



SID BANK GROUP AND SID BANK

ANNUAL REPORT

2025



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STATEMENT BY THE MANAGEMENT BOARD

At SID Bank 2025 saw us making important decisions, deepening our cooperation with the government, and reinforcing our developmental role in the Slovenian economy. Thanks to carefully considered measures, responsible management and clear strategic guidance, we have proven that we remain a stable, responsive and developmentally focused pillar of the Slovenian financial system, despite the challenging international situation and the pronounced uncertainty.

The global economic environment was exposed to new tensions in international trade. April's announcement by the US administration of the imposition of high tariffs on a wide range of imported goods caused disruptions to supply chains, and drove a downturn in international trade relations. Although the situation eased slightly towards the end of the year, uncertainty remains significantly higher than a year ago. Global economic growth was nevertheless stable, at close to 3%, while inflationary pressures gradually eased. Advanced economies embarked on moderate cuts in interest rates, which left them lower than in 2023 and 2024, but higher than the pre-pandemic level. The capital markets also saw exceptional growth in 2025, concentrated above all in the tech sector. At the same time the increased volatility towards the end of the year warned of the risk that future growth in earnings might not track the extremely high pace of investment in the tech sector.

The economic picture in the euro area remained modest: the growth of 1.5% was primarily based on private consumption, while the industrial sector remained weak. Inflation gradually converged on the ECB target rate over the course of the year, reaching 1.9% in December. The labour market remained extremely resilient, and unemployment is close to its record low.

The Slovenian economy saw growth of 1.1% in this environment. A fall in GDP in the first quarter was followed by a recovery, driven by domestic consumption and pronounced growth in government investment, which was reflected in strong dynamics in construction. Manufacturing faced difficult conditions in international trade, which was reflected in a decline in value-added. The labour market saw unemployment stay close to its record low, although the average age of the workforce rose again. Inflation in Slovenia stood at 2.6%, higher than the euro area average.

The Slovenian banking system again remained stable and highly liquid in 2025. After stagnating in the first half of the year, lending to the non-banking sector rose again, although this brought a slight increase in the share of exposures with increased risk, particularly in the manufacturing portfolio. Household deposits and corporate deposits continued to increase, while excess liquidity reduced the banks' need for loans from SID Bank, which drove a further reduction in the portfolio of indirect financing.

The macroeconomic situation was also reflected in the performance of the SID Bank Group. Despite the sluggish economic growth, there was no need for intensive countercyclical action, and so we intervened as a development bank wherever the uncertainty was having the greatest impact on corporate performance. As an institution that prioritises long-term benefits over short-term returns, we also supported projects at firms facing temporary difficulties but with clear long-term potential. The drawdown of new loans was larger than in the previous year, but repayments (some of which were made early) meant that the credit portfolio contracted slightly.

The SID Bank Group compiled consolidated financial statements in 2025 for the first time since 2018, having founded two new subsidiaries in line with our strategy: SID Kapital d.o.o. and SID Upravljanje premoženja d.o.o. To ensure comparability, the report also includes restated comparative data for 2024, which is unaudited. The Group's total assets amounted to EUR 2.5 billion at the end of 2025. The figure was down, primarily on account of reduced cash holdings and the contraction in the loan portfolio, which is a reflection of the high liquidity in the economy and the reluctance on the part of firms to invest.

Loans and advances to non-banking customers declined by 2.6%, but the share of the Group's total assets that they account for increased to 51.8%. Excess liquidity meant that the banking segment continued to contract. Holdings of debt securities increased by contrast to EUR 655 million, as a result of further purchases within the framework of the development mandates. The SID Bank Group's exposure to equity holdings increased to EUR 69 million, under the SEGIP and the Three Seas Initiative, which were spun off to SID Kapital when the two subsidiaries were founded. The Group's shareholder equity increased to EUR 517 million, largely as a result of current profits and more favourable valuations.

The SID Bank Group ended the year with a net profit of EUR 3.7 million. The increase in impairments and provisions owing to the rise in the NPL ratio in the credit portfolio had a significant impact on the level of profits.

Another feature of 2025 was the significant strengthening of our activity in the area of financial engineering and EU funding. We signed an agreement with the Ministry of the Economy, Tourism and Sport for financing the FI 2021–2027 Holding Fund, into which EUR 190 million will be paid by 2029. We succeeded in putting in place the legal, organisational and operational foundations for the implementation of five financial instruments during the new programming period, which is strengthening SID Bank's role as a key partner to the government in implementing cohesion policy.

One of the most demanding strategic projects was completed: the demerger of our equity financing business. The establishment of SID Kapital and SID Upravljanje premoženja has made governance more transparent and effective, and allows for progress in equity investments that over the years ahead will make a significant contribution to the development of Slovenia's entrepreneurial ecosystem. We also moved ahead with activity to strengthen the domestic capital market, by making purchases of development-focused corporate bonds and MREL-eligible instruments issued by banks, and by strengthening risk-sharing mechanisms that over the long term will allow for financial intermediaries to play a greater role in financing development projects.

Other major achievements were June's issuance of a bond with a nominal value of EUR 100 million and the issuance of a debt certificate with a nominal value of EUR 30 million, which increased the stability of funding. Standard & Poor's awarded SID Bank its highest rating to date in June: AA/A-1 with a stable outlook. We continued to strengthen our international cooperation, and in November signed a memorandum to deepen our partnership with Banco Português de Fomento, a Portuguese development bank.

Great progress in the area of digitalisation was made in 2025: we successfully completed the overhaul of the computer centres, updated the ICT strategy, and continued developing the new credit app. Cyber security was maintained at a high level, with no incidents recorded, and processes were upgraded in line with the DORA. Preparations were also begun on a comprehensive refurbishment of our office building, which over the years ahead will improve the functionality of the work premises and ensure that our employees enjoy state-of-the-art working conditions.

It is the employees who remain at the heart of our business. Fully 99.6% of them were included in education and training in 2025, and we also provided wellbeing programmes, hybrid working, and numerous opportunities to develop skills. Our employees made 463 shoutouts to colleagues in 2025, which is evidence of a strong culture of collaboration, professionalism and team spirit.

As 2025 comes to a close we remain firmly committed to our mission of development. And in 2026 we will further strengthen our direct financing of businesses and our financing of projects related to sustainability, technology and infrastructure, and will launch new loan funds worth EUR 1 billion. We will begin marketing a product for financing public rental housing, will upgrade our financial engineering instruments, and will strengthen SID Bank's role in the area of risk sharing. Our focus will remain on areas where SID Bank is a vital development partner: wherever the market alone cannot provide sufficient resources, and wherever our action can create the maximum added value for the Slovenian economy.

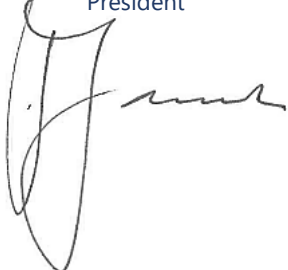
Our thanks must go to all our partners, customers and employees for their trust, their collaboration and their commitment. Working together in the years ahead, we will continue building a stable, more resilient and more sustainable future for Slovenia.

Management board of SID Bank

Stanka Šarc Majdič
Member



Borut Jamnik
President



SUPERVISORY BOARD REPORT

In 2025 the supervisory board of SID Bank monitored and oversaw the Bank's performance and the work of the management board within the framework of the powers and responsibilities set out by applicable legislation, the articles of association, the corporate governance policy, codes of conduct, and its own rules of procedure. In its work it assessed the Bank's management and performance, having regard for the strategic guidance and the key risks to which the Bank is or could be exposed.

The Bank's performance in 2025 was in keeping with its mandate and its mission of development, providing financial instruments for financing and insurance in support of the Slovenian economy. The project of founding the subsidiaries—SID kapital, d.o.o., and SID upravljanje premoženja, d.o.o.—was successfully completed. These companies commenced operations at the end of September and the beginning of October 2025, respectively, and took over the implementation of equity financing (SEGIP and the Three Seas Initiative Investment Fund) as well as the management of selected investments. With the establishment of the subsidiaries, the SID Bank Group was formed. After seven years, SID banka is once again subject to consolidated reporting, and the Annual Report of the SID Bank Group has therefore been prepared.

The good performance in 2025 was reflected in a consolidated net profit of EUR 3.7 million at the SID Bank Group, and an ROE after tax of 0.7%. The Bank realised insurance operations worth more than EUR 1.6 billion. Despite the increased realisation of credit risk and a rise in the NPL ratio to 9.9% driven by defaults in the steel industry and car industry, the SID Bank Group ended the year with high capital adequacy (a total capital ratio of 32.7%), and a high level of liquidity (the LCR and NSFR were both significantly higher than the regulatory requirements). In 2025 the Bank worked intensively to develop new financial instruments to support the economy, either working with the government and with EU funds, or using its own on-balance-sheet assets.

The supervisory board was reinforced in 2025 with the appointment of Nataša Damjanovič, who began her term of office on 13 May 2025, thus giving the supervisory board its full complement of seven members as stipulated by the ZSIRB. Janez Tomšič saw his term of office as a member of the supervisory board end on 11 September 2025.

The supervisory board held 13 ordinary sessions and three correspondence sessions in 2025. Key issues falling under its remit were discussed at these sessions, with decisions being made on proposals and requests for approval submitted by the management board. The supervisory board members actively participated in these discussions, offering comments and guidance, and also submitting various questions and requests for clarification, all of which helped to shape a thorough assessment of the proposals. The supervisory board passed its decisions unanimously. The supervisory board members issued statements of independence, which were published on SID Bank's website. In discharging their duties, they acted impartially and professionally, and properly disclosed any circumstances that might constitute a conflict of interest in full compliance with the law. These disclosures were correctly handled, in part by ensuring that the supervisory board member in question did not receive the relevant materials and information, and was recused from the session during the discussion and decision-making on the matter in which there was a (potential) conflict of interest.

The supervisory board was primarily concerned with the following key issues in 2025:

1. Strategic and development documents
 - implementation of the business strategy for the period of 2025 to 2027, and monitoring of the implementation of the ICT strategy
 - adoption of the new business strategy for the period of 2026 to 2028, and the new ICT strategy

2. Financial planning and operations
 - discussion of regular reports on the Bank's performance, and monitoring of the realisation of the financial plan for 2025
 - discussion of the financial plan for 2026 and the key assumptions
 - adoption of the annual report and the remuneration report
3. Risk management, internal controls and regulatory issues
 - adoption of the risk management strategy and policies, definition of the risk appetite, and monitoring of their implementation
 - management of non-performing exposures, and realisation of the plan for their management
 - discussion of the outcome of the ICAAP and ILAAP, and the Bank of Slovenia's findings and recommendations within the framework of the supervisory review and evaluation process (SREP)
 - periodic reports issued by the Bank's control functions (internal audit, compliance, risk management, information security), and follow-up of recommendations and measures
4. Operations under supervisory board remit
 - specific financing and borrowing operations falling under the remit of the supervisory board in accordance with the articles of association
5. Corporate governance and remuneration
 - adoption of the governance policy and the remuneration policy
 - fit and proper assessment of members of the management board and the supervisory board, and the management body as a whole
6. The SID Bank Group and affiliates
 - discussion of reports on the performance of the affiliates, and key statuses and governance issues, including the report reviewing the intended demerger within the framework of the project of founding the subsidiaries

In-depth support for the work of the supervisory board was provided by:

- the audit committee, which, in accordance with its adopted schedule and work programme, held twelve regular and one correspondence session and mainly discussed the Bank's accounting and financial reports, and the work plans of the internal audit department and other control functions, namely compliance and information security, examined the findings of the external quality assessment of the internal audit department, and collaborated with the external auditor in planning and implementing the auditing cycle, including discussion of the auditor's findings and allowable non-audit services
- the risk committee, which met at six sessions and mainly discussed the Bank's risk management framework, the risk management strategy and policies, key risk methodologies and reports, the outcomes of the ICAAP and ILAAP, and the relevant findings of the regulator, including measures for their implementation
- the nomination and remuneration committee, which met at eight sessions to discuss the Bank's HR strategy, its remuneration policies and practices, HR issues including the procedures for appointing members of the management body, the recruitment plan and labour costs projection, and the fit and proper assessment of the management body (as individuals, and as a collective)
- the strategic affairs committee, which was created in 2025 and held two sessions to discuss the Bank's strategic planning process, and its key strategic documents

In March 2026 the supervisory board carried out a self-assessment of its work in 2025 on the basis of the recommendations of the manual governing the assessment of the efficiency of the work of supervisory boards issued by the Slovenian Directors' Association. During this process it obtained reports on the work of the supervisory board committees, including their own self-assessments. The results of the self-assessment confirm that the supervisory board carried out its work professionally, with due diligence, responsibly, and in line with the interests of the Bank, and that the individual members of the supervisory board and the supervisory board as a collective possess adequate knowledge and experience to enable the high-quality and effective discharging of the duties that fall under the remit of the supervisory board.

Approval of the annual report for 2025

The unaudited annual report for SID Bank and the SID Bank Group for 2025 was discussed by the risk committee and the audit committee at their sessions of 6 and 10 March 2026, and by the supervisory board at its session of 12 March 2026. The remuneration report for 2025 was discussed by the nomination and remuneration committee at its session of 12 March 2026. The audited annual report with an additional final report to the audit committee on the audit of the financial statements for 2025, the independent auditor's report including the report on the audit of the financial statements, and the auditor's report on remuneration for 2025 were discussed by the audit committee and the nomination and remuneration committee between 24 and 26 March 2026, each according to their remit. The certified external auditor also reported at sessions of the audit committee. The audit committee assessed the annual report as satisfactory, and proposed that the supervisory board approve the annual report.

The supervisory board discussed and reviewed the annual report for SID Bank and the SID Bank Group for 2025 at its meeting of 26 March 2026, together with the proposal for the use of distributable profit for 2025 submitted by the management board of SID Bank in accordance with Article 4 of the ZSIRB. The supervisory board also discussed the independent auditor's report to the shareholders on the audit of the financial statements, in which Ernst & Young d.o.o. issued an unqualified opinion regarding the financial statements of SID Bank and the SID Bank Group for 2025. In the auditor's opinion, the financial statements present fairly, in all material aspects, the financial position of the Bank and the Group as at 31 December 2025, and their performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards, as adopted by the European Union. The supervisory board had no comments with regard to the report by the auditor, Ernst & Young d.o.o. After its review, the supervisory board unanimously approved the annual report for SID Bank and the SID Bank Group for 2025.

Matija Šenk
Chair of the Supervisory Board of SID Bank

A handwritten signature in black ink, appearing to be 'M. Šenk', written over a faint, illegible stamp or watermark.

KEY DATA AND PERFORMANCE INDICATORS ¹

Key data

(EUR thousand)	SID Bank Group ²			SID Bank		
	2025	2024	2023	2025	2024	2023
Statement of financial position						
Balance sheet total	2,499,485	2,726,743	2,685,877	2,520,999	2,726,743	2,685,877
Total deposits from non-banking sector measured at amortised cost	1,178,587	1,108,688	1,114,735	1,199,690	1,108,688	1,114,735
Total loans and advances to non-banking sector	1,293,491	1,328,427	1,428,171	1,293,491	1,328,427	1,428,171
Total shareholder equity	516,820	506,251	484,679	518,379	506,251	484,679
Allowances and provisions for credit losses	89,171	51,347	51,531	89,171	51,347	51,531
Off-balance-sheet items	586,939	670,358	543,793	546,508	670,358	543,793
Income statement						
Net interest	28,285	34,846	30,170	28,177	34,846	30,170
Net non-interest income	42,850	9,806	10,167	43,579	9,806	10,167
Net income	119,236	115,249	100,349	119,803	115,249	100,349
Labour, general and administrative costs	(26,592)	(27,784)	(21,461)	(26,486)	(27,784)	(21,461)
Amortisation and depreciation	(1,428)	(1,261)	(1,024)	(1,428)	(1,261)	(1,024)
Impairments and provisioning (credit losses)	(37,830)	(4,232)	(276)	(37,830)	(4,232)	(276)
Pre-tax profit from ordinary and discontinued operations	4,713	11,193	18,385	5,449	11,193	18,385
Corporate income tax on ordinary and discontinued operations	(1,008)	(2,166)	(2,747)	(185)	(2,166)	(2,747)
Net profit for the financial year	3,705	9,027	15,638	5,264	9,027	15,638
Statement of other comprehensive income						
Other comprehensive income before tax	8,768	16,067	21,328	8,768	16,067	21,328
Corporate income tax on other comprehensive income	(1,904)	(3,522)	(3,156)	(1,904)	(3,522)	(3,156)
Number of branches as at 31 Dec						
	1	1	1	1	1	1
Number of employees as at 31 Dec						
	222	221	221	219	221	221
Shares						
Number of shareholders	1	1	1	1	1	1
Number of shares	3,121,741	3,121,741	3,121,741	3,121,741	3,121,741	3,121,741
Corresponding amount of share capital of one no-par-value share	96.10	96.10	96.10	96.10	96.10	96.10
Book value of one share	166.54	163.13	156.18	167.04	163.13	156.18
Long-term credit rating as at 31 Dec						
Standard & Poor's				AA	AA-	AA-

¹ Prescribed data and indicators are calculated in accordance with the Guidelines for calculating the performance indicators of banks and savings banks, which were prescribed by the Bank of Slovenia on the basis of the Regulation on the books of account and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia, No. 184/21).

² The data for the Group for 2023 and 2024 are disclosed solely for the purpose of ensuring comparability.

Selected indicators

(%)	SID Bank Group			SID Bank		
	2025	2024	2023	2025	2024	2023
Capital						
Common Equity Tier 1 capital ratio	32.7	30.7	27.3	33.0	30.7	27.3
Tier 1 capital ratio	32.7	30.7	27.3	33.0	30.7	27.3
Total capital ratio	32.7	30.7	27.3	33.0	30.7	27.3
Leverage ratio	18.3	16.9	16.3	18.5	16.9	16.3
Quality of assets in statement of financial position and commitments given						
Non-performing (on-balance-sheet and off-balance-sheet) exposures / classified on-balance-sheet and off-balance-sheet exposures	5.7	2.3	3.0	5.8	2.3	3.0
Non-performing loans and other financial assets / classified loans and other financial assets (excluding balances at central bank and demand deposits at banks)	9.9	4.3	5.0	9.9	4.3	5.0
Non-performing loans and other financial assets / classified loans and other financial assets (including balances at central bank and demand deposits at banks)	7.9	3.3	4.2	7.9	3.3	4.2
Allowances for credit losses / non-performing loans and other financial assets (excluding balances at central bank and demand deposits at banks)	52.8	49.6	42.5	52.8	49.6	42.5
Allowances for credit losses / non-performing loans and other financial assets (including balances at central bank and demand deposits at banks)	52.8	49.6	42.5	52.8	49.6	42.5
Collateral received / non-performing loans and other financial assets (excluding balances at central bank and demand deposits at banks)	32.3	46.8	50.7	32.3	46.8	50.7
Profitability						
Interest margin	1.1	1.3	1.1	1.1	1.3	1.1
Financial intermediation margin	2.7	1.6	1.5	2.7	1.6	1.5
Return on assets after tax	0.1	0.3	0.6	0.2	0.3	0.6
Return on equity before tax	0.9	2.3	3.9	1.1	2.3	3.9
Return on equity after tax	0.7	1.8	3.4	1.0	1.8	3.4
Operating costs						
Operating costs / average assets	1.0	1.1	0.8	1.1	1.1	0.8
Liquidity						
Liquidity coverage ratio	4,363	4,163	3,196	3,598	4,162	3,196
Net stable funding ratio	151	161	152	149	161	152

CB: central bank

SIGNIFICANT BUSINESS EVENTS IN 2025

- SID Bank and the Ministry of the Economy, Tourism and Sport signed a financing agreement in March 2025 to create a holding fund for the implementation of financial instruments in the period of 2021 to 2027. SID Bank was appointed as the manager of the FI 2021–2027 Holding Fund, into which a total of EUR 190 million of funding from the European Regional Development Fund will be paid by the end of 2029 for the implementation of five financial instruments within the framework of European cohesion policy.
- SID Bank founded the subsidiary SID Izobraževanje d.o.o. as part of its preparations for the demerger of the equity financing business. After being planned in 2024 as one of its key strategic projects, the process was completed by the Bank in September 2025. The two new subsidiaries SID Kapital d.o.o. (renamed from SID Svetovanje d.o.o.) and SID Upravljanje premoženja d.o.o.³ (renamed from SID Izobraževanje d.o.o.), to which the business activities of executing and managing equity investments were transferred, began trading in the final quarter of the year. The demerger was executed within the framework of approvals and authorisations obtained in advance from supervisory institutions. The new structure enables more transparent, specialised and efficient implementation of equity financing, and the strengthening of the SID Bank Group's investment activity.
- In June the Bank succeeded in borrowing on the international capital markets via a private bond issue in the nominal amount of EUR 100 million with a maturity of five years. The bond is listed on the Open Market of the Frankfurt Stock Exchange. In July the Bank additionally issued a debt certificate in the amount of EUR 30 million with a maturity of seven years. This issuance is allowing SID Bank to continue strengthening the stability of its financial structure, to provide adequate liquidity, and to support financing.
- Following the upgrade of Slovenia's credit rating, on 6 June 2025 Standard & Poor's also upgraded SID Bank from AA-/A-1+ with a positive outlook to AA/A-1+ with a stable outlook.
- SID Bank and Banco Português de Fomento, a Portuguese development bank, signed a memorandum in November to strengthen economic cooperation between Slovenia and Portugal. The partnership opens new opportunities for firms in the two countries in the area of investment, internationalisation, and access to new markets.

³ The names SID Kapital d.o.o. or SID Kapital and SID Upravljanje premoženja d.o.o. or SID Upravljanje premoženja are used for the two subsidiaries below in the annual report.



BUSINESS REPORT



ABOUT SID BANK GROUP ⁴

The SID Bank Group is a public financial group that supports the development, competitiveness, and international integration of the Slovenian economy. It works in the public interest, complementing the financial market in areas where it fails to provide sufficient support. The Group combines banking, insurance and specialised financial services with a clear developmental goal.

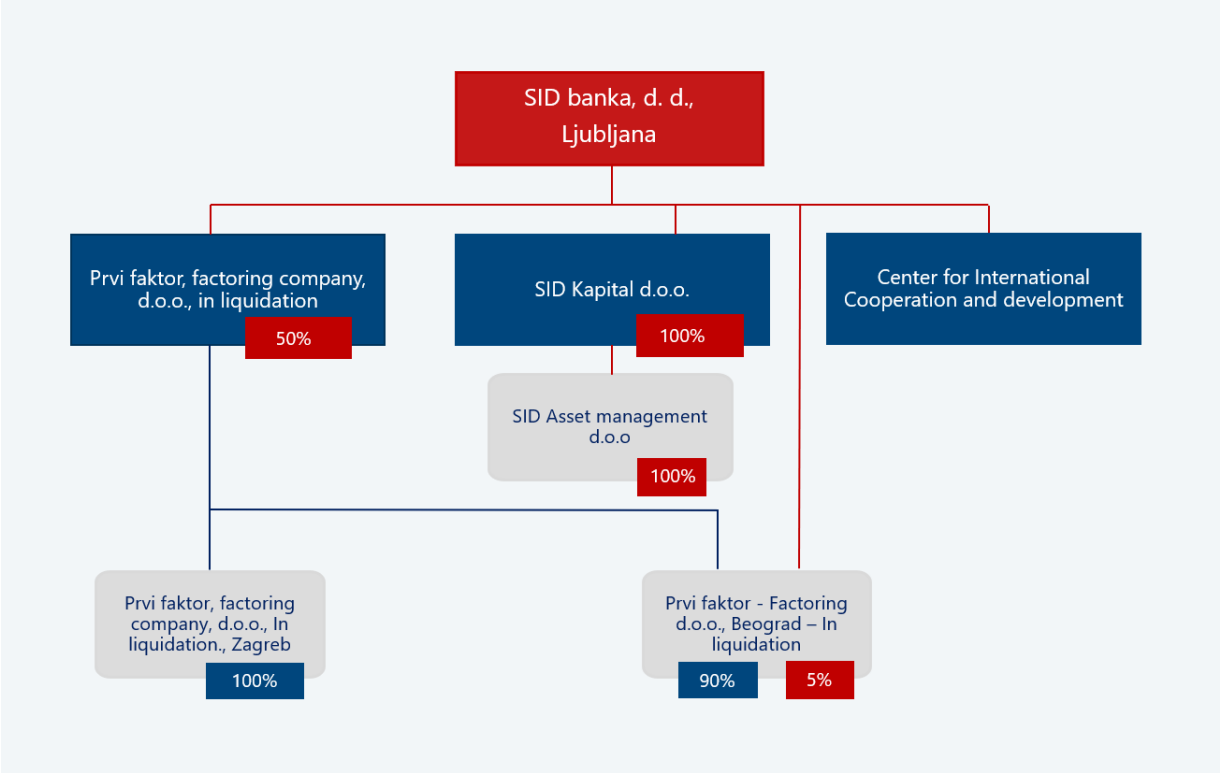
At the end of 2025, the Group incorporated two new subsidiaries, SID Kapital and SID Asset Management. The two subsidiaries were founded with the aim of proactively addressing gaps in equity financing in Slovenia, and strengthening the capital market by expanding the range of equity financing products.

As at 31 December 2025, the SID Bank Group in addition to SID Bank as the controlling undertaking, the SID Bank Group consists of:

- two subsidiaries, SID Kapital d.o.o. and SID Upravljanje premoženja d.o.o.,
- the Prvi Faktor Group (a joint venture), and
- the Centre for International Cooperation and Development (CMSR), of which SID Bank is a co-founder and in which it does not have any financial stake, but holds 33% of the voting rights (an associate).

Additional information can be found in the section entitled Overview of the performance of the SID Bank Group.

Organisational structure of the SID Bank Group as at 31 December 2025



⁴ Henceforth in the annual report any use of “SID Bank” or “the Bank” refers to SID banka, d.d., Ljubljana, irrespective of the time or any change in business name, while the SID Bank Group may be referred to as “the SID Bank Group” or simply “the Group”.

ABOUT SID BANK

SID Bank's actions are aligned with the long-term strategies of Slovenia and the EU.

SID Bank is a specialist financial institution that uses banking and insurance services to promote the competitiveness of the Slovenian economy and sustainable development.

According to the principles of balanced development in relation to economic, environmental and social aspects, it endeavours to contribute to the long-term wellbeing of Slovenian society. To this end it creates and implements financial instruments in areas where market gaps exist, in the expectation of large multiplier effects on economic activity and development. It mainly focuses its activity on financing SMEs, projects relating to the environment, the circular economy and energy, infrastructure initiatives, and research, development and innovation, thereby promoting competitiveness, exports and the internationalisation of the economy.

As a development bank under the 100% ownership of the state with access to international capital markets, it fully exploits its advantages and transfers them to its customers and service users via long maturities, moratorium options, favourable interest rates and additional services. In doing so, SID Bank may operate via private financial institutions, via public promotional institutions or directly vis-à-vis final beneficiaries.

SID Bank's functioning is regulated by the Slovene Export and Development Bank Act (ZSIRB), and is aligned with the long-term strategies of Slovenia and the EU. SID Bank thus acts as a national implementing mechanism in the realisation of development policy, and participates in the intermediation of EU funding to the economy. Stable access to the financial resources needed for its activity is facilitated by the government guarantee for all SID Bank's

liabilities, which allows it to borrow on domestic and international financial markets without additional guarantees. Through responsible risk management and control, SID Bank is able to ensure the long-term financial viability of its operations, thereby maintaining or increasing its potential to intervene in the area of development gaps, and to act countercyclically when needed during times of economic distress.

SID Bank uses a broad toolkit of financial instruments, such as loans, bonds, guarantees, factoring, finance leasing, financial engineering and other forms of financing, depending on the type of market gap that it is addressing. These instruments are integrated into development and promotional financing programmes that it develops itself.

In addition, it provides specific services under the Insurance and Financing of International Commercial Transactions Act (ZZFMGP). Under this mandate SID Bank insures international commercial deals against non-marketable risks on behalf of and for the account of the Republic of Slovenia, and on the basis of its legal authorisations it implements guarantee schemes that target specific areas where temporary government interventions are required.

Through strong involvement in the Slovenian economy and the institutional environment, through diverse international cooperation, and with a scale of financing that ensures that its actions remain macroeconomically relevant, SID Bank retains a stake in the banking system that suits the situation as it stands, and occupies a central role in the institutional promotional framework in Slovenia. It thereby makes a significant contribution to the development of the Slovenian economy, sustainable progress, and international competitiveness.

Milestones in the evolution of SID Bank

Initially established as Slovenska izvozna družba (SID) in 1992, SID Bank was conceived as a special financial institution for insuring and financing Slovenian exports. The ZZFMGP entered into force in 2004, under which SID established SID – Prva kreditna zavarovalnica d.d., Ljubljana, and transferred the portfolio of marketable insurance to it. Two years later in 2006, SID was transformed into a bank with a Bank of Slovenia authorisation to provide banking and other financial services, and changed its name to SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana.

In 2007 SID Bank began operating as a specialist promotional, export and development bank, before the Slovene Export and Development Bank Act (ZSIRB) entered into force one year later. During the economic crisis in 2009, SID Bank enhanced its countercyclical function by being highly engaged in lending and insurance activities. The new Banking Act of 2010 stipulated that SID Bank is unable to accept deposits from the public, and at the same time the European Commission recognised it as an institution of special public interest exempted from the application of certain EU directives.

SID Bank was confirmed as a significant institution in the Slovenian banking system in 2011. Working with the Ministry of Economic Development and Technology, it created the first loan fund the same year as part of its financial engineering services.

In 2014 it passed a comprehensive assessment conducted by the ECB, without any capital shortfall being identified. The following year, in 2015, it was designated an O-SII (other systemically important institution) in Slovenia.

In 2017 the Ministry of Economic Development and Technology appointed SID Bank as manager of the fund of funds for the implementation of financial instruments within the framework of European cohesion policy. The same year it set up the Slovene Equity Growth Investment Programme (SEGIP) with a value of EUR 100 million, in conjunction with the European Investment Fund.

In 2018 the Bank became the first institution in Slovenia to issue a green bond on the international capital markets.

In 2019 it completed the sale of its subsidiary SID – Prva kreditna zavarovalnica to Coface. SID Bank also received the prestigious Best Regional Development Bank – Southeast Europe 2019 award in the same year.

During the Covid-19 pandemic in 2020 SID Bank expanded its financing programmes, and launched new products. In conjunction with the Ministry of Economic Development and Technology it established an additional Covid-19 fund of funds in the amount of EUR 65 million to aid the recovery of the economy hit by the Covid-19 pandemic. The same year SID Bank joined the Three Seas Initiative Investment Fund with the aim of providing opportunities for the financing of key infrastructure projects in the Three Seas region, which includes 12 EU Member States between the Baltic, Black and Adriatic Seas.

SID Bank was entrusted with chairing the Exports Credit Group during Slovenia's presidency of the Council of the European Union in 2021. In the same year it recapitalised the European Investment Fund together with other European financial institutions, and obtained a guarantee from the pan-European guarantee fund for financial investments in the amount of EUR 150 million.

SID Bank expanded its existing programmes and introduced new programmes in 2022 to address the impact of the pandemic, the energy crisis and the war in Ukraine. It expanded the SEGIP by an additional EUR 120 million.

In 2023 SID Bank established a new loan fund to address disruptions to the economy in connection with the adverse impact on business from the war in Ukraine and the energy crisis. It signed an agreement with the European Investment Fund on utilising the InvestEU guarantees for the financing of sustainable and green projects, and research, innovation and digitalisation of Slovenian firms, and developed two new products backed by the aforementioned guarantee. The Bank successfully completed the pillar assessment

process, thereby meeting the conditions for candidacy as a direct implementing partner to the European Commission, and gained the right to participate directly in European Commission tenders to obtain EU funding.

SID Bank founded a subsidiary in late 2024 as part of its activities to demerge its equity investments to a subsidiary. The demerger process was completed in 2025, with the establishment of a specialised capital pillar. The transfer of the portfolio of equity investments

and the creation of separate managerial, organisational and supervisory structures mark a major development in this field, which will allow for more efficient investing, the increased professionalisation of asset management, and the further development of the domestic capital market.

The key events of 2025 are described in the section entitled Significant business events in 2025.

SID Bank's services

In line with its role, purposes and tasks, SID Bank provides financial services, for which it holds the relevant authorisations from the Bank of Slovenia. As at 31 December 2025 SID Bank held a Bank of Slovenia authorisation to provide the following mutually recognised financial services under Article 5 of the Banking Act (ZBan-3):⁵

- acceptance of deposits from informed persons;⁶
- granting of credits, including:
 - mortgage loans,
 - purchase of receivables with or without recourse (factoring),
 - financing of commercial transactions, including export financing based on the purchase of non-current non-past-due receivables at a discount and without recourse, secured by financial instruments (forfeiting);
- issuance of guarantees and other sureties;

- trading for own account or for the account of customers:
 - in money-market instruments,
 - in foreign legal tender, including currency exchange transactions,
 - in standardised futures and options,
 - in currency and interest-rate instruments;
- trading for own account in money-market instruments;
- credit rating services: collection, analysis and dissemination of information about creditworthiness.

In addition to the financial services defined within the framework of the Bank of Slovenia authorisations that it has been granted, the Bank also pursues activities under Republic of Slovenia authorisation defined in specialised laws and agreements setting out the type and scope of operations that the Bank executes on behalf of and for the account of the Republic of Slovenia.⁷

⁵ The authorisation to provide banking services is published on the Bank of Slovenia website (<https://www.bsi.si/en/banking-supervision/register-of-supervised-entities/sid-slovenska-izvozna-in-razvojna-banka-d-d>).

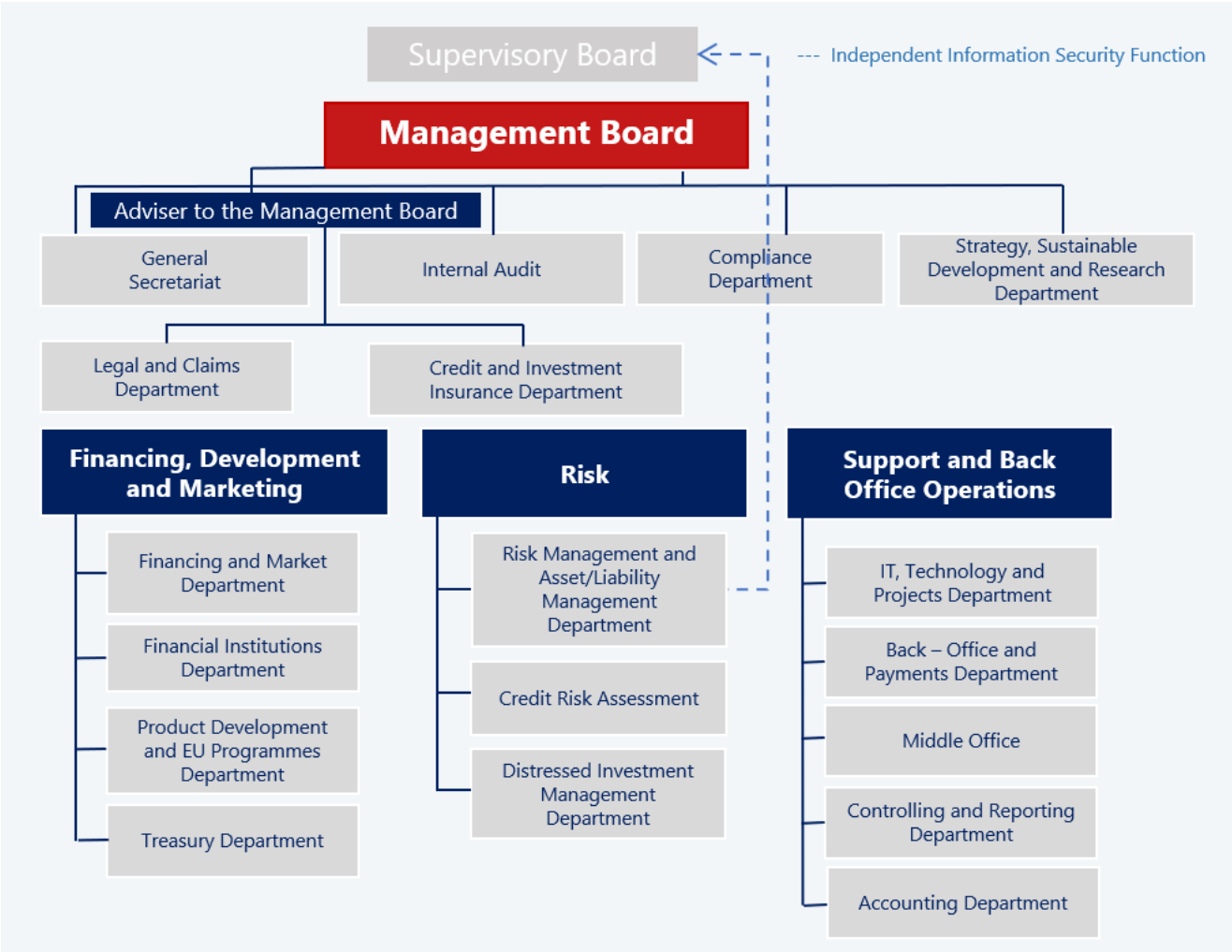
⁶ SID Bank is the authorised specialised national bank for the promotion of exports and development under the ZSIRB, and may not accept deposits from the public, except via a public offering relating to the paying-up of debt securities issued by SID Bank.

