk

The basic objective of market risk management in the Trading Book is to make profit by taking advantage of fluctuations in exchange rates and interest rates, which means limiting losses that may result from their adverse fluctuations so as not to endanger the profitability and operation of the Bank.

The market risks in the Trading Book to which the Bank is exposed are managed by an organizational unit named Treasury Department which has the status of an active Treasury and thus can leave open positions in the Trading Book, which are the result of the banking activity itself, and further engage in speculative trading in order to realize a positive financial result.

The products included in the Trading Book are as follows:

- FX spot
- FX forward
- FX swap
- Money market transactions (loans and deposits)
- Bonds (Republic of Croatia)
- Interest rate swaps (IRS)
- Repo orders

The Market Risk Department is responsible for daily monitoring and reporting of market risk exposures in the Trading Book, control of all positions for which there is market risk exposure and compliance with the limits adopted by the Management Board, at the proposal of the Assets and Liabilities Committee of OTP Bank Nyrt. The limits are revised and approved on an annual basis, the amount of which is determined by the Bank's business policy and market conditions, as well as by the policy of the OTP Bank Nyrt as a whole.

The Asset and Liability Management Department is responsible for managing the Bank's remaining foreign exchange position, which is the difference between the Bank's total foreign exchange position and the open foreign exchange positions of the Treasury Department. Due to the fact that, in accordance with the internal rules, the Asset and Liability Management Department has no limit for foreign currency risk exposure, the subject position is closed daily.

Value at Risk (VaR)

VaR is an estimate of the maximum amount that a portfolio, with a defined level of confidence and for a defined period, can lose from its value.

VaR is calculated for a holding period of one day and with a confidence level of 99%, using a historical simulation method based on a 252-day observation period.

Defining the VaR limit provides a risk measurement tool designed to limit potential losses of the Bank and in case of turbulent market conditions in a way that encourages closing of positions amid increased market uncertainty.

From 2020 due to the change in the structure of the limit, the calculated VaR values for FI (Fixed Income) and MM (Money Market) desk are monitored separately.

Based on the Bank's business decision, due to changes in circumstances and conditions on the financial markets, open positions on the FI and MM desks in the Trading Book were not approved for 2023, while the FX desk limits were significantly reduced compared to previous business years.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

MARKET RISK IN TRADING BOOK (CONTINUED)

Value at Risk (VaR) (continued)

Fluctuations of VaR indicator

	<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>End of year</u>
2025				
Interest rate risk	0.00	0.00	0.00	0.00
FI	0.00	0.00	0.00	0.00
MM	0.00	0.00	0.00	0.00
Currency risk	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total VaR	0.00	0.00	0.00	0.00
2024				
Interest rate risk	0.00	0.00	0.00	0.00
FI	0.00	0.00	0.00	0.00
MM	0.00	0.00	0.00	0.00
Currency risk	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total VaR	0.00	0.00	0.00	0.00

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

FOREIGN EXCHANGE (FX) RISK IN TRADING BOOK

FX risk is the risk that arises from changes in the exchange rate and causes fluctuations in a particular financial instrument and is continuously monitored through an open FX position (daily and intra-daily) in each currency managed by the organizational unit of the Treasury Department. Exposure to the FX risk or open FX position is the difference between assets and liabilities expressed in foreign currency or linked to the foreign currency. Open FX position can be long or short, depending on whether the FX risk exposure is greater on asset (long position) or liabilities (short position).

The Bank's internal rules set the maximum allowed open position in individual currencies and open FX position limit on global level. Position limit is maximum allowed exposure of individual position that can be held or traded. Net open position is sum of individual open positions (difference between long and short position), while gross position is absolute sum of individual open positions.

Fluctuations of open foreign exchange position by major currencies (in EUR million)

	Minimum	Average	Maximum	End of year
2025				
USD	0.0	0.0	0.1	0.0
CHF	0.0	0.0	0.0	0.0
GBP	0.0	0.0	0.0	0.0
Global foreign exchange position	0.0	0.0	0.2	0.1
	Minimum	Average	Maximum	End of year
2024				
USD	0.0	0.0	0.4	0.0
CHF	0.0	0.0	0.1	0.0
GBP	0.0	0.0	0.0	0.0
Global foreign exchange position	0.0	0.0	0.6	0.1

Taking into account the transition to the euro as the domicile currency from 1 January 2023, the Bank has taken a more conservative position regarding the exposure of the foreign currency position in the trading book, accordingly, following the business decision made in 2023, significantly lower FX position limits have been approved for 2024 and 2025. The Asset and Liability Management Department is responsible for managing the Bank's remaining foreign exchange position, which is the difference between the Bank's total foreign exchange position and the Treasury Department's open foreign exchange position. Due to the fact that in accordance with internal rules, Asset and Liability Management Department has no limit for foreign currency risk exposure, the subject position is closed daily.

The currency structure of total assets and liabilities of the Group / Bank is shown in the tables below.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)
TOTAL FOREIGN EXCHANGE (FX) RISK

Group

	EUR**	USD*	HUF*	CHF*	Other currencies*	Total
As at 31 December 2025	1,090.4	3.0	1.2	3.2	8.3	1,106.1
Assets	0.5	-	299.9	-	-	300.4
Cash and balances with the Croatian National Bank	45.3	0.9	-	-	-	46.2
Loans and receivables from banks	7,034.1	46.8	-	0.6	-	7,081.5
Financial assets at fair value through profit or loss	1.2	26.1	-	-	-	27.3
Loans and receivables from customers	185.4	-	-	-	-	185.4
Equity securities at fair value through other comprehensive income	608.5	-	401.8	-	-	1,010.3
Debt securities at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets measured at amortized cost	93.3	-	-	-	-	93.3
Property and equipment	15.2	-	-	-	-	15.2
Right-of-use assets	78.1	-	-	-	-	78.1
Investment property	22.0	-	-	-	-	22.0
Intangible assets	2.1	-	-	-	-	2.1
Goodwill	5.1	-	-	-	-	5.1
Deferred tax assets	6.5	-	-	-	-	6.5
Other assets	37.8	-	-	-	-	37.8
Assets held for sale	0.4	-	-	-	-	0.4
Total assets	9,225.9	76.8	702.9	3.8	8.3	10,017.7
Liabilities						
Amounts due to other banks	15.5	14.8	-	-	0.3	30.6
Amounts due to customers	6,851.7	320.3	0.3	43.5	39	7,254.8
Other borrowed funds	1,360.9	-	-	-	-	1,360.9
Financial liabilities at fair value through profit or loss	24.0	-	-	-	-	24.0
Provisions for liabilities and charges	82.3	0.1	-	-	0.1	82.5
Income tax liability	-	-	-	-	-	-
Lease liabilities classified under IFRS 16	15.7	-	-	-	-	15.7
Other liabilities	70.7	-	0.1	-	-	70.8
Total liabilities	8,420.8	335.2	0.4	43.5	39.4	8,839.3
Net foreign exchange position	805.1	(258.4)	702.5	(39.7)	(31.1)	1,178.4

* currency clause in the stated currency is included

The open balance foreign currency position is completely closed with FX derivative instruments that do not carry interest rate risk, therefore no sensitivity calculations are required.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

TOTAL FOREIGN EXCHANGE (FX) RISK (CONTINUED)

	EUR**	USD*	HUF*	CHF*	Other currencies*	Total
As at 31 December 2024						
Assets						
Cash and balances with the Croatian National Bank	1,097.7	4.2	1.1	2.7	22.7	1,128.4
Loans and receivables from banks	10.0	-	-	-	-	10.0
Financial assets at fair value through profit or loss	42.0	2	-	-	-	44.0
Loans and receivables from customers	6,520.3	2.5	-	0.5	-	6,523.3
Equity securities at fair value through other comprehensive income	0.7	24.9	-	-	-	25.6
Debt securities at fair value through other comprehensive income	233.4	-	500.0	-	-	733.4
Financial assets measured at amortized cost	420.2	-	-	-	-	420.2
Property and equipment	91.3	-	-	-	-	91.3
Right-of-use assets	15.4	-	-	-	-	15.4
Investment property	79.1	-	-	-	-	79.1
Intangible assets	20.7	-	-	-	-	20.7
Goodwill	2.7	-	-	-	-	2.7
Deferred tax assets	9.3	-	-	-	-	9.3
Other assets	51.1	-	-	-	-	51.1
Assets held for sale	0.7	-	-	-	-	0.7
Total assets	8,594.6	33.6	501.1	3.2	22.7	9,155.2
Liabilities						
Amounts due to other banks	3.3	6.9	-	-	0.5	10.7
Amounts due to customers	6,199.1	273.1	0.3	42.6	58.6	6,573.7
Other borrowed funds	1,235.6	-	-	-	-	1,235.6
Financial liabilities at fair value through profit or loss	40.5	-	-	-	-	40.5
Provisions for liabilities and charges	78.3	0.1	-	-	0.7	79.1
Income tax liability	13.0	-	-	-	-	13.0
Lease liabilities classified under IFRS 16	15.7	-	-	-	-	15.7
Other liabilities	66.6	0.3	-	-	-	66.9
Total liabilities	7,652.1	280.4	0.3	42.6	59.8	8,035.2
Net foreign exchange position	942.5	(246.8)	500.8	(39.4)	(37.1)	1,120.0

* currency clause in the stated currency is included

The open balance foreign currency position is completely closed with FX derivative instruments that do not carry interest rate risk, therefore no sensitivity calculations are required.

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

TOTAL FOREIGN EXCHANGE (FX) RISK (CONTINUED)

Bank

	EUR*	USD*	HUF*	CHF*	Other currencies*	Total
As at 31 December 2025						
Assets						
Cash and balances with the Croatian National Bank	1,090.4	3.0	1.2	3.2	8.3	1,106.1
Loans and receivables from banks	0.5	-	299.9	-	-	300.4
Financial assets at fair value through profit or loss	45.3	0.9	-	-	-	46.2
Loans and receivables from customers	6,442.0	46.8	-	0.6	-	6,489.4
Equity securities at fair value through other comprehensive income	1.2	26.1	-	-	-	27.3
Debt securities at fair value through other comprehensive income	185.4	-	-	-	-	185.4
Financial assets measured at amortized cost	608.5	-	401.8	-	-	1,010.3
Investment in subsidiaries	46.0	-	-	-	-	46.0
Property and equipment	48.7	-	-	-	-	48.7
Right-of-use assets	20.7	-	-	-	-	20.7
Investment property	9.0	-	-	-	-	9.0
Intangible assets	21.0	-	-	-	-	21.0
Deferred tax assets	8.8	-	-	-	-	8.8
Corporate income tax receivables	7.4	-	-	-	-	7.4
Other assets	17.3	-	-	-	-	17.3
Assets held for sale	-	-	-	-	-	-
Total assets	8,552.2	76.8	702.9	3.8	8.3	9,344.0
Liabilities						
Amounts due to other banks	15.5	14.8	-	-	0.3	30.6
Amounts due to customers	6,863.1	320.3	0.3	43.5	39.0	7,266.2
Other borrowed funds	729.5	-	-	-	-	729.5
Financial liabilities at fair value through profit or loss	24.0	-	-	-	-	24.0
Provisions for liabilities and charges	81.6	0.1	-	-	0.1	81.8
Income tax liability	-	-	-	-	-	-
Lease liabilities classified under IFRS 16	21.6	-	-	-	-	21.6
Other liabilities	56.8	-	0.1	-	-	56.9
Total liabilities	7,792.1	335.2	0.4	43.5	39.4	8,210.6
Net foreign exchange position	760.1	(258.4)	702.5	(39.7)	(31.1)	1,133.4

* currency clause in the stated currency is included

The open balance foreign currency position is completely closed with FX derivative instruments that do not carry interest rate risk, therefore no sensitivity calculations are required.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

TOTAL FOREIGN EXCHANGE (FX) RISK (CONTINUED)

	EUR**	USD*	HUF*	CHF*	Other currencies *	Total
As at 31 December 2024						
Assets						
Cash and balances with the Croatian National Bank	1,096.2	4.2	1.1	2.7	22.7	1,126.9
Loans and receivables from banks	10.0	-	-	-	-	10.0
Financial assets at fair value through profit or loss	42.0	2.0	-	-	-	44.0
Loans and receivables from customers	5,988.3	2.5	-	0.5	-	5,991.3
Equity securities at fair value through other comprehensive income	0.7	24.9	-	-	-	25.6
Debt securities at fair value through other comprehensive income	233.4	-	500.0	-	-	733.4
Financial assets measured at amortized cost	420.2	-	-	-	-	420.2
Investment in subsidiaries	46.7	-	-	-	-	46.7
Property and equipment	46.1	-	-	-	-	46.1
Right-of-use assets	21.8	-	-	-	-	21.8
Investment property	9.3	-	-	-	-	9.3
Intangible assets	20.0	-	-	-	-	20.0
Deferred tax assets	13.2	-	-	-	-	13.2
Other assets	26.2	-	-	-	-	26.2
Assets held for sale	0.7	-	-	-	-	0.7
Total assets	7,974.8	33.6	501.1	3.2	22.7	8,535.4
Liabilities						
Amounts due to other banks	3.3	6.9	-	-	0.5	10.7
Amounts due to customers	6,203.0	273.1	0.3	42.6	58.6	6,577.6
Other borrowed funds	664.7	-	-	-	-	664.7
Financial liabilities at fair value through profit or loss	40.5	-	-	-	-	40.5
Provisions for liabilities and charges	77.4	0.1	-	-	0.7	78.2
Income tax liability	12.7	-	-	-	-	12.7
Lease liabilities classified under IFRS 16	22.6	-	-	-	-	22.6
Other liabilities	50.3	0.3	-	-	-	50.6
Total liabilities	7,074.5	280.4	0.3	42.6	59.8	7,457.6
Net foreign exchange position	900.3	(246.8)	500.8	(39.4)	(37.0)	1,077.8

* currency clause in the stated currency is included

The open balance foreign currency position is completely closed with FX derivative instruments that do not carry interest rate risk. therefore no sensitivity calculations are required.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

MARKET RISK MANAGEMENT - GROUP

Since the Bank's subsidiaries that are part of the consolidation (Group) independently manage market risks, below is an overview of market risk management policies for the subsidiary. Group members are exposed to interest rate risk, currency risk and price risk.

OTP LEASING D.D.

Interest rate risk

Interest rate risk management is complemented by monitoring the sensitivity of future net interest income to changes in weighted average variable interest rates on overdue variable and finance lease receivables with variable interest rates and interest-bearing loans with variable interest rates by one percentage point. An increase in average weighted variable interest rates by one percentage point would result in a decrease in net interest income in the amount of EUR 41 thousand (2024: a decrease in net interest income in the amount of EUR 51 thousand).

Currency risk

At the balance sheet date, the Company was not exposed to significant currency risk.

Price risk

The Company was not significantly exposed to price risk at the balance sheet date.

Other subsidiaries that enter into consolidation due to their size and structure of assets and liabilities are not significantly exposed to any of the above market risks.

INTEREST RATE RISK IN TRADING BOOK

Interest rate risk is the risk of changes in the fair value of a financial instrument due to changes in market interest rates. The Bank is allowed to trade / hold only those interest rate risk instruments for which there is valid approval of the Management Board, at the proposal of the Asset and Liability Management Committee of OTP Bank Nyrt, and if there are valid and sufficient limits.

Interest rate risk limits limit the Treasury's exposure to bonds, interest rate swaps (IRSs), Forward rate agreements (FRAs), repo deals and other derivative transactions containing interest rate risk.