⁷ Most notably the Insurance and Financing of International Commercial Transactions Act, the Environmental Protection Act, the Act on Reconstruction, Development and the Provision of Financial Resources (ZORZFS), the Housing Guarantee Scheme for Young People Act (ZSJSM), the Act on Intervention Measures to Mitigate the Effects of the COVID-19 Epidemic on Citizens and the Economy (ZIUZEOP), the Act on Additional Liquidity to the Economy to Mitigate the Effects of the Covid-19 Epidemic (ZDLGPE), the Republic of Slovenia Guarantee Scheme Act (ZJShemRS), and the Republic of Slovenia Guarantee Scheme for Natural Persons Act (ZJShemFO).

SID Bank provides credit and investment insurance against non-marketable risks of a non-commercial and/or commercial nature on behalf of and for the account of the Republic of Slovenia, pursues activities in connection with

guarantee schemes, performs the function of the official auctioneer at emission allowance auctions, and manages assets of European cohesion policy (the assets of the funds of funds and the holding fund).

Organisational structure of SID Bank as at 31 December 2025



The Bank made preparations in the second half of 2025 for a number of changes to its organisational structure, which came into effect on 1 January 2026. In substantive terms the aforementioned changes mainly address the optimisation and flattening of the Bank’s organisational structure by merging organisational units (in the financing division, the risk management and asset/liability

management department, and the IT, technology and projects department), a clearer demarcation of risk management (credit and non-credit) into separate units within the risk division, improvements in the process flow of work through the creation of new sections inside individual units, and new arrangements for the positioning of process management and project work at the Bank.

Share capital of SID Bank

Shareholders as at 31 December 2025	Number of shares	Holding in share capital (%)
Republic of Slovenia	3,103,296	99.4
SID Bank (treasury shares)	18,445	0.6
Total	3,121,741	100.0

The Bank's share capital is divided into 3,121,741 no-par-value shares. These are ordinary registered shares, issued in dematerialised form. The central shareholder register and all procedures for share trading are administered at the Central Securities Clearing Corporation in Ljubljana.

There were no changes to share capital in 2025, which totalled EUR 300 million as at 31 December 2025.

There are no restrictions on shareholder voting rights: each SID Bank no-par-value share entitles its holder to one vote. The financial rights attached to shares are not separated from the ownership of the shares.

Under the provisions of Article 4 of the ZSIRB, the Republic of Slovenia is the sole shareholder in SID Bank. The distributable profit may not be used for distribution to shareholders, but is instead allocated to other profit reserves.

On 2 July 2025 the SID Bank general meeting passed a resolution allocating the distributable profit for 2024 in the amount of EUR 4,287,782 to other profit reserves.

The Bank's shareholder equity totalled EUR 518,379 thousand as at 31 December 2025, while the audited book value of one share stood at EUR 167.04 (31 December 2024: EUR 163.13).



STRATEGY OF THE SID BANK GROUP

The SID Bank Group promotes the competitiveness of the economy, high-quality jobs, social inclusivity and the sustainable development of Slovenia.

The strategic management of the SID Bank Group is based on a three-year sliding strategic framework that comprehensively addresses all key aspects of performance over the medium term, and pursues the attainment of long-term development

objectives. In 2025 the business strategy for the 2026 to 2028 period was updated, which includes a long-term vision of development over the period to 2030.

SID Bank’s development strategy for the 2026 to 2028 period is based on analysis of the Group’s strategic position, and sets out the key strategic guidance for the implementation of the strategy. This is divided into three substantive areas: the mandate, the customer, and the bank. This guidance provides a basis for the ongoing financial viability of the Group, and steers its work towards those areas where it is able to contribute most over the medium term to realising its role as a development bank and its corresponding mandate set out by law.

Mission statement and vision

The SID Bank Group is Slovenia’s main financial institution in the areas of promotion and development, and develops and provides long-term financial solutions to complement the market, thereby playing an active role in strengthening the competitiveness of the economy, creating high-quality jobs, improving social inclusivity, and ensuring sustainable development in the country. Through its consistent work within its mandates, the fulfilment of its mission, and its liaison role, it is consolidating its contribution to the comprehensive and sustainable development of Slovenia.

SID Bank has a clearly defined vision of strategic development to 2030, which is based on three main pillars: its mandate, a focus on the customer, and its own governance.

From the point of view of the mandate, it will increase the scope of its activity, within the framework of its powers, while ensuring its long-term financial viability. It will work proactively in formulating and implementing Slovenia’s long-term development policies in the area of financing, and will act as a key intermediary for placing government and EU funds with the real sector. It will act countercyclically during times of economic difficulty, particularly in the harder-hit parts of the economy, but will also be able to focus its measures on segments that are important in terms of development.

The Group will strive to increase the effectiveness of development financing, which despite its greater complexity plays a part in the long-term developmental and macroeconomic impact, which requires a renewed focus on the long-term orientation of operations, on risk management, and on high-quality governance. Other important focuses of its activity will be the implementation of financial incentive programmes for innovative companies, support for infrastructure and other development projects, the development of the capital market, the elimination of gaps in social housing, the promotion of sustainability financing, and the green transition. In so doing it will also



strengthen its cooperation with domestic and international developmental financial institutions, and with relevant interest associations.

From the point of view of the focus on the customer, it will work to develop business processes with advanced support that are capable of adapting quickly and efficiently to market needs, and provide high-quality support for customers in all phases of their development. The design of the product range will be based on the needs of customers, and will proceed from the Bank's mandate, with an emphasis on a comprehensive customer-focused approach. The processes and activity will be tailored to the needs of customers, with a greater emphasis on responsiveness, on simplification of procedures, on a reduction in administrative barriers, and on modern, targeted communication. Putting the customer at the centre of activity presupposes an in-depth knowledge of customers and the broader market, which it will gain through analytical capacity, and systematic and continual communication. There will be a focus on supporting companies in the green

transition, and on monitoring the financial and developmental impact of individual operations. The key objective remains providing accessible, simple and effective financial services for customers.

From the point of view of governance, it will maintain its high level of internal governance and process management, which allows for adaptability, flexibility, and fast decision-making. Particular emphasis will continue to be given to the development of employee competencies, the automation and digitalisation of processes, and effective risk management. To ensure macroeconomically relevant countercyclical operations, it will set up adequate financial resources, mechanisms and processes to allow it to respond promptly and effectively in crisis periods. The Group will consistently pursue active cost management, and a pricing policy that targets sustainable results. At the same time it will systematically reduce its operational and portfolio emissions in line with the targets of the Paris Agreement, and will ensure a high level of internal and external operational transparency.

Adjustments to the business model

A new capital pillar was created within the framework of the strategic development of the SID Bank Group in 2025, consisting of SID Kapital and SID Upravljanje premoženja. As an investment firm, SID Kapital is giving companies greater access to long-term equity, and is encouraging ecosystem development, while SID Upravljanje premoženja is providing a greater level of professionalism and transparency in fund management. By setting up this separate specialist capacity, the SID Bank Group is strengthening its action in the development of the capital market, the mobilisation of private and public resources, and long-term support for growth and innovation in the Slovenian economy.

Based on the requirements of the business following process optimisation, and the clear demarcation of responsibilities and authorities,

on 1 January 2026 SID Bank put in place its new organisational structure, which will make process organisation more efficient. It thereby upgraded the financing process, and put in place the separate management of credit and non-credit risks.

The effective implementation of its mandates requires it to make further internal adjustments, particularly to procedures during lending activity, with an emphasis on speeding up loan approval and drawdown, and reducing processing time. Meanwhile the need for greater focus on the customer, the complexity of the business model, and regulatory requirements will drive the need for continual upgrades to the Bank's key processes, internal acts and organisation, the strengthening of its analytical capacity, and the digital transformation of its operations.

Guidance for 2026

The SID Bank Group's focus in 2026 will be on providing access to financing of current operations, investment, research and development, green projects, digitalisation, infrastructure projects, export deals and other developmental initiatives, and equity financing. The Group will thus make a contribution to expanding the economy and strengthening its competitiveness, with loans generally being approved with longer maturities and higher risk take-up, when this is justified by its mandate. There will be a focus on SMEs with development potential, innovative solutions, and companies who are pushing concepts of the circular economy, the green transition and digital transformation.

Cohesion funds remain an important instrument for getting money to end recipients via financial intermediaries, and for mobilising private funds to support incentives and development measures.

The SID Bank Group will continue to work with the relevant ministries on implementing existing and new measures of financial engineering, and on upgrading them based on its experience to date.

In 2026 SID Bank will launch products to address housing, with the introduction of loans for public rental housing projects.

The SID Bank Group will further upgrade its financing via financial intermediaries with the aim of reaching end recipients more effectively. In so doing it will strive to put in place models of support in collaboration with banks and savings banks, in particular by developing risk-sharing or risk take-up instruments and guarantee schemes.

It fulfils its mandates by strengthening the domestic capital market, via purchases of Slovenian corporate bonds. Here it aims to contribute to corporate financing on the domestic capital market, to promote the green transition and sustainability, and to support the realisation of ESG goals.

In the area of equity financing, the SID Bank Group will continue its development of a new capital framework in 2026, with the aim of putting in place the comprehensive and strategically targeted implementation of equity investments.

Guidelines for 2026 are described in more detail for individual activities in the section Performance of the SID Bank Group.



DEVELOPMENT OF THE SID BANK GROUP

Development of products and services

Equity financing

In 2025, after founding two subsidiaries, SID Bank transferred its equity investments within the framework of the SEGIP and the Three Seas Initiative to the newly founded subsidiary SID Kapital. The Bank obtained the supervisory board's approval for these actions in June 2025, the general meeting's approval in August 2025, and the Bank of Slovenia's approvals in September 2025. The corporate restructuring constitutes an important step in the further specialisation of development functions, and the strengthening of SID Bank's role in supporting the Slovenian economy via equity instruments.

SID Kapital makes investments in private equity funds and venture capital funds, and in other alternative investment funds. The investments in funds are used to support the development of the Slovenian economy and the mobilisation of private equity, and to improve access to long-term equity financing for firms, particularly SMEs and start-ups.

SID Upravljanje premoženja manages the assets of SID Kapital, and also plans to manage its own funds and to obtain additional public and private funding to strengthen the Slovenian capital market. Professionalising the management of public equity holdings and mobilising additional resources support the development of the capital market, and promote the long-term investment environment.

Lending for the construction and renovation of public rental housing and sheltered public rental housing

On 17 July 2025 the National Assembly passed the Act on the Financing and Promotion of the Construction of Public Rental Housing (ZFSGJNS), which authorised SID Bank to allocate loans for the construction and renovation of public rental housing and sheltered public rental housing at a subsidised

interest rate of 1%. The funding for subsidising the interest rate is provided by the Ministry of Solidarity-Based Future. SID Bank started work on developing a suitable product in 2025, and is expected to begin marketing it in April 2026.

Holding Fund

The FI 2021–2027 Holding Fund project, which began in late 2024 after a call for applications to manage the holding fund was issued by the Ministry of the Economy, Tourism and Sport, was successfully concluded in 2025. Through this project SID Bank put in place the legal, organisational and operational framework for the implementation of financial instruments in the new programming period, and reinforced its role as a key manager of European funding.

Loan funds

The National Assembly passed its budgets for 2026 and 2027 in the final quarter of 2025, and a new Public Finance Act (ZJF) at the end of the year. The two budgets envisage the creation of two new loan funds under the rules of the new ZJF with a total size of EUR 1 billion, within the framework of which the first use of funding for final beneficiaries will be available over the next six years. Following the creation of all the necessary legal acts, SID Bank is expected to be able to offer final beneficiaries favourable loans for RDI, investment, fixed assets and countercyclical working capital as soon as the first quarter of 2026, which is of exceptional importance during a time of a low investment rate and increased need for additional liquidity owing to shocks such as the imposition of tariffs.

An addendum to the agreement for the third loan fund was signed in 2025, which extended the implementation of the MSP9 product. In response to the amendments to the ZJF, other financial engineering measures are also being agreed with the relevant ministries.

Investments in debt securities of Slovenian corporates and banks

SID Bank again focused much attention on the corporate and banking frameworks in 2025, which allow it to implement its mandate via purchases of bonds of Slovenian corporates and commercial banks. Through this approach SID Bank is actively helping to strengthen the role of the domestic capital market in supporting the real sector, while its purchases of bank bonds are continuing its activity in eliminating market gaps via financial intermediaries.

Risk participation and sharing

SID Bank has worked with banks and savings banks on various types of risk take-up and sharing in the past, but in 2025 it standardised a product named risk sharing without financing. The product serves as a mechanism for sharing credit risk, and can be used by SID Bank to support development, infrastructure or other strategic projects in line with its mandates under the first paragraph of Article 11 of the ZSIRB. The instrument allows risk sharing between two banks, and the product is designed in the way that it doesn't crowd out banks and savings banks, but encourages them to be more involved in the financing of development-related investments by releasing additional capacity.

IT and cyber security development

In 2025 SID Bank updated its information and communication technology (ICT) strategy for the period of 2026 to 2028, which pursues a highly mature level of management of processes and resources, and operational excellence.

The ICT strategy provides a vision and guidance for the development of ICT at the SID Bank Group, with a primary emphasis in supporting banking operations such that its implementation:

- ensures operational effectiveness, integrity and reliability, including in the role of the first line of defence for information security;
- provides support for business continuity, regulatory compliance and the security of ICT systems;
- clearly defines the powers and responsibilities for managing applications architecture and for selecting user-friendly and cost-effective solutions;
- envisages that changes in software are consistently implemented in the framework of well-defined processes;
- ensures that employees are given the right knowledge and proposals for the full use of the Bank's information solutions;

- leads to a proactive approach to resolving business challenges in collaboration with business users;
- envisages the gradual roll-out of the new core system.

Having begun in 2024, an overhaul of the Bank's computer centres was successfully completed ahead of schedule in 2025. The overhaul of the primary centre ensured a rise in the security level to Tier 2, in line with the standards for the financial sector and ISO 27001. Redundant optical connectivity between the two centres was put in place. All systems were successfully migrated, configured and tested, without any data loss or service outages. The project helped to reduce operational risk, and to increase regulatory compliance and the long-term stability of the Bank's IT infrastructure.

The key activities in the area of software architecture were aimed at completing the two main projects, namely the overhaul of the core system and the new credit application (NKA). The project of overhauling the core system was completed without a transition to production, as the conditions for implementation were not met despite intensive activity. In line with its findings and analysis, the Bank continued to pursue alternatives to provide stable and compliant ICT support for its operations, and

prepared the basis for making a decision on next steps.

The Bank carried out all necessary activities related to regulatory requirements in the area of IT security (GDPR, ZVOP-2, EBA Guidelines on ICT and security risk management, DORA).

IT projects

In 2025 the Bank carried out intensive project activities on the NKA project, covering the development, implementation and maintenance of an e-portal software solution to support the financing process. In so doing it is pursuing the objective of reducing the administrative burden on its customers, automating processes inside the Bank, and ensuring a high level of data quality for internal and external users. The software is expected to transition to production in the first half of 2026.

The service management (ESM) project continued in 2025, with the creation of tools and processes for managing projects and ICT risks. There was intense activity in the second phase of the project, including the register of contracts and support for the DORA. Project activities in late 2025 focused on transforming the ticketing systems of all external suppliers into a unified system.

Other investments and projects

The Bank started preparations in 2025 for the refurbishment of the existing office building on Ulica Josipine Turnograjske, which has not been renovated since SID began trading in 1992. The need for a comprehensive refurbishment of the interior of the building was identified back in 2011, by which time the Bank already had designs for a comprehensive refurbishment, but the decision was taken to only carry out an energy efficiency refit. The aim of the refurbishment is to improve the functionality of

Cyber security

Based on monitoring of security incidents in the area of ICT, no breaches of information security were identified in 2025, and cyber defence was entirely successful. No increase in risk vectors (in light of the expansion of distribution channels, a rise in the number of external accesses, additional types of user device, etc.) was identified during the reporting period.

In 2025 the Bank further upgraded its risk management arrangements, its threat and vulnerability management (the latter with the help of an automatic scanning tool), the risk identification and assessment procedures, the system for managing ICT resources, and the planning and execution of business continuity testing. Upgrades were made on the basis of the regulation on digital operational resilience for the financial sector (DORA), and included the implementation and reporting of a register of contractual arrangements, and the conclusion of addenda to contracts with ICT service providers.

In its work to raise employee awareness in the area of information security, the Bank continued its general training for all employees, training for individual groups of employees (e.g. for SWIFT users), and frequent testing of all employees with regard to the dangers of phishing.

the office premises, to provide better working conditions for employees, and to eliminate the deficiencies identified in fire safety. The refurbishment will cover all floors of the building, with a new office layout to allow the premises to be used more efficiently, and to enable the Bank to give up some of the rented premises at Slovenska 17. The refurbishment will be carried out in phases, which means that work will be in progress for most of 2026, with completion scheduled for 2027.

SUSTAINABILITY

SID Bank Group is expanding its focus to the green transformation of all segments of activity and is pursuing the goal of carbon neutrality.

Given its size and the scope of its activities, SID Bank plays the role of the leading Slovenian institution for the financial promotion of the effective achievement of basic development objectives. Its activities are based on its mandates set out by law, and on the long-term development policies of Slovenia and the EU.

SID Bank adheres to the principle of balanced and sustainable development in the economic, environmental and social fields, and takes a

comprehensive, long-term view in all its financial transactions. In addition to economic arguments, the Bank also takes account of social and environmental externalities, i.e. the non-financial or indirect benefits and/or costs to the entire economy, society and the environment. Financing socially beneficial infrastructure projects and target segments in the economy is the basic way in which the Bank contributes to Slovenia's sustainable development policies.

SID Bank also actively encourages the other members of the Group to prioritise sustainability.

Promoting sustainable development and the green economy

In the scope of its mission and entrusted authorisations, SID Bank works to help meet broader social objectives:

- developing a knowledge society and innovative entrepreneurship;
- developing an environment-friendly society and sustainable production;
- strengthening the competitiveness of the economy; and
- promoting regional and social development.

Through financial services that are complementary to the market, it acts to drive sustainable development in Slovenia, and contributes to economic growth and prosperity.

It implements initiatives aimed at the circular and green economy directly through existing general programmes to finance companies, and the proper consideration of ESG factors at those companies. It is particularly focused on monitoring and managing environmental risks, and promoting the green transition of companies. The management of climate and other environmental risks is shifting to the very core of the Bank's operations and business processes. SID Bank's green strategy was developed to ensure continued activity in this area, as part of its overall development strategy and the sustainable business model. Knowledge capital in the area of sustainable financing is being strengthened, thereby more clearly defining the role in promoting and financing the transition to a sustainable economy.

Pursuing sustainability targets

In 2025, the integration of sustainability into its business system continued. The following major tasks were carried out:

- putting in place measurements of GHG emissions from the portfolio (carbon footprint of financing);
- drawing up the framework and putting in place the monitoring and measurement of the degree to which financing complies with the goals of the Paris Agreement;
- drafting the transition plan in accordance with the requirements of the EBA guidelines on the management of ESG risks and the ZGD-1;
- making a double materiality assessment and determining the double materiality matrix as part of the preparations for sustainability reporting in accordance with the ZGD-1, the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS);
- putting in place a plan for managing ESG risks in accordance with the EBA guidelines on the management of ESG risks; and
- making preparations in connection with the envisaged changeover to the central collection of ESG data from companies via the ESG SISBIZ system.

The Bank is continuing its activities in the area of sustainability in 2026, with the aim of meeting

its medium-term strategic objectives. The key activities envisaged in this area are:

- putting in place a system to monitor the effects and success of the implementation of the transition plan;
- making adjustments to software and data support for managing customers' physical climate risks;
- adapting the existing approach to collecting ESG data and changing over to a new framework for collecting ESG data via the ESG SISBIZ system;
- ensuring compliance with existing and upcoming regulatory requirements, particularly in the area of disclosures and management of climate risks and ESG risks, and upgrading sustainability reporting in accordance with the changes to the sustainability reporting regulations and standards for financial institutions;
- assessing any additional adjustments needed in pricing policy for improving the conditions for financing green projects and companies with sustainable business models; and
- upgrading the internal sustainable development policy, which will put in place an adjusted top-level framework of guidance for SID Bank in the area of sustainability, in connection with its actions and operations.

Implementing measures from SID Bank's plan for transition by 2030

As part of sustainability activities, an annual calculation of the carbon footprint of own activities and financing is prepared and published on Bank's website. The methodology for calculating the carbon footprint is regularly verified in accordance with the GHG protocol. SID Bank's transition plan was drafted in 2025, in line with the requirements of the EBA guidelines for the management of ESG risks and the ZGD-1. A calculation of financed emissions, i.e. credit portfolio emissions, was made in 2025, and a proposed framework was put in place for

measuring and monitoring the compliance of financing with the goals of the Paris Agreement.

The draft transition plan sets out the strategic approach, the framework for adjusting the business model, the governance plan, the implementing framework, monitoring, metrics and targets, and the framework for involving stakeholders.

The transition plan is expected to be adopted by the management body in 2026, followed by the beginning of its implementation and the

establishment of measurement and monitoring of its impact.

Carbon neutrality by 2050

Meeting the goal of carbon neutrality by 2050 remains a guiding principle for SID Bank. On this pathway it is expanding its focus to the green transformation of all segments of activity. While acting in line with the guidance set out, a gradual transition is taking place from the promotion of individual sustainability projects

to a comprehensive and systematic approach to the sustainability transformation of the broadest possible spectrum of the Slovenian economy. Future activities will largely prioritise implementing the transition plan, which focuses on decarbonising business and financing, as the way to adequately manage ESG risks.

Adjusting the sustainability report in line with the requirements of the CSRD

The European Commission adopted its Omnibus Package in late February 2025, which includes two separate pieces of draft legislation affecting sustainability reporting requirements, and also the CSRD. The aforementioned directive was transposed into Slovenian law in December 2024 by amendments to the Companies Act.

The European Commission's first proposal, the Stop-the-Clock Directive, deferred the onset of reporting by two years, while the second proposal introduces simplifications, and reduces the circle of reporting entities and the scope of reporting requirements under the CSRD.

Notwithstanding the two-year postponement of reporting and the uncertainty surrounding future reporting requirements, the Bank continued making adjustments in 2025 to the reporting requirements under the CSRD. The latter, in connection with the ESRS, requires the transparent disclosure of information on sustainability impacts, risks and opportunities, including information on each company's

business model, strategy, policies and sustainability targets.

As part of its preparations for extensive sustainability reporting the Bank completed its double materiality assessment and determined its double materiality matrix, which are the main elements for the implementation of reporting under the CSRD and the ESRS. This identified the Bank's most important impacts, risks and opportunities.

Another highlight of 2025 was gap analysis, which on the basis of the materiality assessment encompassed an assessment of the compliance of existing data, policies, bylaws and business processes with the regulatory requirements of the CSRD and the ESRS. Further adjustments to sustainability reporting will be made after the adoption of the Omnibus Package by the EU and its transposition into Slovenian law. During the interim the Bank is continuing its voluntary sustainability reporting, and its linkage of established financial indicators to the ESG indicators, thereby taking further steps to meeting its mandate as a development bank.

Responsibility to employees

SID Bank is aware that socially responsible actions cannot be properly developed without enforcing the personal responsibility of all individuals within the organisation. For this reason awareness of personal and social responsibility is promoted at all levels as the lifestyle of the individual and the organisation as a whole in all aspects of its activities.

The Bank is active in implementing internal measures in the area of social responsibility. These include measures with a direct impact on the Bank, and measures that affect society at large. In addition to SID Bank's primary function, the measures implemented in the area of social responsibility also focus on its internal work processes.

The Bank strives to maintain a positive organisational culture, in particular to foster a participative organisation and mutual respect, and to promote teamwork and collaboration. It actively supports loyalty and commitment on the part of its employees, and conduct that is aligned with the Bank's principal values, including the annual selection of values ambassadors. The corporate governance policy also takes account of corporate values, reference codes of governance, cooperation with all stakeholders, the policy for transactions with related parties, the commitment to

identifying conflicts of interest, and to the independence of management and supervisory bodies, performance assessments, and the protection of employees' interests.

An important role in ensuring business ethics is played by the code of ethics and professional standards, which governs the principles and rules by which SID Bank, its bodies and its employees act in the performance of their activities and tasks in relation to customers, other banks and the economic environment, and within SID Bank itself. In addition to professional standards, the Bank has put in place a system for protecting whistleblowers, which may be used by the Bank's own employees and by people working with the Bank in any way.

The Bank encourages employees to submit suggestions for improving procedures and processes via a system for encouraging creative solutions and managing suggested improvements. The system has software support, and ensures that employees are aware of the importance of creativity to the Bank's viability and development, while regularly showcasing achievements in this field, rewarding suggestions, and putting improvements into practice.

Communication with the public

Communication has a clear role at SID Bank. It supports the understanding of the Bank's mission, builds trust, and allows for a stable dialogue with all stakeholders. In a financial environment where information and results prevail, the Bank is building communication based on clear messaging, verified information, and consistency. SID Bank's communication activities in 2025 were carried out in line with its communications strategy for the 2025 to 2027 period. The strategy emphasises relations with stakeholders, adaptability to the market situation, and a responsible attitude to sustainable development. Communication is built on transparency, accessibility to information, and advanced approaches. The goal remains clear: to increase the

understanding of the Bank's role, and to strengthen public trust over the long term.

Working with the media

SID Bank continued to work with the media in a regular and coordinated fashion in 2025. The focus was on providing verified information in a timely manner, and on clearly explaining the Bank's developmental role. The Bank's representatives also participated in interviews in and contributed articles to the leading media. This helped the Bank to raise the profile of its activities, and to increase understanding of its developmental orientation.

Connecting with stakeholders

Effective communication is based on relationships. SID Bank continued to work closely with economic associations in 2025, including the Chamber of Commerce and Industry of Slovenia, the Chamber of Craft and Small Business of Slovenia, the regional development agencies, and other partner institutions. Actively participating in professional conferences and events, whether in real life, digital or hybrid, allowed us to have direct contact with the public, and to consistently put forward the Bank's key messaging.

Digital communications

Digital channels play a central role in informing and supporting users. SID Bank made upgrades to the content on its www.sid.si and www.skladskladov.si websites in 2025, and also used social media in the form of LinkedIn to deliver news of its latest developments, projects and events. Monthly news bulletins delivered targeted news to customers and partners about

the Bank's current financial instruments and its developmental activities.

Internal communication

The employees play a key role in realising the Bank's objectives. SID Bank therefore takes a systematic approach to its internal communications. It does so via *Cekinčki*, its house journal, regular online bulletins, messages from the management board, and events for employees. An important role is also played by *inSIDer*, the Bank's podcast created in 2025, which gives employees insight into projects, strategic policies, and the various views of colleagues and management, all in an advanced but accessible form. This approach has strengthened understanding of the business objectives, brought employees together, and supported a culture of open dialogue.

SID Bank addresses social responsibility in detail in its sustainability report, which is available on its website.



PERFORMANCE OF THE SID BANK GROUP

MACROECONOMIC ENVIRONMENT⁸

New tensions in trade relations were a feature of 2025, notably as a result of decisions by the new administration in the USA. April's announcement of stiff tariffs on goods from the majority of trading partners caused a number of disruptions to supply chains, and sharply raised the level of uncertainty in the international environment. It was the sudden announcement of fast and extensive changes that caused a downturn in relations with China and the EU, and with other trading partners. The volatility triggered by these actions eased slightly towards the end of the year, but uncertainty remained higher than at the beginning of the year.

Global economic growth was moderate but uneven: according to IMF estimates, the global economy expanded by approximately 3% in 2025, comparable to 2024. Inflationary pressures gradually eased, followed by adjustments in monetary policy in advanced economies, with a renewed fall in interest rates, although these did not approach their previous lows. Services nevertheless continued to see higher inflation, on account of sustained pressure from labour costs. The international economic environment remained under pressure from geopolitical risks, high – albeit gradually falling – interest rates, and increased business uncertainty. Under these circumstances the US dollar lost ground against other currencies over the course of the year, and oil prices remained moderate and trended down over the year, while the uncertainty and lack of confidence drove significant rises in prices of precious metals.

The capital markets continued to see strong growth, concentrated in the tech sector (particularly in the USA), where investment reached extreme levels in the fight for dominance of the emerging AI segment. The rise in prices was also driven by the complex investment and ownership relationships between the largest tech firms. The volatility in the final part of the year points to the increased uncertainty and elevated risk that growth in revenues and profitability over the following years will not keep pace with the growth in investment costs.

Economic growth declined slightly in the USA from its high level of 2.8% in 2024, but remained above the 2% mark, while in the euro area it conversely strengthened slightly, but did not exceed 1.5%. Meanwhile Japan returned to economic growth after a contraction in the economy in 2024. Economic growth remained high in China and comparable to the previous year, while growth in India rose to 7%.

The stock markets in advanced economies rose in 2025, albeit by less than in the previous year: the S&P 500 rose by 17% and the NASDAQ by 20% in the USA, the FTSE100 in London rose by 21%, Germany's DAX30 by 23% and Japan's Nikkei by 25%. The growth seen on the Ljubljana Stock Exchange in the previous year strengthened further in 2025, with a gain of fully 50% over the year (meanwhile volume was up more than 60% on 2024). Gold also recorded soaring growth, and ended the year at USD 4,320 per ounce, up 65% in year-on-year terms. Given the increased geopolitical risks and weak economic growth in Europe, yields on government bonds rose slightly despite the falling Euribor, hitting 2.58% on 10-year German government bonds and 3.29% on 10-year

⁸ This section has been drawn up on the basis of data from publicly accessible publications of the Statistical Office of the Republic of Slovenia, the Bank of Slovenia, the Institute of Macroeconomic Analysis and Development of the Republic of Slovenia, the European Commission, the World Bank, the European Central Bank, the Bank for International Settlements and the International Monetary Fund released up to the preparation of this annual report.

Slovenian government bonds. ETFs investing in cryptocurrencies continued to boom, driving bitcoin to a new record high, but a fall in the final quarter saw it end the year down 7.7% on the beginning of the year.

Initial estimates are that the economy expanded by 1.5% in the euro area in 2025, and by 1.6% in the EU overall. The growth was based above all on strengthened consumption, which was supported by gradual growth in real incomes as inflation slowed, and higher government consumption. Meanwhile exports were weaker in 2025, which was reflected in the modest growth in industrial production. Inflation in the euro area fell gradually over the course of the year, approaching the ECB's medium-term

target rate, before dipping below it in December to hit 1.9%, while inflation in the EU overall remained above this mark (2.3%). As price pressures eased, the ECB gradually loosened its monetary policy in 2025, cutting the key interest rates by 100 basis points over the course of the year (four cuts, each of 25 basis points). In the second half of the year the key interest rates were below their levels from 2023 and 2024, but were still higher than before the pandemic. The financing conditions thus gradually improved.

The labour market in the euro area remained relatively resilient. The unemployment rate stayed close to its record low, which was a factor in the stability of private consumption, but also maintained the upward pressure on wages.

Slovenian economy

Economic growth in Slovenia slowed further to 1.1% in 2025 compared with the previous year, making it the lowest rate since 2013 (with the exception of the pandemic year of 2020). A slightly surprising year-on-year contraction in GDP in the first quarter was followed by a recovery in the economy, driven by consumption, government investment and the related expansion of the construction sector. Domestic consumption was stronger in the second half of the year, particularly in the final quarter, driven markedly by government consumption. Gross fixed capital formation was down in year-on-year terms in the first quarter, and unchanged in the second quarter, and then recorded strong growth in the third and final quarters, driving an increase of 5.5% over the course of the entire year. The breakdown of this investment shows the growth in the second half of the year to have been driven in particular by a sharp increase in investment in buildings and structures (according to the structural data for construction activity, this was primarily attributable to major government infrastructure projects), while investment in machinery and equipment was down in year-on-year terms over the first three quarters of the year, before rising in the final quarter.

Construction recorded pronounced growth in value-added in 2025 (after a year-on-year decline in the first quarter, it then strengthened markedly in each of the following quarters), while value-added in manufacturing declined, most notably in the final quarter. This was all the product of the weak dynamics in foreign trade. Exports strengthened by just 0.3%, thanks to services, while imports of goods and services rose by 2.1%. The current account of the balance of payments recorded a surplus of EUR 2.4 billion in 2025, EUR 0.6 billion less than in 2024. The surplus was entirely due to services trade, with merchandise trade running a deficit of EUR 0.1 billion.

The labour market remained tight, albeit with signs of cooling. The workforce in employment was down in year-on-year terms over the course of the year, but ended the year up in year-on-year terms. Unemployment remained extremely low: it fell further in the first half of the year, hitting a record low in June. Registered unemployment rose slightly in the second half of the year, but remained at extremely low levels. As expected, the average age of the workforce in employment rose, by 0.4 years to 44.

The tight labour market, the increased demand for employees in public services (education, healthcare, etc.), and the introduction of the overhauled public sector pay system drove a nominal rise of 5.9% and a real rise of 3.4% in the average gross wage in 2025, with nominal wage growth in the public sector (9.4%) outpacing that in the private sector (3.9%).

Wages in December were down slightly on 2024, on account of a decline in bonus payments. With purchasing power increasing, prices also rose: annual inflation as measured by the harmonised index of consumer prices stood at 2.6% in Slovenia, outpacing the euro area average (1.9%) and the EU average (2.3%).

Banking environment

The Slovenian banking system remained robust and stable in 2025, despite a moderate increase in credit risk. Lending to the non-banking sector expanded by 8.6% with growth in household lending (7.9%) outpacing corporate lending (4.3%). In the household segment the rise in consumer loans outpaced that in housing loans.

Loans to non-financial corporations stagnated in the first half of the year, but the year-on-year rate of growth then surged past 3% in the second half of the year. Growth in loans to non-financial corporations was thus comparable to the euro area average in 2025, whereas it had been the lowest among EU Member States for part of 2024. The largest factor in this change was the increased demand for loans for working capital at manufacturing firms. Despite the slightly different dynamics compared with other parts of the euro area, growth in loans to non-financial corporations between the pre-pandemic period and the end of 2025 was comparable.

Interest rates on deposits were lower than in the euro area overall, with a larger spread in the household segment than in the corporate segment. Interest rates on corporate loans were comparable, while interest rates on household loans were lower than the euro area average. The banking system's net interest margin declined in 2025, but remained above its long-term average. Household deposits and deposits by non-financial corporations continued to strengthen throughout the year, rising by 6.8% and 7.4% respectively. The growth in deposits

by non-financial corporations was also a reflection of the increased uncertainty and the reluctance to invest. The stock of liquid assets on bank balance sheets was slightly lower than in previous years, but liquidity in the banking system remained at a very high level: the liquidity coverage ratio (LCR) slid from the beginning of the year to just below 300%, but ended the year only a fraction below that mark, and well above the regulatory requirement of 100%.

Credit risk in the banking system increased slightly in 2025. The NPE ratio increased slightly in the second half of the year, driven almost entirely by an increase in the portfolio of loans to manufacturing firms, which was limited to a small number of large firms. The share of Stage 2 exposures (increased credit risk) in this segment had previously increased, with similar increases being seen in the portfolio of firms in professional, scientific and technical activities and in administrative and support service activities.

The capital adequacy of the Slovenian banking system remained comparable to the euro area overall, while the CET1 ratio in Slovenia was slightly above the euro area average (17.5% in the third quarter). Bank profitability remained good, albeit down slightly on the previous year as a result of a slight decline in net interest income. There was no change in the macroprudential measures in the Slovenian banking system in 2025.

Impact on the SID Bank Group's performance from the external environment

Despite the low economic growth, the macroeconomic situation in 2025 did not require any pronounced countercyclical action on the part of SID Bank, but it did intervene in specific segments to mitigate the increased disruptions to certain sectors. This was reflected in a significant rise in the NPL ratio. As a development bank, SID Bank does not follow the principle of short-term maximisation of profitability, but instead targets long-term benefits to society. In difficult times it therefore tries to finance companies that have potential for good performance over the long term despite facing short-term challenges. The drawdown of new loans at SID Bank in 2025 was thus larger than in the previous year, although the credit portfolio contracted slightly as a result of repayments (some early).

The liquidity of the Slovenian banking system remained at a very high level, with deposits continuing to significantly exceed the stock of loans, which entails reduced dependence on other (non-deposit) funding on the part of the banks. Traditional financial intermediation, which constituted the central pillar of SID Bank's business a decade ago, is therefore no longer a suitable approach to mediating development funding to final beneficiaries. There were no new disbursements of loans to banks in 2025, and the portfolio of bank loans continued to contract rapidly (in part owing to early repayments). A new concept of acting indirectly was therefore developed in 2025, based on risk participation and sharing.

The SID Bank Group is thus focusing its activities on strengthening direct financing of final beneficiaries via new financial engineering loan funds, managing cohesion policy financial instruments during the new 2021-2027 financial framework, working to expand the equity financing of Slovenian companies via its subsidiaries, and taking up risks in off-balance-sheet products. Despite the challenging macroeconomic environment, the SID Bank Group increased its capital in 2025 and recorded a positive financial result.

The aforementioned slowdown in economic growth, the stalling of corporate investment and the related decline in corporate lending also meant that SID Bank was required to adjust its approach. In 2025 it sought new approaches to financing the Slovenian economy in the area of market gaps, while also developing the capital market. It had previously enhanced its activities in 2024 through purchases of green, social and sustainability bonds and sustainability-related bonds issued by Slovenian companies, and continued these activities in 2025. Through purchases of MREL-eligible bank bonds and the accompanying agreements, SID Bank helped Slovenian banks in their ability to provide increased financing to the economy in the areas where it would otherwise be neglected. In addition, a product that takes up credit risk for banks during the approval of new loans provided a new basis for more effective risk-sharing and the gradual strengthening of credit activity.

FINANCIAL PERFORMANCE

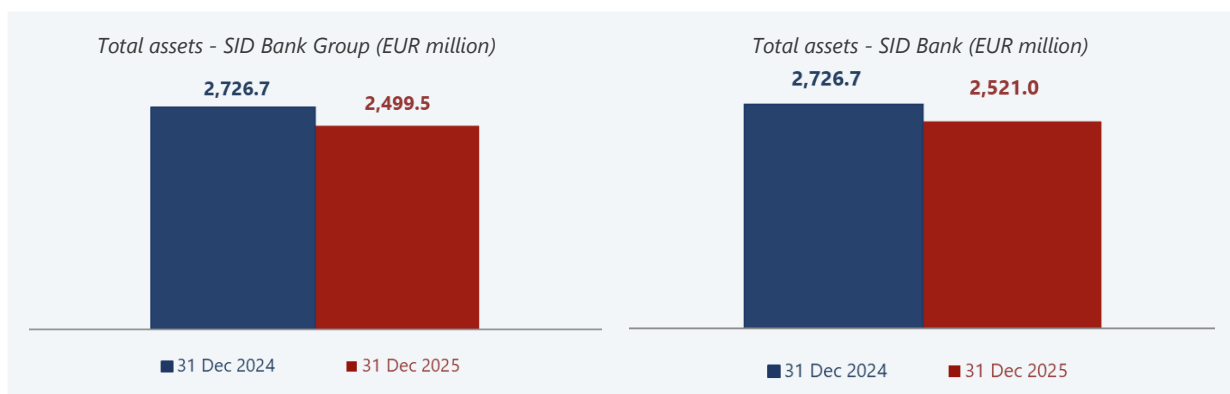
Financial position of the SID Bank Group

The subsidiaries SID Kapital and SID Upravljanje premoženja have been included in the SID Bank Group's consolidated financial statements alongside SID Bank as the controlling undertaking. SID Bank began the process of founding the subsidiaries at the end of 2024, and it was completed in 2025 with the spin-off of certain assets to the subsidiary. The first subsidiary was founded in December 2024, but did not begin trading in that year, and consequently disclosed no profit or loss.

To ensure comparability, and the true and fair presentation of financial information in this annual report, SID Bank has included consolidated financial statements and notes for the 2024 financial year as comparable data at the level of the SID Bank Group, those

statements having been compiled on the same basis and applying the same accounting policies as those that would have applied in the previous year had a consolidated financial report been compiled. This data is presented solely for the sake of comparability, and has not been audited. The Bank held an investment in the subsidiary in the amount of EUR 50 thousand at the end of 2024, while the Group disclosed a cash holding that was higher than that of the Bank by the same amount.

The SID Bank Group's balance sheet total stood at EUR 2,499,485 thousand at the end of 2025, EUR 21,514 thousand less than SID Bank's balance sheet total, which stood at EUR 2,520,999 thousand.

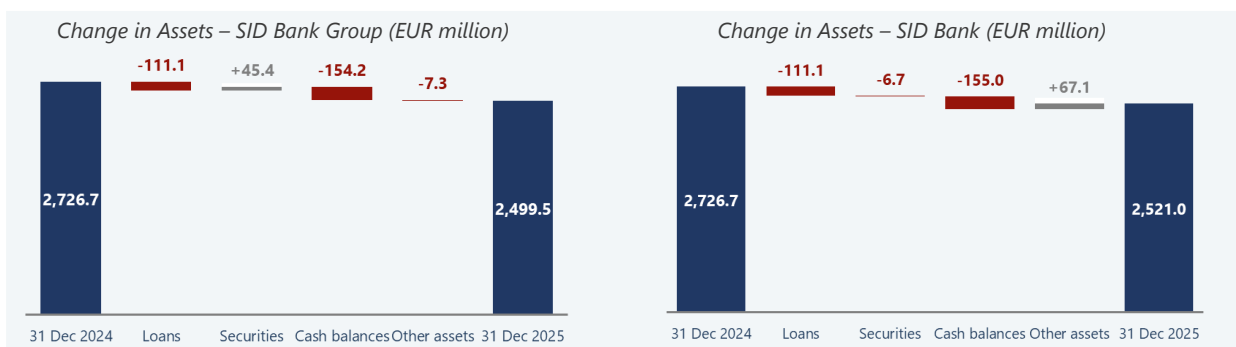


Assets

(EUR thousand)	SID Bank Group			SID Bank		
	31 Dec 2025	31 Dec 2024	Index 2025/2024	31 Dec 2025	31 Dec 2024	Index 2025/2024
Cash and cash equivalents	339,049	493,208	68.7	338,158	493,158	68.6
Loans and advances to non-bank customers	1,293,491	1,328,427	97.4	1,293,491	1,328,427	97.4
Loans and advances to banks and deposits	113,665	189,853	59.9	113,665	189,853	59.9
Investments in debt securities	655,185	616,792	106.2	655,185	616,792	106.2
Equity instruments	69,032	62,058	111.2	16,967	62,058	27.3
Investments in subsidiaries, associates and joint ventures	-	-	-	74,483	50	148,966.0
Other assets	29,063	36,405	79.8	29,050	36,405	79.8
Total assets	2,499,485	2,726,743	91.7	2,520,999	2,726,743	92.5

The assets of the SID Bank Group declined by EUR 227,258 thousand or 8.3% in 2025. The decline was driven primarily by a decline in

balances at the central bank and a contraction of the credit portfolio.



Cash and cash equivalents amounted to EUR 339,049 thousand at the end of 2025, down 31.3% on the end of the previous year. The decline was primarily attributable to a decline in the cash and cash equivalents of the loan funds, driven mainly by the increased lending by these funds. The loan funds accounted for 64% of the total cash and cash equivalents. The share of the Group's total assets accounted for by cash and cash equivalents declined from 18.1% to 13.6%.

Loans and advances to banks and deposits amounted to EUR 113,665 thousand at the end of the year, down 40.1% on a year earlier. The decline was primarily related to the high liquidity of the banking system, with banks not requiring lending from SID Bank thanks to the increase in deposits on their balance sheets. The share of the Group's total assets accounted for by these assets declined to 4.5% in 2025 (2024: 7.0%).

A notable feature of lending activity in 2025 was the decline in demand for financing in the first half of the year, when loans to non-financial corporations stagnated across the entire banking sector. Demand for loans is still being affected by the uncertain geopolitical situation and the related caution on the part of firms when it comes to new investment, and also their own saving, which is being evidenced in growth in deposits by non-financial corporations across the banking system.

Loans and advances to Slovenian banks accounted for 95% of loans and advances to banks excluding deposits at the end of 2025 (2024: 90%). These are loans to banks who provide development funding to final beneficiaries as financial intermediaries. The remaining 5% consists of loans and advances to foreign banks for funding export operations by Slovenian firms (2024: 10%).

The stock of **loans and advances to non-bank customers** amounted to EUR 1,293,491 thousand at the end of 2025, down 2.6% on the previous year. Despite this nominal decline, the share of total assets that they accounted for increased to 51.8% (2024: 48.7%).

Loans are discussed in detail in the section entitled Financing.

Fully 85% of the total consists of loans and advances to Slovenian non-financial corporations, with the government sector, most notably local government, following with 14%, and loans and advances to foreign non-financial corporations accounting for 1% of the portfolio.

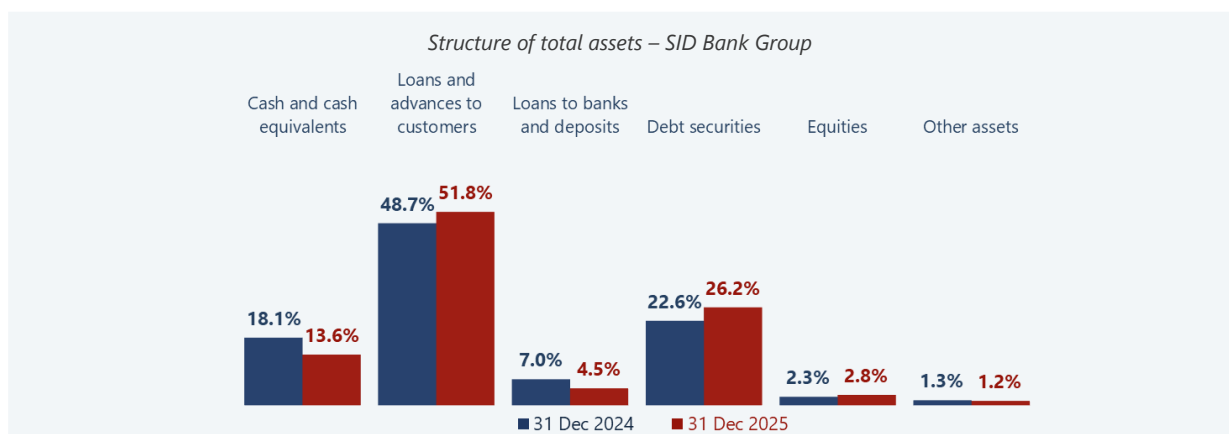
The **stock of debt securities** amounted to EUR 655,185 thousand at the end of 2025, up 6.2% over the course of the year. The growth was primarily attributable to an increase in the securities purchased by the Bank as part of the implementation of its mandates, in particular MREL-eligible debt securities of domestic commercial banks.

Debt securities are discussed in detail in the section entitled Funding and liquidity, and in section 3 of the financial report (Risk management).

Equity instruments amounted to EUR 69,032 thousand at the end of the year, up 11.2% on the previous year. They relate to assets that the Bank transferred to the subsidiary SID Kapital (the Slovene Equity Growth Investment Programme and the Three Seas Initiative Investment Fund) in the amount of EUR 52,065 thousand, and to the Bank's holding in the European Investment Fund in the amount of EUR 16,967 thousand.

SID Bank's holding in the equity of the subsidiary SID Kapital amounted to EUR 74,483 thousand at the end of 2025.

Other assets amounted to EUR 29,063 thousand (2024: EUR 36,405 thousand).



Equity and liabilities

(EUR thousand)	SID Bank Group			SID Bank		
	31 Dec 2025	31 Dec 2024	Index 2025/2024	31 Dec 2025	31 Dec 2024	Index 2025/2024
Deposits and loans from banks and central banks	213,750	262,796	81.3	213,750	262,796	81.3
Deposits and loans from non-bank customers	1,178,587	1,108,688	106.3	1,199,690	1,108,688	108.2
Debt securities	577,853	830,445	69.6	577,853	830,445	69.6
Shareholder equity	516,820	506,251	102.1	518,379	506,251	102.4
Other liabilities	12,475	18,563	67.2	11,327	18,563	61.0
Total equity and liabilities	2,499,485	2,726,743	91.7	2,520,999	2,726,743	92.5

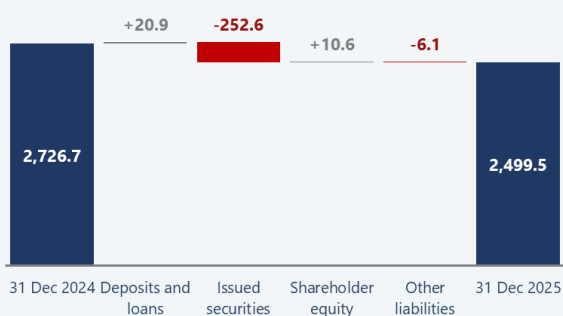
Liabilities amounted to EUR 1,982,665 thousand at the end of 2025, down EUR 237,827 thousand or 10.7% on the end of the previous year, and equivalent to 79.3% of its total liabilities (2024: 81.4%). The decrease was mainly the result of a bond issued by the Bank reaching maturity during the year, which was not fully replaced with new issuance.

Shareholders' equity amounted to EUR 516,820 thousand at the end of 2025, up EUR 10,569 thousand or 2.1% on the end of the previous year, and accounted for 20.7% of its total liabilities (2024: 18.6%).

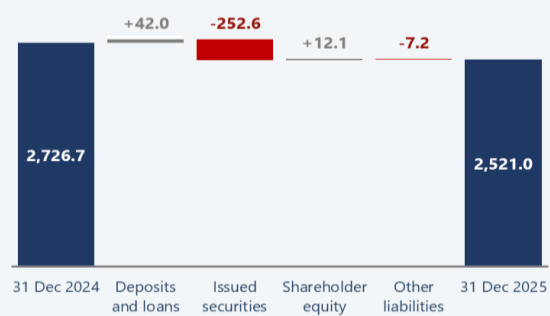
EUR 6,864 thousand or 65% of the increase in shareholder equity was driven by a rise in accumulated other comprehensive income, largely as a result of the fall in market interest rates and the associated rise in the fair value of debt securities measured at fair value through other comprehensive income. The remaining EUR 3,705 thousand or 35% of the increase in shareholder equity came from the SID Bank Group's positive operating result.

Due to the more favourable result of the Bank, the shareholders' equity of SID Bank exceeds that of the SID Bank Group by EUR 1,559 thousand.

Change in liabilities and equity – SID Bank Group (EUR million)



Change in liabilities and equity – SID Bank (EUR million)



Issued debt securities amounted to EUR 577,853 thousand at the end of the year. They declined by EUR 252,592 thousand or 30.4% in 2025, taking the share of total equity and liabilities that they account for to 23.1% (2024: 30.5%). The decline was attributable to the maturing of issued bonds in the amount of EUR 350,000 thousand, while new bond issuance in 2025 amounted to just EUR 100,000 thousand.

Deposits and loans from non-bank customers were the largest component on the liability side of the balance sheet, accounting for 47.2% of the total (2024: 40.7%). The stock increased by EUR 69,899 thousand or 6.3%, to end the year at EUR 1,178,587 thousand. The increase was mainly attributable to short-term government deposits at SID Bank in the amount of EUR 80,000 thousand.

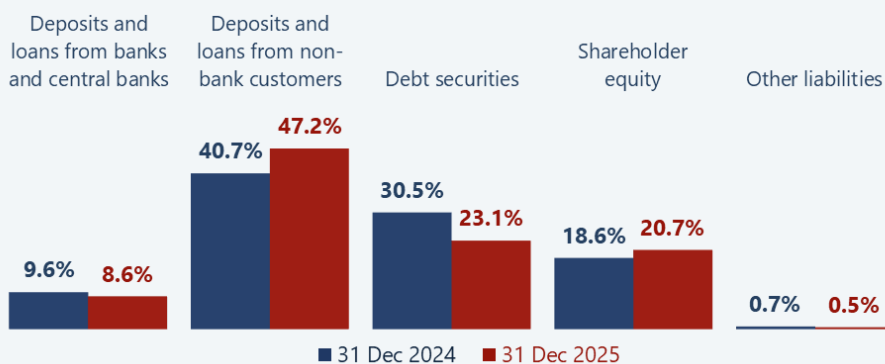
The two subsidiaries placed fixed deposits in the amount of EUR 21,088 thousand with SID Bank, as a result of which the stock of loans from non-bank customers at SID Bank is larger than that at the Group.

Deposits and loans from banks and central banks amounted to EUR 213,750 thousand at the end of 2025, down EUR 49,046 thousand or 18.7% on the end of the previous year. The share of total equity and liabilities that they account for declined from 9.6% to 8.6%. The main decline was in liabilities to development banks.

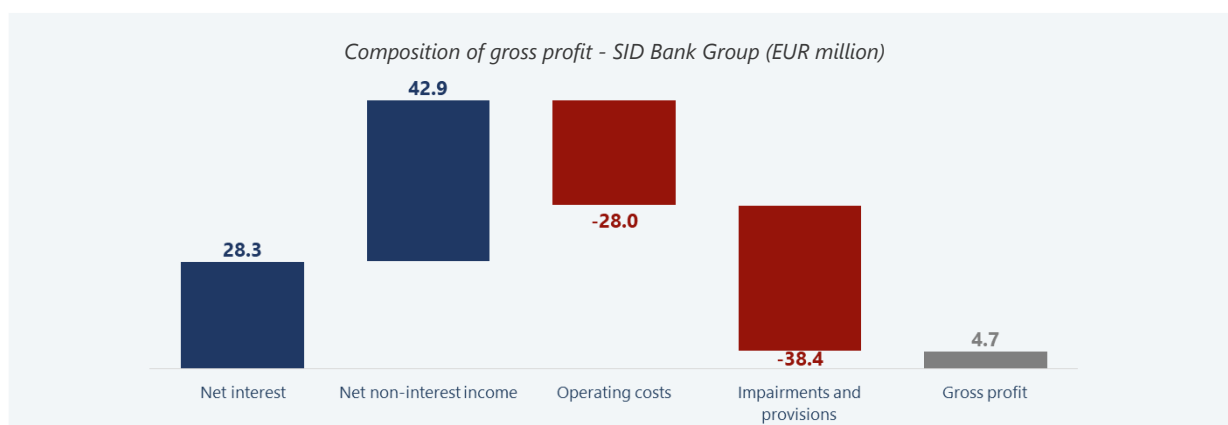
For more information on the funding side of the balance sheet, see the section entitled Funding and liquidity.

Other liabilities amounted to EUR 12,475 thousand (2024: EUR 18,563 thousand). This was EUR 1,148 thousand more than other liabilities at the Bank, mainly on account of the subsidiaries' income tax liabilities in the amount of EUR 817 thousand.

Structure of total equity and liabilities – SID Bank Group



Financial results of the SID Bank Group



The SID Bank Group generated a pre-tax profit of EUR 4,713 thousand in 2025, which was reflected in a return on equity of 0.9%. The pre-tax profit was down EUR 6,480 thousand on 2024, while its net profit amounted to EUR 3,705 thousand, a decline of EUR 5,322 thousand compared with the previous year.

SID Bank generated a net profit of EUR 5,264 thousand in 2025, EUR 3,763 thousand less than in 2024. The decline in the performance was primarily attributable to an increase in net expenses for loan impairments and a decline in net interest.

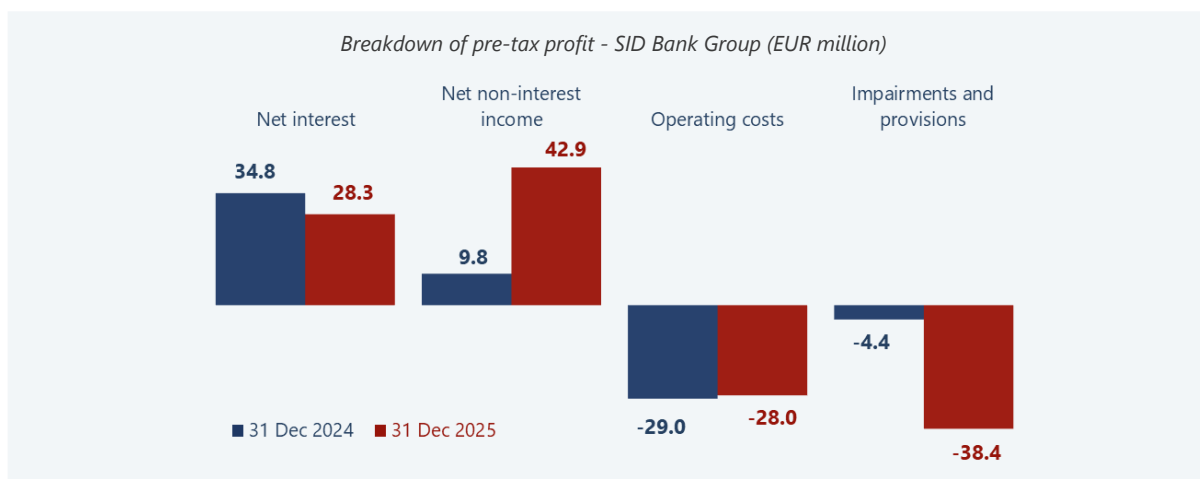
The Group's net profit was EUR 1,559 thousand less than that of the Bank. The difference is attributable to the initial losses at the subsidiary SID Kapital, which recorded a loss of EUR 1,602 thousand in its first year of operation. The main factors in the loss were net losses from the

change in fair value of equities in the amount of EUR 560 thousand, and a corporate income tax expense of EUR 813 thousand. Despite generating a loss, SID Kapital had a positive taxable base for corporate income tax. This was attributable to taxation of the difference between the fair value of SID Bank's contribution to SID Kapital in the period between the demerger accounting date and the date of the entry of the undertaking in the business register, which is taxed at the subsidiary in line with tax legislation.

Additional details are provided in the section Performance of other members of the SID Bank Group, SID Kapital, d.o.o.

SID Upravljanje premoženja generated a net profit of EUR 43 thousand in 2025, which did not have a material impact on the Group's performance.

(EUR thousand)	SID Bank Group			SID Bank		
	2025	2024	Index 2025/2024	2025	2024	Index 2025/2024
Net interest	28,285	34,846	81.2	28,177	34,846	80.9
Net non-interest income	42,850	9,806	437.0	43,579	9,806	444.4
Operating costs	(28,020)	(29,045)	96.5	(27,914)	(29,045)	96.1
Impairments and provisions	(38,402)	(4,414)	870.0	(38,393)	(4,414)	869.8
Pre-tax profit	4,713	11,193	42.1	5,449	11,193	48.7
Corporate income tax expense	(1,008)	(2,166)	46.5	(185)	(2,166)	8.5
Net profit	3,705	9,027	41.0	5,264	9,027	58.3



Net interest

The trend of decline in the 6-month Euribor continued in the first half of 2025. It stabilised at lower levels in the second half of the year, before rising moderately again towards the end of the year. The developments in interest rates had an impact on the Group's interest income and its interest expenses.

Net interest amounted to EUR 28,285 thousand in 2025, down 18.8% on 2024. The largest decline was in interest income for loans granted, which was driven by the fall in market interest rates and a decline in lending.

Net interest accounted for 39.8% of the Group's net income in 2025 (2024: 78.0%). The **interest margin** stood at 1.1% (2024: 1.3%).

Non-interest income

Net non-interest income amounted to EUR 42,850 thousand in 2025, up EUR 33,044 thousand on 2024. The largest factor in the increase was a rise in net gains on financial liabilities measured at amortised cost, which related to losses at the loan funds. Under the contractual provisions, any loss goes to proportionately reduce SID Bank's liabilities to the METS and the Mol.

The most important categories of non-interest income are:

- net gains on financial liabilities measured at amortised cost associated with the revaluation of liabilities to the government from its contribution to the loan funds, which amounted to EUR 34,991 thousand, up

EUR 30,910 thousand on the gains from the same source in 2024;

- net gains on equity financing mandatorily at fair value through profit or loss amounted to EUR 4,230 thousand, an increase of EUR 2,417 thousand;
- fees and commission for operations under Republic of Slovenia authorisation in the amount of EUR 3,888 thousand, down EUR 103 thousand on 2024, where the largest decline of EUR 91 thousand related to guarantee schemes;
- the income of the Bank as a financial intermediary from the fee for implementation of the funds of funds, which amounted to EUR 1,315 thousand, down EUR 608 thousand.

Other changes in net non-interest income:

- dividends received amounted to EUR 89 thousand in 2025, down EUR 803 thousand on 2024, when the Bank received dividends from SEGIP investments alongside the EIF dividends;
- net gains on loans and advances mandatorily at fair value through profit or loss declined by EUR 629 thousand to EUR 84 thousand;
- net losses on changes in fair value in hedge accounting declined by EUR 313 thousand to EUR 94 thousand;
- net losses on financial liabilities measured at amortised cost related to the fund of funds increased by EUR 88 thousand to EUR 94 thousand;

- fee and commission expenses exceeded income by EUR 714 thousand, which meant that net fee and commission expenses were up EUR 242 thousand on the previous year;
- net modification losses increased by EUR 938 thousand to EUR 1,045 thousand;
- there were no net gains on the sale of debt securities in 2025, the Bank having recorded a loss of EUR 2,625 thousand under this item in 2024;
- other net non-interest income amounted to EUR 200 thousand, up EUR 190 thousand on 2024.

The Group's **financial intermediation margin** stood at 2.7% in 2025 (2024: 1.6%).

Operating costs

Operating costs amounted to EUR 28,020 thousand in 2025, down EUR 1,025 thousand on the previous year. The decline of 3.5% was primarily attributable to a decline in the tax on

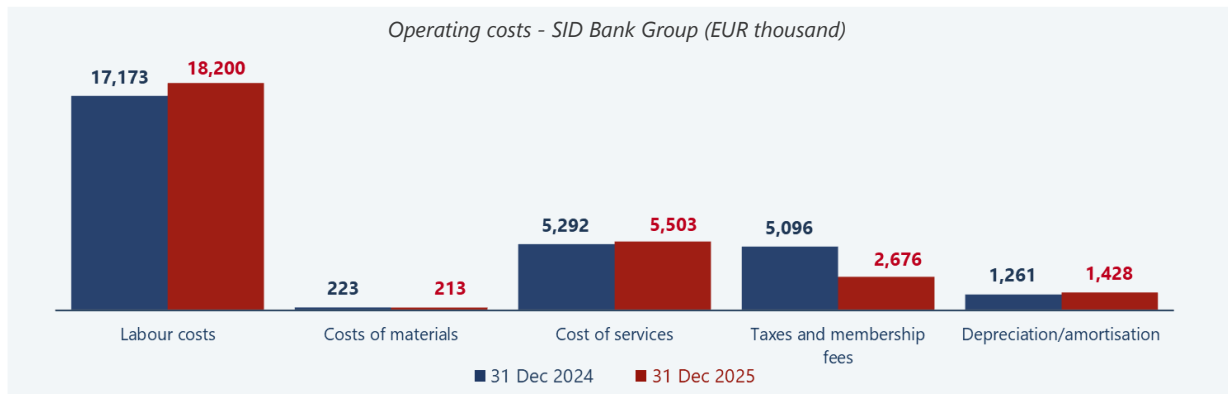
total assets, which was a consequence of the decline in profit.

The largest component of operating costs, accounting for 65% of the total, is labour costs, which amounted to EUR 18,200 thousand, up 6.0% on the previous year. Next come costs of services, which accounted for 20% of operating costs and amounted to EUR 5,503 thousand, up 4.0% on the previous year, largely as a result of a rise in the costs of auditing services.

The share accounted for by taxes and membership fees declined to 10%, as a result of the decline in the tax on total assets. They amounted to EUR 2,676 thousand (2024: EUR 5,096 thousand).

Amortisation and depreciation amounted to EUR 1,428 thousand (2024: EUR 1,261 thousand), while costs of material amounted to EUR 213 thousand (2024: EUR 223 thousand).

The **CIR** stood at 39.4% (2024: 65.0%). The improvement in the indicator relative to last year was attributable to a rise in net non-interest income and a fall in operating costs.



Impairments and provisions

The SID Bank Group recorded net expenses for impairments and provisions in the amount of EUR 38,402 thousand in 2025 (2024: EUR 4,414 thousand). The main factor in the significant rise in impairment expenses was the increase in non-performing exposures.

Net expenses for impairments amounted to EUR 37,973 thousand (2024: EUR 4,538 thousand). The largest component was impairments of loans and advances in the amount of EUR 37,109 thousand, of which the

Group's own operations accounted for 21% or EUR 7,788 thousand, while the remaining 79% or EUR 29,321 thousand relates to the loan funds and to the ECP assets held in the funds of funds.

A first loss clause was contractually agreed for the loan funds, whereby any loss on the part of the funds is first covered by the priority participation of the government in loan fund risks by reducing the liabilities to the government and recognising gains on financial liabilities measured at amortised cost.

Net expenses for impairments and provisions of loans and advances in the loan funds were disclosed in 2025, and together with the costs exceeded the net interest and thus caused a negative overall result in the funds in the amount of EUR 34,984 thousand (2024: EUR 4,080 thousand), which owing to the agreed first loss clause was reflected in recognised gains on financial liabilities measured at amortised cost.

Under the same item the Bank also recognised losses of EUR 94 thousand in 2025 (2024: losses of EUR 6 thousand) on financial liabilities measured at amortised cost from the direct implementation of financial instruments from the fund of funds, where either a first loss clause or risk-sharing is also agreed, and gains of EUR 7 thousand from the liquidated loan fund.

In addition to impairments of loans and advances relating to the banking portfolio, the

result was also affected by impairments of securities in the amount of EUR 396 thousand, and impairments of other assets in the amount of EUR 468 thousand.

The Group recorded net expenses for provisions in the amount of EUR 429 thousand (2024: net income in the amount of EUR 124 thousand). This consisted of net expenses for provisions for approved but undrawn loans in the amount of EUR 32 thousand (2024: net income in the amount of EUR 240 thousand), for guarantees in the amount of EUR 225 thousand (2024: net income in the amount of EUR 66 thousand), for risk participation in the amount of EUR 32 thousand (2024: zero), and for pensions and jubilee benefits in the amount of EUR 140 thousand (2024: net expenses in the amount of EUR 182 thousand).



Reconciliation of financial items in the business report and financial report

Statement of financial position - SID Bank Group

Business report		Financial report		Note
Cash and cash equivalents	339,049	Cash, cash balances at central banks and demand deposits at banks	339,049	2.4.1
Loans and advances to non-bank customers	1,293,491	Non-trading financial assets mandatorily at fair value through profit or loss – loans and advances to non-bank customers	2,604	2.4.2
		Financial assets measured at amortised cost – loans and advances to non-bank customers	1,290,887	2.4.4
Loans to banks and deposits	113,665	Financial assets measured at amortised cost – loans and advances to banks	113,665	2.4.4
Debt securities	655,185	Financial assets measured at fair value through other comprehensive income – debt securities	400,558	2.4.3
		Financial assets measured at amortised cost – debt securities	254,627	2.4.4
Equities	69,032	Non-trading financial assets mandatorily at fair value through profit or loss – equities and alternative investment funds	52,065	2.4.2
		Financial assets measured at fair value through other comprehensive income – equities	16,967	2.4.3
Other assets	29,063	Financial assets measured at amortised cost – other financial assets	2,602	2.4.4
		Derivatives – hedge accounting	10,355	2.4.5
		Property, plant and equipment and intangible assets	7,520	2.4.7
		Corporate income tax assets	7,676	2.4.9
		Other assets	910	2.4.10
TOTAL ASSETS (BALANCE SHEET TOTAL)	2,499,485	TOTAL ASSETS	2,499,485	
Deposits and loans from banks and central banks	213,750	Financial liabilities measured at amortised cost – deposits and loans from banks and central banks	213,750	2.4.11
Deposits and loans from non-bank customers	1,178,587	Financial liabilities measured at amortised cost – deposits and loans from non-bank customers	1,178,587	2.4.11
Debt securities	577,853	Financial liabilities measured at amortised cost – debt securities	577,853	2.4.11
Other liabilities	12,475	Financial liabilities measured at amortised cost – other financial liabilities	5,756	2.4.11
		Derivatives – hedge accounting	413	2.4.5
		Provisions	1,617	2.4.12
		Corporate income tax liabilities	817	2.4.9
		Other liabilities	3,872	2.4.13
LIABILITIES	1,982,665	TOTAL LIABILITIES	1,982,665	
EQUITY	516,820	TOTAL EQUITY	516,820	2.4.14
TOTAL EQUITY AND LIABILITIES (BALANCE SHEET TOTAL)	2,499,485	TOTAL EQUITY AND LIABILITIES	2,499,485	

Income statement - SID Bank Group

Business report		Financial report		Note
Net interest	28,285	Net interest	28,285	2.5.1
Net non-interest income	42,850	Dividend income	89	2.5.2
		Net fees and commission income	(714)	2.5.3
		Net gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss	34,897	2.5.4
		Net gains/(losses) on non-trading financial assets mandatorily at fair value through profit or loss	4,314	2.5.5
		Net gains/(losses) on hedge accounting	(94)	2.4.5
		Net foreign exchange gains/(losses)	(4)	
		Net modification gains/(losses)	(1,045)	2.5.10
		Other net operating income	5,443	2.5.6
		Other net operating expenses	(36)	2.5.7
Operating costs	(28,020)	Administrative expenses	(26,592)	2.5.8
		Depreciation and amortisation	(1,428)	2.5.9
Impairments and provisioning	(38,402)	Provisioning	(429)	2.5.11
		Impairments	(37,973)	2.5.12
Pre-tax profit	4,713	Profit before tax from continuing operations	4,713	
Corporate income tax expense	(1,008)	Corporate income tax expense	(1,008)	2.5.13
Net profit	3,705	Net profit for the financial year	3,705	

PERFORMANCE OF SID BANK GROUP

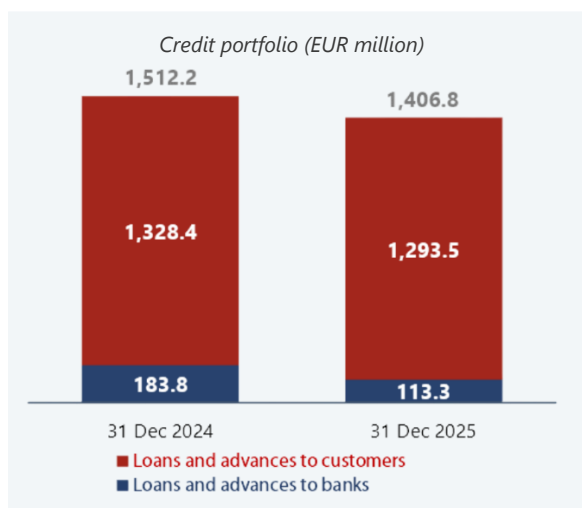
PERFORMANCE OF SID BANK BY SEGMENT

FINANCING

Financing of regional development, economic competitiveness, a knowledge society and an environment-friendly society.

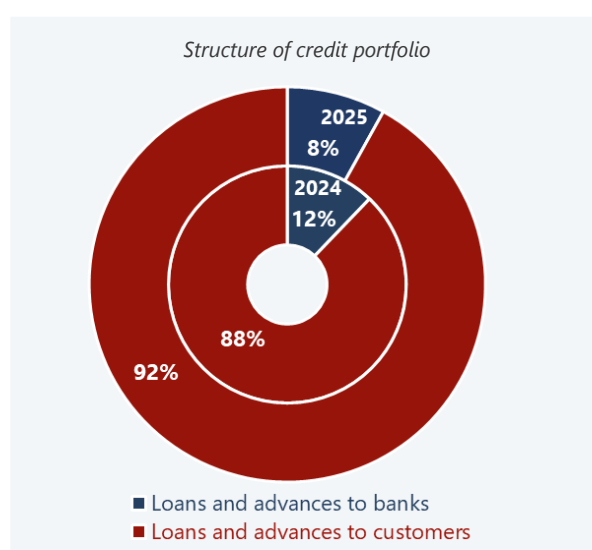
SID Bank provides financing by means of instruments ranging from established and continually available programmes to new financial instruments and programmes adapted to current needs.

The Bank tailors the scope of and approach to its financing to the identified market gaps, the needs of the market and the activities of other financial institutions. The range of financing programmes within the framework of financial engineering was augmented by direct and indirect financing from own funds.



The stock of the credit portfolio amounted to EUR 1,406,815 thousand at the end of 2025 (31 December 2024: EUR 1,512,225 thousand). There was a decline in net loans in the financing of the commercial sector, and in the financing of banks. Direct loans to banks have been declining for years now (by EUR 70,474 thousand in 2025), which was primarily attributable to the high stock of loans to commercial banks from previous years, and the

lack of demand from commercial banks over the last few years, largely on account of the surplus liquidity in the banking system.



Conversely SID Bank placed EUR 249,974 thousand of loans directly with the non-banking sector in 2025, significantly more than originally planned. Regular repayments, and in particular some extremely large unforeseen early repayments, were the main reason that growth in gross loans was not higher. The main reason for the early repayments was the high cash holdings at firms in certain sectors (mainly the energy and banking sector), rather than refinancing by commercial banks. Despite the extensive early repayments, SID Bank's gross stock of loans to the non-banking sector actually increased slightly over the course of the year, from EUR 1,376,972 thousand at the end of 2024 to EUR 1,379,352 thousand at the end of 2025. Notwithstanding the increase in gross loans, SID Bank's net stock of loans to the non-banking sector declined, owing to high impairments in 2025 as a result of the

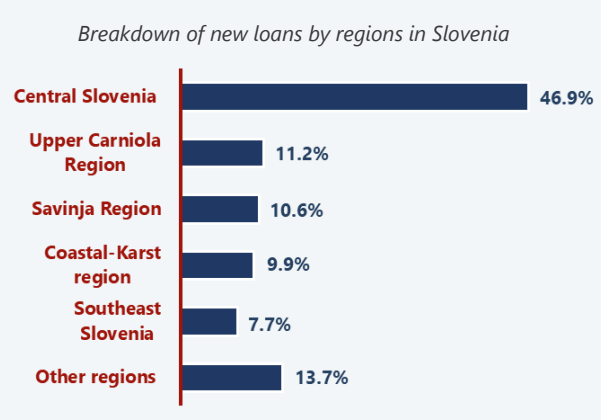
deterioration in the portfolio for particular customers with high exposure.