Risk is measured by calculating the change in the net present value of the portfolio in the event of a shift in the reference interest rate curve by 1 basis point and is limited by the BPV (Basis Point Value) limits.

The tables below show the sensitivity to change in interest rate where the increase in the net present value of all future cash flows is shown as a positive number and a decrease as a negative number.

In 2020, in order to better monitor interest rate risk by type of transaction, the limit structure was changed and BPV values were monitored and calculated separately (below is the view for MM and FI desk).

Considering the change in the market conditions, from 2023 the Bank minimized the interest risk in the Trading Book and in 2024 and 2025 the limits and exposures are insignificant considering that the positions are closed BtB with Parent Company.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

INTEREST RATE RISK IN TRADING BOOK (CONTINUED)

Overview of sensitivity to changes in interest rates of 1 basis point per currency (in EUR million)

MM desk 31/12/2025	1W-1Y	1Y-10Y	10y-15Y	Total
EUR	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

FI desk 31/12/2025	1W-1Y	1Y-10Y	10y-15Y	Total
EUR	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

MM desk 31/12/2024	1W-1Y	1Y-10Y	10y-15Y	Total
EUR	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

FI desk 31/12/2024	1W-1Y	1Y-10Y	10y-15Y	Total
EUR	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

INTEREST RATE RISK IN BANKING BOOK

Interest rate sensitivity of assets and liabilities

Interest rate risk represents the exposure of Group / Bank to unexpected or unfavourable fluctuations of market interest rates in the future. Interest rate risk has an impact both on the profit and loss account and on future cash flows and the market value of the Group's / Bank's assets, liabilities and off-balance sheet instruments.

The purpose of interest rate risk management is to protect the Group / Bank from unacceptably high interest rate risk exposure, but acceptable exposure to interest rate risk is defined by the amount of individual limits that the Group / Bank establishes through the ratio of the amount of potential loss and regulatory capital, as well as based on the ability and desire of the Group/ Bank to take interest rate risk.

The establishment of an adequate interest rate risk management process is the individual responsibility of each member of the Group, while consolidated interest rate risk management is the responsibility of OTP bank Nyrt Hungary.

33. MARKET RISK (CONTINUED)

INTEREST RATE RISK IN BANKING BOOK (CONTINUED)

Interest rate sensitivity of assets and liabilities (continued)

Interest rate risk represents the exposure of Group / Bank to unexpected or unfavourable fluctuations of market interest rates in the future. Interest rate risk has an impact both on the profit and loss account and on future cash flows and the market value of the Group's / Bank's assets, liabilities and off-balance sheet instruments.

The purpose of interest rate risk management is to protect the Group / Bank from unacceptably high interest rate risk exposure, but acceptable exposure to interest rate risk is defined by the amount of individual limits that the Group / Bank establishes through the ratio of the amount of potential loss and regulatory capital, as well as based on the ability and desire of the Group/ Bank to take interest rate risk.

The establishment of an adequate interest rate risk management process is the individual responsibility of each member of the Group, while consolidated interest rate risk management is the responsibility of OTP bank Nyrt Hungary.

OTP banka d.d., as the largest member of the Group in Croatia, separately manages the interest rate risk arising from the trading book items from the interest rate risk arising from the following transactions included in the banking book:

- commercial business (loans and deposits from clients);
- own account transactions (which include instruments of financial assets measured at fair value through other comprehensive income and a portfolio of financial assets measured at amortized cost);
- interbank transactions;
- derivative financial instruments concluded for the purpose of banking book (e.g. interest rate swaps);
- other transactions that affect the interest rate risk in the banking book.

The management of interest rate risk arising from items in the banking book is the responsibility of the Asset and Liability Management Department, which is part of the Bank's Financial Sector.

The methods used to measure interest rate risk exposure are as follows:

- Net interest income (NII)
The evolution of net interest income is modelled over a particular time horizon (1 year in case of ICAAP) considering at least the interest rate shock scenarios predefined by EBA (described in later paragraphs), assuming a going-concern perspective and constant balance sheet. The effects of both automatic and behavioural options are taken into account.
In calculation of the total impact on NII up to 1 year, the positive effects are weighted by 50%. The Bank also considers changes in the market value of instruments, depending on the accounting treatment, shown in the income statement or directly in equity (e.g. through other comprehensive income).
- Economic value of equity (EVE)
The present value of equity, and the change in the present value of equity between the base scenario and the interest rate shock scenarios are determined on the basis of transaction level cash flows discounted by the risk-free yield curve for each currency. Cash flows of on- and off-interest bearing assets (with the exclusion of non-performing loans) and liabilities are projected without commercial margin. Contractual repricing characteristics are modified according to the behavioural assumptions, taking into account the restriction on the average duration of retail, corporate and municipal non-maturing deposits being a maximum of 5 years.
When calculating the total impact on EVE, the positive effects are weighted by 50%. For each currency, the lower limit of the post-shock interest rate is applied, depending on the maturity, starting from -150 basis points for current maturities. This lower limit increases by 3 basis points per year and eventually reaches 0% for maturities of 50 years and over.

33. MARKET RISK (CONTINUED)

INTEREST RATE RISK IN BANKING BOOK (CONTINUED)

Interest rate risk management – regulatory requirements(continued)

The Group / Bank is required to apply six interest rate shock scenarios to cover parallel and non-parallel gap risks to the economic value of equity (EVE):

1. Parallel up
2. Parallel down
3. Steepener (short rates down and long rates up)
4. Flattener (short rates up and long rates down)
5. Short rates up
6. Short rates down

The Bank reports on interest rate risks in the banking book in the format and within the deadlines prescribed in Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, on an individual and consolidated basis, with the following dynamics:

Quarterly:

- J 01.00 – EVALUATION OF THE IRRBB: EVE/NII SOT AND MV CHANGES,
- J 02.00 – BREAKDOWN OF SENSITIVITY ESTIMATES,
- J 05.00 – REPRICING CASH FLOWS,
- J 08.00 – RELEVANT PARAMETERS.

Yearly:

- J 10.01 – GENERAL QUALITATIVE INFORMATION,
- J 10.02 – QUALITATIVE INFORMATION "CURRENCY BY CURRENCY".

The reports in question are prepared separately for each material currency, on both, individual and consolidated basis.

The following regulatory limits on interest rate risk exposure in the banking book are in effect:

- The decline in EVE under any of the six interest rate shock scenarios must not exceed 15% of Tier1 capital;
- The potential decline in net interest income for up to one year under any of the 2 supervisory interest rate shock scenarios (Parallel shock up and Parallel shock down) must not exceed 5% of Tier1 capital, on an individual and consolidated basis.

An overview of the Bank's and the Group's sensitivity to changes in interest rates measured in accordance with regulatory reporting requirements in accordance with Commission Implementing Regulation (EU) 2024/3117 of 29 November 2024 as of the reporting date of 31 December 2025 is presented in the following tables:

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

INTEREST RATE RISK IN BANKING BOOK (CONTINUED)

Interest rate risk management - regulatory requirements (continued)

Scenarios	EVE	
	Group	Bank
Parallel shock growth	(52.0)	(47.0)
Parallel shock falls	11.2	8.3
Steeper	4.5	5.2
Flattener	(33.5)	(33.9)
Shock of short-term interest rate growth	(41.4)	(40.3)
Shock of falling short-term interest rates	16.4	15.8
Tier1 capital	1,044.2	1,028.6
(CHANGE IN ECONOMIC VALUE / TIER1 CAPITAL) * 100	4.98%	4.57%

Scenarios	NII	
	Group	Bank
Parallel shock up	(21.0)	(20.9)
Parallel shock down	(36.9)	(37.0)
Tier1 capital	1,044.2	1,028.6
(CHANGE IN NET INTEREST INCOME / TIER1 CAPITAL) * 100	3.54%	3.59%

*data for 2025 are unaudited

An overview of the Bank's and the Group's sensitivity to changes in interest rates measured in accordance with regulatory reporting requirements in accordance with Commission Implementing Regulation (EU) 2021/451 of 17 December 2024 as of the reporting date of 31 December 2024 is presented in the following tables:

Scenarios	EVE	
	Group	Bank
Parallel shock growth	(49.6)	(48.1)
Parallel shock falls	36.2	35.3
Steeper	5.5	5.6
Flattener	(21.7)	(21.7)
Shock of short-term interest rate growth	(47.1)	(46.7)
Shock of falling short-term interest rates	22.6	22.3
Tier1 capital	1,007.4	989.4
(CHANGE IN ECONOMIC VALUE / TIER1 CAPITAL) * 100	4.93%	4.86%

Scenarios	NII	
	Group	Bank
Parallel shock up	0.6	0.3
Parallel shock down	(44.0)	(43.4)
Tier1 capital	1,007.4	989.4
(CHANGE IN NET INTEREST INCOME / TIER1 CAPITAL) * 100	4.37%	4.39%

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

33. MARKET RISK (CONTINUED)

INTEREST RATE RISK IN BANKING BOOK (CONTINUED)

Interest rate risk management - regulatory requirements (continued)

The table below shows the average effective interest rates for interest-bearing financial assets and financial liabilities during 2024 and 2025 and on the last day of 2024 and 2025:

Group

	Average interest rate during the year:		Average interest rate on the last day of the year:	
	2025	2024	2025	2024
	%	%	%	%
Cash and balances with the Croatian National Bank	1.3	1.7	0.8	1.6
Loans and receivables from other banks	4.5	6.2	3.7	4.6
Loans and receivables from customers	4.0	4.0	3.9	4.0
Debt securities at fair value through other comprehensive income	1.9	3.5	1.9	5.0
Investments at amortized cost	3.4	3.5	3.4	3.4
Amounts due to other banks	3.0	3.4	2.7	3.2
Amounts due to customers	0.4	0.5	0.4	0.5
Other borrowed funds	3.6	4.7	3.9	4.3

Bank

	Average interest rate during the year:		Average interest rate on the last day of the year:	
	2025	2024	2025	2024
	%	%	%	%
Cash and balances with the Croatian National Bank	1,3	1,7	0,8	1,6
Loans and receivables from other banks	4,5	6,2	3,7	4,6
Loans and receivables from customers	3,8	3,9	3,8	3,9
Debt securities at fair value through other comprehensive income	1,9	3,5	1,9	5,0
Investments at amortized cost	3,4	3,5	3,4	3,4
Amounts due to other banks	3,0	3,4	2,7	3,2
Amounts due to customers	0,4	0,5	0,4	0,5
Other borrowed funds	4,4	5,9	4,7	5,2

PRICE RISK IN TRADING BOOK

Price risk is the risk of change in the value of an instrument as a result of changes in market prices, and the Bank invests primarily in high quality government instruments, therefore the Bank considers the price risk to be low.

34. LIQUIDITY RISK

Liquidity risk management

Cash flow management policy aimed at maintaining a balance between cash receipts and expenses is part of the Group's / Bank's wider asset and liability management policy. To ensure a satisfactory level of liquidity reserves, the Group / Bank consistently implements the cash flow monitoring and planning process and anticipates future liquidity needs taking into account changes in the Group's / Bank's economic, legislative and other circumstances. This planning involves identifying known, expected and potential cash outflows and developing strategies to meet the Group's / Bank's liquidity requirements in certain currencies. It is important to emphasize that the Group / Bank, when managing its liquidity risk, seeks to ensure the currency matching of the liquid assets' portfolio with the currency distribution of its net liquidity outflows.

Given the specificity of each individual member within the Group, there are no consolidated liquidity indicators, but they are monitored individually in accordance with regulatory regulations and internal policies.

OTP banka d.d. as the only credit institution within the Group in Croatia, has the most regulated liquidity framework, which is reviewed below.

Liquidity risk management of OTP banka d.d., as potentially the largest generator of liquidity risk within the Group in Croatia, is the responsibility of the Asset and Liability Management Department in the Finance Sector.

The Asset and Liability Committee (ALCO) determines the Bank's liquidity risk tolerance, regularly reviews and approves the liquidity risk management strategy and ensures the effective management of liquidity risk by the Asset and Liability Department. The Asset and Liability Department also proposes a liquidity risk management strategy and establishes a framework for managing these risks to ensure that the Bank has sufficient liquidity and regularly reports to ALCO. In addition, the Asset and Liability Department manages liquidity and minimal reserve requirements on a daily basis, maintains liquidity reserves in order to meet prescribed requirements and internal limits, and, in addition, implements the ALCO-approved liquidity risk strategy and ensures that appropriate controls, procedures and information flows are in place. In addition to short-term liquidity, the Asset and Liability Department is also responsible for managing medium and long-term liquidity, and adopts operational decisions based on information provided to them by various Bank departments related to operations that affect liquidity.

In order to ensure liquidity stress resilience, the Group / Bank maintains an adequate reserve of high-quality assets that can be sold or pledged to obtain funds under stress conditions.

Highly liquid financial assets include:

- liquid assets on accounts with the Croatian National Bank;
- liquid assets placed with banks;
- liquid unencumbered assets placed in securities, treasury bills and bonds.

In addition to the aforementioned, the short-term and long-term financing lines offered by the Parent Company, which, together with customer deposits, represent the Group's / Bank's key sources of financing.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

Review of the fluctuations of liquid assets as at 31 December 2025 and 31 December 2024 is indicated in the table below:

	31/12/2025	31/12/2024
Giro account with the CNB	74.4	74.4
Mandatory maintenance of the minimum reserve with the CNB	(73.8)	(63.8)
Deposits with the CNB	825.0	828.0
Liquid assets on accounts with the Croatian National Bank	825.6	838.6
Current accounts with foreign banks	14.1	19.4
Current accounts with domestic banks	0.5	7.8
Short-term placements with other banks	300.1	9.2
Liquid assets placed with banks	314.7	36.4
Bonds of the Republic of Croatia	132.5	233.4
Treasury bills of the National Bank of Hungary	-	500.0
Total liquid assets placed in securities measured at fair value through other comprehensive income	132.5	733.4
Bonds of the Republic of Croatia	351.8	313.0
Foreign government bonds	137.3	8.3
Bonds of foreign financial institutions (Bank)	51.9	52.0
Treasury bills of the National Bank of Hungary	401.8	-
Total liquid assets placed in securities measured at amortized cost but eligible for credit operations with the CNB	942.8	373.3
Total liquid assets	2,215.6	1,981.7

All indicated liquid assets are either due or marketable or liable for a period of up to one month.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

Maturity structure of securities representing the Bank's liquidity reserve as at 31 December 2025 and 31 December 2024 is indicated in the tables below:

31/12/2025

	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years
Bonds of the Republic of Croatia	484.6	7.8	182.7	42.1	252.0
Foreign government bonds	137.2	-	-	28.4	108.8
Bonds of foreign financial institutions (Bank)	51.9	-	-	51.9	-
Treasury bills of the National Bank of Hungary	401.8	401.8	-	-	-
Liquid assets placed in securities	1,075.5	409.6	182.7	122.4	360.8

31/12/2024

	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years
Bonds of the Republic of Croatia	546.5	113.2	95.6	102.5	235.2
Foreign government bonds	8.3	-	-	-	8.3
Bonds of foreign financial institutions (Bank)	52.0	-	-	52.0	-
Treasury bills of the National Bank of Hungary	500.0	500.0	-	-	-
Liquid assets placed in securities	1,106.8	613.2	95.6	154.5	243.5

Bank assets are considered encumbered if they are pledged or subject to any form of contract to secure, hedge or enhance the lending of any balance sheet or off-balance sheet transactions from which they cannot be freely withdrawn (for example, to pledge for funding sources). Pledged assets subject to withdrawal restrictions, such as assets requiring prior approval prior to withdrawal or replacement with other assets, are considered encumbered. As at 31 December 2025 the Bank had no impaired asset burden, while the amount of pledged assets for the purpose of posting initial margin for IRS contracts, measured at the value of securities as at 31 December 2024, amounted EUR 26.5 million. Existing sources of financing were sufficient to cover the Bank's liquidity needs.