The maturity breakdown of SID Bank’s credit portfolio reflects its focus on activities under the ZSIRB and the ZZFMGP. Nearly all loans are of a long-term nature with a variable interest rate.

The bulk of new financing in 2025 was provided in the form of direct loans to corporates classified as state aid (particularly within the context of financial engineering instruments), while the remainder consisted of syndicated loans and loans to municipalities and the wider public sector. The last of these in particular saw a significant decline in SID Bank’s price competitiveness on products where it disposes of purpose-specific funding from development institutions or its own funds, which is becoming increasingly expensive relative to the mostly favourable short-term resources of commercial banks.

With regard to primary purpose, the development of economic competitiveness accounted for fully 87.3% of new loans in terms of total value in 2025, regional development for 9.4%, and the development of a knowledge society and innovative enterprise for 3.3%.

In terms of the value of new loans, the largest borrowers were firms in manufacturing (43.0% of the total), followed by wholesale and retail trade (12.9%), transportation and storage (10.3%), accommodation and food service activities (7.6%), activities related to telecommunications, computer programming, consultancy, computer infrastructure and other information services (7.3%), real estate activities (3.7%), construction (3.6%), professional, scientific and technical activities (3.2%) and other service activities (8.4%).



Forms and types of direct financing

SID Bank complements the range of services of commercial banks in all areas where it can provide support in accordance with the ZSIRB, most notably the areas of energy efficiency, the circular economy, environmental protection, promotion of the internationalisation of firms, competitiveness, employment, technological development, research and innovation, logistics, utilities and other economic and public infrastructure in Slovenia, and, as part of its anti-crisis financing, the mitigation of the impact of various crisis situations on firms, such as the energy crisis and the war in Ukraine. In so doing it uses various instruments of financing.

Financial engineering

Financial engineering is a form of collaboration between SID Bank and the government for the purpose of improving access to financing. In conjunction with the Ministry of the Economy, Tourism and Sport and the Ministry of Infrastructure, SID Bank offered corporations, sole traders and cooperatives long-term financing within the framework of five different financial engineering measures in 2025. The loans are intended for capital and current operating expenditure (property, plant and equipment, intangible assets, costs of labour, material and services, supplies), and for RDI. Under the state aid rules, the loans are treated as state aid or *de minimis* aid.

The weighted average maturity of all financial engineering loans was 12.1 years, while the weighted average premium over the benchmark interest rate was 1.18 percentage points. The total net amount of loans granted from all financial engineering programmes amounted to EUR 519,943 thousand at the end of 2025, up 22.8% on the end of the previous year. A total of 79 agreements were signed in the amount of EUR 147,230 thousand in 2025.

Through its financial engineering in collaboration with the Ministry of the Economy, Tourism and Sport and the Ministry of Infrastructure, SID Bank provides more favourable lending terms for the Slovenian economy (maturity, interest rate and collateral). This measure ensures a high multiplier and

revolving effect on state budget funds. The multiplier effect (an increase in the total volume of financing relative to the state funds invested, together with the reuse of repaid funds) varies across the loan funds, and ranged from 3.5 to 8.3 at the end of 2025.

Products using SID Bank's own funds and purpose-specific funding from development institutions

The implementation of financial engineering measures is complemented by the range of instruments using SID Bank's own funds and/or in combination with purpose-specific funding from development institutions. Alongside the basic product for the long-term financing of firms of all sizes for working capital and investment, in 2025 firms also had at their disposal the programme for promoting innovation and digitalisation, and the programme for financing their sustainability projects. The two programmes are backed by a European Investment Fund guarantee, with the support of the InvestEU fund as a form of loan collateral. The programmes officially closed at the end of 2025.

Export financing continued to be profoundly affected in 2025 by the events in Ukraine, and the resulting sanctions against Russia and Belarus. SID Bank continued to provide financing to foreign purchasers of Slovenian goods and services in other markets, albeit to a lesser extent, thereby contributing to the competitiveness of these goods and services, and supported their internationalisation through long-term financing of investments by Slovenian firms in the rest of the world.

SID Bank continued financing public-sector entities in Slovenia whose public financing is not subject to state aid rules.

Through syndicated loans, i.e. co-financing with other banks, SID Bank provided particular support for major investments, such as infrastructure projects. These require longer maturities, while the large sums of financing mean that there is an interest on the part of commercial banks in sharing risk or exposure.

SID Bank continued to offer consultancy and project financing in 2025. In its role as the European Commission's implementing partner,

it promotes support for infrastructure for alternative energy sources under the Connecting Europe Facility, within the framework of which grants were made available for projects related to electricity charging infrastructure, hydrogen supply, and LNG supply.

Direct implementation of the FI 2014-2020 Fund of Funds and Covid-19 Fund of Funds

SID Bank directly implemented three financial instruments within the framework of the FI 2014–2020 Fund of Funds, in the form of ECP loans for RDI, ECP loans for the comprehensive energy renovation of public-sector buildings, and ECP loans for urban development, and ECP loans for RDI/Covid-19 within the framework of the Covid-19 Fund of Funds. Since the end of 2023, when eligibility for the programming period of 2014 to 2020 closed, the reuse of repaid funds has been in progress.

Direct implementation within the framework of the FI 2021–2027 Holding Fund

Via a financing agreement for the operation of financial instruments over the 2021 to 2027 period, SID Bank was appointed to execute a financial instrument in the form of loans for urban development.

Forms and types of indirect financing

Loans

The exceptional liquidity of the commercial banks and savings banks, with an LTD ratio of approximately 70% at system level, or even below 50% at certain banks, as a direct consequence of the high saving rate and the stagnation in investment, and the low price of financing from this source, are currently hampering SID Bank in pursuing its mandates via the channel of providing purpose-specific funds, as they are mostly no longer competitive. Consequently there is no interest on the part of commercial banks in raising long-term loans from SID Bank (i.e. indirect financing), which a few years ago accounted for the majority of the

credit portfolio. The share of loans to commercial banks is continuing to decline relative to the share of loans to the corporate sector.

The implementation of European cohesion policy within the framework of the two funds of funds and the new holding fund remains an important approach in SID Bank's activity via financial intermediaries.

For more on the work of the funds of funds and the holding fund, see the section entitled Operations under Republic of Slovenia authorisation.

Risk participation

Given that indirect lending via commercial banks is practically frozen because of the conditions in the Slovenian banking system, SID Bank has focused on developing the instrument of risk participation without financing, by means of which it offers commercial banks the opportunity of taking up and sharing their credit risk vis-à-vis the borrower.

The product was formally implemented in 2025, and the first operations were concluded, which led to the risk participation with commercial banks valued at more than EUR 50 million.

Projected activities in 2026

The Bank will continue to consolidate its development operations in 2026, which will chiefly be reflected in the direct financing of technology-development projects, participation in the development and implementation of infrastructure projects and investments, and involvement in projects related to the circular economy, environmental protection and energy efficiency. It is continuing its promotion of the internationalisation of the Slovenian economy through the financing of Slovenian exports. The

continued development and implementation of direct financing programmes will be based on the needs of the economy, the gaps, and the complementing of the portfolios of commercial banks and public funds, particularly from the perspective of the development role in improving the competitiveness of the economy.

In 2026 there will be a focus on placing financial engineering funds within the framework of the existing MSP9 product (Loan Fund 3), and placing new products, which are undergoing intensive preparations for implementation in the first half of 2026.

The Bank will establish two new loan funds in 2026 within the framework of its financial engineering work. The first is for financing all kinds of investment with the aim of promoting investment and encouraging the competitiveness of the economy, while the second is aimed at anti-crisis financing, and will serve as a safety mechanism to protect the economy from major shocks that hit firms outside their ability to influence, while during economic good times the focus will be on development financing. A total of EUR 1 billion in products from the two loan funds will be available, and they will therefore represent the foundation of SID Bank's financing of the Slovenian economy over the medium term.

In 2026 the Bank will also set up and begin marketing a product for financing public rental housing, via which local government authorities, housing funds and other eligible beneficiaries will have more than EUR 70 million annually at their disposal over the next nine years.

As per the mandates of its operations in connection with market gaps and its role as a bank complementary to the market, SID Bank will continue to refine its offering in 2026 in cooperation with financial intermediaries in the direction of taking up greater risks on the basis of innovative instruments, providing guarantees, and other forms of cooperation.

FUNDING AND LIQUIDITY

Funding

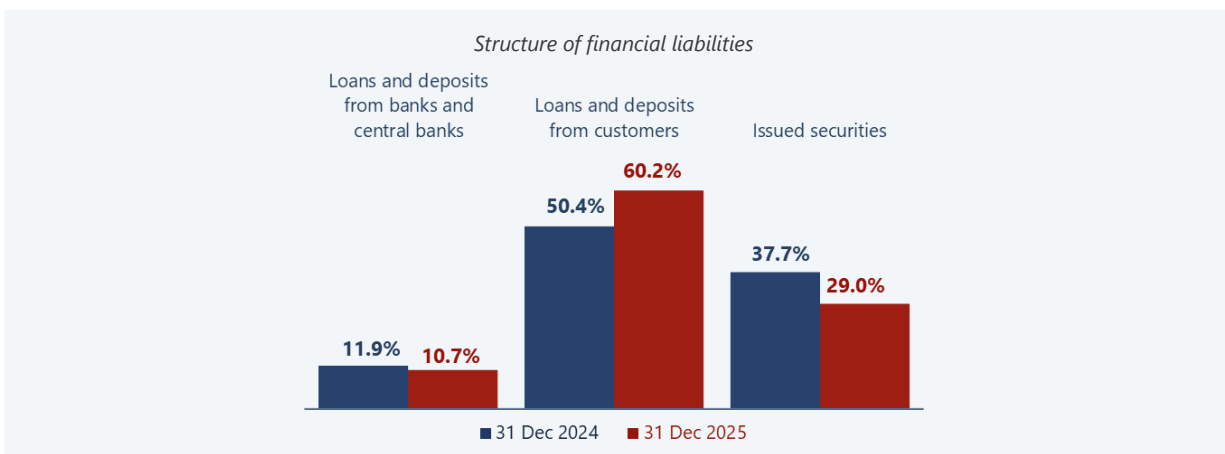
Stability of SID Bank's long-term funding

SID Bank secures funding on the domestic and international financial markets backed by a Slovenian government guarantee. In the process of securing funding, it pursues the requisite diversification, primarily in terms of the type and geographical diversity of the investors and the class of financial instruments. This provides it with stable access to mostly long-term funding.

Accordingly SID Bank again worked actively with banks and other institutional investors in the domestic and international environment in 2025. SID Bank borrowed in June 2025 by issuing a five-year bond in the nominal amount of EUR 100 million on the international capital

markets in a private issue, and also issued a debt certificate with a maturity of seven years and a nominal value of EUR 30 million. It repaid a five-year bond with a nominal value of EUR 350 million in 2025.

To create added value for target groups of final beneficiaries, and to improve their access to favourable long-term financing, SID Bank also includes in its credit lines and programmes long-term purpose-specific funding received from the European Investment Bank (EIB), the Council of Europe Development Bank (CEB) and the German development bank KfW, and from the Ministry of the Economy, Tourism and Sport (METS) and the Ministry of Infrastructure (MoI).



The stock of funding amounted to EUR 1,991,293 thousand at the end of 2025 (2024: EUR 2,201,929 thousand), comprising deposits and loans in the amount of EUR 1,413,440 thousand (2024: EUR 1,371,484 thousand), and issued securities in the amount of EUR 577,853 thousand (2024: EUR 830,445 thousand).

In terms of residual maturity the financial liabilities are primarily non-current: only 19.7% have a residual maturity of up to 12 months, while 39.0% have a residual maturity of one to three years, 16.1% a residual maturity of three

to five years, and 25.2% a residual maturity of more than five years.

In 2026 SID Bank is planning to strengthen its cooperation with banks and other institutional investors, and to undertake new long-term borrowing on the international capital markets depending on the suitability of the market situation.

SID Bank will also draw down long-term purpose-specific funding from development institutions for the purposes of financing firms (mainly SMEs), local government infrastructure projects and public funds.

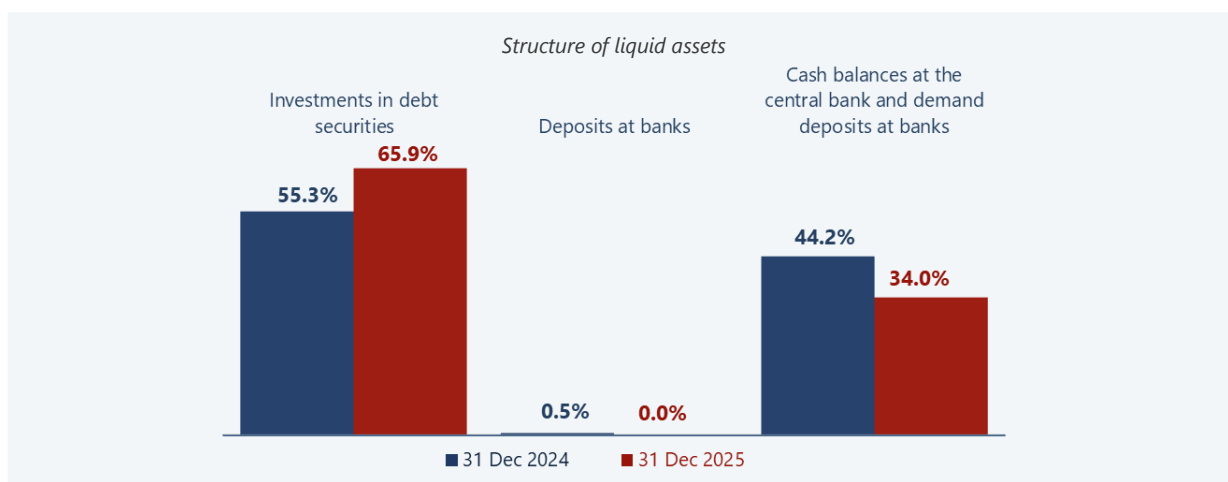
Liquid assets

SID Bank maintains an appropriate level, quality and structure of liquid assets.

Conditions for the management of the liquid assets were stable in 2025, despite the continuing global geopolitical tensions. With inflationary pressures easing and euro area economies remaining sluggish, the ECB continued its cycle of interest rate cuts in the first half of the year, making four cuts each of 25 basis points, which lowered the interest rate on the deposit facility from 3% to

2%. SID Bank nevertheless continued to exploit the relatively favourable terms of remuneration on balances at the central bank, and for reinvesting in debt securities.

SID Bank maintained an appropriate level, quality and structure of liquid assets in 2025 for covering its expected and unexpected liquidity outflows, and for ensuring business continuity in challenging conditions.



In the breakdown of liquid assets there was a decline in **cash and cash equivalents** in 2025, while holdings of debt securities increased slightly. With the aim of reducing the volatility of other comprehensive income, the Bank increased the share of the portfolio accounted for by debt securities measured at amortised cost.

The Bank's liquid assets as at 31 December 2025 included **liquid assets of the loan funds** in the amount of EUR 216,322 thousand (31 December 2024: EUR 349,734 thousand), where cash and cash equivalents constituted all the liquid assets of the loan funds at the end of 2025.

Holdings of **debt securities** amounted to EUR 655,185 thousand at the end of 2025 (2024: EUR 616,792 thousand), of which EUR 400,558 thousand (61.1%) comprised debt securities measured at fair value through other comprehensive income, and EUR 254,627 thousand (38.9%) comprised debt securities measured at amortised cost. Cash amounted to EUR 338,158 thousand (2024: EUR 493,158

thousand), while bank deposits stood at EUR 341 thousand (2024: EUR 6,055 thousand).

In investing liquid assets in debt securities, the Bank follows a conservative and prudent strategy, as the majority of the portfolio comprises marketable and liquid debt securities with an investment-grade credit rating issued in the EU that are eligible as collateral at the central bank, thereby ensuring adequate diversification with regard to the type and residency of the issuer. Assets with an investment-grade credit rating accounted for 90.9% of the total portfolio at the end of 2025 (2024: 90.6%), while assets eligible as collateral at the central bank accounted for 89.2% (2024: 88.8%). Government debt securities, securities backed by guarantees of EU Member States, and securities of international organisations and multilateral development banks made up 63.2% of the total debt securities portfolio at the end of 2025 (2024: 64.2%), while debt securities of financial issuers accounted for 30.4% (2024: 28.4%) and debt securities of non-financial issuers for 6.4% (2024: 7.4%). In terms of the

registered office of the issuer, Slovenia accounted for 55.6% of the portfolio (2024: 49.0%). The average residual maturity of the debt securities portfolio was 2.8 years at the end of 2025 (2024: 2.9 years), while the average interest rate stood at 2.2% (2024: 2.2%).

In its investments in new investment-grade debt securities, SID Bank gives priority to long-term bonds from the euro area core countries. The Bank is not making new investments in debt securities from the fossil fuels sector in accordance with the CPRS (Climate Policy Relevant Sectors) classification. Green, social and sustainability bonds accounted for 18.6% of the entire portfolio of debt securities at the end of 2025 (2024: 14.6%).

For the purpose of implementing its mandates, in 2025 the Bank continued executing operations under the mandate frameworks for

acting on the capital markets, through which it can execute investment operations in debt securities of domestic commercial banks that meet the MREL criteria and debt securities of domestic corporates that meet green, social, sustainability and other conditions. In line with the principles of the aforementioned mandate frameworks, the Bank successfully realised transactions in the nominal amount of EUR 56 million in 2025.

The Bank will continue to implement a conservative and prudent strategy for managing liquid assets in 2026, with the primary aim remaining to ensure liquidity and security. The Bank is planning to make additional purchases of long-term government bonds of euro area core countries to serve as its liquidity reserve, and will also continue its purchases of securities within its mandate frameworks.

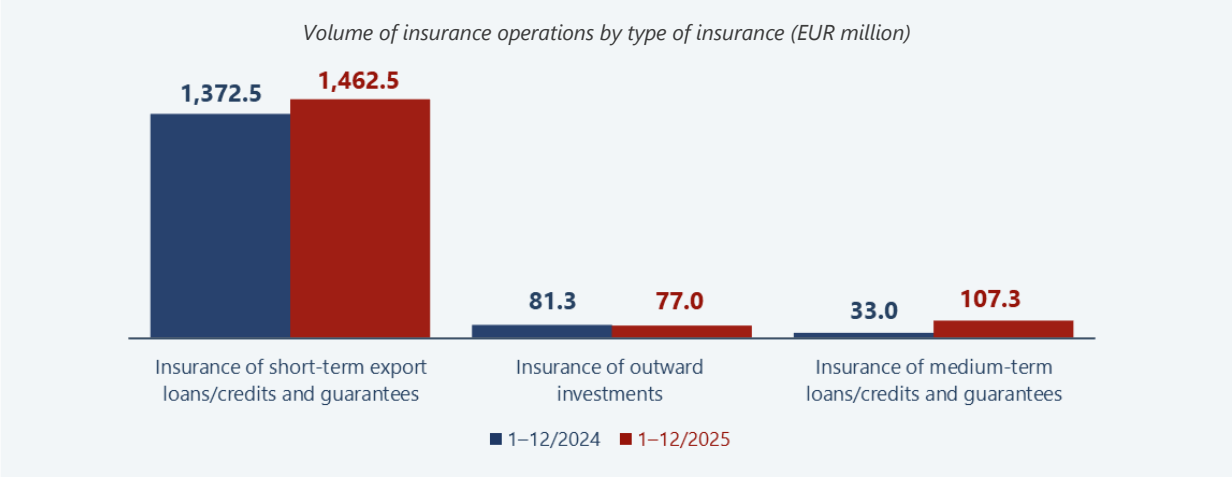
OPERATIONS UNDER REPUBLIC OF SLOVENIA AUTHORISATION

Insurance against non-marketable risks

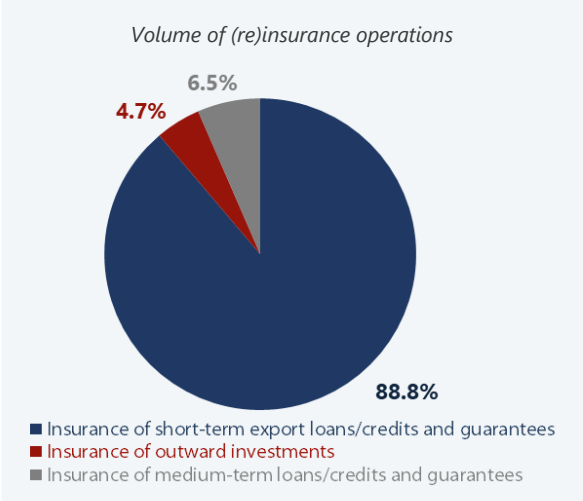
SID Bank provides insurance for international business transactions against non-marketable risks under the Insurance and Financing of International Commercial Transactions Act (ZZFMGP) on behalf of and for the account of the Republic of Slovenia as its agent. As an authorised institution, on behalf of and for the

account of the Republic of Slovenia SID Bank insures/reinsures against those commercial and non-commercial or political (non-marketable) risks that, due to their nature and level of risk, the private sector in general is not willing to take up or has limited capacity to take up.

Volume of insurance operations

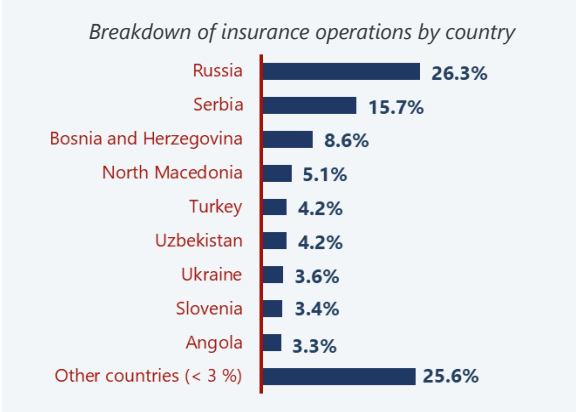


The volume of all insurance operations amounted to EUR 1,646,907 thousand in 2025, up 10.8% compared to EUR 1,486,742 thousand in 2024. Higher insurance volumes were realised in medium-term operations in particular, mostly insurance and reinsurance of medium-term loans and medium-term export preparation loans. The insurance of bank guarantees, where a higher number of small-value transactions was insured, was predominant in terms of the number of issued insurance policies. Higher volumes were also attained in short-term reinsurance operations.



The volume of export insurance operations is still being affected by the war in Ukraine, and the economic sanctions against Russia and Belarus, with only humanitarian goods and pharmaceuticals allowed to be exported to those two countries. Given that Russia is one of the most important non-marketable countries for the Slovenian economy in terms of exports, and that Belarus was prominent in export financing insurance, the assessment is that the loss in insurance operations is material. While sanctions are in place, SID Bank has had considerable success in replacing the loss of insurance operations in eastern Europe with other insurance. It used insurance products to help exporters gain access to new markets, and to attract new customers in existing markets. A major operation in Angola was realised in 2025, which increased the share of exposure accounted for by African operations. Insurance operations in markets where exporters have had

a traditional presence, most notably the former Yugoslav republics, are still prevalent. Insurance of loans for working capital that are used by firms to increase their commercial capacity to gain and complete exports are increasing. Export transactions with a short maturity were prevalent.



The volume of insurance operations⁹ realised in 2025 reached 8.6% of the maximum annual value of new commitments given as defined in the ZZFMGP.

Volume of insurance operations by type of insurance (excluding insurance operations under the special contingency reserve for Ukraine)

Reinsurance of short-term export credits (renewable insurance of short-term non-marketable risks) accounted for fully 87.9% of the realised volume of insurance and reinsurance operations. This was followed by insurance of outward investments, insurance and reinsurance of medium-term loans, and insurance of medium-term export preparation loans, each of which accounted for between 3% and 5% of the total realised volume. The remaining volume relates to other medium-term and short-term insurance, namely insurance of bank guarantees, export preparation loans, and loans to finance internationalisation.

Short-term insurance in the insurance and reinsurance of export credits, guarantees and export preparation loans amounted to EUR 1,402,606 thousand in 2025, an increase of 4.6% relative to the previous year. The majority of short-term insurance relates to the

⁹ The calculation does not include insurance operations under the special contingency reserve for Ukraine.

reinsurance of short-term revolving export credits on the basis of reinsurance contracts signed with two insurers. A small proportion relates to insurance of individual export operations.

The volume of insured outward investments reached EUR 77,041 thousand in 2025, down 5.2% on the previous year. The aforementioned stock includes newly insured outward investments and renewals of existing insurance from previous years, which in substantive terms are equivalent to new insurance.

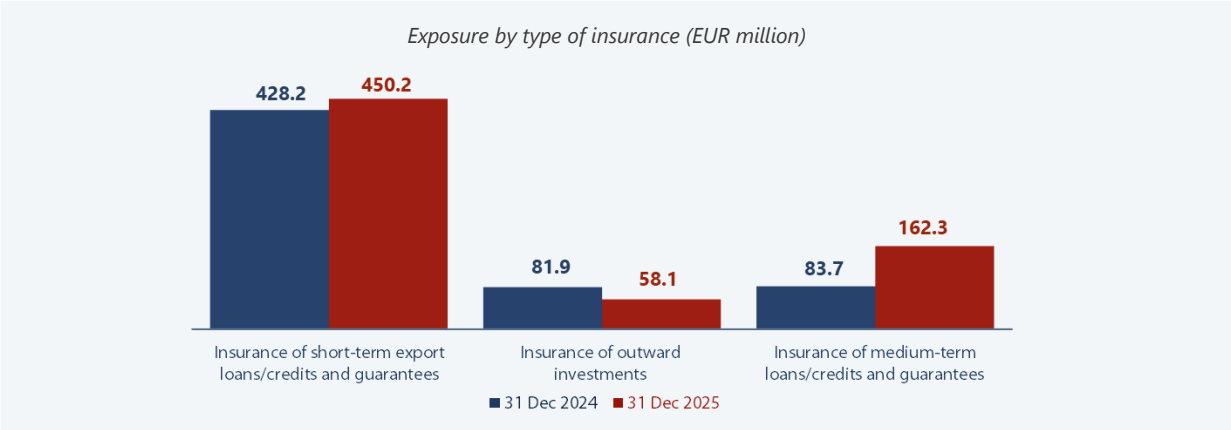
The volume of insurance operations realised for medium-term export transactions (loans to foreign customers, loans to finance internationalisation, and export preparation loans) in 2025 was up significantly on the previous year and stood at EUR 107,345 thousand (2024: EUR 32,997 thousand). The

largest proportion of insured medium-term operations related to exports of communications and other electrical equipment, steel, fabricated metal structures, tools and machinery, engineering and technical consultancy services, vehicle chassis, stone, computer equipment, wood and paper products, and construction.

Volume of insurance operations under the special contingency reserve for Ukraine

The volume of insurance operations in Ukraine amounted to EUR 59,915 thousand in 2025, up almost 93% on the previous year. The largest component is the reinsurance of short-term credits resulting from the registration of exporters’ trade, while insurance of bank guarantees accounted for 6.9% of the total volume.

Exposure



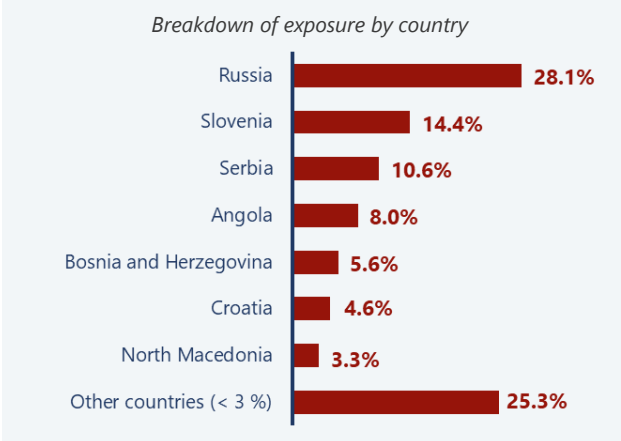
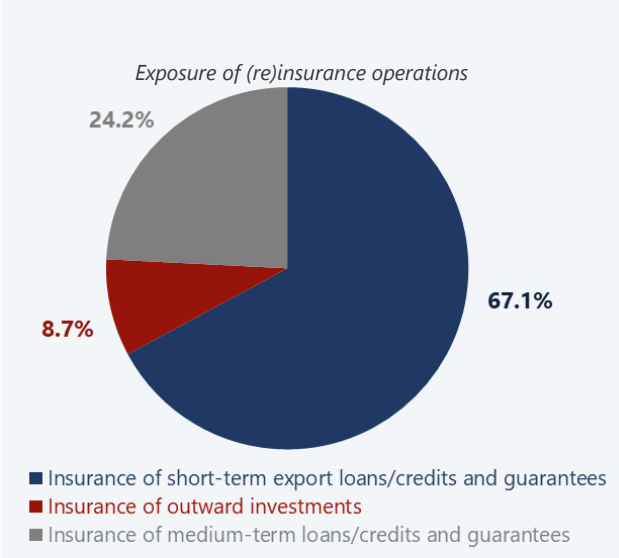
Exposure from current insurance policies (excluding exposure from operations under the special contingency reserve for Ukraine) amounted to EUR 659,989 thousand at the end of 2025 (31 December 2024: EUR 576,723 thousand). In accordance with the ZZFMGP, the exposure under binding insurance commitments given in the amount of EUR 2,351 thousand (31 December 2024: EUR 3,195 thousand) was added to this exposure.

The total exposure amount¹⁰ is equivalent to 31.5% of the limit defined in the Implementation of the Republic of Slovenia Budget Act (ZIPRS) for 2024 and 2025, and 1.2% of the limit defined in the ZZFMGP.

Exposure from operations under the special contingency reserve for Ukraine amounted to EUR 8,262 thousand (2024: EUR 13,880 thousand).

¹⁰ The calculation does not include insurance operations under the special contingency reserve for Ukraine.

The total exposure from all insurance operations reached EUR 670,602 thousand, up 12.9% on the end of 2024 (EUR 593,798 thousand).



Insurance-technical provisions (contingency reserves and special contingency reserve for Ukraine)

Premiums and commissions from insurance against non-marketable risks amounted to EUR 9,306 thousand in 2025, 3.2 times the figure from 2024, where EUR 371 thousand was from insurance under the special contingency reserve for Ukraine.

Claims paid amounted to EUR 1,869 thousand in 2025 (2024: EUR 1,854 thousand). A total of

16 minor claims under the reinsurance of short-term export credits, one claim under an insured medium-term bank guarantee, and a partial claim under the insurance of a credit to a foreign customer (an operation in Rwanda) were paid out. The remaining payments arose from the costs of recovery of claims paid in previous years for customers in Colombia, Bosnia and Herzegovina, Serbia, India, the UAE, Albania, Kosovo, North Macedonia, Nigeria and Panama.

The **insurance technical result** amounted to EUR 7,370 thousand in 2025, of which EUR 252 thousand was attributable to the special contingency reserve for Ukraine (2024: EUR 281 thousand, of which EUR 139 thousand was attributable to the special contingency reserve). The surplus of income over expenses amounted to EUR 10,861 thousand, of which EUR 485 thousand was attributable to the special contingency reserve (2024: EUR 3,309 thousand, of which EUR 463 thousand was attributable to the special contingency reserve).

Claims under consideration (claims filed) amounted to EUR 169 thousand as at 31 December 2025 (31 December 2024: EUR 192 thousand). All the recorded claims under consideration arose from reinsured short-term operations, as a result of prepayments of customers from Bosnia and Herzegovina, Ukraine, Turkey, Malaysia and Egypt.

Potential claims amounted to EUR 1,024 thousand in 2025 (2024: EUR 3,062 thousand). They primarily arise from insured medium-term operations and, to a lesser extent, from reinsured short-term credits. Insurance operations where difficulties have arisen in the repayment of liabilities are classed as potential claims. Thanks to the conclusion of financial restructuring agreements, the expectation is that there will be no need to pay out claims for a large share of these operations, while a smaller share of them might later be transferred to the claims payment phase.

(EUR thousand)	31 Dec 2025 or Jan-Dec 2025	31 Dec 2024 or Jan-Dec 2024	Index 2025/2024
Premiums and commissions	9,306	2,889	322.1
Claims paid	(1,869)	(1,854)	100.8
Recourse	744	118	630.5
Other items (bonuses, commissions)	(811)	(872)	93.0
Insurance technical result	7,370	281	2,622.8
Investment income	3,491	3,028	115.3
Surplus of income over expenses	10,861	3,309	328.2
Potential claims	1,024	3,062	33.5
Claims under consideration	169	192	88.0

Contingency reserves

Contingency reserves (excluding the special contingency reserve for Ukraine)

The contingency reserves constitute a significant source of capacity for SID Bank and for the Republic of Slovenia in insurance against non-marketable risks, easing the burden on the state budget before claims are paid out. Contingency reserves increased by EUR 10,376 thousand in 2025 as a result of the positive operating result, to end the year at EUR 190,741 thousand.

Special contingency reserve for Ukraine

June 2023 saw the adoption of the Decree on the insurance of international commercial transactions in Ukraine during time of war, which regulates insurance and reinsurance coverage issued by SID Bank as an authorised institution on the basis of the ZZFMGP. The purpose of the decree is ensuring and promoting the presence of Slovenian businesses in the Ukrainian market, and preventing a longer-term adverse impact from the disruption of the trading relationship between the two economies.

SID Bank received a special contingency reserve for Ukraine in the amount of EUR 9,698 thousand under the decree for the purpose of executing transactions. The special contingency reserve increased by EUR 485 thousand in 2025 as a result of the positive operating result, to end the year at EUR 10,769 thousand.

Expectations for 2026

A comparable volume of insurance and reinsurance operations to that of 2025 is planned for 2026. The plan forecasts slightly lower realisation than in 2025, solely on account of an operation realised in Angola, which is judged to be sporadic and unlikely to be repeated every year. The continuing high level of uncertainty in the international political and economic environment will affect businesses' investment decisions, thus impacting international flows of goods and investment. The expectation is that the economic sanctions against Russia and Belarus will remain in place, which will continue to curtail business in these markets and will require increased activity from SID Bank in other geographical regions.

In addition to existing geopolitical tensions, the strategic rivalry between superpowers is ramping up in 2026, which will increasingly be reflected in economic and trade policy. From a strategic, security and economic perspective, broader shifts in the global balance of power could have an adverse impact on Slovenia as a small country with an open economy. From this perspective there is an expectation that in such circumstances SID Bank would expand its role and its actions to ensure the stability of Slovenia's export economy.

Given the actions taken under the United States's protectionist trade policy, it is evident that Slovenian firms are abandoning their export and investment plans to expand into the United States market. Instead they are seeking opportunities in other markets, whether new or existing. In light of the export policy of the Slovenian economy, SID Bank is mainly focusing

its support on the markets of Central and South-Eastern Asia and in selected African countries, where new business opportunities are opening up despite the higher risks involved. In so doing it will not overlook its traditional markets, such as the former Yugoslav republics, or the countries of the Middle East and East Asia. To promote trade with Ukrainian customers, it intends to begin implementing a special programme of export credit insurance with support from the EIF.

The slowdown in economic growth in Europe is already being reflected in firms falling into arrears, and in ever-increasing difficulties in the economy. The expectation in 2026 is for a rise in the number of insurance claims, although for now the thinking is that the restructuring measures underway at certain larger firms, which constitute a risk in insured operations, will mostly be successful. SID Bank's preventive role will be particularly important under these circumstances, with a focus on giving early warning of risks, actively monitoring the portfolio, and working with exporters and banks with the aim of reducing the probability of loss events occurring.

A slight increase in exposure is expected over the course of 2026 in medium-term insurance operations, primarily on account of new operations that are already planned. The forecast for short-term reinsurance operations is for stable volume that is comparable to 2025, with the majority of operations continuing to be realised in Slovenia's traditional export markets. There will be a decline in individual short-term insurance operations, particularly for financing working capital, while more will have longer maturities. SID Bank will continue to follow the needs of the Slovenian economy in 2026, tailoring its products to the changed circumstances in international markets.

Insurance of equity holdings has remained at a relatively low level for several years now. The assessment is that this is because Slovenian investors underestimate non-commercial risks, and is also attributable to the reluctance of firms to make direct investments abroad during times of increased geopolitical uncertainty. Firms are increasingly trying to hit their targets in foreign markets through less capital-intensive and lower-risk approaches. Similar developments are also expected in 2026.

Management of the European cohesion policy funds

FI 2014–2020 Fund of Funds

The financing agreement signed by the Ministry of Economic Development and Technology¹¹ and SID Bank in 2017 set out the implementation of European cohesion policy for the 2014 to 2020 period. Under the agreement, SID Bank acquired the right to manage European cohesion policy funds totalling EUR 253 million, which it did in the form of a fund of funds. The amount covered by the agreement had declined to EUR 226,215 thousand of ECP funding by the end of 2023, when the eligibility period ended, and to EUR 224,336 thousand of ECP funding by the end of 2025.