Liquidity risk measures

In order to comply with the legal and internal regulations and decisions, establish the principle of safety and stability and achieve the planned profitability of operations, the Bank applies a system of measuring and limiting liquidity risk and reporting of the subject risk. In accordance with the market practices, exposure to liquidity risk is determined through:

- regulatory limits
- internal limits

OTP banka d.d. is the only member of the Group that has the obligation to maintain the following regulatory liquidity indicators:

- minimum reserve
- liquidity coverage ratio
- requirement related to stable sources of funding

34. LIQUIDITY RISK (CONTINUED)

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Minimum reserve

Minimum reserves are calculated on the liabilities of credit institutions towards the non-banking sector, i.e. the population, companies and the state. A reserve rate of 1% is set for liabilities with a maturity of up to two years, while a reserve rate of 0% applies to liabilities with a longer maturity and repo contracts.

The holdings of minimum reserves are remunerated at 0%.

Liquidity coverage ratio

In accordance with the Regulation 575/2013 of the European Parliament and the Delegated Commission Regulation (EU) No. 2015/61, the Bank is required to maintain the prescribed ratio of liquid assets and net liquid outflows (LCR) to a minimum of 100% since January 2018.

The liquidity coverage ratio (LCR) request as at 31 December 2025 and 31 December 2024 for the Bank is indicated in the table below:

	31/12/2025		31/12/2024	
	Amount	Weighted amount	Amount	Weighted amount
Liquidity buffer (HQLA)	2,363.1	2,356,5	2,113.7	2,107.7
Cash and reserves with the Central Bank	1,002.3	1,002,3	1,035.8	1,035.8
Total 1st and 2nd degree assets	1,360.8	1,354,2	1,077.9	1,071.9
Total net liquidity outflows	7,976.8	1,295,8	7,512.1	1,227.7
Inflows	791.2	270,5	385.2	229.3
Cash receivables from non-financial clients	455.6	244,5	320.4	173.3
Cash receivables from financial clients	16.8	16,8	29.8	29.8
Other inflows	318.8	9,2	35.0	26.2
Outflows	8,768.0	1,566,3	7,897.3	1,457.0
Retail deposits	5,393.2	395,5	4,736.5	348.8
Non-operational deposits	1,811.0	978,9	1,763.0	938.7
Other liabilities	1,563.8	191,9	1,397.8	169.5
Liquidity coverage ratio (%)_LCR		182%		172%
Regulatory limit		100%		100%
Internal minimum RAS limit		125%		110%
Internal optimum RAS trigger		130%		120%

When managing a liquidity buffer in terms of a Liquidity Coverage Ratio requirement (LCR), and in order to ensure the security, liquidity and adequate diversification of its own investments, the Bank is guided by the requirements set out in Delegated Commission Regulation (EU) No. 2015/61 as well as by the provisions of the Bank's Liquidity Risk Management Procedure regarding the investment portfolio management. Accordingly, the management of the liquid assets portfolio recognized in the liquidity buffer includes:

- minimizing credit risk or loss risk due to default of the security issuer (or guarantor) by (i) pre-determining and constantly monitoring the issuers whose securities have already been purchased or can be purchased and (ii) diversifying the portfolio and limiting the investment by issuer so that the potential losses of individual securities are minimized,

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

- minimizing the risk of the market value of the securities in the portfolio decreasing due to changes in general interest rates, taking into account (i) that the portfolio is structured so that the securities mature in order to meet the cash requirements for current operations, avoiding the need to sell securities on the open market before maturity with a high transaction cost and
- (ii) investing operating assets primarily in short-term securities (limiting the maximum maturity or duration of the portfolio),
- not opening currency risks related to the portfolio of liquid foreign currency assets, achieving a competitive rate of return, given the constraints on credit, interest rate and currency risk mitigation and liquidity goals,
- portfolio diversification to reduce the risk of loss resulting from the concentration of assets in a particular type, currency, country or economic sector,
- assessing the marketability of the portfolio primarily through the possibility of collateralizing with the European Central Bank and then by examining the market situation of professional services at the Bank.

Requirement for stable sources of funding

Regulation (EU) 2019/876 of 20 May 2019 amending Regulation (EU) no. 575/2013 regarding the leverage ratio, the ratio of net stable sources of financing, regulatory capital requirements and eligible liabilities, counterparty credit risk, market risk, exposure to central counterparties, exposure to collective investment undertakings, large exposures, requirements for reporting and disclosure, prescribes the bank's obligation to report on stable sources of financing (NSFR) whose minimum level is 100%.

Changes in net stable funding ratio requirements (NSFR) as at 31 December 2025 (unaudited) and 31 December 2024 (audited) for the Bank is indicated in the table below:

	31/12/2025	31/12/2024
Items providing stable funding sources	7,528.7	6,800.4
Items requiring stable funding sources	5,178.5	4,734.0
Net stable funding ratio requirements (%)_NSFR	145%	144%
Regulatory limit	100%	100%
RAS limit	112.50%	110%
RAS trigger	115%	120%

**data for 2025 are unaudited*

In addition to the regulatory liquidity ratios indicated above, the Bank also uses a number of other internal indicators to help monitor short-term and long-term liquidity risk exposures based on the balance sheet structure (such as the net loan-to-deposit ratio, the share of liquid assets in total assets, the concentration of deposits received from an individual client and twenty largest depositors, and projected funding needs).

The aforementioned internal liquidity indicators are monitored and reported through Assets liability committee (ALCO) on monthly basis.

34. LIQUIDITY RISK (CONTINUED)

Stress testing

In order to meet the expected and unexpected cash needs, the liquidity management strategy includes planning for contingencies (local and global crises). Namely, the planned activities are continuously adjusted to the market situation, taking into account the structure of assets and liabilities and the maximum level of liquidity reserves.

The Bank prescribes and carries out stress tests of its liquidity, taking into account the factors specific for the Bank (crisis of the institution) as well as market factors (market crisis). Tests are conducted for shorter and longer periods of stressful circumstances with varying intensity of stressful circumstances: from normal (predictable or normal) circumstances to unusual (extreme) circumstances.

On a monthly basis, the Bank performs liquidity stress testing to determine and quantify its exposure to potential liquidity stress, analyzing potential effects on its liquidity position.

Stress tests consist of applying assumptions of development inside and outside the budget to inflows and outflows of client funds (with particular attention being paid to the concentration of deposits) and determining the net outflows of client funds under stress, which are compared to the liquid assets that can be obtained using the liquidity reserve and alternative sources of financing.

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

The table below represent the maturity analysis of discounted assets and liabilities as at 31 December 2025.

Group

As at 31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Assets							
Cash and balances with Croatian National Bank	1,106.1	-	-	-	-	-	1,106.1
Loans and receivables from banks	300.4	-	-	-	-	-	300.4
Financial assets at fair value through profit or loss	0.9	-	1.5	0.4	25.5	17.9	46.2
Loans and receivables from customers	642.5	309.7	1,003.1	1,577.4	3,548.8	-	7,081.5
Equity securities at fair value through other comprehensive income	-	-	-	-	-	27.3	27.3
Debt securities at fair value through other comprehensive income	-	-	60.7	118.7	6.0	-	185.4
Financial asset measured at amortised cost	401.8	-	19.1	77.0	512.40	-	1,010.3
Property and equipment	-	-	-	-	-	93.3	93.3
Right-of-use assets	0.4	0.7	2.9	5.2	6.0	-	15.2
Investment property	-	-	-	-	-	78.1	78.1
Intangible assets	-	-	-	-	-	22.0	22.0
Goodwill	-	-	-	-	-	2.1	2.1
Deferred tax assets	-	-	-	-	-	5.1	5.1
Income tax claim	-	-	6.5	-	-	-	6.5
Other assets	37.8	-	-	-	-	-	37.8
Assets held for sale	-	-	-	-	-	0.4	0.4
Total assets	2,489.9	310.4	1,093.8	1,778.7	4,098.7	246.2	10,017.7

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

As at 31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Liabilities							
Amounts due to other banks	24.6	6.0	-	-	-	-	30.6
Amounts due to customers	6,243.4	302.7	656.4	34.2	18.1	-	7,254.8
Other borrowed funds	648.9	85.1	126.9	361.6	138.4	-	1,360.9
Financial liabilities at fair value through profit or loss	2.7	0.1	1.5	1.0	18.7	-	24.0
Provisions for liabilities and charges	7.0	1.7	4.3	6.8	3.0	59.7	82.5
Lease liabilities classified under IFRS 16	0.4	0.7	2.9	5.3	6.4	-	15.7
Income tax liabilities	-	-	-	-	-	-	-
Other liabilities	70.8	-	-	-	-	-	70.8
Total liabilities	6,997.8	396.3	792.0	408.9	184.6	59.7	8,839.3
Net liquidity gap	(4,508.0)	(85.9)	301.8	1,369.8	3,914.1	186.6	1,178.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

The table below represents the maturity analysis of discounted assets and liabilities as at 31 December 2024.

As at 31 December 2024	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Assets							
Cash and balances with Croatian National Bank	1,128.4	-	-	-	-	-	1,128.4
Loans and receivables from banks	10.0	-	-	-	-	-	10.0
Financial assets at fair value through profit or loss	2.1	0.1	6.6	0.9	16.3	18.0	44.0
Loans and receivables from customers	477.0	440.6	875.5	1,531.6	3,198.6	-	6,523.3
Equity securities at fair value through other comprehensive income	-	-	-	-	-	25.6	25.6
Debt securities at fair value through other comprehensive income	500.0	88.9	6.7	61.1	76.7	-	733.4
Financial asset measured at amortised cost	-	-	2.7	72.2	345.3	-	420.2
Property and equipment	-	-	-	-	-	91.3	91.3
Right-of-use assets	0.4	0.7	3.1	5.8	5.4	-	15.4
Investment property	-	-	-	-	-	79.1	79.1
Intangible assets	-	-	-	-	-	20.7	20.7
Goodwill	-	-	-	-	-	2.7	2.7
Deferred tax assets	-	-	-	-	-	9.3	9.3
Other Assets	51.1	-	-	-	-	-	51.1
Assets held for sale	-	-	0.7	-	-	-	0.7
Total assets	2,169.0	530.3	895.3	1,671.6	3,642.3	246.7	9,155.2

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

As at 31 December 2024	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Liabilities							
Amounts due to other banks	10.7	-	-	-	-	-	10.7
Amounts due to customers	5,795.6	247.0	467.5	39.4	24.2	-	6,573.7
Other borrowed funds	583.6	20.5	140.0	318.4	173.1	-	1,235.6
Financial liabilities at fair value through profit or loss	1.0	0.1	6.5	1.5	31.4	-	40.5
Provisions for liabilities and charges	5.9	2.1	6.8	9.0	53.1	2.2	79.1
Lease liabilities classified under IFRS 16	0.3	0.7	3.1	5.9	5.7	-	15.7
Income tax liabilities	-	-	-	13.0	-	-	13.0
Other liabilities	66.9	-	-	-	-	-	66.9
Total liabilities	6,464.0	270.4	623.9	387.2	287.5	2.2	8,035.2
Net liquidity gap	(4,295.2)	260.1	271.4	1,284.4	3,354.8	244.5	1,120.0

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

Bank

As at 31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Assets							
Cash and balances with Croatian National Bank	1,106.1	-	-	-	-	-	1,106.1
Loans and receivables from banks	300.4	-	-	-	-	-	300.4
Financial assets at fair value through profit or loss	0.9	-	1.5	0.4	25.5	17.9	46.2
Loans and receivables from customers	633.8	263.5	864.8	1,322.2	3,405.1	-	6,489.4
Equity securities at fair value through other comprehensive income	-	-	-	-	-	27.3	27.3
Debt securities at fair value through other comprehensive income	-	-	60.7	118.7	6.0	-	185.4
Financial asset measured at amortised cost	401.8	-	19.1	77.0	512.4	-	1,010.3
Investments in subsidiaries	-	-	-	-	-	46.0	46.0
Property and equipment	-	-	-	-	-	48.7	48.7
Right-of-use assets	0.4	0.9	3.7	7.2	8.5	-	20.7
Investment property	-	-	-	-	-	9.0	9.0
Intangible assets	-	-	-	-	-	21.0	21.0
Deferred tax assets	-	-	-	-	-	8.8	8.8
Corporate income tax receivables	-	-	7.4	-	-	-	7.4
Other Assets	17.3	-	-	-	-	-	17.3
Assets held for sale	-	-	-	-	-	-	-
Total assets	2,460.7	264.4	957.2	1,525.5	3,957.5	178.7	9,344.0

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

As at 31 December 2025	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Liabilities							
Amounts due to other banks	24.6	6.0	-	-	-	-	30.6
Amounts due to customers	6,254.3	302.7	656.4	34.2	18.6	-	7,266.2
Other borrowed funds	647.4	2.1	9.5	21.1	49.4	-	729.5
Financial liabilities at fair value through profit or loss	2.7	0.1	1.5	1.0	18.7	-	24.0
Provisions for liabilities and charges	7.0	1.7	3.6	6.8	3.0	59.7	81.8
Lease liabilities classified under IFRS 16	0.5	0.9	3.7	7.3	9.2	-	21.6
Income tax liabilities	-	-	-	-	-	-	-
Other liabilities	56.9	-	-	-	-	-	56.9
Total liabilities	6,993.4	313.5	674.7	70.4	98.9	59.7	8,210.6
Net liquidity gap	(4,532.7)	(49.1)	282.5	1,455.1	3,858.6	119.0	1,133.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

The table below represents the maturity analysis of discounted assets and liabilities as at 31 December 2024.

As at 31 December 2023	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Assets							
Cash and balances with Croatian National Bank	1,126.9	-	-	-	-	-	1,126.9
Loans and receivables from banks	10.0	-	-	-	-	-	10.0
Financial assets at fair value through profit or loss	2.1	0.1	6.6	0.9	16.3	18.0	44.0
Loans and receivables from customers	475.5	396.6	742.6	1,298.0	3,078.6	-	5,991.3
Equity securities at fair value through other comprehensive income	-	-	-	-	-	25.6	25.6
Debt securities at fair value through other comprehensive income	500.0	88.9	6.7	61.1	76.7	-	733.4
Financial asset measured at amortised cost	-	-	2.7	72.2	345.3	-	420.2
Investments in subsidiaries	-	-	-	-	-	46.7	46.7
Property and equipment	-	-	-	-	-	46.1	46.1
Right-of-use assets	0.4	0.9	3.9	7.7	8.9	-	21.8
Investment property	-	-	-	-	-	9.3	9.3
Intangible assets	-	-	-	-	-	20.0	20.0
Deferred tax assets	-	-	-	-	-	13.2	13.2
Other Assets	26.2	-	-	-	-	-	26.2
Assets held for sale	-	-	0.7	-	-	-	0.7
Total assets	2,141.1	486.5	763.2	1,439.9	3,525.8	178.9	8,535.4

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

As at 31 December 2024	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Undefined	Total
Liabilities							
Amounts due to other banks	10.7	-	-	-	-	-	10.7
Amounts due to customers	5,799.1	247.0	467.5	39.4	24.6	-	6,577.6
Other borrowed funds	582.9	2.4	10.4	19.3	49.7	-	664.7
Financial liabilities at fair value through profit or loss	1.0	0.1	6.5	1.5	31.4	-	40.5
Provisions for liabilities and charges	5.9	2.1	5.9	9.0	53.1	2.2	78.2
Lease liabilities classified under IFRS 16	0.4	0.9	3.8	7.9	9.6	-	22.6
Income tax liabilities	-	-	-	12.7	-	-	12.7
Other liabilities	50.6	-	-	-	-	-	50.6
Total liabilities	6,450.6	252.5	494.1	89.8	168.4	2.2	7,457.6
Net liquidity gap	(4,309.7)	234.2	269.1	1,350.1	3,357.4	176.7	1,077.8

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

Table below present undiscounted cash flows for financial liabilities.