The financial instruments are designed in four areas where there are proven market gaps in financing:

- research, development and innovation;
- competitiveness of SMEs;
- public sector energy efficiency; and
- urban development.

With the establishment of the Fund of Funds modelled after foreign practices, Slovenia also upgraded the utilisation of ECP funds geared towards facilitating refundable forms of financing that are significantly more effective than grants, primarily on account of higher leverage, multiplier effects and the possibility of reusing the ECP funds for further financing.

¹¹ Now the Ministry of the Economy, Tourism and Sport.

The financial instruments of the Fund of Funds provide final beneficiaries with a range of benefits, in terms of capital and lower interest rates, and in terms of longer maturities of financing, reduced and/or zero collateral requirements, and longer moratorium periods.

SID Bank deploys its financial instruments directly or via financial intermediaries, mainly commercial banks, savings banks and public funds. As the manager, SID Bank also provides financial intermediaries with the necessary legal and administrative-technical support.

The main advantages of the financial instruments of the Fund of Funds are as follows:

- the creation of instruments in areas with identified market gaps;
- the attraction of private assets (required leverage);
- multiplier effects;
- the market appraisal of projects built into the process itself;
- better financial discipline and greater impact from supported projects;
- the sustainable use or reuse of assets;
- the more effective allocation of government development funds;
- fewer possibilities for misusing the assets for other purposes.

In addition to the funds from European cohesion policy, financial intermediaries also had to secure additional funding from other sources because of the leverage requirement. Taking the reuse of repaid funds into account, EUR 435,074 thousand was thus realised, of which EUR 28,926 thousand was realised in 2025 via RDI loans and microloans. Reuse will be able to follow the repayment schedule in the future.

Covid-19 Fund of Funds

Together with the Ministry of Economic Development and Technology¹² and using the first Fund of Funds as the model, SID Bank established the Covid-19 Fund of Funds in 2020 in response to the needs that were arising as a result of the pandemic. The fund contained EUR 65 million from European cohesion policy funds, which was aimed at financing working capital in order to improve liquidity and facilitate the recovery of the economy hit by the Covid-19 pandemic, and the financing of investments, research, development and innovation.

Within the scope of the Covid-19 Fund of Funds, the Bank developed and launched two products:

- microloans from ECP funds in the amount of EUR 60 million to finance the required liquidity and investments of SMEs, and provided by two financial intermediaries; and
- loans from ECP funds in the amount of EUR 5 million for research, development and innovation, intended for firms of all sizes and provided directly by SID Bank.

EUR 162,283 thousand was disbursed to final beneficiaries from the Covid-19 Fund of Funds; this figure includes the reuse of repaid European cohesion policy funds. Microloans in the amount of EUR 24,059 thousand from repaid funds were provided to final beneficiaries in 2025, and the instrument will continue to be used.

Through the establishment and implementation of the Covid-19 Fund of Funds, SID Bank and the Ministry of Economic Development and Technology significantly complemented the toolkit of measures for an effective response to the Covid-19 pandemic, and contributed to the utilisation of ECP funds.

Under the implementation of financial instruments from the two funds of funds, a total of EUR 597,357 thousand had been provided to final beneficiaries via all financial intermediaries, including SID Bank, by the end of 2025.

¹² Now the Ministry of the Economy, Tourism and Sport.

FI 2021–2027 Holding Fund

With the establishment of the FI 2021–2027 Holding Fund under the signing of a financing agreement with the Ministry of the Economy, Tourism and Sport, SID Bank assumed the role of fund manager. The fund pools EUR 190 million of European funding for implementing five new financial instruments over the period to the end of 2029. Under the agreement selected financial intermediaries will additionally provide their own funds in the amount of EUR 115 million, taking the total funding to EUR 305 million. This funding will be available to final beneficiaries in the form of refundable funds, and as a blend of refundable and non-refundable funds. The purpose of the holding fund is to drive sustainable economic growth through the effective use of cohesion funds via financial instruments, thereby making a significant contribution to meeting the objectives of the ECP programme for 2021 to 2027, and reducing market gaps in key areas of development. The holding fund will implement financial instruments in five priority areas: promoting research, development and

innovation, strengthening the competitiveness of SMEs, improving energy efficiency, transitioning to a circular economy, and ensuring sustainable urban development.

Through its management of the FI 2021–2027 Holding Fund, SID Bank has strengthened its role as the key national institution for managing European funds, and upgraded its work with other public financial institutions. Of particular importance was the introduction of blending, where final beneficiaries are able to receive non-refundable funds in addition to loans or guarantees (provided that they meet particular results in the form of a partial write-off of a loan or a subsidised interest rate in the case of guarantees for SMEs).

At the same time as its appointment as the manager of the holding fund, SID Bank was awarded the mandate for implementing the financial instrument for sustainable urban development, while procedures were initiated in 2025 to select the financial intermediaries for implementing financial instruments in the area of the strengthening of the competitiveness of SMEs, energy efficiency and the transition to a circular economy.

Performance of the function of official auctioneer at emission allowance auctions

On the basis of the Environmental Protection Act, in 2025 SID Bank again acted as the official auctioneer at emission allowance auctions on behalf of and for the account of the Republic of Slovenia.

It participated in 142 auctions as an official auctioneer of emission allowances in 2025, at which a total of 1,809,000 allowance units were sold. The consideration amounted to EUR 132,748 thousand.

Guarantee schemes as a temporary measure following the 2023 floods, Housing Guarantee Scheme for Young People, guarantee schemes under the 2020 intervention measures, and other guarantee schemes

Guarantee schemes for individuals and economic operators affected by the 2023 floods

With the adoption of the Act on Reconstruction, Development and the Provision of Financial Resources (ZORZFS), in late 2023 the Republic of Slovenia authorised SID Bank to implement the temporary measure of the government guarantee and the subsidising of the

contractual interest rate for bank loans to individuals and economic operators affected by the floods and landslides in August 2023. The authorisation envisaged that SID Bank would conduct all procedures on behalf of and for the account of the Republic of Slovenia.

Because commercial banks once again did not participate in the scheme in 2025, and consequently no loans backed by a government guarantee were approved, no procedures to activate the scheme were initiated. Despite the scheme being inactive, SID Bank met its statutory obligation of reporting on a monthly basis to the Office of the Government of the Republic of Slovenia for Post-Flood and Landslide Reconstruction.

The deadline for signing credit agreements backed by government guarantee for economic operators under the ZORZFS passed on 31 December 2025. As of 2026 the guarantee scheme remains open to individuals only.

Housing Guarantee Scheme for Young People

In 2025 SID Bank continued to implement the Republic of Slovenia authorisation under the Act on the Housing Guarantee Scheme for Young People (ZSJSM) from 2022. On behalf and for the account of the Republic of Slovenia, SID Bank performs tasks in connection with the issuance, monitoring, redemption and recovery of guarantees.

The scheme was implemented in 2022 and 2023 via two banks and one savings bank, through which five different housing loans were included in the scheme. Owing to the non-distribution of the guarantee quota, the banks did not approve any new housing loans backed by a guarantee for inclusion in the scheme in 2025. Consequently SID Bank merely continued with monitoring the existing portfolio of registered loans, charging an annual fee to the banks and the ministry responsible for finance reporting quarterly on the outstanding principal balances.

As at 31 December 2025 SID Bank was managing four loans within the framework of the scheme under the ZSJSM (one loan was repaid early), whose stock of outstanding principal amounted to EUR 445 thousand. The Slovenian government guarantee covers 100% of the liabilities under these credit agreements.

New legislation in the area of housing policy was passed in 2025, with a focus on making systemic arrangements for public rental housing. SID Bank is involved, and the ZSJSM remains a financial instrument offering a government guarantee aimed at young people taking a housing loan as first-time buyers.

Guarantee schemes based on intervention measures from 2020

SID Bank continued activities in 2025 in accordance with its legal authorisations to operate guarantee schemes under the ZIUZEOP and the ZDLGPE. The deadline for issuing guarantees under the two schemes, which were introduced as a temporary measure during the period of Covid-19 emergency laws, passed in 2021.

Within the framework of the guarantee scheme under the **ZIUZEOP**, where the deadlines for redeeming guarantees had otherwise expired in 2022, SID Bank continued its monitoring in 2025 of the Republic of Slovenia's claims for guarantees previously paid out. It monitored the progress of recoveries, which are carried out by commercial banks for the government's part of the claims, and also monitored insolvency proceedings against borrowers for which a guarantee had already been paid. In line with its authorisations it also registered claims of the Republic of Slovenia in those insolvency proceedings.

Within the framework of the guarantee scheme under the **ZDLGPE**, SID Bank dealt with banks' requests for the redemption of guarantees, and verified the fulfilment of the conditions set out by law. It reported quarterly to the Ministry of Finance on outstanding loan principal, the Republic of Slovenia's exposure arising from the guarantees, the findings of the process of checking compliance with the conditions after the payment of a guarantee, and the progress of recovery. It also charged a guarantee premium to banks, which is classed as revenue for the state budget.

SID Bank also carried out activities to enforce recourse claims of the Republic of Slovenia, including the monitoring of insolvency proceedings against borrowers and registration of the Republic of Slovenia's claims via the State Attorney's Office.

As at 31 December 2025 there were still 57 loans being managed within the framework of the guarantee scheme under the ZDLGPE, with a total outstanding principal of EUR 774 thousand, whereby the Republic of Slovenia's potential exposure amounted to EUR 619 thousand according to the guarantee share (70% for large enterprises, 80% for SMEs). SID Bank received four requests for redemption of a government guarantee in 2025, with the requested amounts being paid out to three commercial banks after verification and forwarding to the Ministry of Finance.

The longest maturities allowed under the scheme expire in 2026, and the monitoring of loan balances within the framework of the ZDLGPE will therefore come to an end during the year. Procedures in connection with recovery conducted by commercial banks for the government share of the claims will continue, along with the monitoring of the progress of insolvency proceedings against borrowers, where the government claims that SID Bank reports for registration in insolvency proceedings after the redemption of guarantees are managed by the State Attorney's Office.

Other guarantee schemes

The guarantee schemes under the ZJShemRS and the ZJShemFO were introduced as a temporary measure during the time of the financial crisis in 2009 and 2010, and the legal deadline for issuing guarantees under the two schemes passed at the end of 2010.

In line with the authorisations received under the **ZJShemRS**, in 2025 SID Bank solely carried out activities in connection with the recovery of government guarantees paid in previous years. Activities in connection with individual insolvency proceedings against borrowers are being pursued within the framework of the scheme, with the government's claims being managed by the State Attorney's Office.

As at 31 December 2025 SID Bank was still managing 38 loans to individuals under the **ZJShemFO**, with total outstanding principal of EUR 936 thousand. Given the 50% guarantee share, the Republic of Slovenia's potential exposure amounts to EUR 468 thousand. There were no guarantee redemptions by banks in 2025. SID Bank reported regularly to the ministry responsible for finance in 2025 about the balance of the loans and the exposure under the guarantees.



Transparency of financial relations between SID Bank and the Republic of Slovenia

The table discloses SID Bank's total income and expenses for its individual activities pursued in 2025.

Separate financial statements are compiled for insurance against non-marketable risks and the activities of the funds of funds and the holding fund where the Bank manages assets allocated for management.

The income for each activity under Republic of Slovenia authorisation comprises the fees that SID Bank receives for pursuing the activity on

the basis of contracts with the Republic of Slovenia or statutory powers. Costs comprise direct and indirect costs. The indirect costs for each activity are determined on the basis of criteria set out in the bylaw entitled Criteria for allocating indirect costs of activities under Republic of Slovenia authorisation.

Income calculated on this basis amounted to EUR 3,888 thousand, and exceeded the costs of EUR 3,357 thousand by EUR 531 thousand.

Activity under Republic of Slovenia authorisation (EUR thousand)	Income	Costs
Insurance	2,120	(2,130)
Fund of Funds	1,680	(836)
Holding Fund	-	(298)
Guarantee schemes (ZIUZEOP, ZDLGPE)	40	(41)
Housing Guarantee Scheme for Young People (ZSJSM)	13	(13)
Guarantee scheme: floods (ZORZFS)	5	(5)
Auctions of emission allowances	29	(29)
Other transactions under authorisation	1	(5)

SID Kapital d.o.o.

SID Kapital d.o.o. is a company under the 100% ownership of SID Bank and was founded in December 2024, at that time under the name SID Svetovanje d.o.o., with the aim of establishing a specialised institutional platform for making equity and quasi-equity investments. The company began trading as SID Kapital d.o.o. on 30 September 2025, when the demerger was entered in the companies register, and SID Bank transferred its portfolio of equity investments and the corresponding capital commitments to the undertaking in the form of a non-cash contribution. In the demerger procedure SID Kapital acquired assets in the area of equity financing: the investment in the Three Seas Initiative Investment Fund, and investments under the SEGIP equity programme, including unpaid capital commitments.

SID Kapital's corporate governance is regulated in accordance with its memorandum of association, and is based on a sole member model. Under the memorandum of association, the company's sole member has broad and exclusive powers in making decisions on key issues in the company's business, in particular with regard to the adoption of its development strategy, the fundamental business policies and development programmes, the approval of its financial plans, and decisions with regard to investment, capital and legal status that have a material impact on the company's risks, its financial position or its performance. The company's senior management direct the business and represent the company in legal matters within the framework of the powers set out by the memorandum of association and the applicable legislation, whereby any acquisition of, increase or decrease in, or disposal of equity or other assets of SID Kapital requires the prior consent of the sole member. Under the memorandum of association and its bylaws, the company is required to report regularly and also on an ad hoc basis as necessary to the sole member on its performance, the financial

position, the investment activities and the risk exposure, having regard in its actions for the standards, policies and bylaws of SID Bank and the SID Bank Group, particularly in the areas of risk management, compliance, internal controls and reporting.

The company acts as an indirect investor in alternative investment funds, namely venture capital and private equity funds, infrastructure funds, and other funds designed to fill market gaps in equity financing in Slovenia, where gaps are present in all phases of corporate development, from start-up, growth and internationalisation of SMEs, to successions, and the financing of innovation and infrastructure projects. The investments are made in conjunction with other investors under the equal treatment of all participants, in accordance with market principles. The company thus acts as an anchor investor, thereby encouraging the creation of funds and the mobilisation of private money, particularly for financing growth, innovation, corporate succession and infrastructure projects.

The company's total assets amounted to EUR 74,139 thousand at the end of 2025, of which EUR 52,066 thousand was the portfolio of alternative funds, and EUR 21,067 thousand was liquid assets (cash and short-term deposits at banks). Its equity amounted to EUR 72,881 thousand. The company realised a pre-tax loss of EUR 789 thousand in 2025, primarily on account of the negative change in the fair value of financial assets in the final quarter of the year, and the higher initial costs of putting the new organisational structure in place. Its net operating result in the financial year was a loss of EUR 1,602 thousand, having been required by legislation to adjust its taxable base for corporate income tax on account of the execution of the demerger procedure, with EUR 813 thousand of corporate income tax being levied despite the pre-tax loss. The taxable base was increased by the operating result of the acquired business during the

period between the accounting date of the demerger (31 December 2024) and the actual entry in the companies register (30 September 2025) in the amount of EUR 4,483 thousand, which in accordance with the IFRS was recognised directly in equity and did not constitute revenue in the income statement. Having regard for this equity effect, the economic operating result was positive in 2025, in the amount of approximately EUR 2,881 thousand.

In the future SID Kapital will operate as a stable institutional investor, promoting an increase in equity financing at Slovenian firms through investments in funds. Through its presence in funds, it is strengthening the development of domestic fund managers, increasing the amount of long-term equity financing, and contributing to the development of the Slovenian capital market.

SID Upravljanje premoženja d.o.o.

SID Upravljanje premoženja d.o.o. is a company under the 100% ownership of SID Kapital d.o.o. founded in April 2025, as SID Izobraževanje d.o.o. at that time, with the aim of organising technical and governance functions for the management of equity investments transferred from SID Bank. The company began trading under the name SID Upravljanje premoženja in the final quarter of 2025, when it took over tasks in connection with portfolio management and support for the investment processes of SID Kapital.

The company's main role is ensuring that asset management is professional, transparent and compliant with regulations within the framework of the new organisation of equity financing at the Group. The company has put in place appropriate internal policies, processes and control mechanisms in accordance with the requirements of domestic regulations and best practice in the management of alternative investments.

The main focus will be on preparing a framework for equity financing, and on formulating guidance and criteria for issuing calls for funding, by virtue of which the capital pillar will put in place an approach to incorporating fund managers and allocating capital commitments that is transparent and comparable to others on the market. The key guidance in 2026 will include the acquisition of an SMA authorisation to operate alternative investment funds, with an emphasis on meeting the organisational, personnel and regulatory requirements, and on strengthening staffing with the aim of ensuring that functions are performed and an adequate governance framework is put in place. Under the strategy the new capital commitments will represent a further step in applying a new capital framework, and supporting the development of the private capital market.

SID Upravljanje premoženja's corporate governance arrangements are regulated by the memorandum of association, and include a supervisory board, which conducts supervision of the direction of the business and the actions of the senior management. The company's sole member is SID Kapital d.o.o., which has broad powers in making decisions on key strategic, business and financial issues, where SID Bank, as the sole member of SID Kapital, indirectly exercises a decisive influence and control over SID Upravljanje premoženja via capital and managerial relations. The senior management of SID Upravljanje premoženja has limited executive power, and for certain important decisions requires the consent of the member or the supervisory board in accordance with its bylaws. The company regularly reports to the member, and also indirectly to SID Bank, and in its actions consistently upholds the standards, policies and bylaws of SID Bank and the SID Bank Group, particularly in the areas of risk management, compliance, internal controls and reporting.

The company's total assets amounted to EUR 1,113 thousand as at 31 December 2025, of which EUR 927 thousand comprised liquid assets (cash and short-term deposits at banks). Its equity amounted to EUR 1,043 thousand. SID Upravljanje premoženja ended the financial year with a net profit of EUR 43 thousand, primarily as a result of revenue for management services provided for SID Kapital.

The focus in 2025 was on putting the organisational and professional capacity in place, and on regulating the processes required for executing asset management effectively and in compliance with regulations. In the future the company will continue performing tasks to manage SID Kapital's portfolio, and to gradually develop the capacity and expertise to support the further development of equity financing at the Group, in line with the strategic guidance.

Prvi Faktor Group

SID Bank is the holder of a 50% participating interest in the share capital of Prvi faktor, faktoring družba, d.o.o., Ljubljana (in liquidation) (Prvi faktor, Ljubljana). The other partner is Nova Ljubljanska banka d.d., Ljubljana (NLB).

The main activity of the company was the provision of factoring services. On 28 December 2016 the company's general meeting passed a decision to initiate regular voluntary liquidation proceedings.

Iztok Zupanc and France Zupan were the company's liquidators in 2025.

Prvi faktor, Ljubljana is the founder and:

- holder of a 100% participating interest in the share capital of Prvi faktor, faktoring društvo, d.o.o., Zagreb (in liquidation) (Prvi faktor, Zagreb). Prvi faktor, Zagreb has been undergoing ordinary liquidation proceedings since 31 December 2016. Its liquidator in 2025 was Vjekoslav Budimir;
- holder of a 90% participating interest in the share capital of Prvi faktor, faktoring d.o.o.,

Beograd (in liquidation) (Prvi faktor, Beograd). Prvi faktor, Beograd has been undergoing ordinary liquidation proceedings since 3 August 2017. With the conversion of cash and receivables into the equity of Prvi faktor, Beograd, there was a change in ownership structure in late July 2017, with SID Bank and NLB as ultimate partners each obtaining a 5% direct interest in the equity of Prvi faktor, Beograd. The liquidator of Prvi faktor, Beograd in 2025 was Željko Atanasković.

The Prvi Faktor Group continued ordinary wind-down activities in 2025.

Its total assets amounted to EUR 7,015 thousand at the end of the year.

The Prvi Faktor Group ended 2025 with a net profit of EUR 4,486 thousand, thanks to the successful liquidation of its portfolio. The Prvi Faktor Group's equity stood at EUR 5,941 thousand as at 31 December 2025.

Centre for International Cooperation and Development

Together with the Republic of Slovenia, SID Bank is a co-founder of the Centre for International Cooperation and Development (CMSR). The CMSR is Slovenia's central mechanism for the planning and implementation of international bilateral development cooperation. It acts to link national development objectives with economic

interests, and creates the conditions for the systematic transfer of Slovenian know-how, solutions and references into the international environment. The international development cooperation undertaken through the CMSR acts not merely as an instrument of development, but also as a catalyst for the internationalisation of the Slovenian economy, helping Slovenian

firms gain access to new markets, reducing the initial risks, and giving them a long-term presence in strategically important markets. Its other activities include the preparation of country macroeconomic, political and other analyses, country risk assessments, and publication activities.

The CMSR's management bodies are its director and council. The CMSR is represented by its director, Dejan Prešiček, and its council had six members as at 31 December 2025. SID Bank's representatives on the council are Bojan Pecher, who is also deputy chair of the council, and Ema Rode.

The situation faced by the CMSR in 2025 was one of a renewed strengthening in international development cooperation, and increased project activity. The CMSR carried out 17 international development projects with a total value of EUR 54,855 thousand, issuing grants of EUR 4,668 thousand, further evidence of its redoubled role in the execution of large-scale and complex development interventions.

Its financial performance was stable in 2025: its total revenues were up 22.6% on 2024. Its total revenues amounted to EUR 693 thousand (2024: EUR 565 thousand). The main source of its revenues was international development cooperation.

At the strategic level the CMSR made significant progress in 2025 in the European Commission's pillar assessment process. The two initial phases of the process were completed, confirming the legal and institutional eligibility of the CMSR, and its high value-added in the areas of regional development, just transition, and investment programme management.

For the CMSR, 2026 is a year of transition and a key strategic period. The main priority will be completing the pillar assessment, including an audit, which will allow the CMSR to be included in the EU's indirect fund management mechanism. Successfully completing the process will position the CMSR as a professionally credible institution of international standard with mature processes, and will open access to new, more stable funding.

In 2026 the CMSR is also expecting to agree and sign donor agreements for strategically important projects, particularly in Ukraine, where the development objectives are directly tied to infrastructural modernisation, digitalisation and humanitarian aspects. There will be a particular focus on further linking grants with SID Bank financial instruments, thereby creating a comprehensive support framework for Slovenian firms within the framework of initiatives such as Global Gateway.



RISK MANAGEMENT AT THE SID BANK GROUP

Major focus on the internal risk management system

The main risks to which the SID Bank Group is exposed are credit risk, market risks in the banking book, interest rate risk in the banking book, operational risk, liquidity risk, business/strategic risk and capital risk.

The risk management process at the SID Bank additionally takes account of the specific attributes of the implementation of promotional and development tasks and services of importance to Slovenia's development, and the segregation of operations into those involving the Bank's own resources and those on behalf of and for the account of the Republic of Slovenia, including the management of the contingency reserves. The allocation of risks, responsibilities and decision-making between the two types of business is an integral part of the framework of risk management and internal controls.

The Group places great emphasis and importance on maintaining an adequate system of internal risk management, which is designed

to facilitate effective decision-making, independent oversight, and prompt action when deviations and increased risks are identified. It is based on:

- a clearly defined organisational structure and clearly defined responsibilities;
- a comprehensive risk management process that includes identifying, measuring or assessing, managing and monitoring risks, and internal and external reporting of risks;
- effective internal control mechanisms;
- remuneration policies and practices that do not encourage the take-up of disproportionate risks.

The Bank regularly conducts a process for the comprehensive assessment of risk-bearing capacity and risk appetite of the Group, and the annual internal capital adequacy assessment process (ICAAP) and internal capital adequacy assessment process (ILAAP), monitors the trends in portfolio risk, and conducts stress tests.

Organisational aspects of the risk management process

The risk management process has been put in place throughout the organisational structure and processes of the SID Bank Group, and allows for the business objectives to be met while ensuring safety and compliance in operations. In the execution of measures for risk take-up and management, the key objective is strengthening awareness of risks at all levels of the Group's work, which is reflected in the everyday business decisions and actions of employees. This encourages and strengthens the culture of risk management, and the level of standards and values of the SID Bank Group. The organisational structure of risk management, namely the three lines of defence system, allows the Group to identify all (material) risks to which it is exposed, and to more easily obtain assurance that its risk exposure is in compliance with its adopted risk

appetite and other restrictions. By accurately defining the internal relations regarding accountability, the three lines of defence system provides an assurance that the information collected about all known and new risks, the amount of risk exposure and the control environment is relevant, and thus allows the management board, the supervisory board and the other decision-making bodies to make the right decisions.

The **management body (management board and supervisory board)** plays a key role in the risk management system, even though it is not part of any particular line of defence. It is responsible for ensuring alignment between the SID Bank Group's business objectives and strategy and the risk take-up and management strategy and policies, and for ensuring effective internal governance arrangements

commensurate with the nature, scope and complexity of the risks. The management body regularly addresses all material types of risk, including the risks inherent in the macroeconomic environment and the SID Bank Group's development role.

The management body's powers and responsibilities include assessing risk profile, setting the risk appetite, and approving the risk management strategy and policies. This guidance sets out the framework for taking up risks, and the procedures and tools for managing these risks. The management body is regularly and comprehensively briefed on risk reports, which include an overview of exposure to key risks and an assessment of future trends, and discusses the results of the internal capital adequacy and liquidity adequacy assessment processes.

The management board transfers certain risk management powers as appropriate to the decision-making bodies (committees), the risk management function, and other organisational units.

In performing its supervisory tasks, the supervisory board also acts through the risk committee and the audit committee, who monitor the adequacy of the risk management strategy, the effectiveness of internal controls, and the functioning of the internal governance system.

The work of the committees is presented in detail in the section on the composition and functioning of management and supervisory bodies and their committees within the framework of the corporate governance statement.

Three lines of defence system and internal control mechanisms

The **first line of defence** comprises business units and other organisational units that take up risks during the execution of business processes. These units are responsible for identifying, managing and controlling risks in their work, for conducting internal controls, and for implementing supervisory measures and restrictions set out by SID Bank Group policies.

The **second line of defence** comprises the functions responsible for monitoring, assessing and reporting on risks. It includes departments that manage risks at the level of individual exposures, and mandatory internal control functions, in particular the risk management function (including the independent information security function) and the compliance function. These functions put a comprehensive risk management system in place, attend to its consistent implementation, and monitor compliance with regulations and bylaws.

The **risk management function** is organisationally segregated from the business units that take up risks, and plays a central role in formulating the risk management strategy and policies. Risk identification and measurement is carried out within the framework of this function, together with stress testing, the determination of internal capital requirements and liquidity needs, and the monitoring of risk exposure at aggregate level of the Group. The risk management function reports regularly to the management board, and to the supervisory board and its committees.

An integral component of the function is the **information security function**, which manages information and cyber risks, ensures compliance with the relevant regulations and standards, and oversees the treatment of security incidents. It reports regularly to the management body on risks, non-compliances, and the evolution of new threats in this area.

The **compliance function** acts as an independent and impartial unit in the second line of defence. Its task is identifying and monitoring risks in the area of compliance, and reporting them to the management body. These risks include regulatory risk, the risk of unethical behaviour, corruption and conflicts of interest, fraud risk, the risk of breaches of data protection and privacy, reputation risk, and corporate compliance risk. It is involved in the fit and proper assessment procedures for key function holders, and in investigations of suspected breaches and the protection of whistleblowers. The AML/CFT officers, the restrictive measures compliance officer and the data protection

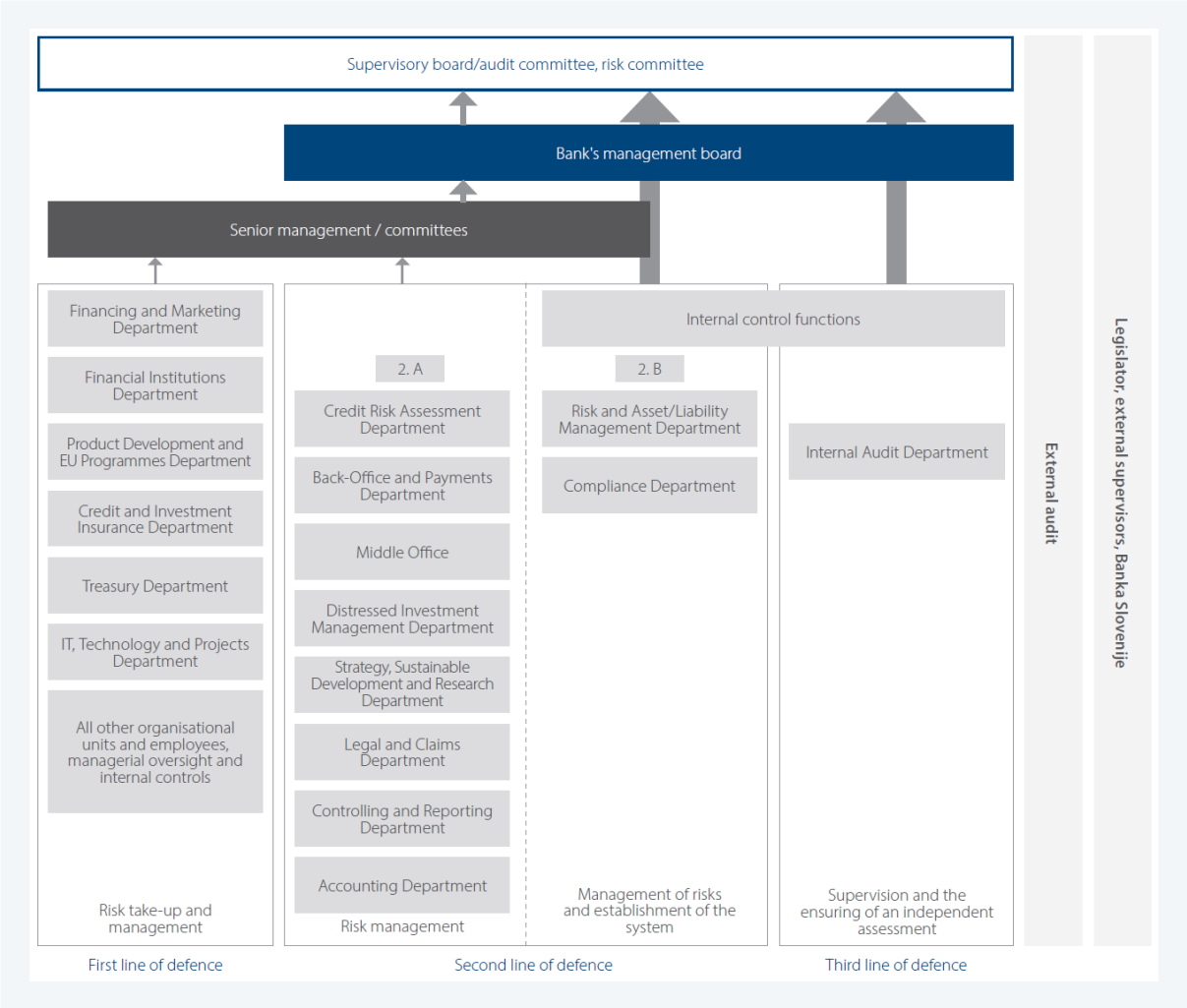
officer all work as part of the compliance function.

The **third line of defence** is the internal audit function, which as an independent and impartial function assesses the adequacy and effectiveness of the risk management system, internal controls and internal governance, and whose findings contribute to improvements in the performance of the SID Bank Group and the attainment of its objectives. In its work it employs a systematic, risk-based approach, and reports regularly to the management board, the audit committee and the supervisory board.

The **internal audit department** again met all the criteria for its work in 2025, successfully completing ten of the 11 extensive and complex audits scheduled in the annual plan of work, with one still in progress, which will be completed this calendar year. It also provided formal and informal advisory services to a lesser extent in 2025, most notably in the area of corporate governance and organisation,

compliance risk, management of the custody system, including aspects of public procurement, and preparation of the documents for founding SID Bank’s subsidiaries, while also coordinating two inspections conducted by the Bank of Slovenia. The internal audit department also focused a good deal of attention on the realisation of recommendations, most notably the area of ICT, and also compliance in part, where it offered appropriate expert support to the custodians of the audit recommendations as necessary, while maintaining regard for its independent role.

The internal audit department reported on an annual and quarterly basis to the management board, audit committee and supervisory board regarding its work, its findings and the follow-up of recommendations. The management board also discussed all reports on the individual internal audits conducted, and on the formal audit engagements.



Essential features of risk take-up and management

The SID Bank Group takes up risk within the scope of the overall risk appetite, which sets out the risks that it is still willing to take up in order to achieve its strategic business objectives, taking into account the Group's risk-bearing capacity, and its strategies and policies for the take-up and management of risks.

A comprehensive process of assessing the risk-bearing capacity and risk appetite, tailored to the risks taken up, is carried out at least once a year, and the results are reported to the management body. This ensures that the risks taken up remain within the limits of the risk-bearing capacity. The assessed risk-bearing capacity is taken into account in the drafting of the business strategy and business objectives, and in the determination of the risk appetite. The management body regularly monitors risk appetite indicators.

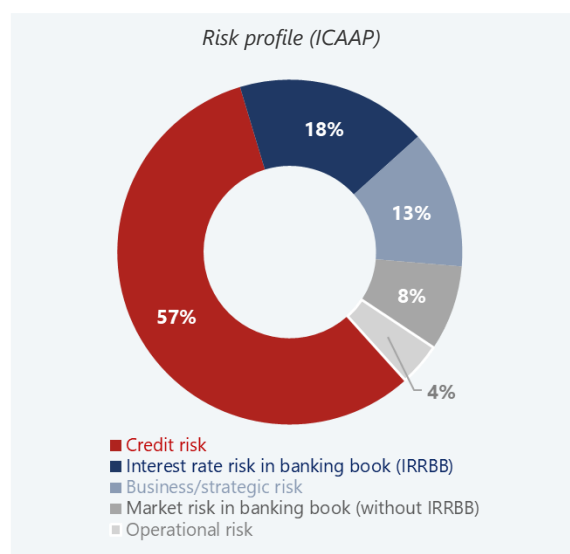
In the area of risk management, the SID Bank Group has put in place a strategy and policies for the take-up and management of risks that define the procedures for identifying, measuring or assessing, managing and monitoring all types of risks to which the Group is or could be exposed. These documents take into account the applicable legislation and regulations governing risk management, and the Bank's special features proceeding from its status as an authorised institution under the ZSIRB. The risk management strategy and risk take-up and management policies are updated at least once a year, taking into account the appropriate compliance of the Bank's business objectives and business strategy with the risk take-up and management strategy and policies.

The risk profile of the SID Bank Group, which is the result of the processes of identification, definition of materiality and measurement of risks, represents a collection of the material risks that it takes up or will take up within the framework of its operations, and is quantified by the capital requirement. The annual assessment of the risk profile is the basis for the comprehensive risk management process, the internal capital adequacy and liquidity adequacy assessment processes, the planning

of internal audit and compliance procedures, and direct supervision by the Bank of Slovenia.

The most significant risks that the SID Bank Group was exposed to at the end of 2025 were:

- credit risk,
- operational risk,
- market risks in the banking book (excluding IRRBB),
- interest rate risk in the banking book (IRRBB) and
- business/strategic risk.



The Bank conducts stress tests based on in-house scenarios and supervisory scenarios, which are performed on Group level. Based on the results of these tests, it can define its future capital and liquidity position, and potential actions to ensure capital and liquidity adequacy. Integrated stress testing framework is put in place on Group level and is regularly upgraded. It takes into account the stress tests, at a minimum, in the process of reviewing and planning its risk appetite and risk-bearing capacity, in setting risk limits, in planning its capital and liquidity, and within the framework of the ICAAP and ILAAP.

The SID Bank Group uses a standardised approach for calculating the minimum capital requirements for credit risk. The capital requirements for operational risk are calculated in accordance with Articles 311a to 315 of the CRR. The Group has no trading book. The exposure to currency risk is low, and generally

does not exceed the prescribed regulatory limit for the calculation of the capital requirement for currency risk.

The remuneration of employees, who in terms of their powers or work tasks and activities can have a material impact its risk profile, is

designed in such a way that it does not encourage employees to irresponsibly take up disproportionately large risks or risks that exceed its risk-bearing capacity.

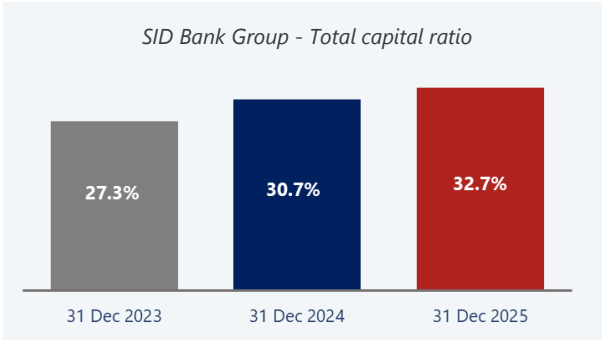
Management of and exposure to risks in 2025 and view to the future

Total capital ratio: 32.7% Bank did not identify any major or systemic deviations from the adopted risk appetite of the Group in 2025. Minor deviations in the warning indicators were addressed in timely fashion, in accordance with the internal rules and procedures.