Group

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
As at 31 December 2025						
Liabilities						
Amounts due to other banks	24.6	6.0	-	-	-	30.6
Amounts due to customers	6,244.3	305.3	664.9	34.6	18.7	7,267.8
Other borrowed funds	649.9	89.5	140.4	383.6	150.0	1,413.4
Financial liabilities at fair value through profit or loss	2.7	0.1	1.5	1.0	18.7	24.0
Other liabilities	70.8	-	-	-	-	70.8
Total liabilities	6,992.3	400.9	806.8	419.2	187.4	8,806.6
As at 31 December 2024						
Liabilities						
Amounts due to other banks	10.7	-	-	-	-	10.7
Amounts due to customers	5,803.7	248.6	472.8	40.1	25.9	6,591.1
Other borrowed funds	584.3	24.7	153.6	338.0	153.5	1,254.1
Financial liabilities at fair value through profit or loss	1.0	0.1	6.5	1.5	31.4	40.5
Other liabilities	66.9	-	-	-	-	66.9
Total liabilities	6,466.6	273.4	632.9	379.6	210.8	7,963.3

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

34. LIQUIDITY RISK (CONTINUED)

Table below present undiscounted cash flows for financial liabilities.

Bank

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Total
As at 31 December 2025						
Liabilities						
Amounts due to other banks	24.7	-	-	-	-	24.7
Amounts due to customers	6,255.1	305.2	664.9	34.7	19.2	7,279.1
Other borrowed funds	647.5	2.4	10.6	23.5	53.7	737.7
Financial liabilities at fair value through profit or loss	2.7	0.1	1.5	1.0	18.7	24.0
Other liabilities	56.9	-	-	-	-	56.9
Total liabilities	6,986.9	307.7	677.0	59.2	91.6	8,122.4
As at 31 December 2024						
Liabilities						
Amounts due to other banks	10.7	-	-	-	-	10.7
Amounts due to customers	5,800.2	248.6	472.8	40.1	25.5	6,587.2
Other borrowed funds	582.9	2.6	11.3	21.0	55.1	672.9
Financial liabilities at fair value through profit or loss	1.0	0.1	6.5	1.5	31.4	40.5
Other liabilities	50.6	-	-	-	-	50.6
Total liabilities	6,445.4	251.3	490.6	62.6	112.0	7,361.9

Remaining maturity is related to period between reporting date and expected date of payment for receivables or liabilities.

35. OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequately defined or improperly executed business process, human error, inappropriate system operation or as a result of external factors, including legal risk.

The Group / Bank's activities in the area of managing operational risk are in line with the applicable regulations and good operational risk management practice, and are regularly revised to reflect any changes therein. Framework for managing operational risk at the Group / Bank is provided by the Operational Risk Management Rules, the Operational Risk Collection Procedure as well as the Procedure for Managing Key Risk Indicators, Procedure for conducting risk self-assessment and control mechanisms, Procedure for listing model risks, Procedure for conducting scenario analysis. Operational risks are managed in a decentralised manner so that the responsibility for managing operational risks rests with the managers and staff in charge of those organisational units in which operational risks are inherent to the activities performed by those units. They best understand, control and monitor the processes taking place in their organisational units and their duty is to ensure that the processes they manage follow appropriate procedures and are safe from the aspect of incurrance of operational risks. Operational risk management activities that are a joint responsibility of all the Bank's organisational units include the following: identification, measurement, assessment and analysis, as well as monitoring operational risks.

Department for Operational Risks operates as an independent unit within the Risk Management Division, Risk Control Directorate. Department for Operational Risks is responsible for: control and suggesting the set-up of the operational risk management environment and the rules governing this area, for collecting data about losses caused by operational risks, conducting analysis, documenting and preparing reports on operational risk events and providing assistance and support to all organizational units of the Bank and related companies in understanding the structured approach to managing operational risks. In order to obtain a full view of the Bank's exposure to the risk, an Operational Risk Management Committee has been established.

In line with the decentralised operational risk management methodology, process owners are responsible for consistent identification and assessment of operational risks, followed by the establishment and implementation of measures for managing risks identified in the respective areas and processes for which they are responsible.

The Bank applies a standardised approach to the calculation of the regulatory capital requirement for operational risk on a consolidated and individual basis.

Business Continuity Plan – ICT Risks

The Group / the Bank maintains an established and regularly updated business continuity management system, which comprises the Business Continuity Management Strategy, the Business Continuity Plan, and the Instruction for convening and operating the crisis committee. These documents define the framework and mechanisms for ensuring uninterrupted operations or the timely restoration of critical functions in the event of extraordinary events that may temporarily affect operational availability, all in line with applicable regulatory expectations (DORA).

The business continuity framework applies to the Bank and all affiliated Group entities. Representatives of the affiliated entities are permanent members of the crisis committee and actively participate in decision-making and the coordination of activities in crisis situations.

During the year, controls and mechanisms for business continuity management were further enhanced, with a focus on strengthening resilience, timely risk detection, and more effective incident management.

During the period under review, several additional controls and enhancements were implemented, including:

- Regular verification and testing of key business processes to confirm their resilience and readiness for extraordinary situations.
- An improved incident management process, including more clearly defined escalation paths and faster activation of the crisis committee.
- An updated Business Impact Analysis (BIA) to ensure alignment with changes in business processes and regulatory requirements.
- Additional controls over suppliers and outsourcing partners, with a focus on assessing their operational resilience and compliance with regulatory requirements.

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

36. RELATED PARTY TRANSACTIONS

The Bank is the parent of the OTP Bank Group in Croatia. The Bank considers to be immediately related to its key shareholders and their subsidiaries; its subsidiaries and associates; Supervisory Board members, Management Board members; key management personnel, close family members of the Management Board members; and entities controlled, jointly controlled or significantly influenced by members of the Supervisory Board, Management Board, key management personnel and their close family members, in accordance with the definition contained in International Accounting Standard 24 "Related Party Disclosures" (IAS 24).

At the end of 2025 and during 2025, balances and the underlying transactions with related parties, excluding investments in subsidiaries and fund investments (Notes 13 and 17), were as follows:

Balances and transactions with related parties:

Group	31/12/2025		31/12/2024	
	Receivables	Liabilities	Receivables	Liabilities
OTP Bank Nyrt Hungary	329.6	675.5	30.9	627.4
OTP Financing Malta	0.2	429.2	-	501.2
OTP Banka**	0.2	176.2	-	-
OTP Bank Srbija	-	0.1	0.3	0.1
OTP Jelzalogbank zrt.	51.9	-	52.0	-
OTP Invest d.o.o.	-	1.6	-	-
Shiwaforce	-	0.1	-	-
Szallas d.o.o.	-	-	-	0.1
OTP Group Hungary	381.9	1,282.7	83.2	1,128.8
Supervisory Board, Management Board and Key Management of the Group and subsidiaries*	5.2	4.7	2.6	5.0
Total	387.1	1,287.4	85.8	1,133.8

*Amounts include receivables and liabilities for loans, deposits and interest.

** SKB banka and Nova KBM merged and changed their name to OTP banka d.d. Slovenia in August 2024

	2025		2024	
	Income *	Expenses*	Income*	Expenses*
OTP Bank Nyrt Hungary	117.0	122.0	122.8	110.9
OTP Financing Malta	-	19.5	-	16.2
OTP Alapkezekelo zrt	0.1	0.2	-	-
OTP Banka	-	0.3	-	0.2
OTP Jelzalogbank zrt.	1.7	-	0.4	-
OTP Invest d.o.o.	0.3	-	-	-
OTP travel	-	0.1	-	0.1
Shiwaforce	-	0.2	-	0.1
OTP Group Hungary	119.1	142.3	123.2	127.5
Supervisory Board, Management Board and Key Management of the Group and subsidiaries*	-	8.4	-	7.5
Total	119.1	150.7	123.2	135.0

* includes income and expenses on loans, deposits, salary compensations and other contracted income

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

Group (continued)

Remuneration paid to key management of the Group and its related parties for 2025 amounted to EUR 8.5 million (2024: EUR 7.8 million) and are comprised of short-term benefits in amount of EUR 5.8 million (2024: EUR 5.9 million) and long-term benefits in cash in amount of EUR 2.7 million (2024: HRK 1.9 million).

As at 31 December 2025 the amount of deferred compensation liabilities to key management from previous years is EUR 1.8 million (2024: EUR 1.6 million). Included in key management personnel are Management Board members of the Bank and Senior management of the Group.

Remuneration paid to Supervisory Board members for 2025 amounted to EUR 0.2 million (2024: EUR 0.2 million).

Bank

	31/12/2025		31/12/2024	
	Receivables	Liabilities	Receivables	Liabilities
OTP Bank Nyrt Hungary	329.6	675.5	30.9	615.5
OTP Banka**	0.1	-	-	-
OTP Bank Serbia	-	0.1	0.3	0.1
OTP Jelzalogbank zrt.	51.9	-	52.0	-
OTP Invest d.o.o. *	-	1.6	-	-
Shiwaforce	-	0.1	-	-
Szallas d.o.o.	-	-	-	0.1
OTP Group Hungary	381.6	677.3	83.2	615.7
OTP Leasing d.d.	-	4.5	-	1.0
OTP Nekretnine d.o.o.	16.4	7.0	16.2	1.0
OTP Invest d.o.o.*	-	-	-	1.2
Cresco d.o.o.	1.1	-	1.6	0.1
Zagrebtower d.o.o.	-	-	-	0.7
OTP Group Croatia	17.5	11.5	17.8	4.0
<i>Supervisory Board, Management Bord and Key Management of the Bank and subsidiaries*</i>	5.2	4.6	2.6	5.0
Total	404.3	693.4	103.6	624.7

*OTP Invest was part of OTP Group Croatia until 31 January 2025, and from that date it has been part of the OTP Group Hungary

** SKB banka and Nova KBM merged and changed their name to OTP banka d.d. Slovenia in August 2024

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

36. RELATED PARTY TRANSACTIONS (CONTINUED)

Bank (continued)

	2025		2024	
	Income*	Expenses *	Income*	Expenses *
OTP Bank Nyrt Hungary	117.0	121.4	122.8	110.6
OTP Alapkezelő zrt	0.1	-	-	-
OTP Banka***	-	0.3	-	0.2
OTP Jelzálogbank zrt.	1.7	-	0.4	-
OTP Invest d.o.o.*	0.3	-	-	-
OTP travel	-	0.1	-	0.1
Shiwaforce	-	0.2	-	0.1
OTP Group Hungary	119.1	122.0	123.2	111.0
OTP Nekretnine d.o.o.**	1.0	3.2	0.5	2.8
OTP Leasing d.d.**	3.9	0.6	0.4	0.4
OTP Invest d.o.o.*	-	-	0.3	-
Cresco d.o.o.	0.1	-	-	-
OTP Group Croatia	5.0	3.8	1.2	3.2
<i>Supervisory Board, Management Board and Key Management of the Bank and its related parties*</i>	-	6.1	-	5.5
Ukupno	124.1	131.9	124.4	119.7

Table includes income and expenses on loans, deposits, salary compensations and other contracted income

*OTP Invest was part of OTP Group Croatia until 31 January 2025, and from that date it has been part of the OTP Group Hungary

** costs of OTP Nekretnine and OTP Leasing include invoiced costs for assets managed under IFRS 16 and the income includes the dividend revenues

*** SKB banka and Nova KBM merged and changed their name to OTP banka d.d. Slovenia in August 2024

Remuneration paid to key management of the Bank and its related parties for 2025 amounted to EUR 5.9 million (2024: EUR 5.3 million) and are comprised of short-term benefits in amount of EUR 4.3 million (2024: EUR 4.0 million) and long-term benefits in cash in amount of EUR 1.6 million (2024: HRK 1.3 million).

As at 31 December 2025 the amount of deferred compensation liabilities to key management from previous years is EUR 1.2 million (2024: EUR 1.1 million). Included in key management personnel are Management Board members of the Bank and Senior management of the Bank.

Remuneration paid to Supervisory Board members for 2025 amounted to EUR 0.2 million (2024: EUR 0.2 million).

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

37. FUNDS MANAGED ON BEHALF OF THIRD PARTIES

The Group / Bank manages funds on behalf of third parties, which consist mainly of custody services and loans provided by one legal person to another through the Group / Bank as agent. These assets are accounted for separately from those of the Group / Bank, and the Group / Bank has no liability in connection with these transactions. The Group / Bank charges a fee for these services.

At 31 December 2025, funds managed by the Group / Bank on behalf of third parties amounted to EUR 25.1 million (2024: EUR 24.8 million). As at 31 December 2025, the total portfolio of securities of domestic and foreign clients the Group / Bank has under custody, including domestic pension and investment funds, amounted to EUR 15,082.8 million (2024: EUR 13,141.6 million), of which EUR 1,334.6 million refers to the Group's/Bank's subsidiaries (2024: EUR 712.5 million).

	2025	Group 2024	2025	Bank 2024
OTP Bank Nyrt Hungary	1,128.6	546.8	1,128.6	546.8
OTP banka Srbija AD	0.4	0.3	0.4	0.3
Merkantil bank Zrt.	18.6	-	18.6	-
OTP Invest d.o.o.	187.0	165.4	187.0	165.4
	1,334.6	712.5	1,334.6	712.5

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of financial instruments is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's-length transaction. Where available, fair value is based on quoted market prices. However, market prices for a significant portion of financial instruments of the Bank are not readily available. In circumstances where quoted market prices are not readily available, fair value is estimated using alternative techniques or financial assets are measured at cost, amortised cost or indexed cost.