In 2025 the SID Bank executed the demerger of its existing segment of corporate equity financing from the Bank's portfolio and transferred it to a subsidiary, which the SID Bank Group took into account when adopting the risk management strategy, including the risk appetite for 2026. The founding of the subsidiary as part of the Group means that certain risks require slightly greater attention, particularly in the areas of regulatory compliance, and the valuation of assets typical to the management of alternative investment funds. In the initial phase of the subsidiary's trading, increased requirements were also identified in the area of operational risks and ICT risk, which the Bank already includes in the existing group risk management framework.

Capital and liquidity position

One of the main objectives of risk management is to maintain an **adequate capital position**, which Bank manages as part of the established internal capital adequacy assessment process, in the scope of which it takes into account business as usual and stress situations. The Bank's adequate capital position is reflected in the quality composition of capital, and a high total capital ratio. The regulatory capital is comprised solely of Common Equity Tier 1 capital. Total capital ratios of 32.7% and 33.0% were disclosed by the Group and by SID Bank respectively as at 31 December 2025. Both figures are significantly higher than the regulatory requirement.

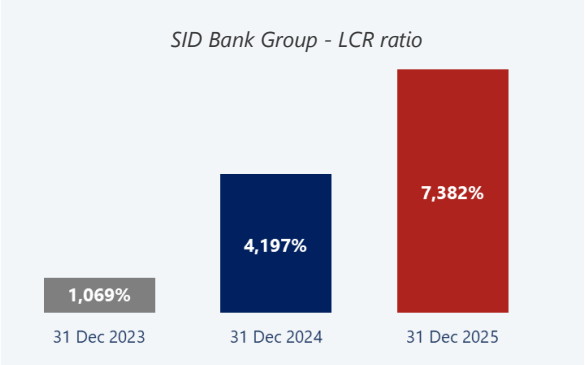


The capital ratio was up 2.0 percentage points on the previous year, largely as a result of an increase in the carrying amount of equity driven by a decline in accumulated losses from a rise in the fair value of debt securities measured at fair value through other comprehensive income, and the inclusion of the profit from 2024 in equity at the end of 2025. The increase in the total capital ratio was also driven by a decline in risk-weighted exposures in the classes of exposures to corporates, exposures in default, and exposures to central government and central banks. The leverage ratios disclosed by the Group and the Bank at the end of 2025 were 18.3% and 18.5% respectively. Both ratios were again considerably higher than the regulatory requirement, which allows for stable operations in the future. The Group met all of the Bank of Slovenia requirements in connection with capital buffers in 2025.

Maintaining adequate liquidity and a stable liquidity position remains one of the key objectives in risk management, where the SID Bank Group ensures that the size, quality and availability of the liquid assets conform to its development mandate and the needs of its business. The liquidity reserves are held in the form of balances and deposits at the central bank, and a portfolio of debt securities in the banking book, which allows for reliable coverage of expected and unexpected liquidity needs, and contributes to the stabilisation of the

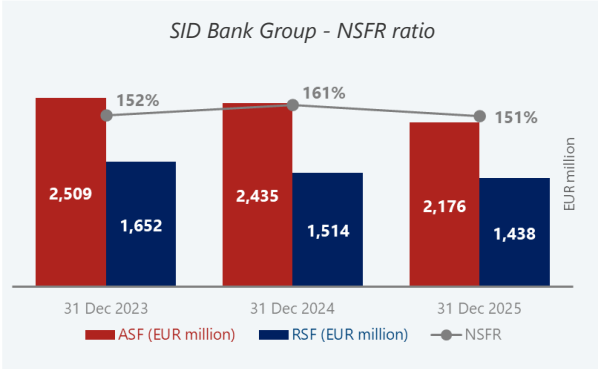
interest margin. In managing these reserves the Group upholds the principles of conservativeness, security and diversification. Cash holdings declined slightly in 2025, while holdings of debt securities increased. The diminishing volatility of other comprehensive income saw the Group increase the share of debt securities measured at amortised cost. It is set to continue making purchases of long-term government bonds issued by the euro area core countries, and expanding its investments under the mandate frameworks.

The liquidity coverage ratio is maintained at a high level, although the structural features of the business model mean that it displays pronounced dynamics. Because SID Bank does not accept deposits from the public, it generally does not have large-scale maturities over a period of 30 days. Higher concentrations of maturities occur mainly when long-term funding backed by Slovenian government guarantee matures. SID Bank manages these funding maturities within the framework of its annual borrowing plan. At the same time the Group maintains a large liquidity buffer, as proceeds from its developmental role and the need for constant readiness to act on an interventionist basis. The high level of liquid reserves and low net outflows both ensure that the LCR will be sustained at an appropriately high level.



The net stable funding ratio stood at 151% as at 31 December 2025, and remains high, an indication of the stable liquidity structure, primarily as a result of the prevalence of long-term debt funding and the high stock of capital. Next year the Group will continue obtaining long-term general and purpose-specific funding, which is expected to maintain

the net stable funding ratio at a high level, within the framework of the risk appetite.



The Group verifies its liquidity position as part of the regular internal liquidity adequacy assessment process, by taking into account existing operations and the planned operations in the future. It also regularly monitors the stock and structure of liquid assets within the framework of stress testing, either in the event of a deterioration in market conditions, or in an institution-specific adverse scenario, or a combination of the two. The results show that the Group has sufficient liquidity reserves in the form of high-quality liquid assets, and in the event of the realisation of the most severe combined adverse scenario would survive for more than 12 months under such circumstances. It also conducts regular liquidity simulations in connection with the financial plan over future periods under a baseline scenario, an adverse scenario and, as necessary, additional scenarios.

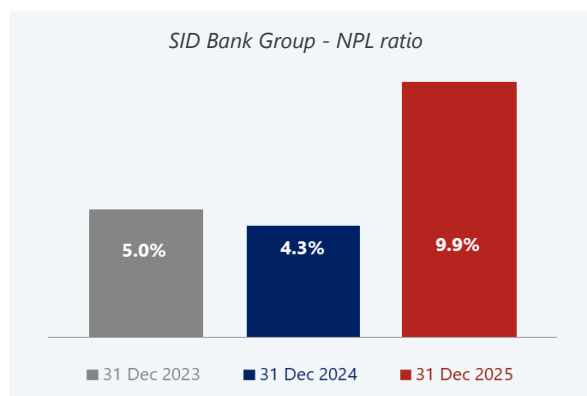
The SID Bank obtains its funding on the domestic and international capital markets backed by a Slovenian government guarantee, which provides it with stable access to mostly long-term funding. Its borrowing activities in 2025 are described in detail in the section entitled *Funding*. In 2026 SID Bank is planning to strengthen its cooperation with banks and other institutional investors, and to undertake new long-term borrowing on the international capital markets depending on the suitability of the market situation.

Credit risk

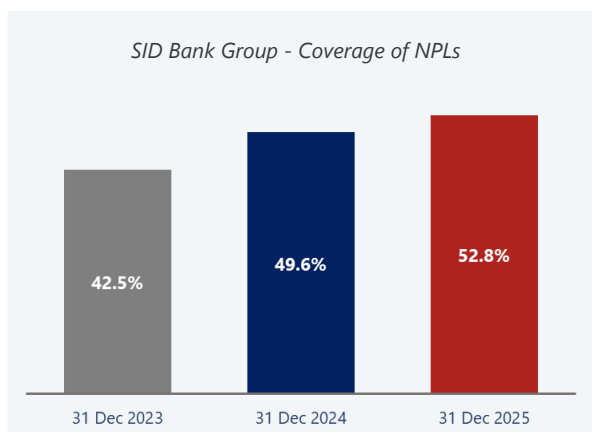
The SID Bank Group is most exposed to credit risk in its operations. The comprehensive credit risk management system includes the methodologies, procedures and tools used by the Bank for the approval and securing of investment operations, the monitoring and management of credit risk, and the management of non-performing exposures. The take-up of credit risks in 2025 complied with the adopted (binding) risk appetite.

The largest factor acting to worsen the quality of the credit portfolio in 2025 was the increase in the stock of non-performing loans. Deterioration in the financial positions of certain major debtors in the manufacturing sector, particularly in the steel industry and the car industry, led to their reclassification as non-performing exposures. This drove a significant increase in allowances and provisions for credit losses.

The share of non-performing loans and other non-performing financial assets stood at 9.9% at the end of 2025 (up from 4.3% at the end of 2024).



Coverage of non-performing exposures stood at 52.8% at the end of 2025, up 3.2 percentage points on the end of 2024.



The SID Bank upgraded its methodology for calculating loss given default for corporates in 2025, which led to an increase in expected credit losses. The impact of these changes amounted to EUR 1,254 thousand. The changes related primarily to the calculation of loss given default parameters in connection with macroeconomic forecasts.

The future macroeconomic environment for Slovenia promises economic growth, but elevated uncertainties remain that could lead to a deterioration in the quality of the credit portfolio. The key risks are posed by the external environment, most notably trade and geopolitical tensions, weak demand in the main export markets, and increased volatility in energy prices. This could lead to a deterioration in the positions of borrowers, a deterioration in the quality of the credit portfolio, and an increase in expected credit losses.

The inclusion of past and forward-looking information is a requirement under IFRS 9, and as such macroeconomic scenarios have an impact on estimates of credit parameters and estimates of expected credit losses. The GDP growth forecasts that the Bank took into account in the calculation of expected credit losses at the Group level as at 31 December 2025 are disclosed in the financial section of the annual report under section 2.3.10 *Financial instruments: impairments of financial assets and provisions*.

The SID Bank will continue its high-quality credit risk management in 2026, and in accordance with best banking practice will upgrade its credit risk assessment tools and its early warning system for increased credit risk.

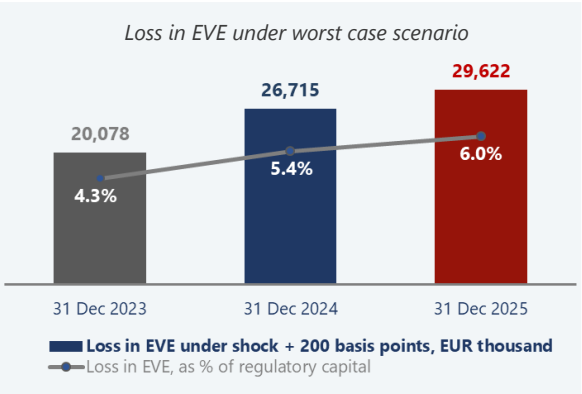
Interest rate risk in the banking book (IRRBB)

The SID Bank Group does not have a trading book, and took up interest rate risk in accordance with the adopted risk appetite during its operations in 2025.

Exposure to **interest rate risk (IRRBB)** arises in interest-sensitive positions in the banking book. The Bank has put a process in place for managing IRRBB with the aim of maintaining interest rate risk within the bounds of the risk appetite, the definition of which is stricter than the regulatory limit for the loss in the economic

value of equity and the decline in net interest income. Interest rate risk in the banking book (IRRBB) is measured on the basis of the regular measurement of the sensitivity or impact of the changes in market interest rates under the prescribed scenarios on the economic value of equity (EVE) and net interest income (NII). The option risk that derives from contractually embedded automatic interest rate options and from the possibility of early redemption of MREL-eligible debt securities of domestic banks is also taken into account in both measurements.

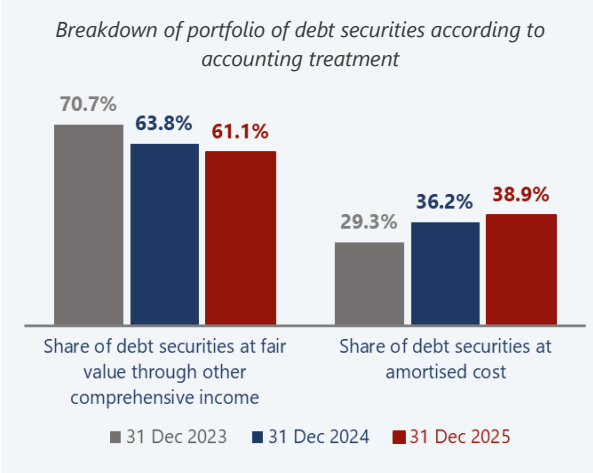
Interest rate sensitivity analysis on the data as at end of 2025 shows that the largest loss in EVE would be 6.0% (31 December 2024: 5.4%) of its regulatory capital under the scenario of a +200 basis points parallel shift in market interest rates, while the largest decline in NII in the amount of 0.1% of regulatory capital (31 December 2024: 0.7%) would occur under the scenario of a fall in short-term interest rates.



The SID Bank uses derivatives in the form of interest rate swaps to hedge against interest rate risk, for the purpose of fair value hedging in connection with both asset and liability items. The Bank entered into an interest rate swap with a nominal value of EUR 100 million in June 2025 as a fair value hedge for newly issued bonds maturing in 2030 for hedging against a fall in market interest rates. An existing interest rate swap in the nominal amount of EUR 175 million matured in July 2025, having been used as a fair value hedge for bonds issued by SID Bank. As at the end of December 2025 the Bank held three interest rate swaps in the total nominal amount of EUR 365 million as a fair value hedge for issued bonds. The Bank is expected to manage interest rate risk again in 2026 by entering into

new interest rate swaps, particularly in connection with potential new issuance of bonds.

An important factor in interest rate risk management is the **portfolio of debt securities in the banking book** with fixed yield, the primary purpose of which is ensuring secondary liquidity, stabilising net interest income and managing the balance sheet. The high level of market interest rates allowed higher returns to be generated in 2025 through reinvestment in debt securities. The accumulated loss on the portfolio of debt securities measured at fair value through other comprehensive income recognised in equity at the end of 2025 was down EUR 6.0 million compared with the end of the previous year, primarily as a result of a fall in yields, which had a positive impact on the fair value of debt securities in this portfolio. In 2025 the Bank made new purchases within its mandate frameworks, namely MREL-eligible debt securities of domestic banks and debt securities of domestic corporates that meet green, social, sustainability and other conditions, which resulted in a further increase in the share of the portfolio accounted for by debt securities measured at amortised cost. The ratio between debt securities measured at fair value and debt securities measured at amortised cost remains at approximately the same level (60% to 40%). In 2026 the Bank will maintain the portfolio of debt securities in the banking book at an appropriate size by making new purchases of investment-grade government debt securities and new investments within the mandate frameworks, thereby helping to stabilise net interest income at the level of the balance sheet as a whole.



Market risks in the banking book (excluding IRRBB)

The take-up of market risks in the banking book in 2025 proceeded in accordance with the adopted risk appetite. The SID Bank continued upgrading its market risk management framework, with particular emphasis on developing and improving methodologies for measuring credit spread risk in the banking book (CSRBB).

The Bank regularly measures exposure to **credit spread risk (CSRBB)** for debt securities in the banking book, namely for the portfolio of debt securities measured at fair value through other comprehensive income and at amortised cost, and for issued debt securities. Credit spread risk for holdings in the portfolio of debt securities is restricted by the investment policy and the limit system, which ensure that the portfolio is adequately diversified and of adequate quality. SID Bank invests primarily in investment-grade government debt securities of issuers from the euro area. In 2025 additionally executed investment operations within its mandate frameworks, which acted to expand the portfolio of debt securities measured at amortised cost and its exposure to CSRBB.

The Bank executes the majority of investment operations in the domestic currency, which means that **exposure to currency risk** is low, within internally defined limits, and does not exceed the prescribed regulatory limit for the calculation of the capital requirement for currency risk according to data as at the end of 2025.

In 2026 the Bank is planning to manage the market risk in the banking book within the risk appetite of the Group, where it will continue to take into account and promptly apply regulatory changes in this area in the future.

Operational risks

The Group has in place a robust operational risk management culture that is implemented following the example of senior management.

Operational risk is monitored through the collection of data on loss events, and through the identification, assessment and management of that risk. The Group strives for the continuous improvement of the control environment, and the implementation of measures to prevent the repetition of loss events.

In 2025 the Group was intensively engaged in integrating the regulation DORA¹³ regarding **digital operational resiliency** into its work. This regulation is directly applicable in all Member States, is binding on the Group as a financial entity, and began to be applied on 17 January 2025. Upgrades were made on the basis of the DORA to the measures in **proactive defence** to enhance digital operational resilience (additional rules on security systems, integration of cyber threat detection into Security Operations Center processes, strengthening security configurations, especially in security-sensitive areas such as SWIFT and on servers, etc.), **reporting to the Bank of Slovenia on ICT service providers, contractual arrangements with these providers**, and **internal reporting** - including to the management board and the supervisory board - **based on additional internal controls** (monthly, quarterly, annually, etc.).

In 2025 the Group also focused intensively on the regular management of actual risks in the area of **information and communication technology (ICT)**, which are also addressed by its information technology strategy for the period of 2025 to 2027. The rising pace of digitalisation at banks is systematically increasing ICT risks and risks in connection with fraud, money laundering and terrorist financing, and compliance. **Cyber incidents** can result in financial losses, indirect adverse consequences, and even systemic effects. The Group is less exposed to such risks compared with commercial banks, as its operations do not include current accounts, electronic banking, card operations, etc. However it recognises that in the event of the realisation of these risks, the impact on the Group could be major, like the

¹³ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

impact on commercial banks. It will therefore continue to pay close attention to information security. The Group earmarks major resources and funds to information security training, given its awareness that people are often the weakest link in this field: the educational content on the online training platform was overhauled, including employee testing. With the aim of reducing the largest individual cyber risk (phishing), the Bank again conducted periodic employee testing on the basis of an outsourced service (an online platform with automated individual training on this subject) in 2025, and intends to continue doing this regularly in the future.

In 2025 the Group also made preparations for an upgrade to its operational risk management, where the new RTS (Regulatory Technical Standards on operational risk loss) comes into force. The Group intends to retain the first level of division of operational risks. At the second level it will introduce division in accordance with the RTS. It also intends on the basis of the RTS to introduce the assignment of attributes that aid in operational risk management. The Bank will monitor attributes for legal risk, model risk, ICT risk, ESG risk factors, etc. in the future.

The Group records **loss events** based on actual losses, and also loss events based on potential losses. It did not record any significant loss events in 2025.

The Group also manages **model risk**, for which it has adopted a rulebook on model risk management. The framework is defined in a way that clearly identifies the essential features of model risk, and its management through identification, measurement, monitoring/reporting and control. The SID Bank Group also monitors the findings of academics in the profession, and aims to continually update and improve its valuation methods. In its model risk management, it has also defined a methodology for evaluating (validating) estimates of credit risk parameters. The methodology clearly defines the essential elements of high-quality validation, and thus enhances the accuracy and robustness of credit risk assessment. The evaluation of credit risk parameters is undertaken non-quantitatively and quantitatively, via a range of backtesting approaches, tests of discriminating power, tests

of the fulfilment of the theoretical assumptions of the model, and tests of representativeness and density. Within the framework of the rulebook on model risk management, the Group has put in place a catalogue of models and a plan of past and future model evaluations.

The Bank also gives special attention to **outsourcing**, where its management of external providers ensures the proper performance of outsourced functions.

In the area of **compliance risk** management, the work of the compliance department proceeds according to an annual work programme that is adopted by the management board with the approval of the supervisory board, and includes regular compliance audits, internal controls, advice for the management board and the supervisory board, and training for employees and the supervisory board.

In 2025 the compliance department overhauled its fraud indicators as part of the early warning mechanism for identifying potential fraud, thereby upgrading the previously established strong control environment as part of the zero tolerance of fraud policy. Over the course of the year the department handled specific whistleblowing reports of suspected breaches and fraud, responding to them in line with the rules of the profession, with an emphasis on the potential for improving relations with stakeholders on one hand, and internal controls and procedures at the Bank on the other.

Another major focus in 2025 was the drafting of new bylaws and procedures and the updating of existing ones. An updated code of ethics and professional standards was adopted, the methodology for assessing compliance risk was overhauled, the bylaw addressing corruption was amended, and the bylaw for managing conflicts of interest was updated. The Group's educational role was also strengthened in 2025, particularly in the areas of AML/CFT and restrictive measures, where the majority of the advice, as in 2024, related to issues of reputation risk, the management of conflicts of interest, and the introduction of its new products. The Bank additionally strengthened its activity in the area of personal data protection, and made improvements to the established system,

including an overhaul of internal rules and procedures.

To provide active support for banking processes, the process of replacing the software support for AML and KYC processes and for detecting legislative changes was begun in 2025, and is set to continue in 2026.

Other risks

The SID Bank Group is prudent in managing **business/strategic risk**, including adjustment of the business model and measures in the direction of continuing coverage of the needs of the economy, tailored to the situation, and the needs of economic and development policy in accordance with the stakeholders' expectations. Strategic risk remained moderately elevated in 2025, owing to the impact of macroeconomic risks driven by geopolitical tensions, and the decline in economic growth in some of the major trading partners in the euro area. The continuing geopolitical tensions and the uncertain economic outlook in the euro area mean that there will remain challenges in the area of strategic risk over the short term. There was no need for pronounced countercyclical action by the SID Bank Group in 2025, and it therefore focused its activity on development. Pronounced market gaps persist in the areas of SMEs financing, private-sector investment, investment in research, development and innovation, and the transformation of the economy into more sustainable forms of business.

SID Bank's new business strategy was adopted in 2023, and its implementation continued in 2024 and 2025. The new strategy envisages the expansion of the business model with parallel countercyclical and developmental actions, where the size of one component and the other is complementarily adjusted with regard to the evolution of external circumstances. The new strategy provides a detailed definition of the SID Bank Group's green transition, an appropriate IT investment cycle, and long-term viability from the perspective of introducing more forceful cost-efficiencies. The new strategy focuses on a broad range of activities for upgrading the business model, divided into three areas: the mandate, the bank and the customer. Strategic risks can also be posed by

the need to adapt to market gaps, which can significantly contribute to the realisation of credit risk in more challenging macroeconomic situations, while also having a temporary impact on **profitability risk** as financial services are offered at more favourable terms. The SID Bank Group manages strategic risk through management-level process control by systematically monitoring the implementation of the business strategy, and monitoring and updating the risk management strategy. On this basis it can take timely action to respond to significant increases in this risk.

The **remuneration policy** is based on the link between employee remuneration and prudent risk take-up, and governs the ratio between the fixed and variable components of remuneration for employees whose work is of a specific nature. The policy and related bylaws in this area focus on achieving the objectives of the business strategy, and are adjusted to the SID Bank Group's risk profile and risk-bearing capacity. The management of the variable components of remuneration is included in the risk profile in the scope of operational risk and internal controls. All internal control functions, except for the information security function, are involved in the process of formulating, controlling and reviewing the appropriateness of remuneration policies. The tasks of the risk management function include participation in the definition of appropriate criteria for job performance and commercial success that take into account the risks taken up, and an assessment of how the structure of the variable components of remuneration affects the SID Bank Group's risk profile and the risk take-up culture. As a second level of control, the compliance department not only pursues regulatory compliance in the area of remuneration, but also, before each payment of a deferred component of remuneration, verifies in cooperation with the risk management and asset-liability management department and the accounting department that the legal formal conditions for making the payment are met. The internal audit department must conduct an independent audit of the bases, implementation and effects of the remuneration policy on the SID Bank Group's risk profile.

Integration of environmental, social and governance (ESG) risks

SID Bank is consistently strengthening the sustainability of its operations through the active incorporation of ESG risk factors into its business strategy. By regularly monitoring regulatory requirements and adapting its strategic guidance on the basis of environmental, social and governance challenges, the Bank does not merely meet the obligations set out by law, but takes a proactive role in promoting sustainable development.

ESG risk factors are integrated into the comprehensive risk management framework, and are treated as one of the key factors affecting the existing types of risk.

SID Bank has already implemented a methodology for mapping internal ESG scores to internal credit ratings.

In the area of liquidity risk and market risk in the banking book, the Bank incorporates ESG factors when conducting regular liquidity stress tests. It additionally monitors the debt securities portfolio from the perspective of green, social and sustainable investments, thereby ensuring compliance with the sustainability targets.

In 2026 the SID Bank Group will include the indicator of exposure to companies excluded from the EU Paris-aligned benchmarks in the risk appetite framework. This indicator measures the portfolio exposure to companies excluded from the EU Paris-aligned benchmarks for failing to meet the sustainability criteria (e.g. sectors not aligned with the objectives of the Paris Agreement). The purpose is to ensure oversight of the portfolio's compliance with the EU environmental objectives, and to mitigate the risks in connection with climate change and regulatory requirements.

Risk management in connection with operations under Republic of Slovenia authorisation

Guarantee schemes

SID Bank manages guarantee schemes on behalf of and for the account of the state in accordance with its bylaws and segregated business processes. Material risks such as reputation and operational risk are managed through regular internal and external reporting, analysis of loss events, and announcements on the SID Bank website to ensure transparency. SID Bank is not liable for other financial exposures, as the Ministry of Finance pays money directly to eligible banks from the state budget.

Credit and investment insurance against non-marketable risks

To prevent conflicts of interest and to maximise efficiency, the department that carries out activities in connection with insurance against non-marketable risks of a non-commercial and/or commercial nature on behalf of and for the account of the Republic of Slovenia is organisationally segregated from banking operations all the way to the level of the adviser to the management board, while a separate government operations committee decides on

and discusses operations of this type. The committee makes decisions regarding exposure limits for individual debtors, and regarding the payment of insurance and reinsurance claims, and regularly monitors and oversees the execution of all operations under Republic of Slovenia authorisation. Decisions on all operations in excess of EUR 5 million are made by the international trade promotion commission.

The work of the government operations committee and the international trade promotion commission is presented in detail in the section on information on the composition and functioning of management and supervisory bodies and their committees within the framework of the corporate governance statement.

SID Bank manages the risks inherent in operations under Republic of Slovenia authorisation in accordance with its bylaws, in a similar way to its trading for own account. The bylaws are overhauled and updated in accordance with the requirements of the regulatory environment and the needs of process improvement, given that properly

defined internal procedures make up part of the system of effective risk management. The responsible committees discuss reports on currency risk, liquidity risk, operational risk (via loss events) and credit risk (monitoring the limits on investment operations by the treasury department and concentration of exposure of investment operations by country, adequacy of contingency reserves, stress tests).

In the area of credit and investment insurance against non-marketable risks of a commercial and/or non-commercial nature, SID Bank uses a risk management model (VaR estimation methodology) to calculate potential claims on the basis of data on concluded insurance and transactions in the enquiry phase, assesses whether the contingency reserves are sufficient to cover these claims, and estimates the maximum potential claim and the impact of new insurance operations on potential claims. The methodology used to calculate the estimate of potential claims from the insurance portfolio is based on coefficients for the probability of a loss event, both for countries (sovereigns) and individual debtors. The calculation of the probability of default for a specific country or debtor is based on recognised international credit ratings, and the corresponding adjusted probabilities of default. Based on the use of the internal value-at-risk (VaR) estimation methodology and the insurance portfolio, including operations in the enquiry phase, according to the data as at 31 December 2025 it can be stated with very high probability that claims over the next one-year period will not exceed the amount of the contingency reserves.

SID Bank still has considerable exposure to debtors from Russia, Ukraine and Belarus in its insurance portfolio. Exposure to Belarusian debtors declined sharply in 2025 to reach a level significantly below that at the outbreak of the war in Ukraine. There have been contrasting developments in exposures to debtors from Ukraine and Russia. A special decree was adopted in 2023 to open the policy of insuring Ukrainian debtors, and a special contingency reserve was provided to cover the accompanying risks. The volume of these operations began increasing in 2025, and the exposure also began slowly rising, although it is still low. The only insurance available in respect of Russian debtors is for receivables for medicines and pharmaceutical products. The volume of operations in 2025 was higher than in the previous year, as was the exposure.

The vast majority of debtors from the aforementioned countries promptly settle their liabilities on their due dates. Exposures are reviewed on an ongoing basis, most notably when monthly reports are drawn up. For all the aforementioned exposures SID Bank additionally prepares stress tests on a half-yearly basis, and in the event of the worst outcome will review the adequacy of the contingency reserves for the entire insurance portfolio. The results are shared with the Bank's decision-making bodies and the international trade promotion commission.

A detailed disclosure of the management of individual risks is presented in the financial report, while a regulatory breakdown is given in the disclosures under Pillar 3 of the Basel standards.

HUMAN RESOURCE MANAGEMENT

Committed and motivated employees are the key to achieving business objectives. The Group¹⁴ puts special focus on the professional and personal development of employees, thereby ensuring that it maintains a good skills and qualifications structure that suits its level of development and strategic objectives. This

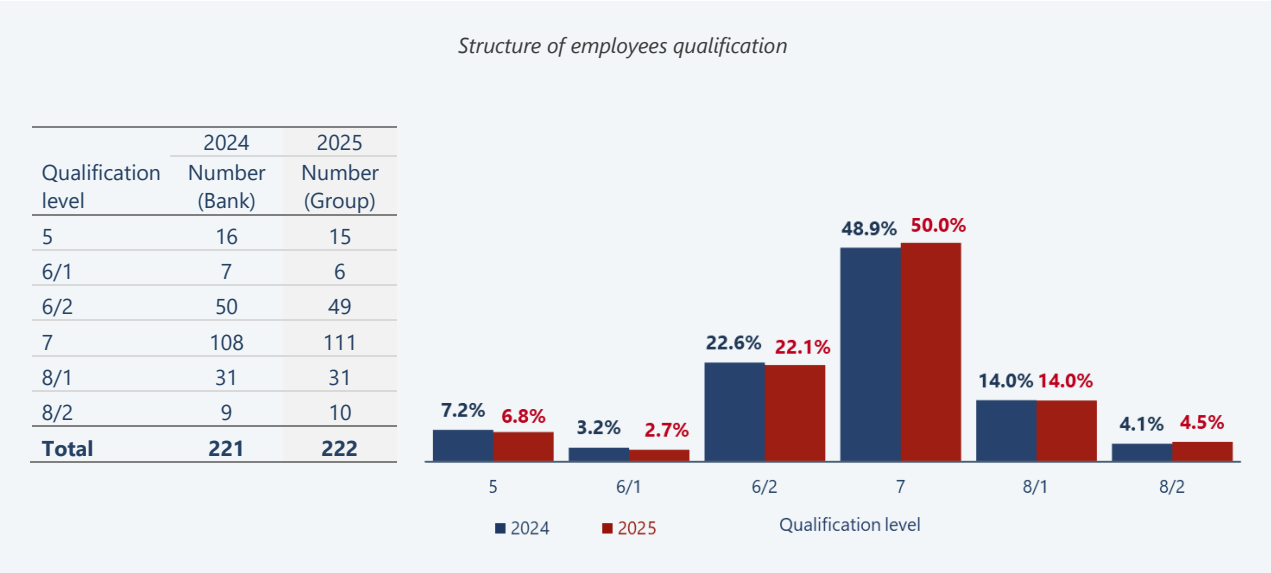
ensures that each employee at the Bank has the knowledge, skills and abilities required to perform effectively in their work, with the aim of raising the quality of work of individuals and teams.

HR structure

The Group worked to ensure optimal staffing in 2025, taking account of the annual HR plan and its needs in line with the strategy and annual work plan. In the external labour market the Bank recruited professionals with specific knowledge and experience, while encouraging internal mobility and competence growth on the part of employees at the Bank, and working to retain key talent and high potentials. SID Bank hired 15 new people in 2025, giving it

a workforce of 219 people (141 women, 78 men) at year end.

At the end of 2025, the subsidiary SID Upravljanje premoženja was founded and employed 3 employees, bringing the total number of employees in the Group to 222 (142 women, 80 men) at year end. The average number of employees in 2025 amounted to 222.42 for the Group and 221.83 for the Bank.



¹⁴ In this section, the Group comprises SID Banka and its subsidiary SID Upravljanje premoženja. The subsidiary SID Kapital had no employees at the end of 2025.

Employee satisfaction and wellbeing

SID Bank's values
in practice:
· 463 employee
shoutouts
made
· 5 values
ambassadors
rewarded

Flexible working hours are offered to all employees to facilitate work-life balance, and for several years employees have also had the option of hybrid work (working from home, and at the office).

possible working conditions and a suitable working environment. As part of its wellbeing programme to promote the health and wellbeing of its employees, the Bank provided training on the promotion of health, wellbeing and healthy lifestyle, stress management, and work-life balance. Employees can get weekly fruit supplies at the office, and their premium payments for *Specialisti+* collective insurance, which gives faster access to medical specialists, are covered.

To ensure health and safety on the part of its employees, regular health check-ups as well as professional training in occupational health and safety and fire safety are provided.

With the aim of mutually recognising good work, all employees can give shoutouts to their colleagues at SID Bank on the shoutout wall; fully 463 shoutouts were made by employees in 2025.

By regularly monitoring employees' needs and implementing the recommendations of occupational medicine experts as well as measures to promote health in the workplace, the Bank is working to provide the healthiest

Employee development and training

The Group puts special focus on the professional and personal development of employees, thereby ensuring that it maintains a good skills and qualifications structure, a suitable level of development, and an alignment with its strategic objectives. It also ensures that every employee has the knowledge, skills and capacity to do their work effectively.

Career plans for key talent and high-potentials were drawn up in 2025, including a talent retention programme.

Some 99.6% of the Bank's employees were included in at least one form of training in 2025. Various professional training courses were provided in areas such as information security and risk culture, health promotion, foreign languages, soft skills in interpersonal relations, and other professional skills. The Bank also organised several training courses in the area of digital literacy, including generative AI tools. To strengthen managerial skills, an in-house management academy was organised for all managers, while the Bank also offers its managers the opportunity of one-on-one business coaching.

The Bank uses teambuilding experiences to encourage cooperation and connections in its teams.

All line managers held annual development interviews with employees in 2025, which form the key basis for managing employees by objectives, assessing the development potential of individuals and their desired career path, defining key talent, and drawing up annual training plans. The objectives for each employee set out in the annual development interviews are closely aligned with the Bank's strategic objectives.

The Bank also continued the on- and off-boarding process to ensure the best first-day experience for new employees and to capture the key reasons for departures.

Salary policy and employee remuneration

In determining the level of salaries and other labour costs, the Group was again relentlessly consistent in 2025 in upholding the applicable legislation, the collective agreements for the banking sector and for the institution, its remuneration policy and the remuneration rulebook, based on which it paid out leave allowances, on-the-job and institution-wide performance bonuses, the winter leave allowance, and jubilee benefits. Under these rules it also made payments for supplemental pension insurance for its employees.

The employee incentive scheme, under which employees are remunerated on a monthly and yearly basis on the basis of transparent criteria, motivates employees to do better and accomplish more. The Bank also remunerates employees for their work on projects, and for their special achievements. Employees receive special remuneration for ideas and improvements that they suggest, and each year the Bank chooses and rewards its values ambassadors.



CORPORATE GOVERNANCE STATEMENT

Reference to codes, recommendations and other internal regulations on corporate governance, and on derogations from codes and recommendations

SID Bank is a company with a capital asset of the state, and is a public company within the meaning of the Financial Instruments Markets Act.

SID Bank complied with the following codes and recommendations in its operations in 2025:

- The Slovenian Corporate Governance Code issued by the Ljubljana Stock Exchange and the Slovenian Directors' Association on 9 December 2021 for the purpose of effective corporate governance, which entered into force on 1 January 2022. The code was updated in December 2024, effective 1 January 2025.¹⁵
- The Corporate Governance Code for Companies with Capital Assets of the State,¹⁶ which was issued by Slovenski državni holding d.d. (SSH) in May 2014 (last updated in December 2023, effective 1 January 2024), and the Recommendations and Expectations of Slovenian Sovereign Holding, last amended and updated in December 2024.¹⁷

Any derogations from these codes and recommendations are indicated and explained below. The Bank is first committed to upholding the ZSIRB and the ZBan-3, which is the primary reason for the derogations from the aforementioned codes and recommendations.

Slovenian Corporate Governance Code

Corporate governance framework

Recommendation
1 The ZSIRB requires SID Bank to perform all its transactions and activities in line with Slovenian and European Union law and, in particular in line with its fundamental principles of operation as set out by the ZSIRB. One of the five fundamental principles of law with applicability to the operations of the Bank is the principle of the financial value of the Bank's services for the users thereof. This principle states that SID Bank shall provide all services with the aim of generating direct or indirect value-added for the users of its financial services and, above all, maintaining and increasing its capital without pursuing the objective of maximising profit (Article 9 of the ZSIRB). The role, purpose and operations of SID Bank are set out in its articles of association.

¹⁵ The code is publicly available on the website of the Slovenian Directors' Association (<https://www.zdruzenje-ns.si/knjiznica/1838>)

¹⁶ [Corporate governance code December 2023.pdf](#)

¹⁷ The Recommendations and Expectations of Slovenian Sovereign Holding are usually updated once a year.

Diversity policy

Recommendation
4 In terms of its diversity policy, SID Bank primarily undertakes to follow and comply with the applicable banking legislation. To that end and because the persons nominating supervisory board members are ministers, the diversity policy is incorporated in a number of documents, also adding a special dedicated chapter in the published governance policy and also in policies governing the selection of management body members.

Corporate governance statement

Recommendation
5.6 For reason of cost considerations, the Bank does not provide a periodic external assessment of its corporate governance statement.

Relations with shareholders

Recommendation
8 Article 4 of the ZSIRB stipulates that the Republic of Slovenia is the sole shareholder in SID Bank, and this recommendation is thus applied *mutatis mutandis*.

Recommendations
8.1 and 8.2 SID Bank's ownership is defined by law, in that it has one shareholder, the Republic of Slovenia (Article 4 of the ZSIRB).

General meeting of shareholders

Recommendation
10.16 The Republic of Slovenia is the sole shareholder of SID Bank (Article 4 of the ZSIRB).

Supervisory board

Recommendations
11.2 and 12 The procedure for appointing members of the Bank's supervisory board is set out in the ZSIRB and the ZBan-3. As the special law that applies to the Bank, the ZSIRB imposes on the ministry responsible for finance the requirement to nominate six members of the Bank's supervisory board and on the ministry responsible for the economy to nominate one member of the supervisory board. Members of the supervisory board are appointed by the Slovenian government. The provisions of the ZBan-3 and of secondary banking legislation, including the Regulation on internal governance arrangements, the management body and the internal capital adequacy assessment process for banks and savings banks and the Regulation on the application of the Guidelines on the assessment of the suitability of members of the management body and key function holders, are applicable with regard to the other conditions that members of the supervisory board (and the supervisory board as a whole) are required to meet. SID Bank has also adopted bylaws governing the appointment of members of the Bank's supervisory board (the governance policy, the policy for the selection of supervisory board members and the policy for the assessment of the suitability of members of the management body, etc.).

Evaluation of the supervisory board

Recommendation
16.4 In accordance with banking legislation, the Bank is required to carry out an annual performance assessment of the management body. The Bank's supervisory board and management board have authorised the director of the compliance department and the secretary-general to perform this task. The Bank of Slovenia conducts an external performance assessment of the supervisory board on the basis of documents and minutes of meetings of the supervisory board and supervisory board committees, and on the basis of reports and access to various types of documentation.

Supervisory board committees

Recommendation
18.1 In accordance with the ZBan-3, SID Bank has three supervisory board committees: the audit committee, the risk committee, and the nomination and remuneration committee. In addition to these committees, SID Bank also has a strategic affairs committee.

Recommendations
18.4 and 18.6 In accordance with the ZBan-3, only members of the Bank's supervisory board may serve as members of supervisory board committees.

Transparency of operations

Recommendations
30.3 and 30.4 The ZSIRB limits the options of ownership of SID Bank. Only the Republic of Slovenia is permitted to be a shareholder. The ZSIRB also stipulates that the Bank's distributable profit cannot be used for distribution among shareholders, but is allocated to other profit reserves (Article 4 of the ZSIRB).

Corporate governance code for companies with capital assets of the state

3. Corporate governance framework for companies with capital assets of the state

Recommendation
3.1 The ZSIRB requires SID Bank to perform all its transactions and activities in line with Slovenian and European Union law and, in particular in line with its fundamental principles of operation as set out by the ZSIRB. One of the five fundamental principles of law is the principle of the financial value of the Bank's services for the users thereof. This principle states that SID Bank shall provide all services with the aim of generating direct or indirect value-added for the users of its financial services and, above all, maintaining and increasing its capital without pursuing the objective of maximising profit (Article 9 of the ZSIRB). The role, purpose and operations of SID Bank are set out in its articles of association.

Recommendation 3.8.4 The composition of SID Bank's management body is determined by the ZBan-3, which requires those bodies of the Bank responsible for selecting and appointing members of the management body to draw up and implement an appropriate policy on the selection of suitable candidates that ensures, *inter alia*, the appropriate representation of both genders on that body, including policies for the achievement of those objectives (Article 35 of the ZBan-3). SID Bank has included that legal obligation in its bylaws (policy on the selection of supervisory board members and policy on the selection of management board members). The Bank also supports the 40/33/2026 initiative of the Slovenian Directors' Association, and has committed to meeting the target gender balance ratios by 2026: 40% female representation on the supervisory board or 33% female representation on the supervisory board and management board collectively (the Bank has also written this into its bylaws), notwithstanding that the provisions of the ZGD-1 on gender representation do not apply to SID Bank in 2025 at least.¹⁸

4. Relationship between shareholders or partners, SSH, the state and companies with capital assets of the state

Recommendations 4.1 and 4.2.4 As per the ZSIRB (Article 4), SID Bank has one shareholder.

5. Position of companies with capital assets of the state

Recommendation 5.2 SID Bank is a specialised promotional development bank, with legal mandates primarily set out in the ZSIRB and the ZZFMGP. The state may also adopt specific/special laws that authorise the Bank to perform additional tasks. While these facts place the Bank in a privileged position vis-à-vis other (market) entities, the Bank is nevertheless committed to operating in accordance with the fundamental principles of law, including the principles of non-competition, non-discrimination and transparency of operations (Article 5 of the ZSIRB).

6. Supervisory board

Recommendations 6.9 and 6.10 The composition of SID Bank's supervisory board is governed by the ZSIRB and ZBan-3. The recommendation is applied *mutatis mutandis*.

Members of SID Bank's supervisory board are appointed by the government, at the proposal of the competent ministers (Article 18 of the ZSIRB), who publish a call for applications by candidates for membership of the supervisory board. The procedure for assessing candidates is conducted in accordance with the ZBan-3, the EBA guidelines and the Bank's bylaws in the manner described in detail in the section relating to the work of the commission for the assessment of the suitability of members of the management body.

¹⁸ The Bank surpassed the target of 33% female representation on the management body in 2025.

Recommendations
6.11, 6.17,
6.19 and 6.20

In addition to the ZBan-3 and the ZGD-1, the procedures for the nomination and appointment of supervisory board members are also governed by the ZSIRB, as a special law.

Candidates for the position of member of the supervisory board are proposed by the ministers responsible for finance and the economy. The commission for the assessment of the suitability of members of the management body and the nomination and remuneration committee of the supervisory board participate in the fit and proper assessment process for candidates for the Bank's supervisory board appointed by the Slovenian government. The recommendation is applied *mutatis mutandis*.

7. Executive management

Recommendation
7.3.2

The maximum number of executive and non-executive directorships for members of the supervisory board is prescribed by the ZBan-3 (Article 38). The recommendation is applied *mutatis mutandis*.

8. Transparency of operations and reporting

Recommendation
8.2

SID Bank is required to comply with the provisions of the ZBan-3 regarding disclosures. When compiling its business report it is required to take into account the requirements set out in Chapter 4 of the ZBan-3 (Articles 102 to 109), and Article 70 of the ZGD-1. SID Bank separately compiles the disclosures set out in Part Eight of the CRR (Articles 431 to 451), in the format and with the content stipulated by Commission Implementing Regulation (EU) No 2024/3172 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Recommendations and Expectations of Slovenian Sovereign Holding

Cost optimisation

Recommendation
4.4

SID Bank paid an annual leave allowance in 2025 in line with the provisions of the collective agreement for the banking sector, and the performance-related payment in line with SID Bank's own collective agreement, which sets out the procedures and criteria for defining payments. Given that the payment details constitute a trade secret, SID Bank has not published this information.

Profit-sharing for management bodies

Recommendations
9.33 to 9.36

Article 4 of the ZSIRB stipulates SID Bank's distributable profit may not be used for distribution to the shareholders, but is allocated to other profit reserves.

Main features of internal control and risk management systems in connection with the financial reporting procedure

SID Bank Group has developed a robust and reliable internal governance system based on three lines of defence. The internal control mechanisms, the functioning of which is in place for all business processes in proportion to the materiality and risk of an individual process, include:

- internal controls of the implementation of organisational procedures, business procedures and work procedures; and
- SID Bank Group's internal control functions (risk management function, which includes the independent information security function, the compliance department, and the internal audit department), which are functionally and organisationally segregated from the Bank's other functions, and report directly to the management board.

Internal controls, which are designed to ensure systematic oversight of all material risks of the Bank, are primarily carried out on the basis of:

- documented rules and procedures for ensuring the compliance of operations with regulations, standards (including ethical standards) and bylaws, and the requirements of Bank of Slovenia and other competent supervisory authorities, and best practices;
- monitoring of the compliance of business transactions and investments with adopted risk limits;
- oversight of the proper implementation of the prescribed work procedures in connection with operational and organisational activities on the part of employees;
- verification of the accuracy of internal and external reports;
- safeguarding of assets;
- the development and security of information systems and information; and
- a suitable response in the event of identified deviations from documented rules and best practices, including the enhancement of the control environment where appropriate.

With regard to financial reporting procedures, internal controls that are primarily carried out at SID Bank's and SID Bank Group's organisational units responsible for risk management, accounting, controlling and reporting have been put in place by means of bylaws. The purpose of internal controls of financial reporting is to provide correct and timely accounting information and financial reporting, which provides for a reliable system to support operations and decision-making. The control environment put in place to implement the internal controls and mitigate risk primarily encompasses the system of bylaws governing individual areas of the Bank's and the Group's operations, the process documentation, the proper recording of business transactions, the inbuilt automatic controls in core applications, the system of access, authorisations and demarcation of responsibilities, custody of applications, audit trails, and reliable archiving.

The functioning of internal controls and risk management at the Bank are also subject to compliance audits, which are conducted by the compliance department, and internal auditing, which is conducted by the internal audit department. The findings of the audits for the Group are reported to the management board and the supervisory board. The Bank has put in place a system for regularly following up on whether the recommendations made in connection with control functions are being implemented by the relevant deadlines. The control functions regularly report on this to the audit committee.

The effectiveness of internal controls is also monitored by the supervisory board and its committees via the reporting by various departments. The functioning of the internal controls, including the internal controls in the area of financial reporting, is primarily the focus of the supervisory board's audit committee, while the risk committee's responsibilities relate more to supervision and the provision of advice on risk management.

Additional focus on the functioning of the internal controls comes from the external auditor as part of the annual audit, who reports on their findings to the audit committee within the framework of the letter to the senior management, which is an integral part of the report drawn up for the audit committee after an audit has been conducted.

The internal control mechanisms are described in detail in the section entitled Risk Management at the SID Bank Group.

Information on point 4 of the sixth paragraph of Article 70 of ZGD-1 with regard to the information referred to in points 3, 4, 6, 8 and 9 of the eighth paragraph of that article

Pursuant to Article 4 of the ZSIRB, the Republic of Slovenia is the sole shareholder of SID Bank. The shareholder's voting rights are not restricted.

Rules on the appointment and replacement of members of management and supervisory bodies, and amendments to the articles of association

Members of the Bank's management body may be appointed/dismissed in accordance with the ZSIRB, the ZBan-3, the ZGD-1 and SID Bank's articles of association.

The process of selecting members of the management body is set out in the policy on the selection of management board members and the policy on the selection of supervisory board members.

There were no changes to the management board during 2025. There were also no changes to the articles of association.

Information about the work and key powers of the general meeting, and description of shareholder rights and the exercise thereof

The general meeting's powers are set out by the ZGD-1 and the ZBan-3.

SID Bank's general meeting is convened by the management board, and may also be convened by the supervisory board. The general meeting is convened in accordance with the law and the articles of association by means of a registered letter sent to the sole shareholder. The material for the general meeting is sent to the shareholder at the same time as the notice convening the meeting. On the day that the registered letter is sent, SID Bank publishes all the notices and information required by the ZGD-1 on its website.

In accordance with Article 4 of the ZSIRB, the voting rights and other rights of the sole shareholder are exercised by the Republic of Slovenia, which in accordance with the Slovenian Sovereign Holding Act authorises Slovenski državni holding d.d. to act on behalf of and for the account of the sole shareholder pursuant to law. Where the ZGD-1 gives the sole shareholder the right to use electronic means, it may submit proposals, authorisations and other documents to SID Bank by sending an email to the address stated in the notice convening the meeting.

The general meeting is convened at least once a year, after the end of the financial year, at SID Bank's headquarters, at the registered office of the sole shareholder, or at a place designated by the sole shareholder. The exact time and date of the general meeting are determined when it is convened. With the supervisory board's consent, the management board may state in the convening of the general meeting of shareholders that the sole shareholder is entitled to participate in and cast votes at the general meeting of shareholders by electronic means, without being physically present (electronic general meeting of shareholders).

Information on the composition and functioning of management and supervisory bodies and their committees

SID Bank has a two-tier system of governance: the business is directed by the two-person management board, while its functioning is supervised by the supervisory board.

Supervisory board

The supervisory board monitors and supervises the management and operations of the Bank. The supervisory board operates on the basis of its rules of procedure, which set out in detail the principles, procedures and methods of work, while its principal powers and responsibilities are set out by the Bank's articles of association and laws governing the Bank's operations, most notably the ZGD-1, the ZBan-3 and the ZSIRB.

The supervisory board's role includes approving the Bank's strategic policy, reviewing the annual reports and other financial reports and formulating an opinion regarding those reports, explaining to the general meeting its opinion regarding the annual report by the internal audit department, approving the annual report and the management board's proposal for the use of the distributable profit, and discussing any findings made in supervisory procedures by the Bank of Slovenia, tax inspectors and other supervisory authorities. In addition, the supervisory board is responsible for giving its consent to the management board in relation to the Bank's business policy, financial plan, risk management strategy and policies, remuneration policy, the organisation of the system of internal controls, the internal audit department's annual work programme, the compliance department's annual work programme, and the information security function's work programme. The supervisory board is also responsible for issuing prior consent for the conclusion of financing, borrowing and capital investment transactions.

In accordance with the ZSIRB, the supervisory board comprises seven members who are appointed by the government. Members of the supervisory board are appointed for a term of five years. The procedure and conditions for the selection of suitable members are set out in the ZSIRB and the ZBan-3, and in the policy on the selection of supervisory board members. The policy ensures that the supervisory board as a whole possesses the relevant knowledge, skills and experience required for the in-depth understanding of SID Bank's activities and the risks to which it is exposed. Diversity is encouraged as much as possible in terms of knowledge, skills and experience, and also with regard to other circumstances, in particular gender, age, qualifications, social status and the other characteristics of candidates.

There were changes to the composition of SID Bank's supervisory board in 2025, as follows: On 27 February 2025 the government appointed Nataša Damjanovič to the supervisory board, who began her term of office on 13 May after obtaining the Bank of Slovenia authorisation to perform this function. Janez Tomšič, a member of the supervisory board, saw his term of office end on 11 September 2025. The Bank conducted its procedures for appointing new supervisory board members, and based on a resolution by the ministers responsible for finance and for the economy the nomination committee published a new call for candidates for membership of the supervisory board on 17 December 2025. The appointment process had not been completed by the end of the year.

Composition of the supervisory board as at 31 December 2025

Name	Function ¹⁹	First appointment to function	End of function / term of office	Attendance at supervisory board sessions ²⁰	Gender	Nationality	Year of birth	Qualifications	Professional profile	Status of independence in the statement of independence	Existence of conflicts of interest during the financial year ²¹	Membership of supervisory bodies of other undertakings	Membership of supervisory board committees	Committee function	Attendance at committee sessions
Matija Šenk	Chair	7 Jun 2023	6 Jun 2028	16/16	M	Slovene	1962	Bachelor's degree in mathematical engineering	<ul style="list-style-type: none"> · Financial risks · Understanding of financial information · Supervision and auditing · Commercial law and corporate governance · Insurance · Management and remuneration 	YES	NO	/	Risk committee Nomination and remuneration committee	Deputy-chair Deputy-chair	5/6 8/8
Leo Knez	Deputy-chair	21 Feb 2013	22 Feb 2028	16/16	M	Slovene	1982	Master's degree in actuarial science	<ul style="list-style-type: none"> · Financial risks · Understanding of financial information · Supervision and auditing · Commercial law and corporate governance · Banking knowledge/ expertise and experience 	YES	NO	/	Audit committee Risk committee	Chair Member	13/13 6/6

¹⁹ Function and membership of committee as at 31 December 2025.

²⁰ The supervisory board held 16 sessions in 2025: 13 ordinary meetings and three correspondence sessions. Attendance also takes account of the recusal of members for the purpose of managing conflicts of interest. The nomination and remuneration committee held eight sessions in 2025, the audit committee 13 sessions, and the risk committee six sessions. The supervisory board established a new committee in 2025: the strategic affairs committee, which held two sessions.

²¹ The specification of a potential conflict of interest does not apply to the consideration of (partial) suitability assessments for individual supervisory board members, where supervisory board members are consistently excluded from consideration.

Name	Function ¹⁹	First appointment to function	End of function / term of office	Attendance at supervisory board sessions ²⁰	Gender	Nationality	Year of birth	Qualifications	Professional profile	Status of independence in the statement of independence	Existence of conflicts of interest during the financial year ²¹	Membership of supervisory bodies of other undertakings	Membership of supervisory board committees	Committee function	Attendance at committee sessions
Marko Tišma	Member	14 Jul 2016	28 Jul 2026	16/16	M	Slovene	1967	Bachelor's degree in economics	<ul style="list-style-type: none"> · Financial risks · Understanding of financial information · Commercial law and corporate governance · Banking knowledge/ expertise and experience · Management and remuneration 	YES	NO	/	<ul style="list-style-type: none"> Nomination and remuneration committee Audit committee 	<ul style="list-style-type: none"> Chair Deputy-chair 	<ul style="list-style-type: none"> 8/8 13/13
Marjan Divjak	Member	5 Apr 2012	19 May 2027	16/16	M	Slovene	1969	<ul style="list-style-type: none"> Master's degree in economic science Master of Science in mathematical finance (University of Oxford) Master diploma in management of development (University of Turin) Bachelor of Engineering degree in civil engineering (University of Leeds) 	<ul style="list-style-type: none"> · Financial risks · Understanding of financial information · Supervision and auditing · Commercial law and corporate governance · Banking knowledge/ expertise and experience 	YES	NO	/	<ul style="list-style-type: none"> Risk committee Strategic affairs committee 	<ul style="list-style-type: none"> Chair Member 	<ul style="list-style-type: none"> 9/9 2/2

Name	Function ¹⁹	First appointment to function	End of function / term of office	Attendance at supervisory board sessions ²⁰	Gender	Nationality	Year of birth	Qualifications	Professional profile	Status of independence in the statement of independence	Existence of conflicts of interest during the financial year ²¹	Membership of supervisory bodies of other undertakings	Membership of supervisory board committees	Committee function	Attendance at committee sessions
Katja Lautar	Member	4 Apr 2024	4 Apr 2029	16/16	F	Slovene	1976	Master's degree in business studies Doctorate in management	<ul style="list-style-type: none"> · Financial risks · Understanding of financial information · Supervision and auditing · Banking knowledge/ expertise and experience · Sustainable development 	YES	NO	Loterija Slovenije, d.d.	Strategic affairs committee Audit committee	Deputy-chair Member	2/2 12/13
Nataša Damjanovič	Member	13 May 2025	13 May 2030	11/11 ²²	F	Slovene	1965	Bachelor's degree in economics	<ul style="list-style-type: none"> · Banking knowledge/ expertise and experience · Financial risks · Understanding of financial information · AML/CFT · Supervision and auditing · Insurance · Management and remuneration 	YES	NO	Sava Re, d.d.	Strategic affairs committee Nomination and remuneration committee	Chair Member	2/2 2/2

²² Attendance at sessions of the supervisory board and its committees takes into account that she assumed the function on 13 May 2025.

The supervisory board has appointed an audit committee, a risk committee, a nomination and remuneration committee as advisory bodies, and these were joined in 2025 by the newly established strategic affairs committee. Each committee has its own rules of procedure setting out its tasks and powers. All four committees of the supervisory board are of the appropriate size and composition, while committee members possess the requisite knowledge and experience to perform the tasks of individual committees as determined by the law.

Supervisory board’s nomination and remuneration committee

The nomination and remuneration committee is authorised and responsible for the performance of duties relating to the appointment of management board and supervisory board members and the remuneration system. Its tasks primarily involve identifying and recommending candidates for membership of the management board to the supervisory board, defining the tasks and conditions applying to a particular appointment, assessing the composition and performance of the management board, and the knowledge, skills and experience of individual members of the management board and supervisory board or both bodies as a whole, and assessing the appropriateness of remuneration policies and practices and the drafting of proposed decisions of the management body related to remuneration, including those that have an impact on risks and on the Bank’s risk management.

The nomination and remuneration committee comprised the following members as at 31 December 2025:

Name	Function
Marko Tišma	chair
Matija Šenk	deputy-chair
Nataša Damjanovič	member

Supervisory board’s audit committee

In connection with its powers of monitoring and supervision, the audit committee primarily discusses the Bank’s annual and interim financial statements, the activities of the internal audit department, the organisation of the system of internal controls and the associated risks, and any findings produced by supervisory authorities in the course of supervision of the Bank. The committee also participates in procedures to select an external auditor, and reviews and monitors the auditor’s work and impartiality.

The audit committee comprised the following members as at 31 December 2025:

Name	Function
Leo Knez	chair
Marko Tišma	deputy-chair
Dr Katja Lautar	member

Supervisory board’s risk committee

Within the scope of its powers, the risk committee primarily provides advice regarding the Bank’s general risk appetite and risk management strategy, controls the implementation of strategies, reviews stress and other scenarios and their impact on the risk profile, assists in the implementation of supervision of senior management with regard to the risk management strategy, and verifies whether risks are taken into account in incentives within the framework of the remuneration system and whether the prices of the Bank’s products are compatible with its business model and risk management strategy.

The risk committee comprised the following members as at 31 December 2025:

Name	Function
Marjan Divjak	chair
Matija Šenk	deputy-chair
Leo Knez	member

Supervisory board's strategic affairs committee

Within the scope of its powers, the strategic affairs committee primarily provides advice regarding the Bank's long-term and strategic policies. Within this framework it advises the supervisory board with regard to the Bank's strategic position, and the priorities and issues in updating its strategy, assesses the effects of the Bank's operations, monitors the implementation of the business strategy and strategies of execution, and assesses financial viability and product development. It also addresses the Bank's key medium-term projects.

The strategic affairs committee comprised the following members as at 31 December 2025:

Name	Function
Nataša Damjanovič	chair
Dr Katja Lautar	deputy-chair
Marjan Divjak	member

Management board

SID Bank's business is directed by the management board, which represents it in public and legal matters. The management board is appointed by the supervisory board for a term of five years, and may be reappointed. In accordance with the articles of association, the management board has a maximum of three members, one of whom is appointed president, with the precise number of management board members being determined by the supervisory board. The Bank's management board comprised two members in 2025.

The management board directs the business independently and at its own liability. Its activity is governed by the rules of procedure of the management board. The management board generally meets on a weekly basis, when it discusses matters from all areas of SID Bank's operations. The management board regularly briefs the supervisory board on the most important issues in the Bank's operations, on its business policy, its financial position and other significant issues relating to its activity.

Given that the term of office of one member of the management board ends in 2026, the supervisory board began the procedure of selecting a new management board member by publishing a call for candidates to submit applications on 27 December 2025.

Composition of the management board as at 31 December 2025

Name	Function	Area of work as member of management board	First appointment to function	End of function / term of office	Gender	Nationality	Year of birth	Qualifications	Professional profile	Membership of supervisory bodies of unaffiliated undertakings
Borut Jamnik	president	financing division, development and marketing, insurance, legal affairs, strategy, sustainable development, internal auditing, information security, general secretariat	17 Apr 2023	16 Apr 2028	M	Slovene	1970	bachelor's degree in mathematics	<ul style="list-style-type: none"> · banking knowledge/expertise and experience · commercial law and corporate governance · supervision and auditing · management and remuneration · sustainable development · understanding of financial information · insurance · ICT 	supervisory board of Three Seas Initiative Investment Fund
Stanka Šarc Majdič	member	risk division, middle-office and back-office division, compliance, AML/CFT	1 Jan 2022	31 Dec 2026	F	Slovene	1979	master's degree in economic science	<ul style="list-style-type: none"> · banking knowledge/expertise and experience · commercial law and corporate governance · CRO · supervision and auditing · management and remuneration · understanding of financial information · ICT 	/

Collective decision-making bodies

The management board has transferred certain decision-making rights to collective decision-making bodies, i.e. the credit committee, the government operations committee, the distressed investment management committee, the asset/liability and risk management committee, the liquidity management committee, and the monitoring committee. The main powers and responsibilities and the work methods of the committees are set out in the committees' rules of procedure. In addition, on the basis of bylaws governing individual areas, the management board transferred the powers to decide on various types of operations, such as approval and monitoring of investment operations, treasury operations, management of problem exposures, insurance operations and the resulting claims, guarantee schemes, and general affairs, to individual employees at SID Bank.

Credit committee

The credit committee is responsible for managing credit risk for operations on behalf of and for the account of SID Bank that are not classed as distressed investments. The credit committee decides on approvals and changes to terms of investment operations that do not constitute refinancing or restructuring due to a borrower's financial difficulties, on limits of exposure to an individual customer and on the documentation when introducing new or changing existing financing programmes or individual products. The credit committee approves the conditions and procedures for selecting financial intermediaries for financing from the fund of funds, and the related business plans, and makes decisions regarding financial transactions and contracts on participation. The credit committee monitors individual exposures and the quality of the credit portfolio on the basis of reports by individual organisational units, and also decides on the transfer of investments with increased credit risk to non-performing investments, and on the termination and cancellation of investment operations.

The committee comprises six members, who meet at weekly sessions.

Asset/liability and risk management committee

Within the scope of its powers to manage the Bank's liquidity, the committee manages liquidity risk and structural liquidity at the level of the Bank. To that end, it makes decisions regarding the raising of funding and placement of assets on the money and capital markets in Slovenia and abroad, and regarding the use of Bank of Slovenia and ECB instruments, and approves and supervises the exchange rate and interest rate policy. The committee is also responsible for managing the free assets of financial instruments funded via European structural and investment funds.

In the area of asset/liability management the committee sets out, modifies and monitors the implementation of the strategy and policy of the balance sheet structure, defines and monitors the implementation of the pricing, liquidity, interest rate and exchange rate policy, decides on proposals regarding asset/liability management, approves the financing programme concepts and products relating to treasury operations and changes thereto, monitors the capital adequacy, approves the treasury investment policy, and monitors and discusses the stress test results. Within the framework of its risk management powers, it monitors exposure to interest rate risk, market risk, capital risk, income risk, operational risk and model risk, discusses proposals for the management of these risks, and monitors the effectiveness of the measures taken, which includes making decisions on hedge accounting. The committee also manages liquidity and manages assets and liabilities (balance sheet) in relation to SID Bank's operations under Republic of Slovenia authorisation, primarily managing liquidity risk and structural liquidity, and in the area of asset/liability management adopts the policy for contingency reserve investments and assesses the impact of new programmes of insurance up to the amount of contingency reserves.

This is the Bank committee with the highest number of members (nine). Ordinary sessions take place monthly.

Liquidity management committee

The liquidity management committee is responsible for monitoring and managing liquidity at the weekly level. It oversees the implementation of the Bank's liquidity policy in relation to the operating requirements, with the aim of ensuring sufficient liquidity at the weekly level.

The liquidity management committee meets on a weekly basis as a committee of six members.

Government operations committee

The task of the special government operations committee is to ensure that SID Bank's ordinary operations are consistently segregated from its operations for the account of the Republic of Slovenia. The committee decides on the introduction of new programmes and changes to existing programmes, approvals and changes to transactions that SID Bank concludes for the account of the Republic of Slovenia, including the financing of international commercial transactions from contingency reserves,

insurance and reinsurance, guarantee schemes, and financial instruments funded by European structural and investment funds, and on matters related to these transactions.

The government operations committee has six members, and meets at regular sessions once a week.

Distressed investment management committee

The distressed investment management committee, which has five members, manages problematic claims with the status of non-performing investments, where it makes decisions regarding approvals and changes to the terms of investment operations and financial restructuring plans, and regarding all matters associated with non-performing investments (also regarding the enforcement of rights in insolvency proceedings). The committee typically meets once a week.

Monitoring committee

The monitoring committee has four members, who meet at fortnightly sessions and whose task is to examine specific customers for increased credit risk within the early warning system (EWS).

Commissions

Commission for the assessment of the suitability of members of the management body

The commission for the assessment of the suitability of members of the management body and the supervisory board’s nomination and remuneration committee together carry out the fit and proper assessment process for candidates for and members of the management body.

The commission has three members, with two external members alongside the director of the compliance department, who are appointed by the management board after the supervisory board’s consent has been obtained. The two external members of the commission have knowledge and experience in the provision of banking and financial services, and in human resources, psychology and related fields. There were no changes to the composition of the commission in 2025.

The commission for the assessment of the suitability of members of the management body comprised the following members as at 31 December 2025:

Name	
Aljoša Uršič	external associate in banking and financial services
Dr Katarina Babnik	external associate in HR, psychology and related areas
Barbara Bračko	director of the compliance department

The commission is autonomous in its work and independent of the management board and supervisory board. The commission’s primary tasks are to conduct analysis of the abilities and fitness of candidates for the position of member of the Bank’s management body, and to notify the supervisory board’s nomination and remuneration committee of any risks that it detects. The commission has similar responsibilities in the process of re-checking the fitness and propriety of candidates for membership of the management body that the Bank is required to perform when the circumstances pertaining to a member of the management body change.

The fit and proper assessment process for the selection of members of SID Bank's management body complies with the applicable banking legislation.²³ In addition to the policy for fit and proper assessment of members of the management body, the procedure also takes into account specific elements deriving from the ZSIRB, the Slovenian Corporate Governance Code and the Corporate Governance Code for Companies with Capital Assets of the State, and the selection policy for members of the supervisory board or management board.

International trade promotion commission

The government has appointed an international trade promotion commission to coordinate the actions of the relevant government bodies and other bodies and institutions in the implementation of the ZZFMGP, and to ensure the effective implementation of the insurance and financing of international trade and investment.

The commission makes decisions regarding all insurance operations that exceed EUR 5 million, or whenever SID Bank itself is involved in a transaction. It also holds powers of decision on other matters related to risk management, such as approvals for:

- the policy of insurance operations in individual countries or groups of countries, which together with the limits on insurance already set out in the ZZFMGP, act to limit potential claims;
- the formulation and conclusion of insurance terms for individual insurance policies and other transactions;
- the management of the contingency reserves and the risks taken up in insurance operations;
- the conclusion of agreements and relations with financial institutions and other institutions;
- reprogramming, recovery and liquidation of claims;
- other operations in connection with insurance under government authorisation.

The commission regularly monitors the Bank's operations in areas regulated by the ZZFMGP, which includes the discussion of performance reports, and also submits its opinion to the Ministry of Finance regarding the Bank's report on the exercise of authorisations under the ZZFMGP.

The commission met at eight ordinary meetings and 14 correspondence sessions in 2025, and also held a working meeting for commission members.

It took decisions on new insurance and reinsurance operations, confirmed changes to existing operations, and approved claims payments. It regularly monitored and was briefed on insurance against non-marketable risks on behalf of and for the account of the Republic of Slovenia, on the risk assessment in connection with the adequacy of the contingency reserves and the special contingency reserve for Ukraine, and on SID Bank's activities to exercise the right of recourse after insurance payouts. It was briefed on the coverage of Slovenian export investment by SID Bank insurance over the last two years, and on the report on exposure to climate transition risks and on sustainability factors.

Last year it was also briefed on changes to country classifications, and approved the changes in policies of insurance in connection with Ukraine and several other countries, particularly in the area of short-term reinsurance operations. The latter was dominated by reinsurance operations with Russian debtors, for which reason the commission received separate briefings on Russia and its pharmaceutical sector.

The commission also confirmed proposed changes to the insurance business policy, and approved changes to the price lists for export insurance against non-marketable risks and for export preparation loans. It approved the conclusion of a new reinsurance contract with Zavarovalnica Triglav, was briefed on the essential elements of the contract between SID Bank and the European Investment Fund for obtaining guarantees for insuring claims against Ukrainian customers, and gave its approval for the

²³ The ZBan-3, the Regulation on internal governance arrangements, the management body and the internal capital adequacy assessment process for banks and savings banks, other Bank of Slovenia regulations, EBA and ESMA regulations, most notably the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06) and the EBA Guidelines on internal governance (EBA/GL/2021/05) are taken into account.

guarantees to be obtained. In this connection it was also briefed on the essential elements of the quota share reinsurance treaties for the implementation of guarantee schemes between SID Bank and the primary reinsurers, namely Zavarovalnica Triglav and Coface (Slovenian branch).

The commission has six members: one representative from the Ministry of Finance who has a decisive role (right of veto), two representatives from the Ministry of the Economy, Tourism and Sport, one representative from the Ministry of Foreign and European Affairs, one representative from the Chamber of Commerce and Industry and one representative from the Bank Association of Slovenia.

Dr Slobodan Šešum, Bojan Ivanc and Jernej Salecl were replaced by Peter Japelj, Štefan Belingar and Matej Skočir respectively in 2025.

The international trade promotion commission comprised the following members as at 31 December 2025:

Name	Function
Franc Stanonik	chair
Matej Čepeljnik	deputy-chair
Stanislava Zadavec Capriolo	member
Štefan Belingar	member
Matej Skočir	member
Peter Japelj	member

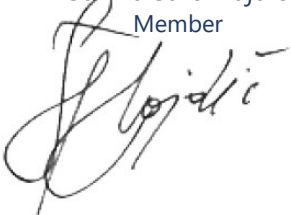
Description of the diversity policy

SID Bank has transposed requirements regarding the composition of the management body in terms of knowledge, skills, experience and gender balance into its bylaws, including the policy on the selection of supervisory board members and the policy on the selection of management board members. Both policies stipulate that in the event of the availability of several diverse candidates who meet the conditions of appointment, whose individual suitability assessments are equally good, and who would also ensure that the collective suitability of the management body is satisfied, precedence is given to the candidate who would bring greater diversity to the membership of the management body. The provisions on diversity are also part of the corporate governance policy. As defined in the corporate governance policy, by the end of 2025 the Bank had met the gender balance targets of 33% female representation of the supervisory board and management board together. Other diversity criteria relating to professional experience, skills, competencies and age were also satisfied.

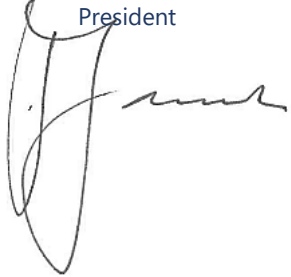
Ljubljana, 25 March 2026

Management Board of SID Bank

Stanka Šarc Majdič
Member



Borut Jamnik
President



SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- SID Bank borrowed EUR 100 million in the form of debt certificates in late January 2026, of which EUR 50 million carries a maturity of four years, and EUR 50 million a maturity of five years. With the new borrowing SID Bank is further reinforcing the stability of its financial structure, and is supporting the continuing realisation of development projects.
- Following the 28 February 2026 attack by Israel and the United States on Iran, and Iran's subsequent response, including the near-complete closure of the Strait of Hormuz, the risks of a deterioration in the macroeconomic outlook across various regions have risen markedly. Up to the date of approval of the annual report, no direct impact of events on the Group's operations or financial position was identified. The ultimate impact on global markets, inflationary pressures, business conditions, and consequently on economic activity in Europe, including Slovenia, will depend on the intensity and duration of the conflict. A more substantial escalation of negative effects would also affect both the scope and the modalities of SID Bank's intervention measures.



FINANCIAL REPORT



INDEPENDENT AUDITOR'S REPORT



**Shape the future
with confidence**

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SID banka, d.d., Ljubljana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion, accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and the Group as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014 of the European Parliament and the Council"). Our responsibilities under those rules are further described in the Auditor's responsibilities for the audit of the separate and the 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 separate and the consolidated financial statements of public interest entities in Slovenia, 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 matter

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

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

Credit risk and impairment of loans and advances to customers including impact of uncertain macroeconomic environment

The carrying amount of loans and advances to customers at amortized cost amounts to EUR 1,291 million or 51% of total assets of the Bank and 52% of total assets at the Group as of 31 December 2025. As of 31 December 2025, total impairments of the Bank and the Group amounted to EUR 85.9 million.

Impairment allowances on Loans and advances to customers represent management's best estimate of

We understood and evaluated the impairment assessment processes for loans as well as the processes for identifying default events within the loan portfolios, including design and operating effectiveness of controls relevant to our audit.

In addition to analytical procedures, we tested a sample of performing loans with characteristics that might imply a default event had occurred to assess whether default event had been identified by management and therefore whether there was a



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the expected credit losses within the loan portfolios at the reporting date.

For defaulted loans that are considered to be individually significant the impairment assessment is based on the knowledge of each individual debtor, taking into consideration the fair value of the related collateral as well as expected recovery based on going concern principle. Related impairment allowances are determined on an individual basis by means of a discounted cash flows forecasts based on scenarios and their likelihood of happening. Scenarios are based on 'going' and 'gone' assumption of debt repayment containing high level of complexity and subjectivity.

The Bank's and the Group's Stage 3 gross balance of loans and advances to customers is EUR 144.7 million as of 31 December 2025 and total impairments EUR 78.5 million.

Impairments for loans and advances to customers in Stage 1 and Stage 2 are determined based on complex models and parameters used in those models (i.e. life time probability of default ("PD") and loss given default ("LGD")), identification of significant changes in credit risk, inclusion of forward-looking elements and segmentation of exposures, which all involve significant management's assumptions and estimates. The Bank's and the Group's Stage 1 and Stage 2 combined gross balance of loans and advances to customers was EUR 1,228 million as of 31 December 2025 and total impairments EUR 7.6 million.