Valuation techniques and assumptions for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined by reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes);
- fair values of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- fair values of derivative financial instruments are calculated using quoted prices; where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivative financial instruments;
- interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Notes to the financial statements (continued)

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(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three levels based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from the prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (Note 13)				
Units in open-end investment funds	-	17.0	-	17.0
VISA International preferred stock	-	-	0.9	0.9
Currency swaps and forward contracts	-	2.3	-	2.3
Interest rate swaps	-	26.0	-	26.0
	<u>-</u>	<u>45.3</u>	<u>0.9</u>	<u>46.2</u>
Financial assets at fair value through other comprehensive income (Note 15a and 15b)				
Listed investments				
<i>Debt securities of Republic of Croatia</i>	185.4	-	-	185.4
<i>Equity securities</i>	8.7	-	18.2	26.9
Unlisted investments				
<i>Treasury bills of National Bank of Hungary</i>	-	-	-	-
<i>Equity securities</i>	-	-	0.4	0.4
	<u>194.1</u>	<u>-</u>	<u>18.6</u>	<u>212.7</u>
	<u>194.1</u>	<u>45.3</u>	<u>19.5</u>	<u>258.9</u>
Financial liabilities at fair value through profit or loss (Note 13)				
Currency swaps and forward contracts	-	4.1	-	4.1
Interest rate swaps	-	1.9	-	1.9
	<u>-</u>	<u>24.0</u>	<u>-</u>	<u>24.0</u>
	<u>194.1</u>	<u>21.3</u>	<u>19.5</u>	<u>234.9</u>

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (Note 13)				
Units in open-end investment funds	-	16.0	-	16.0
VISA International preferred stock	-	-	2.0	2.0
Currency swaps and forward contracts	-	8.8	-	8.8
Interest rate swaps	-	17.2	-	17.2
	-	42.0	2.0	44.0
Financial assets at fair value through other comprehensive income (Note 15a and 15b)				
Listed investments				
<i>Debt securities of Republic of Croatia</i>	233.4	-	-	233.4
<i>Equity securities</i>	8.7	-	16.5	25.2
Unlisted investments				
<i>Treasury bills of National Bank of Hungary</i>	500.0	-	-	500.0
<i>Equity securities</i>	-	-	0.4	0.4
	742.1	-	16.9	759.0
	742.1	42.0	18.9	803.0
Financial liabilities at fair value through profit or loss (Note 13)				
Currency swaps and forward contracts	-	7.6	-	7.6
Interest rate swaps	-	32.9	-	32.9
	-	40.5	-	40.5
	742.1	1.5	18.9	762.5

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Bank

2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (Note 13)				
Units in open-end investment funds	-	17.0	-	17.0
VISA International preferred stock	-	-	0.9	0.9
Currency swaps and forward contracts	-	2.3	-	2.3
Interest rate swaps	-	26.0	-	26.0
	-	45.3	0.9	46.2
Financial assets at fair value through other comprehensive income (Note 15a and 15b)				
Listed investments				
<i>Debt securities of Republic of Croatia</i>	185.4	-	-	185.4
<i>Equity securities</i>	8.7	-	18.2	26.9
Unlisted investments				
<i>Treasury bills of National Bank of Hungary</i>	-	-	-	-
<i>Equity securities</i>	-	-	0.4	0.4
	194.1	-	18.6	212.7
	194.1	45.3	19.5	258.9
Financial liabilities at fair value through profit or loss (Note 13)				
Currency swaps and forward contracts	-	4.2	-	4.2
Interest rate swaps	-	19.8	-	19.8
	-	24.0	-	24.0
	194.1	21.3	19.5	234.9

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (Note 13)				
Units in open-end investment funds	-	16.0	-	16.0
VISA International preferred stock	-	-	2.0	2.0
Currency swaps and forward contracts	-	8.8	-	8.8
Interest rate swaps	-	17.2	-	17.2
	<u>-</u>	<u>42.0</u>	<u>2.0</u>	<u>44.0</u>
Financial assets at fair value through other comprehensive income (Note 15a and 15b)				
Listed investments				
<i>Debt securities of Republic of Croatia</i>	233.4	-	-	233.4
<i>Equity securities</i>	8.7	-	16.5	25.2
Unlisted investments				
<i>Treasury bills of National Bank of Hungary</i>	-	500.0	-	500.0
<i>Equity securities</i>	-	-	0.4	0.4
	<u>242.1</u>	<u>500.0</u>	<u>16.9</u>	<u>759.0</u>
	<u>242.1</u>	<u>542.0</u>	<u>18.9</u>	<u>803.0</u>
Financial liabilities at fair value through profit or loss (Note 13)				
Currency swaps and forward contracts	-	7.6	-	7.6
Interest rate swaps	-	32.9	-	32.9
	<u>-</u>	<u>40.5</u>	<u>-</u>	<u>40.5</u>
	<u>242.1</u>	<u>501.5</u>	<u>18.9</u>	<u>762.5</u>

Fair value of financial assets and financial liabilities measured at fair value

Group's / Bank's financial assets are measured at fair value at the end of each reporting period. The table below provides the information about the fair value measurement of financial assets and liabilities (valuation techniques and the inputs to the techniques used).

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Fair value of financial assets and financial liabilities measured at fair value (continued)

Group

Financial asset / financial liabilities	Fair value as at		Fair value level	Valuation method and key inputs	Significant unobservable inputs	Unobservable inputs in relation to fair value
	2025	2024				
1) Share in open-end investment funds (Note 13)	Which are held for trading: Assets: 17.0	Which are held for trading: Assets: 16.0	Level 2	The quoted purchase price by the fund established on the basis of net assets of the funds.	Not applicable	Not applicable
2) Currency swaps and forward contracts (Note 13)	Assets: 2.3 Liabilities: 4.2	Assets: 8.8 Liabilities: 7.6	Level 2	Discounted cash flow. Future cash flow is estimated by the forward rates available at the end of the reporting period and contracted forward rates, discounted using a rate reflecting the counterparty credit risk.	Not applicable	Not applicable
3) Interest rate swaps (Note 13)	<u>Held for trading</u> Assets: 13.0 Liabilities: 13.0 <u>Fair value hedge:</u> Assets: 13.0 Liabilities: 6.8	<u>Held for trading</u> Assets: 14.7 Liabilities: 14.7 <u>Fair value hedge:</u> Assets: 2.5 Liabilities: 18.2	Level 2	Discounted cash flow. Future cash flow is estimated by forward rates (from the yield curve available at the end of the reporting period) and contracted interest rates, discounted using a rate that reflects the counterparty credit risk.	Not applicable	Not applicable
4) Debt securities listed (Note 13 and Note 15)	Debt securities that are valued through other comprehensive income - issued by the Republic of Croatia: 185.4 - issued by foreign countries: -	Debt securities that are valued through other comprehensive income - issued by the Republic of Croatia: 233.4 - issued by foreign countries: -	Level 1	Prices quoted on an active market.	Not applicable	Not applicable
5) Equity securities (Note 15)	Listed in Croatia - shares: - Listed abroad - shares: 8.7	Listed in Croatia - shares: - Listed abroad - shares: 8.7	Level 1	Prices quoted on an active market.	Not applicable	Not applicable
	Listed in Croatia - shares: 0.8 Listed abroad: - shares: 17.4	Listed in Croatia - shares: 0.3 Listed abroad: - shares: 16.2	Level 3	Prices quoted on an active market. Quoted ordinary share prices adjusted for conversion factor and estimated risk	Not applicable	Not applicable
	Not quoted: - shares: 0.4	Not quoted: - shares: 0.4	Level 3	Internally developed model based on residual income	Not applicable	Not applicable
6) Unlisted debt securities (Note 15)	Treasury bills issued by the Republic of Croatia: Treasury bills of National Bank of Hungary: -	Treasury bills issued by the Republic of Croatia: - Treasury bills of National Bank of Hungary: 500,0	Level 2	Discontinued cash flow. Discontinued using a rate that reflects market interest rate including counterparty credit risk.	Not applicable	Not applicable

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Fair value of financial assets and financial liabilities measured at fair value (continued)

Bank

Financial asset / financial liabilities	Fair value as at		Fair value level	Valuation method and key inputs	Significant unobservable inputs	Unobservable inputs in relation to fair value
	2025	2024				
1) Share in open-end investment funds (Note 13)	Which are held for trading: Assets: 17.0	Which are held for trading: Assets: 16.0	Level 2	The quoted purchase price by the fund established on the basis of net assets of the funds.	Not applicable	Not applicable
2) Currency swaps and forward contracts (Note 13)	Assets: 2.3 Liabilities: 4.2	Assets: 8.8 Liabilities: 7.6	Level 2	Discounted cash flow. Future cash flow is estimated by the forward rates available at the end of the reporting period and contracted forward rates, discounted using a rate reflecting the counterparty credit risk.	Not applicable	Not applicable
3) Interest rate swaps (Note 13)	<u>Held for trading</u> Assets: 13.0 Liabilities: 13.0 <u>Fair value hedge:</u> Assets: 13.0 Liabilities: 6.8	<u>Held for trading</u> Assets: 14.7 Liabilities: 14.7 <u>Fair value hedge:</u> Assets: 2.5 Liabilities: 18.2	Level 2	Discounted cash flow. Future cash flow is estimated by forward rates (from the yield curve available at the end of the reporting period) and contracted interest rates, discounted using a rate that reflects the counterparty credit risk.	Not applicable	Not applicable
4) Debt securities listed (Note 13 and Note 15)	Debt securities that are valued through other comprehensive income - issued by the Republic of Croatia: 185.4 - issued by foreign countries: -	Debt securities that are valued through other comprehensive income - issued by the Republic of Croatia: 233.4 - issued by foreign countries: -	Level 1	Prices quoted on an active market.	Not applicable	Not applicable
5) Equity securities (Note 15)	Listed in Croatia - shares: - Listed abroad - shares: 8.7	Listed in Croatia - shares: - Listed abroad - shares: 8.7	Level 1	Prices quoted on an active market.	Not applicable	Not applicable
	Listed in Croatia - shares: 0.8 Listed abroad: - shares: 17.4	Listed in Croatia - shares: 0.3 Listed abroad: - shares: 16.2	Level 3	Quoted ordinary share prices adjusted for conversion factor and estimated risk	Not applicable	Not applicable
	Not quoted: - shares: 0.4	Not quoted: - shares: 0.4	Level 3	Internally developed model based on residual income	Not applicable	Not applicable
6) Unlisted debt securities (Note 15)	Treasury bills issued by the Republic of Croatia: Treasury bills of National Bank of Hungary: -	Treasury bills issued by the Republic of Croatia: - Treasury bills of National Bank of Hungary: 500,0	Level 2	Discontinued cash flow. Discontinued using a rate that reflects market interest rate including counterparty credit risk.	Not applicable	Not applicable

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Fair value of financial assets and financial liabilities of the Bank measured at fair value (continued)

Movement of Level 3 Financial Instruments at Fair Value

The fair value level of financial instruments is determined at the beginning of each reporting period. The following table shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities that are carried at fair value:

Group

Balance at 1 January 2024	14.5
Total gains and losses recognized in other comprehensive income	5.4
Total gains and losses recognized in profit and loss	(1.0)
Balance at 31 December 2024	18.9
Balance at 1 January 2025	18.9
Total gains and losses recognized in other comprehensive income	(1.1)
Total gains and losses recognized in profit and loss	1.7
Balance at 31 December 2025	19.5

Bank

Balance at 1 January 2024	14.5
Total gains and losses recognized in other comprehensive income	5.4
Total gains and losses recognized in profit and loss	(1.0)
Balance at 31 December 2024	18.9
Balance at 1 January 2025	18.9
Total gains and losses recognized in other comprehensive income	(1.1)
Total gains and losses recognized in profit and loss	1.7
Balance at 31 December 2025	19.5

Financial instruments not measured at fair value

In arriving at the fair value of these financial instruments certain assumptions, estimates and methods were used. Because of the relatively short period to maturity, the fair values of Loans and receivables from banks and Amounts due to other banks are considered not to differ significantly from their carrying amounts. For investments measured at amortized cost, corporate bonds with longer maturities are valued at quoted prices on the market or the price is derived by discounting cash flows, while for corporate bills of exchange, due to shorter maturities, it is assumed that the fair value does not differ significantly from their carrying amount.

The fair values of Loans and receivables from customers and Amounts due to customers were estimated using the expected future cash flows using as the discount rate the current average market rate for identical loans and deposits. Partly recoverable and fully irrecoverable loans and receivables were not considered in measuring the fair value because their recoverable amount is assumed to reflect their fair price. Because of the specific features of the credit lines provided by HBOR and their

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial instruments not measured at fair value (continued)

restricted transferability as well as the standardised terms and conditions HBOR applies to all commercial banks, the carrying amount of the credit lines is assumed to reflect their fair values.

Group

Balance at 31/12/2025

	Note	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial asset						
Cash, current accounts with banks and funds with the Croatian National Bank	11	1,106.1	1,106.1	-	-	1,106.1
Loans and receivables from banks	12	300.4	300.4	-	-	300.4
Loans and receivables from customers	14	7,081.5	-	-	7,095.0	7,095.0
Investments at amortized cost	16	1,010.2	955.1	-	68.8	1,023.9
Financial liabilities						
Liabilities to other banks	23	30.6	30.6	-	-	30.6
Liabilities to customers	24	7,254.8	-	-	7,254.0	7,254.0
Other borrowed funds	25	1,360.9	-	1,428.7	-	1,428.7

Balance at 31/12/2024

	Note	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial asset						
Cash, current accounts with banks and funds with the Croatian National Bank	11	1,128.4	1,128.4	-	-	1,128.4
Loans and receivables from banks	12	10.0	10.0	-	-	10.0
Loans and receivables from customers	14	6,523.3	-	-	6,549.0	6,549.0
Investments at amortized cost	16	420.2	391.5	-	40.6	432.1
Financial liabilities						
Liabilities to other banks	23	10.7	10.7	-	-	10.7
Liabilities to customers	24	6,573.7	-	-	6,572.7	6,572.7
Other borrowed funds	25	1,235.6	-	1,289.0	-	1,288.6

Notes to the financial statements (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial instruments not measured at fair value (continued)

Bank

Balance at 31/12/2025

	Note	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial asset						
Cash, current accounts with banks and funds with the Croatian National Bank	11	1,106.1	1,106.1	-	-	1,106.1
Loans and receivables from banks	12	300.4	300.4	-	-	300.4
Loans and receivables from customers	14	6,489.4	-	-	6,499.8	6,499.8
Investments at amortized cost	16	1,010.2	955.1	-	68.8	1,023.9
Financial liabilities						
Liabilities to other banks	23	30.6	30.6	-	-	30.6
Liabilities to customers	24	7,266.2	-	-	7,265.4	7,265.4
Other borrowed funds	25	729.5	-	757.3	-	757.3

Balance at 31/12/2024

	Note	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
Financial asset						
Cash, current accounts with banks and funds with the Croatian National Bank	11	1,126.9	1,126.9	-	-	1,126.9
Loans and receivables from banks	12	10.0	10.0	-	-	10.0
Loans and receivables from customers	14	5,991.3	-	-	6,008.7	6,008.7
Investments at amortized cost	16	420.2	391.5	-	40.6	432.1
Financial liabilities						
Liabilities to other banks	23	10.7	10.7	-	-	10.7
Liabilities to customers	24	6,577.6	-	-	6,576.6	6,576.6
Other borrowed funds	25	664.7	-	702.0	-	702.0

Notes to the unconsolidated financial statements (continued)

For the year ended 31 December 2024

(All amounts are expressed in millions of HRK)

39. SUBSEQUENT EVENTS

After the end of the reporting period, there were no significant events that would affect the Group's financial statements or its operations.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Pursuant to the Accounting Act of the Republic of Croatia, the Croatian National Bank adopted a Decision on the structure and content of the Annual Financial Statements of credit institutions (Official Gazette 80/2025).

In the following tables, the financial statements are presented in accordance with the aforementioned Decision.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

**Consolidated statement of profit or loss – unaudited
Group**

	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Interest and similar income	409.0	389.2	19.8	407.6	394.0	13.6
Income from debt securities	31.9	25.7	6.2	29.9	24.1	5.8
Interest and similar expense	(148.7)	(129.8)	(18.9)	(144.7)	(132.0)	(12.7)
Income from financial instruments	0.2	-	0.2	0.2	-	0.2
Income from equity instruments and other variable-yield securities	0.2	-	0.2	0.2	-	0.2
Income from investments in associates	-	-	-	-	-	-
Income from shares in subsidiaries	-	-	-	-	-	-
Commission income	111.9	111.9	-	100.9	100.9	-
Commission expense	(31.9)	(31.9)	-	(27.2)	(27.2)	-
Net gain or loss from financial activities	(21.7)	9.3	(31.0)	29.0	9.0	20.0
Other operating income	52.4	24.0	28.4	(4.6)	17.2	(21.8)
Gains or losses on derecognition of financial assets measured at amortised cost	-	-	-	-	-	-
General administrative expenses	(188.6)	(197.1)	8.5	(170.1)	(173.4)	3.3
Employee expenses	(96.3)	(86.6)	(9.7)	(86.8)	(86.6)	(0.2)
Other administrative expenses	(92.3)	(110.5)	18.2	(83.3)	(86.8)	3.5
Impairment or reversal of impairment on tangible and intangible assets	-	-	-	-	-	-
Other operating expenses	(7.8)	-	(7.8)	(3.5)	-	(3.5)
Provisions or reversal of provisions	(14.1)	(14.1)	-	(21.5)	(21.5)	-
Provisions for assumed liabilities and guarantees	(0.6)	-	(0.6)	(0.8)	-	(0.8)
Other provisions	14.7	-	14.7	(20.7)	-	(20.7)
Impairment or reversal of impairment on loans and advances	7.1	6.3	0.8	27.3	26.4	0.9
Impairment or reversal of impairment on securities and investments in associates and affiliates	-	-	-	-	-	-
Profit or loss before tax from continuing operations	167.8	167.8	-	193.4	193.4	-
Tax expense or income related to profit or loss from continuing operations	(31.0)	(31.0)	-	35.1	35.1	-
Profit or loss after tax from continuing operations	136.8	136.8	-	158.3	158.3	-
Profit or loss before tax from discontinued operations	-	-	-	-	-	-
Tax expense or income related to discontinued operations	-	-	-	-	-	-
Profit or loss after tax from discontinued operations	-	-	-	-	-	-
Profit or loss of the year	136.8	136.8	-	158.3	158.3	-
Attributable to minority interest (non-controlling interests)	134.1	134.1	-	2.5	2.5	-
Attributable to owners of the parent	2.7	2.7	-	155.8	155.8	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of other comprehensive income – unaudited

	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Profit or (–) loss for the year	136.8	136.8	-	158.3	158.3	-
Other comprehensive income (3. + 15.)	4.3	4.3	-	10.4	10.4	-
Items not to be reclassified to profit or loss (from 4. to 10. + 13. + 14.)	1.4	1.4	-	6.0	6.0	-
Tangible assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	-	-	-	-	-	-
Non-current assets and disposal groups held for sale	-	-	-	-	-	-
Share of other recognised income and expense of entities accounted for using the equity method	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	1.7	1.7	-	7.3	7.3	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-	-	-	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-	-	-	-	-
Income tax relating to items that will not be reclassified	(0.3)	(0.3)	-	(1.3)	(1.3)	-
Items that may be reclassified to profit or loss (from 16. to 23.)	2.9	2.9	-	4.4	4.4	-
Hedges of net investments in foreign operations (effective portion)	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-
Cash flow hedges (effective portion)	-	-	-	-	-	-
Hedging instruments (not designated elements)	-	-	-	-	-	-
Debt instruments at fair value through other comprehensive income	3.6	3.6	-	5.5	5.5	-
Non-current assets and disposal groups held for sale	-	-	-	-	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-	-	-	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	(0.7)	(0.7)	-	(1.1)	(1.1)	-
Total comprehensive income for the year (1. + 2.; 25. + 26.)	141.1	141.1	-	168.7	168.7	-
Attributable to minority interest (non- controlling interest)	138.4	138.4	-	2.5	2.5	-
Attributable to owners of the parent	2.7	2.7	-	166.2	166.2	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Presentation of the reconciliation of items presented in the Consolidated statement of profit or loss and Consolidated statement of other comprehensive income presented as part of the Annual Report and items presented in accordance with the CNB Decision.

Penalty interest income is presented as part of Interest and similar income position in accordance with the Decision while in the Annual Report they are presented as part of Other operating income.

In accordance with the Decision, interest income from financial assets held for trading are presented in Interest and similar income position, while in the Annual Report they are shown in Net (losses)/gains from valuation of financial assets measured through profit or loss.

In the position Interest and similar income according to the Decision are not presented interest costs on derivatives used as a hedging instrument. They are presented in the Annual Report as part of Interest income.

In accordance with the Decision, penalty interest expenses are presented in the position Interest and similar expenses, while in the Annual Report these expenses are presented in the item Other operating expenses.

In accordance with the Decision, interest expenses from financial liabilities held for trading and derivatives used as a hedging instrument are presented in Interest and similar expenses, while in the Annual Report they are presented in the item Net (losses)/gains from valuation of financial assets measured through profit or loss with the exception of interest expenses from derivatives used as a hedging instrument, which are shown in the Annual Report under the position "Interest income" together with interest income on this basis.

In accordance with the Decision, Income from financial instruments included dividend income from equity instruments and investments in related companies, which is in the Annual Report presented in the position of Other operating income.

Gains / (losses) from hedge accounting are presented as position Other operating income in accordance with the Decision, while in the Annual Report they are presented under the position Net (losses) / gains from valuation of financial assets measured through profit or loss.

Other operating income position according to the Annual Report includes income from collection of written-off receivables, penalty interest income, income from dividend of equity instruments, and includes costs of sold real estate, which according to the Decision are not included in this position.

In accordance with the Decision part of the other expenses is presented as part of the Other operating expenses while in the Annual Report all other expenses and operating expenses are shown in the position of Other operating expenses, except for the costs of sold real estate, which are in the Annual Report included in Other operating income together with income from the sale of real estate.

In accordance with the Decision operating expenses (excluding other operating expenses) and employee expenses are presented in the General administrative expense position, while in the Annual Report, employee expenditure and other operating expenses are stated in separate positions.

In accordance with the Decision, the costs of cash contributions to resolution committees and deposit insurance systems are presented in a separate item, while in the Annual Report they are included in the position Other operating costs.

The position "Net gains/(losses) due to impairment and provisions" is presented as one position in the Annual Report, while in accordance with the Decision, the positions Provisions or cancellation of provisions, Impairment or reversal of impairment on loans and advances and Impairment or reversal of impairment on securities and investments in associates and affiliates.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of financial position – unaudited (continued)

Assets	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Cash on hands and balances at central banks	1,073.0	1,106.1	(33.1)	1,101.2	1,128.4	(27.2)
Treasury bills and other short-term securities eligible for refinancing with central banks	-	-	-	-	-	-
Treasury bills and other debt securities	-	-	-	-	-	-
Other short-term securities	-	-	-	-	-	-
Loans and advances to credit institutions	316.7	300.4	16.3	51.5	10.0	41.5
On demand	14.7	-	14.7	27.2	-	27.2
Other loans and advances	302.0	-	302.0	24.3	-	24.3
Loans and advances to customers	7,133.0	7,081.5	51.5	6,560.5	6,523.3	37.2
Debt securities, including fixed income securities	1,195.7	1,241.9	(46.2)	1,153.6	1,197.6	(44.0)
Issued by government bodies	1,077.9	-	1,077.9	1,063.2	-	1,063.2
Other debt securities	117.8	-	117.8	90.4	-	90.4
Shares and other variable-yield securities	45.2	27.3	17.9	43.6	25.6	18.0
Participating interests	-	-	-	-	-	-
Investments in related companies	-	-	-	-	-	-
Intangible assets	24.1	24.1	-	23.4	23.4	-
Tangible assets	186.7	186.6	0.1	185.7	185.7	-
Property, plant and equipment	108.6	0	108.6	106.6	-	106.6
Investment property	78.1	0	78.1	79.1	-	79.1
Tax assets	11.7	11.6	0.1	9.3	9.3	-
Current tax assets	6.5	-	6.5	-	-	-
Deffered tax assets	5.2	-	5.2	9.3	-	9.3
Other assets	33.3	37.8	(4.5)	29.6	51.2	(21.6)
Prepaid expenses and accrued income	6.8	-	6.8	6.0	-	6.0
Non-current assets held for sale and discontinued operations	0.4	0.4	-	0.7	0.7	-
Total assets	10,026.6	10,017.7	8.9	9,165.1	9,155.2	9.9

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of financial position – unaudited (continued)

Liabilities and equity	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Liabilities to credit institutions	245.7	748.9	(503.2)	102.9	673.3	(570.4)
On demand	1.9	-	1.9	5.3	-	5.3
With agreed maturity date or notice period	243.8	-	243.8	97.6	-	97.6
Liabilities to clients	7,759.5	7,254.8	504.7	7,139.1	6,573.8	565.3
Secured deposits	6,494.3	-	6,494.3	5,865.3	-	5,865.3
On demand	5,069.0	-	5,069.0	4,692.7	-	4,692.7
With agreed maturity date or notice period	1,425.3	-	1,425.3	1,172.6	-	1,172.6
Other liabilities to clients	1,264.9	-	1,264.9	1,273.8	-	1,273.8
On demand	456	-	456.0	468.6	-	468.6
With agreed maturity date or notice period	808.9	-	808.9	805.2	-	805.2
Issued debt securities	-	-	-	-	-	-
Other liabilities	113.5	110.5	3.0	132.9	123.1	9.8
Deferred payment of costs and other accrued liabilities	2.1	-	2.1	0.4	-	0.4
Provisions	84.8	82.5	2.3	81.4	79.1	2.3
Provisions for pensions and similar obligations	-	-	-	-	-	-
Other provisions	84.8	-	84.8	81.4	-	81.4
Tax liabilities	-	-	-	15.5	13.0	2.5
Current tax liabilities	-	-	-	15.5	-	15.5
Deferred tax liabilities	-	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	642.6	642.6	-	573.0	573.0	-
Equity	539.2	539.2	-	539.2	539.2	-
Paid-in capital	539.2	539.2	-	539.2	539.2	-
Called-up capital unpaid	-	-	-	-	-	-
Share premium	22.7	22.7	-	22.7	22.7	-
Other capital instruments	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Reserves	67.9	67.9	-	67.9	67.9	-
Legal reserves	27	27	-	27.0	27.0	-
Statutory reserves	40.5	40.5	-	40.5	40.5	-
Reserves for own shares	-	-	-	-	-	-
Other reserves	0.4	0.4	-	0.4	0.4	-
Revaluation reserves	-	-	-	-	-	-
Accumulated other comprehensive income	15.5	15.5	-	11.2	11.2	-
Retained earnings	396.3	533.1	(136.8)	304.7	460.5	(155.8)
Profit or loss for the current year	136.8	-	136.8	155.8	-	155.8
Non-controlling interests	-	-	-	18.4	18.4	-
Total liabilities and equity	10,026.6	10,017.7	8.9	9,165.1	9,155.2	9.9
Off-balance sheet items	2,325.7	2,325.7	-	2,014.5	2,014.5	-
Liabilities under loans	1,843.2	1,843.2	-	1,636.7	1,636.7	-
Financial guarantees given	466.4	466.4	-	359.7	359.7	-
Other assumed liabilities	16.1	16.1	-	18.1	18.1	-
Total off-balance sheet items	2,325.7	2,325.7	-	2,014.5	2,014.5	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Unaudited presentation of the reconciliation of items presented in the Statement of financial position presented as part of the Annual Report and items presented in accordance with the CNB Decision:

Assets

In the Annual Report, Funds in current accounts with banks and with FINA are presented in the Cash and balances with Croatian National Bank. In accordance with the Decision these positions are presented in positions Loans and advances to credit institutions and Loans and advances to customers.

In accordance with the Decision, derivative financial assets is presented in Other assets, while in the Annual Report they are presented in the position of Financial assets and liabilities at fair value through profit or loss

Equity holdings and units in open-ended investment funds are presented in accordance with the Decision within the item Shares and other variable-yield securities, while in the Annual Report they are presented under Financial assets and liabilities at fair value through profit or loss.

In accordance with the Decision, receivables for credit cards together with penalty interest for credit cards are presented as part of Loans and advances to credit institutions and Loans and advances to customers, while in the Annual Report they are partly presented in the position of Other assets, and partly in Loans and receivables from customers.

In accordance with the Decision, liabilities on loan payment accounts are presented as a part of Other liabilities, while in the Annual Report they are presented as a part of the Loans and receivables from customers.

In accordance with the Decision, receivables from fees and penalty interest on fees, paid advances, customer's receivables and other receivables are presented as part of Loans and advances to credit institutions and Loans and advances to customers, while in the Annual Report they are stated as position Other assets.

Prepaid expenses are presented in the Annual Report under "Other assets", while in accordance with the Decision they are presented in a separate note.

Receivables for advances relating to parafiscal charges and input VAT are presented under "Tax assets" in accordance with the Decision, while in the Annual Report they are presented under "Other assets".

In accordance with the Decision, investment property is presented within the position of tangible assets while in the Annual Report it is presented in a separate note.

Liabilities

Derivative financial liabilities in the report according to the Decision are shown under the item "Other liabilities", while in the Annual Report these items are shown under Financial assets and liabilities at fair value through profit or loss.

In accordance with the Decision, bearer deposits and liabilities for received payments of founding shares in escrow accounts and guarantees received on loans are stated in the position of Other Liabilities, while in the Annual Report they are stated as part of the Liabilities due to customers.

Lease liabilities (IFRS 16) are presented in Annual report in separate position and fee liabilities under Other liabilities. while in accordance with the Decision they are presented in the position Liabilities to clients.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

The positions "Liabilities to other banks", "Liabilities to customers" and "Other borrowed funds" are shown separately in the Annual Report, while in accordance with the Decision they are shown under the position Liabilities to credit institutions , Liabilities to clients and Subordinated liabilities .

In accordance with the Decision, liabilities for the payment of previously written-off deposits are presented as part of the Provisions, while in the Annual Report they are presented within the positions of Other liabilities.

In accordance with the Decision, in the position Tax assets, are presented liabilities for value added tax and other tax liabilities, while in the Annual Report they are presented under the position Other liabilities.

Equity

In accordance with the Decision, the profit for year is presented in a separate position, while in the Annual Report it is presented as part of the Retained earnings.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)
For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of changes in equity – unaudited

2025

	Capital	Share premium	Equity instruments issued other than	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Non-controlling interest		Total
												Accumulated Other Comprehensive Income	Other items	
Opening balance [before restatement]	539.2	22.7	-	-	11.2	304.8	-	67.9	-	155.8	-	-	18.4	1,120.0
Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1. + 2. + 3.)	539.2	22.7	-	-	11.2	304.8	-	67.9	-	155.8	-	-	18.4	1,120.0
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(80.0)	-	-	-	-	-	-	(2.4)	(82.4)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	-	155.8	-	-	-	(155.8)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Total comprehensive income for the year	-	-	-	-	4.3	-	-	-	-	134.1	-	-	2.7	141.1
Closing balance [current period] (from 4. to 20.)	539.2	22.7	-	-	15.5	380.6	-	67.9	-	134.1	-	-	18.4	1,178.4

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)
For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of changes in equity – unaudited (continued)

2024

	Capital	Share premium	Equity instruments issued other than	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Non-controlling interest		Total
												Accumulated Other Comprehensive Income	Other items	
Opening balance [before restatement]	539.2	22.7	-	-	0.8	241.8	-	67.9	-	138.1	-	-	15.9	1,026.4
Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1. + 2. + 3.)	539.2	22.7	-	-	0.8	241.8	-	67.9	-	138.1	-	-	15.9	1,026.4
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(75.0)	-	-	-	-	-	-	-	(75.0)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	-	138.1	-	-	-	(138.1)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	-	(0.1)	-	-	-	-	-	-	-	(0.1)
Total comprehensive income for the year	-	-	-	-	10.4	-	-	-	-	155.8	-	-	2.5	168.7
Closing balance [current period] (from 4. to 20.)	539.2	22.7	-	-	11.2	304.8	-	67.9	-	155.8	-	-	18.4	1,120.0

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Unaudited presentation of harmonized items from the Consolidated Report on Changes in Capital presented as part of the Annual Report and presented in accordance with the Decision of the CNB:

In the report according to the Decision, the increase in share capital is shown under the position Capital reduction, while in the Annual Report it is shown under the position Transfers between capital components.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Consolidated statement of cash flows – unaudited

	2025	2024
Operating activities – indirect method		
Profit/(loss) before tax	167.8	193.4
Impairment and provisions	7.9	(4.5)
Depreciation	27.4	24.8
Net unrealised (gains)/losses on financial assets at fair value through statement of profit or loss	30.6	(21.0)
Loss/(profit) from the sale of tangible assets	(2.2)	(1.8)
Other non-cash items	(279.8)	(232.5)
Changes in assets and liabilities from operating activities		
Deposits with the Croatian National Bank	-	-
Deposits with financial institutions and loans to financial institutions	42.9	(50.7)
Loans and advances to other clients	(554.1)	(707.8)
Securities and other financial instruments at fair value through other comprehensive income	551.6	(119.5)
Securities and other financial instruments held for trading	(47.9)	46.2
Securities and other financial instruments at fair value through statement of profit of loss, not traded	-	-
Securities and other financial instruments at fair value through statement of profit or loss	-	3.3
Securities and other financial instruments at amortized cost	(587.9)	(173.6)
Other assets from operating activities	10.2	(8.7)
Deposits from financial institutions	76.0	21.4
Transaction accounts of other clients	395.2	283.8
Savings deposits of other clients	(30.0)	(260.2)
Time deposits of other clients	291.6	234.1
Derivative financial liabilities and other traded liabilities	(49.0)	29.9
Other liabilities from operating activities	(11.8)	(21.3)
Interest received from operating activities [indirect method]	390.3	392.8
Dividends received from operating activities [indirect method]	-	-
Interest paid from operating activities [indirect method]	(128.4)	(132.7)
(Income taxes paid)	(47.1)	(37.4)
Net cash flow from operating activities	253.3	(542.0)
Investing activities		
Cash receipts from the sale / (payments for the purchase) of tangible and intangible assets	(23.9)	(23.5)
Cash receipts from the sale / (payments for the purchase) of investments in branches, associates and joint ventures	0.7	(32.2)
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	-	-
Dividends received from investing activities	0.2	0.2
Other receipts/(payments) from investing activities	-	-
Net cash flow from investing activities	(23.0)	(55.5)
Financing activities		
Net increase/(decrease) in loans received from financing activities	120.8	200.6
Net increase/(decrease) of debt securities issued	-	-
Net increase/(decrease) of Tier 2 capital instruments	-	-
Increase of share capital	-	-
(Dividends paid)	(82.4)	(75.0)
Other receipts/(payments) from financing activities	-	-
Net cash flow from financing activities	38.4	125.6
Net increase/(decrease) of cash and cash equivalents	268.7	(471.9)
Cash and cash equivalents at the beginning of period	1,137.6	1,607.5
Effect of exchange rate fluctuations on cash and cash equivalents	(0.1)	(0.3)
Cash and cash equivalents from purchase of Zagrebtower d.o.o.	-	1.7
Cash and cash equivalents at the end of period	1,406.2	1,137.6

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Presentation of the reconciliation of items presented in the Consolidated statement of cash flows as part of the Annual Report and items presented in accordance with the CNB Decision:

Impairment and provisions position from the Decision, is presented in four separate items in the Annual Report: „Losses/(gains) on loss allowance“, „Impairment of tangible assets“, assets taken in lieu and assets held for sale“, „Provisions for legal actions and off-balance sheet items“ and „Other provisions“.

The item "Profit / loss from the sale of tangible assets" includes "Gains / losses from the sale and write-off of property and equipment" and "Gains from the sale of assets held for sale" from the Annual Report.

In accordance with the Decision, the position „Other non-cash items“ includes following items from Annual Report: interest income from the position „Interest income“, interest expenses from the position „Interest expense“, inventory write-offs and reversal of estimated costs from the position „Revenue from reversal of accrued expenses“, other operating expenses in the position „Other non-cash items“, other income and expenses, exchange rate differences in the position „Exchange rate differences“ and realized loss on the sale of financial assets measured at fair value through other comprehensive income in the position „Net (gains)/losses on financial assets measured at fair value through other comprehensive income and the realized gain from the sale of financial assets measured at amortized cost in the position "Net (gains)/losses from financial assets measured at amortized cost".

The item „Financial assets and liabilities at fair value through profit or loss“ as presented in the Annual Report is presented in accordance with the Decision as four separate items: „Securities and other financial instruments held for trading“, „Securities and other financial instruments that are not actively traded but are measured at fair value through profit or loss“, „Securities and other financial instruments that are obligatorily carried at fair value through profit or loss“ and „Derivative financial liabilities and other liabilities held for trading“.

The item „Amounts due to customers“ as presented in the Annual Report is presented in accordance with the Decision as three separate items: „Transaction accounts of other clients“, „Savings deposits of other clients“ and „Time deposits of other clients“.

In accordance with the Decision, other banking institutions are presented as part of the „Deposits from financial institutions“, while in the Annual Report they are presented as part of „Liabilities to customers“ position.

The „Other liabilities from business activities“ position in accordance with the Decision is presented in two items in the Annual Report: „Other liabilities“ and „Payments from provisions for liabilities and charges“.

The „Cash receipts from the sale / payments for the purchase of tangible and intangible assets“ position in accordance with the Decision is presented within five position in the Annual Report as „Purchases of tangible and intangible assets“, „Proceeds from sale of tangible and intangible assets“, „Purchases of assets held for sale“, „Proceeds from assets held for sale“, „Purchases of investment property“.

The position "Dividends received from investment activities" in the Annual Report is divided into two items in accordance with the Decision: "Dividends received from business activities" and "Dividends received from investment activities".

The item „Net increase / decrease / of loans received from financing activities“ in accordance with the Decision is divided into two items in the Annual Report: „Repayment of lease liabilities (IFRS 16)“ and „Increase of other borrowed funds“.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

**Statement of profit or loss – unaudited
Bank**

	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Interest and similar income	372.5	352.8	19.7	376.3	362.9	13.4
Income from debt securities	31.9	25.7	6.2	29.9	24.1	5.8
Interest and similar expense	(127.0)	(108.1)	(18.9)	(126.5)	(113.9)	(12.6)
Income from financial instruments	4.1	-	4.1	0.2	-	0.2
Income from equity instruments and other variable-yield securities	0.2	-	0.2	0.2	-	0.2
Income from investments in associates	3.9	-	3.9	-	-	-
Income from shares in subsidiaries	-	-	-	-	-	-
Commission income	110.9	110.9	-	98.7	98.7	-
Commission expense	(31.9)	(31.9)	-	(27.1)	(27.1)	-
Net gain or loss from financial activities	(21.7)	9.3	(31.0)	29.0	9.0	20.0
Other operating income	33.7	8.7	25.0	(18.3)	3.4	(21.7)
Gains or losses on derecognition of financial assets measured at amortised cost	-	-	-	-	-	-
General administrative expenses	(166.4)	(174.6)	8.2	(148.7)	(151.9)	3.2
Employee expenses	(87.9)	(87.7)	(0.2)	(78.7)	(78.5)	(0.2)
Other administrative expenses	(78.5)	(86.9)	8.4	(70.0)	(73.4)	3.4
Impairment or reversal of impairment on tangible and intangible assets	-	-	-	-	-	-
Other operating expenses	(7.8)	-	(7.8)	(3.5)	-	(3.5)
Provisions or reversal of provisions	(14.1)	(14.1)	-	(21.4)	(21.4)	-
Provisions for assumed liabilities and guarantees	(0.6)	-	(0.6)	(0.8)	-	(0.8)
Other provisions	14.7	-	14.7	(20.6)	-	(20.6)
Impairment or reversal of impairment on loans and advances	7.7	7.0	0.7	27.4	26.4	1.0
Impairment or reversal of impairment on securities and investments in associates and affiliates	-	-	-	-	-	-
Profit or loss before tax from continuing operations	160.0	160.0	-	186.1	186.1	-
Tax expense or income related to profit or loss from continuing operations	(28.7)	(28.7)	-	(33.7)	(33.7)	-
Profit or loss after tax from continuing operations	131.3	131.3	-	152.4	152.4	-
Profit or loss before tax from discontinued operations	-	-	-	-	-	-
Tax expense or income related to discontinued operations	-	-	-	-	-	-
Profit or loss after tax from discontinued operations	-	-	-	-	-	-
Profit or loss of the year	131.3	131.3	-	152.4	152.4	-
Attributable to minority interest (non- controlling interests)	-	-	-	-	-	-
Attributable to owners of the parent	131.3	131.3	-	152.4	152.4	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Statement of other comprehensive income – unaudited

	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Profit or (–) loss for the year	131.3	131.3	-	152.4	152.4	-
Other comprehensive income (3. + 15.)	4.3	4.3	-	10.4	10.4	-
Items not to be reclassified to profit or loss (from 4. to 10. + 13. + 14.)	1.4	1.4	-	6.0	6.0	-
Tangible assets	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	-	-	-	-	-	-
Non-current assets and disposal groups held for sale	-	-	-	-	-	-
Share of other recognised income and expense of entities accounted for using the equity method	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	1.7	1.7	-	7.3	7.3	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-	-	-	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-	-	-	-	-
Income tax relating to items that will not be reclassified	(0.3)	(0.3)	-	(1.3)	(1.3)	-
Items that may be reclassified to profit or loss (from 16. to 23.)	2.9	2.9	-	4.4	4.4	-
Hedges of net investments in foreign operations (effective portion)	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-
Cash flow hedges (effective portion)	-	-	-	-	-	-
Hedging instruments (not designated elements)	-	-	-	-	-	-
Debt instruments at fair value through other comprehensive income	3.6	3.6	-	5.5	5.5	-
Non-current assets and disposal groups held for sale	-	-	-	-	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-	-	-	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	(0.7)	(0.7)	-	(1.1)	(1.1)	-
Total comprehensive income for the year (1. + 2.; 25. + 26.)	135.6	135.6	-	162.8	162.8	-
Attributable to minority interest (non-controlling interest)	-	-	-	-	-	-
Attributable to owners of the parent	135.6	135.6	-	162.8	162.8	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Unaudited presentation of the reconciliation of items presented in the Statement of profit or loss and Statement of other comprehensive income presented as part of the Annual Report and items presented in accordance with the CNB Decision:

Penalty interest income is presented as part of Interest and similar income position in accordance with the Decision while in the Annual Report they are presented as part of Other operating income.

In accordance with the Decision, interest income from financial assets held for trading are presented in Interest and similar income position, while in the Annual Report they are shown in Net (losses)/gains from valuation of financial assets measured through profit or loss.

In the position Interest and similar income according to the Decision are not presented interest costs on derivatives used as a hedging instrument. They are presented in the Annual Report as part of Interest income.

In accordance with the Decision, penalty interest expenses are presented in the position Interest and similar expenses, while in the Annual Report these expenses are presented in the item Other operating expenses.

In accordance with the Decision, interest expenses from financial liabilities held for trading and derivatives used as a hedging instrument are presented in Interest and similar expenses, while in the Annual Report they are presented in the item Net (losses)/gains from valuation of financial assets measured through profit or loss with the exception of interest expenses from derivatives used as a hedging instrument, which are shown in the Annual Report under the position "Interest income" together with interest income on this basis.

In accordance with the Decision, Income from financial instruments included dividend income from equity instruments and investments in related companies, which is in the Annual Report presented in the position of Other operating income.

Gains / (losses) from hedge accounting are presented as position Other operating income in accordance with the Decision, while in the Annual Report they are presented under the position Net (losses) / gains from valuation of financial assets measured through profit or loss.

Other operating income position according to the Annual Report includes income from collection of written-off receivables, penalty interest income, income from dividend of equity instruments, and includes costs of sold real estate, which according to the Decision are not included in this position.

In accordance with the Decision part of the other expenses is presented as part of the Other operating expenses while in the Annual Report all other expenses and operating expenses are shown in the position of Other operating expenses, except for the costs of sold real estate, which are in the Annual Report included in Other operating income together with income from the sale of real estate.

In accordance with the Decision operating expenses (excluding other operating expenses) and employee expenses are presented in the General administrative expense position, while in the Annual Report, employee expenditure and other operating expenses are stated in separate positions.

In accordance with the Decision, the costs of cash contributions to resolution committees and deposit insurance systems are presented in a separate item, while in the Annual Report they are included in the position Other operating costs.

The position "Net gains/(losses) due to impairment and provisions" is presented as one position in the Annual Report, while in accordance with the Decision, the positions "Provisions or cancellation of provisions", "Impairment or reversal of impairment on loans and advances" and "Impairment or reversal of impairment on securities and investments in associates and affiliates".

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Statement of financial position – unaudited

Assets	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Cash on hands and balances at central banks	1,073.0	1,106.1	(33.1)	1,099.7	1,126.9	(27.2)
Treasury bills and other short-term securities eligible for refinancing with central banks	-	-	-	-	-	-
Treasury bills and other debt securities	-	-	-	-	-	-
Other short-term securities	-	-	-	-	-	-
Loans and advances to credit institutions	316.7	300.4	16.3	51.5	10.0	41.5
On demand	14.7	-	14.7	27.2	-	27.2
Other loans and advances	302.0	-	302.0	24.3	-	24.3
Loans and advances to customers	6,529.7	6,489.4	40.3	6,011.9	5,991.3	20.6
Debt securities, including fixed income securities	1,195.7	1,241.9	(46.2)	1,153.6	1,197.6	(44.0)
Issued by government bodies	1,077.9	-	1,077.9	1,063.2	-	1,063.2
Other debt securities	117.8	-	117.8	90.4	-	90.4
Shares and other variable-yield securities	45.2	27.3	17.9	43.7	25.6	18.1
Participating interests	-	-	-	-	-	-
Investments in related companies	46.0	46.0	-	46.7	46.7	-
Intangible assets	21.0	21.0	-	20.0	20.0	-
Tangible assets	78.5	78.4	0.1	77.2	77.2	-
Property, plant and equipment	69.5	-	69.5	68.0	-	68.0
Investment property	9.0	-	9.0	9.2	-	9.2
Tax assets	15.1	16.2	(1.1)	13.2	13.2	-
Current tax assets	6.3	-	6.3	-	-	-
Deffered tax assets	8.8	-	8.8	13.2	-	13.2
Other assets	27.5	17.3	10.2	25.2	26.2	(1.0)
Prepaid expenses and accrued income	5.1	-	5.1	2.8	-	2.8
Non-current assets held for sale and discontinued operations	-	-	-	0.7	0.7	-
Total assets	9,353.5	9,344.0	9.5	8,546.2	8,535.4	10.8

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Liabilities and equity	In accordance with Croatian National Bank decision 2025	According to IFRS 2025	Difference 2025	In accordance with Croatian National Bank decision 2024	According to IFRS 2024	Difference 2024
Liabilities to credit institutions	35.4	117.5	(82.1)	33.2	102.3	(69.1)
On demand	1.9	-	1.9	5.3	-	5.3
With agreed maturity date or notice period	33.5	-	33.5	27.9	-	27.9
Liabilities to clients	7,355.7	7,266.2	89.5	6,648.6	6,577.6	70.6
Secured deposits	6,494.3	-	6,494.3	5,865.3	-	5,865.3
On demand	5,069.0	-	5,069.0	4,692.7	-	4,692.7
With agreed maturity date or notice period	1,425.3	-	1,425.3	1,172.6	-	1,172.6
Other liabilities to clients	861.4	-	861.4	783.3	-	783.3
On demand	463.9	-	463.9	472.1	-	472.1
With agreed maturity date or notice period	397.5	-	397.5	311.2	-	311.2
Issued debt securities	-	-	-	-	-	-
Other liabilities	101.9	102.5	(0.6)	118.4	113.8	5.0
Deferred payment of costs and other accrued liabilities	0.4	-	0.4	0.4	-	0.4
Provisions	84.1	81.8	2.3	80.5	78.2	2.3
Provisions for pensions and similar obligations	-	-	-	-	-	-
Other provisions	84.1	-	84.1	80.5	-	80.5
Tax liabilities	-	-	-	14.3	12.7	1.6
Current tax liabilities	-	-	-	14.3	-	14.3
Deferred tax liabilities	-	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-	-
Subordinated liabilities	642.6	642.6	-	573.0	573.0	-
Equity	539.2	539.2	-	539.2	539.2	-
Paid-in capital	539.2	539.2	-	539.2	-	539.2
Called-up capital unpaid	-	-	-	-	-	-
Share premium	22.7	22.7	-	22.7	22.7	-
Other capital instruments	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Reserves	67.9	67.9	-	67.9	67.9	-
Legal reserves	27.0	27.0	-	27.0	-	27.0
Statutory reserves	40.5	40.5	-	40.5	-	40.5
Reserves for own shares	-	-	-	-	-	-
Other reserves	0.4	0.4	-	0.4	-	0.4
Revaluation reserves	-	-	-	-	-	-
Accumulated other comprehensive income	15.5	15.5	-	11.2	11.2	-
Retained earnings	356.8	488.1	(131.3)	284.4	436.8	(152.4)
Profit or loss for the current year	131.3	-	131.3	152.4	-	152.4
Non-controlling interests	-	-	-	-	-	-
Total liabilities and equity	9,353.5	9,344.0	9.5	8,546.2	8,535.4	10.8
Off-balance sheet items	2,393.9	2,393.9	-	2,081.0	2,081.0	-
Liabilities under loans	1,911.1	1,911.1	-	1,703.0	1,703.0	-
Financial guarantees given	466.7	466.7	-	359.9	359.9	-
Other assumed liabilities	16.1	16.1	-	18.1	18.1	-
Total off-balance sheet items	2,393.9	2,393.9	-	2,081.0	2,081.0	-

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Unaudited presentation of the reconciliation of items presented in the Statement of financial position presented as part of the Annual Report and items presented in accordance with the CNB Decision:

In the Annual Report, funds in current accounts with banks and with FINA are presented in the Cash and balances with Croatian National Bank. In accordance with the Decision these positions are presented in positions Loans and advances to credit institutions and Loans and advances to customers.

In accordance with the Decision, derivative financial assets is presented in Other assets, while in the Annual Report they are presented in the position of Financial assets and liabilities at fair value through profit or loss.

Equity holdings and units in open-ended investment funds are presented in accordance with the Decision within the item Shares and other variable-yield securities, while in the Annual Report they are presented under Financial assets and liabilities at fair value through profit or loss.

In accordance with the Decision, receivables for credit cards together with penalty interest for credit cards are presented as part of Loans and advances to credit institutions and Loans and advances to customers, while in the Annual Report they are partly presented in the position of Other assets, and partly in Loans and receivables from customers.

In accordance with the Decision, liabilities on loan payment accounts are presented as a part of Other liabilities, while in the Annual Report they are presented as a part of the Loans and receivables from customers.

In accordance with the Decision, receivables from fees and penalty interest on fees, paid advances, customer's receivables and other receivables are presented as part of Loans and advances to credit institutions and Loans and advances to customers, while in the Annual Report they are stated as position Other assets.

Prepaid expenses are presented in the Annual Report under "Other assets", while in accordance with the Decision they are presented in a separate note.

Receivables for advances relating to parafiscal charges and input VAT are presented under "Tax assets" in accordance with the Decision, while in the Annual Report they are presented under "Other assets".

In accordance with the Decision, investment property is presented within the position of tangible assets while in the Annual Report it is presented in a separate note.

Liabilities

Derivative financial liabilities in the report according to the Decision are shown under the item "Other liabilities", while in the Annual Report these items are shown under Financial assets and liabilities at fair value through profit or loss.

In accordance with the Decision, bearer deposits and liabilities for received payments of founding shares in escrow accounts and guarantees received on loans are stated in the position of Other Liabilities, while in the Annual Report they are stated as part of the Liabilities due to customers.

Lease liabilities (IFRS 16) are presented in Annual report in separate position and fee liabilities under Other liabilities. while in accordance with the Decision they are presented in the position Liabilities to clients.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

The positions "Liabilities to other banks", "Liabilities to customers" and "Other borrowed funds" are shown separately in the Annual Report, while in accordance with the Decision they are shown under the position Liabilities to credit institutions , Liabilities to clients and Subordinated liabilities .

In accordance with the Decision, liabilities for the payment of previously written-off deposits are presented as part of the Provisions, while in the Annual Report they are presented within the positions of Other liabilities.

In accordance with the Decision, in the position Tax assets, are presented liabilities for value added tax and other tax liabilities, while in the Annual Report they are presented under the position Other liabilities.

Equity

In accordance with the Decision, the profit for year is presented in a separate position, while in the Annual Report it is presented as part of the Retained earnings.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Statement of changes in equity – unaudited

2025

	Capital	Share premium	Equity instruments issued other than Capital	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Non-controlling interest			Total
												Accumulated Other Comprehensive Income	Other items		
Opening balance [before restatement]	539.2	22.7	-	-	11.2	284.4	-	67.9	-	152.4	-	-	-	-	1,077.8
Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1. + 2. + 3.)	539.2	22.7	-	-	11.2	284.4	-	67.9	-	152.4	-	-	-	-	1,077.8
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(80.0)	-	-	-	-	-	-	-	-	(80.0)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	-	152.4	-	-	-	(152.4)	-	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4.3	-	-	-	-	131.3	-	-	-	-	135.6
Closing balance [current period] (from 4 to 20)	539.2	22.7	-	-	15.5	356.8	-	67.9	-	131.3	-	-	-	-	1,133.4

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank (continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Statement of changes in equity – unaudited (continued)

2024

	Capital	Share premium	Equity instruments issued other than Capital	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Non-controlling interest		Total
												Accumulated Other Comprehensive Income	Other items	
Opening balance [before restatement]	539.2	22.7	-	-	0.8	224.6	-	67.9	-	134.8	-	-	-	990.0
Effects of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1. + 2. + 3.)	539.2	22.7	-	-	0.8	224.6	-	67.9	-	134.8	-	-	-	990.0
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(75.0)	-	-	-	-	-	-	-	(75.0)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	-	-	-	-	-	134.8	-	-	-	(134.8)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	10.4	-	-	-	-	152.4	-	-	-	162.8
Closing balance [current period] (from 4. to 20.)	539.2	22.7	-	-	11.2	284.4	-	67.9	-	152.4	-	-	-	1,077.8

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Unaudited presentation of harmonized items from the Report on Changes in Capital presented as part of the Annual Report and presented in accordance with the Decision of the CNB:

In the report according to the Decision, the increase in share capital is shown under the position Capital reduction, while in the Annual Report it is shown under the position Transfers between capital components.

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Statement of cash flows – unaudited

	2025	2024
Operating activities – indirect method		
Profit/(loss) before tax	160.0	186.1
Adjustments		
Impairment and provisions	7.4	(4.5)
Depreciation	20.5	18.4
Net unrealised (gains)/losses on financial assets at fair value through statement of profit or loss	30.6	(20.9)
Loss/(profit) from the sale of tangible assets	(0.5)	(0.5)
Other non-cash items	(271.9)	(219.9)
Changes in assets and liabilities from operating activities		
Deposits with the Croatian National Bank	-	-
Deposits with financial institutions and loans to financial institutions	42.9	(50.7)
Loans and advances to other clients	(494.6)	(635.0)
Securities and other financial instruments at fair value through other comprehensive income	551.7	(119.5)
Securities and other financial instruments held for trading	(47.9)	46.2
Securities and other financial instruments at fair value through statement of profit of loss, not traded	-	-
	-	3.2
Securities and other financial instruments at fair value through statement of profit or loss	(587.9)	(173.6)
Securities and other financial instruments at amortized cost	6.3	7.7
Other assets from operating activities	76.0	21.4
Deposits from financial institutions	402.7	279.0
Transaction accounts of other clients	(29.7)	(260.2)
Savings deposits of other clients	291.3	234.5
Derivative financial liabilities and other traded liabilities	49.0	29.9
Other liabilities from operating activities	(6.9)	(22.8)
Interest received from operating activities [indirect method]	354.1	362.0
Dividends received from operating activities [indirect method]	-	-
Interest paid from operating activities [indirect method]	(107.0)	(114.6)
(Income taxes paid)	(45.4)	(36.2)
Net cash flow from operating activities	302.7	(485.5)
Investing activities		
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	(16.9)	(17.7)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	0.7	(5.2)
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	-	-
Dividends received from investing activities	4.1	0.2
Other receipts/payments from investing activities	-	-
Net cash flow from investing activities	(12.1)	(22.7)
Financing activities		
Net increase/(decrease) in loans received from financing activities	59.5	111.5
Net increase/(decrease) of debt securities issued	-	-
Net increase/(decrease) of Tier 2 capital instruments	-	-
Increase of share capital	-	-
(Dividends paid)	(80.0)	(75.0)
Other receipts/(payments) from financing activities	-	-
Net cash flow from financing activities	(20.5)	36.5
Net increase/(decrease) of cash and cash equivalents	270.2	(471.7)
Cash and cash equivalents at the beginning of period	1,136.1	1,607.5
Effect of exchange rate fluctuations on cash and cash equivalents	-	(0.3)
Cash and cash equivalents at the end of period	1,406.2	1,136.1

Appendix 1 - Supplementary financial statements and reports for the Croatian National Bank
(continued)

For the year ended 31 December 2025

(All amounts are expressed in millions of EUR)

Presentation of the reconciliation of items presented in the statement of cash flows as part of the Annual Report and items presented in accordance with the CNB Decision:

Impairment and provisions position from the Decision, is presented in four separate items in the Annual Report: „Losses/(gains) on loss allowance“, „Impairment of tangible assets“, assets taken in lieu and assets held for sale“, „Provisions for legal actions and off-balance sheet items“ and „Other provisions“.

The item "Profit / loss from the sale of tangible assets" includes "Gains / losses from the sale and write-off of property and equipment" and "Gains from the sale of assets held for sale" from the Annual Report.

In accordance with the Decision, the position „Other non-cash items“ includes following items from Annual Report: interest income from the position „Interest income“, interest expenses from the position „Interest expense“, inventory write-offs and reversal of estimated costs from the position „Revenue from reversal of accrued expenses“, other operating expenses in the position „Other non-cash items“, other income and expenses, exchange rate differences in the position „Exchange rate differences“ and realized loss on the sale of financial assets measured at fair value through other comprehensive income in the position „Net (gains)/losses on financial assets measured at fair value through other comprehensive income and the realized gain from the sale of financial assets measured at amortized cost in the position "Net (gains)/losses from financial assets measured at amortized cost".

The item „Financial assets and liabilities at fair value through profit or loss“ as presented in the Annual Report is presented in accordance with the Decision as four separate items: „Securities and other financial instruments held for trading“, „Securities and other financial instruments that are not actively traded but are measured at fair value through profit or loss“, „Securities and other financial instruments that are obligatorily carried at fair value through profit or loss“ and „Derivative financial liabilities and other liabilities held for trading“.

The item „Amounts due to customers“ as presented in the Annual Report is presented in accordance with the Decision as three separate items: „Transaction accounts of other clients“, „Savings deposits of other clients“ and „Time deposits of other clients“.

In accordance with the Decision, other banking institutions are presented as part of the „Deposits from financial institutions“, while in the Annual Report they are presented as part of „Liabilities to customers“ position.

The „Other liabilities from business activities“ position in accordance with the Decision is presented in two items in the Annual Report: „Other liabilities“ and „Payments from provisions for liabilities and charges“.

The „Cash receipts from the sale / payments for the purchase of tangible and intangible assets“ position in accordance with the Decision is presented within five position in the Annual Report as „Purchases of tangible and intangible assets“, „Proceeds from sale of tangible and intangible assets“, „Purchases of assets held for sale“, „Proceeds from assets held for sale“, „Purchases of investment property“.

The position "Dividends received from investment activities" in the Annual Report is divided into two items in accordance with the Decision: "Dividends received from business activities" and "Dividends received from investment activities".

The item „Net increase / decrease / of loans received from financing activities“ in accordance with the Decision is divided into two items in the Annual Report: „Repayment of lease liabilities (IFRS 16)“ and „Increase of other borrowed funds“.

Appendix 2 – Other legal and regulatory requirements

In accordance with the requirements of Article 164 of the Credit Institutions Act, below is the information related to the year 2025, for the OTP banka Group on a consolidated basis:

The OTP banka Group provides the entire range of banking services to individuals and legal entities, financial services that include leasing and other services, the most important of which is real estate management.

The main activities of the Bank are:

- acceptance of deposits or other repayable funds from the public and approving loans from these funds, for its own account,
- acceptance of deposits or other repayable funds,
- approval of credits and loans, including consumer credits and loans and mortgage credits and loans if permitted by a special law, and financing of commercial transactions, including export financing based on the purchase with a discount and without recourse of non-current outstanding receivables secured by financial instruments (forfeiting),
- purchase of receivables with or without recourse (factoring),
- financial lease (leasing),
- issuance of guarantees or other warranties,
- trading for own account or for the client's account: money market instruments, transferable securities, foreign exchange, including currency exchange transactions, financial futures and options, currency and interest rate instruments,
- payment services in accordance with special laws,
- services related to lending, such as data collection, analysis and providing information on the creditworthiness of legal and natural persons who carry out their business independently,
- issuing and managing other payment instruments if the provision of such services is not considered to be the provision of payment services in accordance with a special law,
- safe deposit box rentals,
- money market transactions intermediation,
- issuing electronic money,
- advisory services for legal entities regarding capital structure, business strategy and related matters, and providing services related to business mergers and acquisition of shareholdings in other companies,
- investment and ancillary services and activities prescribed by a special law regulating the capital market: receiving and transmitting orders in relation to one or more financial instruments, execution of orders on behalf of clients, trading on own account, custody and administration of financial instruments for clients, including safekeeping services and related cash and collateral management services,
- investment consulting,
- underwriting and placing of financial instruments with a firm commitment,
- underwriting and placing of financial instruments without a firm commitment,
- conducting activities related to the sale of insurance policies in accordance with insurance regulations.

The Group and the Bank provide the above services in the Republic of Croatia, through a branch network whose operations are organized through six regional business centers (Dubrovnik and South Dalmatia, Istria and the Coastal Region, North Dalmatia, Northwestern Croatia and Slavonia, Central Dalmatia and Zagreb).

Total operating income: EUR 372.5 million

Number of employees based on full-time equivalent: 2,416

Profit before tax: EUR 167.8 million

Profit tax: EUR 31 million

Public subsidies received: EUR 20.5 thousand