As impairments for loans and advances to customers are significant to understanding the financial statements as a whole and bear significant judgements, we conclude this to be a significant item for our audit and a key auditing matter.

requirement to calculate an impairment allowance using Stage 3 methodology.

For a selected sample of non-performing loans where impairment allowance is assessed on individual basis, we evaluated the models, assumptions related to debt repayment based on going or gone principle and data underlying the impairment identification and quantification. We understood the latest developments at the borrower and considered whether key judgments were appropriate given the borrowers' circumstances. We also re-performed management's impairment calculation for mathematical accuracy. In addition, we tested key inputs to the impairment calculation including the expected future cash flows and valuation of collateral held and discussed with management as to whether valuations were up to date, consistent with the strategy being followed in respect of the particular borrower and appropriate for the purpose. We engaged EY specialists to review a sample of valuations of underlying collateral.

In respect of statistical models that are used for the estimation of credit risk related impairment losses of Stage 1 and Stage 2 exposures, we involved EY credit risk specialists in evaluation of the model documentation and other related evidence such as models' governance, segmentation policy, expected credit loss estimation process and assessment of their compliance with IFRS 9. We evaluated the application of the models through the recalculation for mathematical accuracy of credit risk related impairment losses, allowances and provisions defined by IFRS 9. We tested the days past due counter and consistent application of staging criteria in relation to the effect on the staging classification of the exposures.

Furthermore, we assessed how the Bank and the Group incorporated uncertainties related to the macroeconomic environment, on parameters used for the calculation of collective impairments. Our credit risk specialists reviewed forward looking information ("FLI") and input parameters used and assess if the uncertainty related to the macroeconomic situation was reflected on the PD.

We assessed the adequacy of the Bank's and the Group's disclosures included in Note 3.1. Credit risk, 2.3.10. Financial instruments, 2.4.4 Financial assets measured at amortized cost and 2.5.12 Impairments of the financial statements in accordance with the International Financial Reporting Standards as adopted by the EU.

Other information

Other information comprises the information included in the annual report other than the separate and the consolidated financial statements and auditor's report thereon. Management is responsible for the other information.

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

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



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be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- the other information describing the facts that are also presented in the separate and the consolidated financial statements is, in all material respects, consistent with the separate and the consolidated financial statements; and
- the other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Bank and the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of management and those in charge with governance for the financial statements

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

In preparing the separate and the 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.

Those in charge with governance are responsible for overseeing the Bank's and the Group's financial reporting process and to approve the annual report.

Auditor's responsibilities for the audit of the financial statements

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

In preparing the separate and the 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.

Those in charge with governance are responsible for overseeing the Bank's and the Group's financial reporting process and to approve the annual report.

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

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 audit rules, 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 the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



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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 the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group as a basis for forming an opinion on the Group's 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 those in charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those in charge with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated financial statements of the current period and are therefore the key audit matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OTHER REQUIREMENTS ON CONTENT OF AUDITOR'S REPORT IN COMPLIANCE WITH REGULATION (EU) No. 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Appointment and Approval of Auditor

We were appointed as auditors of the Bank and the Group at the general meeting of shareholders on 21 April 2023, the president of the supervisory board has signed the audit agreement on 5 July 2023. The agreement was signed for the period of 4 years. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for three years. Simon Podvinski and Nena Cvetkovska are certified auditors, responsible for the audit in the name of Ernst & Young d.o.o.

Consistence with Additional Report to Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Bank, which we issued on the March 24, 2026.

Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Bank and the Group and we remain independent from the Bank and the Group in conducting the audit.

In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Bank and the Group.



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THE AUDITOR'S REPORT ON THE ADEQUACY OF THE CRITERIA USED AND THE CORRECTNESS OF THEIR USE

We have performed reasonable assurance engagement as to whether the criteria used to allocate income, costs and expenses on individual activities in the preparation of the disclosure "Transparency of financial relations between SID banka, d.d., Ljubljana and the Republic of Slovenia" for the financial year that ended on 31 December 2025, were appropriate and properly used, all in accordance with the Act on Transparency of Financial Relations and Separate Recording of Various Activities (ZPFOLERD-1).

Definition of appropriate criteria

In order to assess the appropriateness of the criteria for allocation, we assessed compliance with ZPFOLERD-1. We assessed whether the criteria for allocation reflect the volume of activities that give rise to an economic category, the allocation of which are Intended. If the extent of activities causing an economic category cannot be measured, we assessed whether the allocation judgment was determined on the basis of the proportion of direct costs.

To assess the correct application of the criteria for allocation, we carried out audit procedures, to review whether a particular criterion was used for the allocation of specific economic category for which it was adopted and, in the manner, specified.

As a result, the subject matter information may not be suitable for another purpose.

Responsibility of management and those charged with governance

The management is responsible for the adoption of appropriate criteria and for their correct use in the preparation and presentation of the disclosure of the "Transparency of financial relations between SID banka, d.d., Ljubljana and the Republic of Slovenia" in accordance with the requirements of ZPFOLERD-1, as well as for such internal control as management determines is necessary to enable the preparation of such statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for acceptance of the criteria and supervising their use for the preparation of the disclosure.

Auditor's responsibility

Our responsibility is to carry out reasonable assurance engagement and express conclusion whether the criteria used to allocate income, costs and expenses on individual activities in the preparation of the disclosure transparency of financial relations between SID banka, d.d., Ljubljana and the Republic of Slovenia for the financial year that ended on 31 December 2025, were appropriate and properly used. Our reasonable assurance engagement was carried out in accordance with International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised). This standard requires that we plan and perform the engagement to obtain reasonable assurance for reaching the conclusion.

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

We have acted in accordance with the independence and ethical requirements of the Regulation EU no. 537/2014, and the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (including International Independence Standards) (IESBA Code), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standards on Quality Management (ISQM) 1, and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements of applicable law and regulation.

Summary of work performed

Within the scope of the work performed, we have performed primarily the following procedures:

- we obtained and read the internal regulations of SID banka, d.d., Ljubljana., which determine the rules regarding the allocation of income, costs and expenses to individual activities in accordance with ZPFOLERD-1;
- we verified whether the judgments were approved by the supervisory authority, in accordance with Article 8 ZPFOLERD-1;



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- for the criteria used by SID banka, d.d., Ljubljana, for the allocation of indirect costs, we verified whether they are based on the activities that cause these costs; if these activities cannot be determined, the indirect costs are allocated based on the share of direct costs;
- we inquired with the management and responsible employees regarding the method, procedures and controls established in the context of cost accounting and the allocation of costs and expenses to individual activities;
- we tested on a sample basis whether the criteria, as adopted in accordance with Article 8 ZPFOLERD-1, were correctly used for keeping separate accounting records for individual activities;
- we verified whether the client uses public and other funds received in connection with the activities it performs on the basis of exclusive or special rights or authorization to finance its other activities in violation of paragraph 2 of Article 7 of ZPFOLERD-1.

The criteria we used to evaluate the results of the procedures are derived from Article 8 of the ZPFOLERD-1:

- the Bank uses criteria to keep separate accounting records for individual activities. The criteria, which are used to allocate the indirect costs per individual activities, are based on accounting principles (paragraph 1 of Article 8 ZPFOLERD-1);
- when allocating indirect costs, criteria based on the activities that cause these costs should be used. If these activities cannot be determined, the indirect costs are allocated based on the share of direct costs (paragraph 2 of Article 8 ZPFOLERD-1);
- determination and change of criteria are accepted by the supervisory body of an individual contractor with an exclusive or special right or authorization at the proposal of the management body (Paragraph 3 of Article 8 ZPFOLERD-1).

Conclusion

Based on the procedures carried out and the evidence obtained, in our opinion, the criteria used for the allocation of income, costs and expenses by activity, as shown in the disclosure in the annual report "Transparency of financial relations between SID banka, d.d., Ljubljana and the Republic of Slovenia", are appropriate and correctly applied in all material respects in accordance with requirements of ZPFOLERD-1.

Ljubljana, 25 March 2026


Simon Podvinski
Director, Certified auditor
Ernst & Young d.o.o.
Dunajska cesta 111, Ljubljana


Nena Cvetkovska
Certified auditor

ERNST & YOUNG
Revizija, poslovno
svetovanje d.o.o., Ljubljana 1

MANAGEMENT BOARD'S DECLARATION

The management board has approved the financial statements of SID Bank and the SID Bank Group, and the annual report for the year ending 31 December 2025. The financial statements have been compiled in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The management board believes that SID Bank and the SID Bank Group have sufficient resources to operate as a going concern.

The senior management's responsibilities are:

- to employ relevant accounting policies, and to ensure that they are consistently applied;
- to make use of reasonable and prudent accounting estimates and judgements; and
- to ensure that the financial statements are compiled on a going-concern basis for SID Bank and the SID Bank Group.

The management board is responsible for maintaining accounting documents and records to disclose the financial position of SID Bank and the SID Bank Group with reasonable accuracy at any time. The management board is also responsible for ensuring that the financial statements have been compiled in accordance with the legislation and regulations of the Republic of Slovenia. The management board must do everything possible to safeguard the assets of SID Bank and the SID Bank Group, and must undertake all necessary action to prevent or detect any fraud or other irregularities.

The tax authorities may audit a Group's operations at any time in the five years after the end of the year that tax was due to be levied, which may result in additional tax liabilities, penalty interest and fines in connection with corporate income tax or other taxes and levies. The management board is not aware of any circumstances that could give rise to any significant liability on this account.

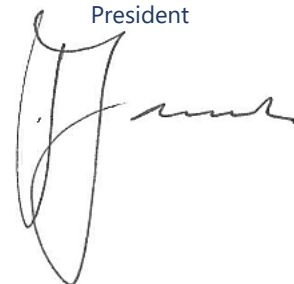
Ljubljana, 25 March 2026

Management Board of SID Bank

Stanka Šarc Majdič
Member



Borut Jamnik
President



1 FINANCIAL STATEMENTS

1.1 Statement of financial position

(EUR thousand)					
	Note	SID Bank Group		SID Bank	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Cash, cash balances at central banks and demand deposits at banks	2.4.1	339,049	493,208	338,158	493,158
Non-trading financial assets mandatorily at fair value through profit or loss	2.4.2	54,669	48,689	2,604	48,689
Financial assets measured at fair value through other comprehensive income	2.4.3	417,525	409,292	417,525	409,292
Financial assets measured at amortised cost	2.4.4	1,661,781	1,744,446	1,661,790	1,744,446
Debt securities		254,627	223,478	254,627	223,478
Loans and advances to banks		113,665	189,853	113,665	189,853
Loans and advances to non-bank customers		1,290,887	1,325,818	1,290,887	1,325,818
Other financial assets		2,602	5,297	2,611	5,297
Derivatives – hedge accounting	2.4.5	10,355	15,033	10,355	15,033
Investments in subsidiaries, associates and joint ventures	2.4.6	0	0	74,483	50
Tangible assets	2.4.7	4,682	4,509	4,664	4,509
Property, plant and equipment		4,682	4,509	4,664	4,509
Intangible assets	2.4.7	2,838	2,312	2,838	2,312
Corporate income tax assets	2.4.9	7,676	8,249	7,676	8,249
Current tax assets		2,137	898	2,137	898
Deferred tax assets		5,539	7,351	5,539	7,351
Other assets	2.4.10	910	1,005	906	1,005
TOTAL ASSETS		2,499,485	2,726,743	2,520,999	2,726,743
Financial liabilities measured at amortised cost	2.4.11	1,975,946	2,206,920	1,996,754	2,206,920
Deposits from banks and central banks		10,776	15,711	10,776	15,711
Deposits from non-bank customers		80,969	0	102,072	0
Loans from banks and central banks		202,974	247,085	202,974	247,085
Loans from non-bank customers		1,097,618	1,108,688	1,097,618	1,108,688
Debt securities		577,853	830,445	577,853	830,445
Other financial liabilities		5,756	4,991	5,461	4,991
Derivatives – hedge accounting	2.4.5	413	6,069	413	6,069
Provisions	2.4.12	1,617	1,321	1,608	1,321
Corporate income tax liabilities	2.4.9	817	0	0	0
Current tax liabilities		817	0	0	0
Other liabilities	2.4.13	3,872	6,182	3,845	6,182
TOTAL LIABILITIES		1,982,665	2,220,492	2,002,620	2,220,492
Share capital		300,000	300,000	300,000	300,000
Share premium		1,139	1,139	1,139	1,139
Accumulated other comprehensive income		(4,525)	(11,389)	(4,525)	(11,389)
Profit reserves		220,591	213,537	220,589	213,537
Treasury shares		(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the financial year)		939	4,288	2,500	4,288
TOTAL EQUITY	2.4.14	516,820	506,251	518,379	506,251
TOTAL EQUITY AND LIABILITIES		2,499,485	2,726,743	2,520,999	2,726,743

The notes are an integral part of the financial statements.

1.2 Income statement

(EUR thousand)					
	Note	SID Bank Group		SID Bank	
		2025	2024	2025	2024
Interest income calculated using the effective interest method		74,908	103,569	74,903	103,569
Other interest income and similar income		37	180	37	180
Interest income and similar income		74,945	103,749	74,940	103,749
Interest expenses calculated using the effective interest method		(45,715)	(60,390)	(45,818)	(60,390)
Other interest expenses and similar expenses		(945)	(8,513)	(945)	(8,513)
Interest expenses and similar expenses		(46,660)	(68,903)	(46,763)	(68,903)
Net interest	2.5.1	28,285	34,846	28,177	34,846
Dividend income	2.5.2	89	892	89	892
Fee and commission income		690	1,198	690	1,198
Fee and commission expenses		(1,404)	(1,670)	(1,248)	(1,670)
Net fee and commission income	2.5.3	(714)	(472)	(558)	(472)
Net gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss	2.5.4	34,897	1,450	34,897	1,450
Net gains/(losses) on financial assets and liabilities held for trading		0	(1)	0	(1)
Net gains/(losses) on non-trading financial assets mandatorily at fair value through profit or loss	2.5.5	4,314	2,526	4,874	2,526
Net gains/(losses) on hedge accounting	2.4.5	(94)	(407)	(94)	(407)
Net foreign exchange gains/(losses)		(4)	1	(4)	1
Net gains/(losses) on derecognition of non-financial assets		0	7	0	7
Other operating income	2.5.6	5,443	5,940	5,456	5,940
Other operating expenses	2.5.7	(36)	(23)	(36)	(23)
Administrative expenses	2.5.8	(26,592)	(27,784)	(26,486)	(27,784)
Depreciation and amortisation	2.5.9	(1,428)	(1,261)	(1,428)	(1,261)
Net modification gains/(losses)	2.5.10	(1,045)	(107)	(1,045)	(107)
Provisions	2.5.11	(429)	124	(420)	124
Impairments	2.5.12	(37,973)	(4,538)	(37,973)	(4,538)
Profit before tax from continuing operations		4,713	11,193	5,449	11,193
Corporate income tax expense	2.5.13	(1,008)	(2,166)	(185)	(2,166)
Profit after tax from continuing operations		3,705	9,027	5,264	9,027
Net profit for the financial year		3,705	9,027	5,264	9,027
Attributable to owners of bank		3,705	9,027	5,264	9,027
Basic earnings per share / diluted earnings per share (EUR)	2.5.14	1.19	2.91	1.70	2.91

The notes are an integral part of the financial statements.

1.3 Statement of other comprehensive income

		(EUR thousand)			
		SID Bank Group		SID Bank	
	Note	2025	2024	2025	2024
Net profit for financial year after tax		3,705	9,027	5,264	9,027
Other comprehensive income after tax		6,864	12,545	6,864	12,545
Items that will not be reclassified to profit or loss		887	402	887	402
Actuarial gains/(losses) in association with defined-benefit pension plans	2.4.12	116	54	116	54
Fair value changes of equity instruments measured at fair value through other comprehensive income	2.4.3	989	446	989	446
Corporate income tax relating to items that will not be reclassified to profit or loss	2.4.9	(218)	(98)	(218)	(98)
Items that may be reclassified subsequently to profit or loss		5,977	12,143	5,977	12,143
Gains/(losses) on debt instruments measured at fair value through other comprehensive income		7,663	15,567	7,663	15,567
Valuation gains/(losses) taken to equity	2.4.3	7,714	13,020	7,714	13,020
Transferred to profit or loss		(51)	2,547	(51)	2,547
Corporate income tax relating to items that may be reclassified subsequently to profit or loss	2.4.9	(1,686)	(3,424)	(1,686)	(3,424)
Total comprehensive income for the financial year after tax		10,569	21,572	12,128	21,572
Attributable to owners of bank		10,569	21,572	12,128	21,572

The notes are an integral part of the financial statements.

1.4 Statement of changes in equity

(EUR thousand)							
SID Bank Group	Share capital	Share premium	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for financial year)	Treasury shares	Total equity
OPENING BALANCE as at 1 Jan 2025	300,000	1,139	(11,389)	213,537	4,288	(1,324)	506,251
Net profit for financial year	0	0	0	0	3,705	0	3,705
Other comprehensive income	0	0	6,864	0	0	0	6,864
Total comprehensive income for financial year after tax	0	0	6,864	0	3,705	0	10,569
Allocation of net profit to profit	0	0	0	7,054	(7,054)	0	0
CLOSING BALANCE as at 31 Dec 2025	300,000	1,139	(4,525)	220,591	939	(1,324)	516,820

(EUR thousand)							
SID Bank Group	Share capital	Share premium	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for financial year)	Treasury shares	Total equity
OPENING BALANCE as at 1 Jan 2024	300,000	1,139	(23,934)	201,370	7,428	(1,324)	484,679
Net profit for financial year	0	0	0	0	9,027	0	9,027
Other comprehensive income	0	0	12,545	0	0	0	12,545
Total comprehensive income for financial year after tax	0	0	12,545	0	9,027	0	21,572
Allocation of net profit to profit reserves	0	0	0	12,167	(12,167)	0	0
CLOSING BALANCE as at 31 Dec 2024	300,000	1,139	(11,389)	213,537	4,288	(1,324)	506,251

The notes are an integral part of the financial statements.

	(EUR thousand)						
SID Bank	Share capital	Share premium	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for financial year)	Treasury shares	Total equity
OPENING BALANCE as at 1 Jan 2025	300,000	1,139	(11,389)	213,537	4,288	(1,324)	506,251
Net profit for financial year	0	0	0	0	5,264	0	5,264
Other comprehensive income	0	0	6,864	0	0	0	6,864
Total comprehensive income for financial year after tax	0	0	6,864	0	5,264	0	12,128
Allocation of net profit to profit reserves	0	0	0	7,052	(7,052)	0	0
CLOSING BALANCE as at 31 Dec 2025	300,000	1,139	(4,525)	220,589	2,500	(1,324)	518,379

	(EUR thousand)						
SID Bank	Share capital	Share premium	Accumulated other comprehensive income	Profit reserves	Retained earnings (including net profit for financial year)	Treasury shares	Total equity
OPENING BALANCE as at 1 Jan 2024	300,000	1,139	(23,934)	201,370	7,428	(1,324)	484,679
Net profit for financial year	0	0	0	0	9,027	0	9,027
Other comprehensive income	0	0	12,545	0	0	0	12,545
Total comprehensive income for financial year after tax	0	0	12,545	0	9,027	0	21,572
Allocation of net profit to profit reserves	0	0	0	12,167	(12,167)	0	0
CLOSING BALANCE as at 31 Dec 2024	300,000	1,139	(11,389)	213,537	4,288	(1,324)	506,251

The notes are an integral part of the financial statements.

1.5 Statement of cash flows

(EUR thousand)					
	Note	SID Bank Group		SID Bank	
		2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		4,713	11,193	5,449	11,193
Depreciation and amortisation	2.5.9	1,428	1,261	1,428	1,261
Impairments/(reversal of impairments) of investments in debt instruments measured at fair value through other comprehensive income	2.5.12	(52)	(78)	(52)	(78)
Impairments/(reversal of impairments) of loans and other financial assets measured at amortised cost	2.5.12	37,592	4,616	37,592	4,616
Impairments of tangible assets, intangible assets and other assets	2.5.12	433	0	433	0
Net foreign exchange (gains)/losses		4	(1)	4	(1)
Net modification (gains)/losses	2.5.10	1,045	107	1,045	107
Net (gains)/losses from sale of tangible assets		0	(7)	0	(7)
Other (gains)/losses from investing activities	2.5.1, 2.5.2	(12,570)	(11,274)	(12,570)	(11,274)
Other adjustments to total profit or loss before tax	2.3.8, 2.4.5, 2.5.4, 2.5.11	(38,689)	(6,338)	(39,258)	(6,338)
Cash flows from operating activities before changes in operating assets and liabilities		(6,096)	(521)	(5,929)	(521)
(Increases)/decreases in operating assets (excluding cash and cash equivalents)		73,923	201,995	72,562	201,995
Net (increase)/decrease in non-trading financial assets mandatorily at fair value through profit or loss	2.4.2	(1,666)	9,079	(1,028)	9,079
Net (increase)/decrease in financial assets measured at fair value through other comprehensive income	2.4.3	470	28,860	470	28,860
Net (increase)/decrease in loans and other financial assets measured at amortised cost	2.4.4	75,582	165,518	73,579	165,518
Net (increase)/decrease in asset-side derivatives – hedge accounting	2.4.5	(558)	(1,405)	(558)	(1,405)
Net (increase)/decrease in other assets		95	(57)	99	(57)
Increases/(decreases) in operating liabilities		(198,905)	20,914	(177,428)	20,914
Net increase/(decrease) in deposits and loans measured at amortised cost	2.4.11	56,516	(61,439)	78,020	(61,439)
Net increase/(decrease) in issued debt securities measured at amortised cost	2.4.11	(248,552)	77,768	(248,552)	77,768
Net increase/(decrease) in liability-side derivatives – hedge accounting	2.4.5	(4,554)	(182)	(4,554)	(182)
Net increase/(decrease) in other liabilities	2.4.13	(2,315)	4,767	(2,342)	4,767
Cash flows from operating activities		(131,078)	222,388	(110,795)	222,388
(Paid)/refunded corporate income tax		(1,490)	(4,973)	(1,484)	(4,973)
Net cash flow from operating activities		(132,568)	217,415	(112,279)	217,415
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts from investing activities		36,840	27,658	36,840	27,658
Receipts from sale of tangible assets		1	29	1	29
Receipts from disposal of investments in debt securities measured at amortised cost	2.4.4	25,000	18,000	25,000	18,000
Other receipts from investing activities	2.4.4, 2.5.2	11,839	9,629	11,839	9,629
Cash payments on investing activities		(58,426)	(75,651)	(79,556)	(75,701)
(Cash payments to acquire tangible assets)		(1,142)	(831)	(1,124)	(831)
(Cash payments to acquire intangible assets)		(1,418)	(1,494)	(1,418)	(1,494)

(Cash payments for investments in subsidiaries, associates and joint ventures)	0	0	(21,148)	(50)	
(Cash payments to acquire debt securities measured at amortised cost)	2.4.4	(55,866)	(73,326)	(55,866)	(73,326)
Net cash flow from investing activities		(21,586)	(47,993)	(42,716)	(48,043)
Effects of change in exchange rates on cash and cash equivalents		(5)	1	(5)	1
Net increase in cash and cash equivalents		(154,154)	169,422	(154,995)	169,372
Opening balance of cash and cash equivalents		493,208	323,785	493,158	323,785
Closing balance of cash and cash equivalents		339,049	493,208	338,158	493,158

The notes are an integral part of the financial statements.

Cash and cash equivalents

	(EUR thousand)			
	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Cash balances at central banks	338,078	493,001	338,078	493,001
Demand deposits at banks	971	207	80	157
Total	339,049	493,208	338,158	493,158

Cash flows from interest and dividends

	(EUR thousand)			
	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Interest received	77,334	106,503	77,329	106,503
Interest paid	(45,234)	(63,613)	(45,322)	(63,613)
Dividends received	89	892	89	892
Total	32,189	43,782	32,096	43,782

2 NOTES TO THE FINANCIAL STATEMENTS

Sections 1.1 to 1.5 of the financial report disclose the financial position of SID Bank and the SID Bank Group as at 31 December 2025, and their profit or loss, other comprehensive income, changes in equity and cash flows for the 2025 financial year. Figures for the position as at 31 December 2024 and for the 2024 financial year are disclosed in the aforementioned financial statements for the purposes of comparison.

Given that at the end of 2024 SID Bank had only just begun the process of founding a number of subsidiaries, which was completed in 2025 through the demerger of some of its assets to subsidiaries, the individual financial statements alone were presented in the 2024 annual report. The first subsidiary had already been founded by December 2024, but did not trade in 2024 and disclosed no profit or loss, for which reason consolidated financial statements were not

presented for that financial year according to the principle of non-materiality.

To ensure comparability, and the true and fair presentation of financial information in this annual report, SID Bank has included consolidated financial statements and notes for the 2024 financial year as comparable data at the level of the SID Bank Group, those statements having been compiled on the same basis and applying the same accounting policies as those that would have applied in the previous year had a consolidated financial report been compiled. The difference between consolidated and standalone figures for 2024 is insignificant. This data is presented solely for the sake of comparability.

Below the data is presented only once if it is the same for SID Bank and the SID Bank Group in both presented years.

2.1 Basic information

SID banka d.d., Ljubljana (hereinafter: SID Bank or the Bank) is the controlling undertaking of the SID Bank Group (hereinafter: the SID Bank Group or the Group). The composition of the Group is disclosed under section 2.3.6 Definition of the Group.

SID Bank provides banking services under authorisations obtained from the Bank of Slovenia, and undertakes transactions under the authorisation of the Slovenian state (the Republic of Slovenia) and insurance of receivables. The granting of loans to promote development, environmental protection and energy projects represents the majority of its banking activities.

A more detailed description of the services under authorisation is given in section 2.3.30 Operations for the account of the Republic of Slovenia.

SID Bank's registered office is at Ulica Josipine Turnograjske 6, 1000 Ljubljana, Slovenia.

The Bank's share capital amounts to EUR 300,000,090.70, and is divided into 3,121,741 ordinary registered no-par-value shares released in several issues.

The Republic of Slovenia (the Slovenian state) is the Bank's sole shareholder.

2.2 Statement of compliance

The separate and consolidated financial statements have been compiled in accordance with the International Financial Reporting Standards and the corresponding

interpretations as approved by the EU, and taking account of the Companies Act, the Banking Act, and Bank of Slovenia regulations.

2.3 Significant accounting policies

The significant accounting policies that provide the basis of measurement for the compilation of the financial statements and other accounting policies that are of significance in the interpretation of the financial statements are given below.

The compilation of the financial statements applied the same accounting policies as those used in compiling the financial statements for 2024, with the exception of the accounting standards and other changes effective as of 1 January 2025 and approved by the EU.

The aforementioned accounting policies apply to SID Bank and the SID Bank Group alike.

2.3.1. Basis for compiling the financial statements

The financial statements have been compiled on a going-concern basis, on an original cost basis, with the exception of financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets held for trading, and hedging derivatives, which are measured at fair value.

The accounting policies may only be changed if:

- the change is mandatory under a standard or interpretation, or
- the change results in the financial statements presenting information of greater reliability or relevance.

2.3.2. Use of estimates and judgements and material uncertainties

The compilation of the financial statements in accordance with the IFRS requires the use of estimates and judgements that affect the carrying amounts of reported assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date, and the amount of revenue and expenses in the reporting period.

flows are comprised solely of payments of principal and interest. Financial assets are assigned to a category prior to initial recognition of the financial instrument with regard to the policy of the SID Bank Group.

The most significant assessments in using accounting policies relate to the classification of financial assets to the relevant business model, and assessments of whether contractual cash

In the management of environmental, social and governance risks, SID Bank conducts ESG factor assessments at the borrower level above a certain exposure during the loan approval and monitoring process. The result of the comprehensive assessment of ESG factors in the form of an ESG report enters SID Bank's credit

process as an input parameter, and can impact loan rejection/approval and the terms of financing. ESG factors also impact the terms and conditions of financing via the incorporation of ESG risk scores in credit ratings. SID Bank has adopted a methodology for mapping ESG risk scores into credit ratings, which is also implemented as part of the credit rating methodology.

Significant estimates were used for:

- impairments of financial assets measured at amortised cost, provisions for contingent liabilities and impairments of financial assets measured at fair value through other comprehensive income (see notes in section 2.3.10 under the section entitled Impairments of financial assets and provisions);
- estimates of the fair value of financial assets and liabilities (see notes in section 2.3.10 under the section entitled Principles applied in valuation at fair value);

2.3.3. Functional and reporting currency

The financial statements have been compiled in euros, which is the reporting and functional currency of the SID Bank Group.

2.3.4. Translation of transactions and items in foreign currency

All transactions in foreign currency are converted into the functional currency at the exchange rate on the transaction date.

Assets and liabilities denominated in foreign currencies are converted in the financial statements using the reference European Central Bank exchange rate applicable on the reporting date.

Foreign exchange differences arising in the settlement or translation of items at exchange rates other than those at which they were

- valuation of derivatives (see notes in section 2.3.11 Derivatives and hedge accounting);
- potential tax items (see notes in section 2.3.28 Taxes);
- provisions for commitments to employees (see notes in section 2.3.17 Employee benefits).

Although the estimates used are based on the best knowledge of current developments and activities, the actual results may differ from the estimates.

The SID Bank Group makes revisions to the estimates and assumptions used, and recognises their effects during the period of the revision.

The uncertainty in the use of the estimates and assumptions used in the compilation of the financial statements was further increased in 2025 by the risks and uncertainty in the macroeconomic and geopolitical environment.

All amounts in the financial statements and the accompanying notes are expressed in thousands of euros, unless stated otherwise. Differences can arise in summed figures on account of rounding adjustments.

translated upon initial recognition in the period or in previous financial statements are recognised in the income statement in the period in which they arise.

Foreign exchange differences arising on non-monetary items such as equities classified as financial assets measured at fair value through other comprehensive income are recognised in accumulated other comprehensive income together with the effect of valuation at fair value.

2.3.5. Consolidation

The consolidated financial statements encompass the financial statements of SID Bank (the controlling undertaking) and its subsidiaries as at 31 December 2025 and for the 2025 financial year, and comparable data as at 31 December 2024 and for the 2024 financial year.

The subsidiaries controlled by SID Bank are included in the consolidated financial statements by means of a full consolidation method, where there is simultaneous consolidation of undertakings in which direct participation is held and undertakings in which participation is indirect.

Consolidation of a subsidiary begins on the day of acquisition of control, and ends on the day that the Bank loses control of the subsidiary.

SID Bank is deemed to control an undertaking if all the following elements of control are in place:

- it exerts an influence over the undertaking,
- it is exposed to a variable return or has the right to a variable return from its participation in the undertaking, and
- it can affect the amount of its return through its influence over the undertaking.

SID Bank reassesses whether it controls an undertaking if the facts or circumstances suggest that there has been a change in one or more of the elements of control. If it assesses that it no longer controls the undertaking, it is excluded from consolidation on the date of the loss of control.

The financial statements of the subsidiaries are compiled for the same reporting period as SID Bank's financial statements.

The Group's standardised accounting policies are applied to similar transactions and other business events in similar circumstances.

All assets and liabilities (including equity) within the Group and revenues, expenses, dividends and cash flows in connection with transactions between members of the Group are eliminated in full during the consolidation process.

As at the reporting date SID Bank directly or indirectly held a 100% participating interest in all the subsidiaries included in consolidation, for which reason the consolidated financial statements do not disclose equity or participating interests of minority owners.



2.3.6. Definition of the Group

Undertaking and registered office	Relationship	Activity	Equity Participation (%)	Share of voting rights (%)
Controlling bank				
SID banka d.d., Ljubljana Ulica Josipine Turnograjske 6, 1000 Ljubljana, Slovenia		Banking		
Undertakings included in consolidated financial statements under full consolidation method				
SID Kapital d.o.o. Ulica Josipine Turnograjske 6, 1000 Ljubljana, Slovenia	Subsidiary	Equity financing	100	100
SID Upravljanje premoženja d.o.o. Ulica Josipine Turnograjske 6, 1000 Ljubljana, Slovenia	Subsidiary of SID Kapital d.o.o.	Other activities auxiliary to financial intermediation	100	100
Undertakings included in consolidated financial statements under equity method				
Prvi Faktor Group consisting of:				
Prvi faktor d.o.o., Ljubljana (in liquidation) Slovenska cesta 17, 1000 Ljubljana, Slovenia	Joint venture	Finance	50	50
Prvi faktor - faktoring d.o.o., Beograd (in liquidation) Bulevar Mihaila Pupina 165/v, 11070 New Belgrade, Serbia	Joint venture	Finance	50	50
Prvi faktor d.o.o., Zagreb (in liquidation) Miramarska cesta 24, 10000 Zagreb, Croatia	Joint venture	Finance	50	50
Undertakings not included in consolidated financial statements				
Centre for International Cooperation and Development Kardeljeva ploščad 1, 1000 Ljubljana, Slovenia	Associate	Business consultancy	0	33

SID Svetovanje d.o.o. was established by SID Bank in December 2024 as its sole member, to which it transferred its equity financing activities under a separation and distribution agreement in 2025, with the aim of more actively addressing gaps in equity financing and strengthening the capital market in Slovenia. Certain equity investments and the corresponding liabilities, and a portion of the cash were transferred to the acquiring undertaking during the demerger. The demerger was executed after the demerger accounting date of 31 December 2024, but the transfer and acquisition of the assets and liabilities was recorded in the accounting records of the undertakings on the date of the entry of the demerger in the companies register, namely 30 September 2025. On this date the

undertaking was renamed SID Kapital d.o.o., and its nominal capital was revised from EUR 50 thousand to EUR 70,000 thousand.

In April 2025 SID Svetovanje d.o.o. (known as SID Kapital d.o.o. as of 30 September 2025) established SID Izobraževanje d.o.o. as its sole member. The renaming of the undertaking as SID Upravljanje premoženja d.o.o. was entered in the companies register in October 2025, and its nominal capital was revised from EUR 25 thousand to EUR 1,000 thousand.

The Bank does not include the Centre for International Cooperation and Development (CMSR), an associate, in consolidation. The Bank holds 33% of the voting rights as co-founder, but no equity.

2.3.7. Investments in subsidiaries, associates and joint ventures

A subsidiary is a legally independent undertaking that is directly or indirectly controlled by the SID Bank Group. An undertaking under the Group's majority ownership is presumed to be a subsidiary. In assessing whether an undertaking is a subsidiary, the Group checks whether the three elements of control cited under section 2.3.5 Consolidation have been satisfied.

An associate is an undertaking over which the Group directly or indirectly exerts a significant influence, but that it does not control. The Group is deemed to exert a significant influence over another undertaking if it holds 20% or more of the voting rights in that undertaking.

A joint venture is an undertaking that the Group controls jointly on the basis of a contractual arrangement.

Investments in subsidiaries, associates and joint ventures are disclosed in the separate financial statements at historical cost less any

impairment losses in accordance with IAS 36. Dividends are recognised in profit or loss when the right to receive the dividend arises.

Investments in associates and joint ventures are disclosed in the consolidated financial statements using the equity method. Under this method a financial asset is initially recognised at historical cost, and is subsequently increased or decreased by the Group's share of the profit or loss of the associate or joint venture. Dividends received reduce the carrying amount of the investment. If the Group's share of the losses of the associate or joint venture reaches or exceeds the carrying amount of the investment, the Group ceases to recognise any further losses unless it holds a corresponding liability that it is required to settle. The Group re-recognises its share of the profits from the investment in an associate or joint venture only after its share of the profits equals the amount of unrecognised loss.

2.3.8. Statement of cash flows

The statement of cash flows is compiled using the indirect method.

Profit before tax serves as the basis for the preparation of cash flow.

Under the indirect method, cash flows from operating activities are determined by adjusting profit before tax for the effects of changes in operating receivables and liabilities, the effects of non-cash items (e.g. depreciation and amortisation, impairments, and foreign exchange differences) and other adjustments to net profit (e.g. provisions, fair value changes in hedge accounting, changes in the fair value of non-trading financial assets mandatorily at fair value through profit or loss, and gains/losses from the provision of loan funds and Fund of Funds transactions incurred on the basis of a first loss contract clause).

The Group includes the effects of changes in issued debt securities in net cash flows from operating activities, in accordance with the Bank of Slovenia scheme. In the case of receipts from issued subordinated liabilities, these would be included in cash flows from financing activities.

A direct method is used to disclose cash flows from investing activities in accordance with the Regulation on the books of account and annual reports of banks and savings banks, despite the Group compiling the statement of cash flows under the indirect method. Cash inflows from investing activities include dividends received in investing activities and receipts from the sale of property, plant and equipment, while cash outflows from investing activities include acquisitions of property, plant and equipment, acquisitions of intangible assets, and acquisitions of debt securities measured at amortised cost.

2.3.9. Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include balances in accounts at the central bank and business accounts at banks, deposits at the central bank and other banks, loans to banks, and debt securities with an original maturity of no more than three months.

All cash equivalent items are short-term, highly liquid investments that are readily convertible into predetermined cash amounts.

2.3.10. Financial instruments

Classification and measurement of financial instruments in accordance with IFRS 9

Business model

The classification and measurement of financial assets in the financial statements are determined by the selected business model within which financial assets are managed, and the characteristics of their contractual cash flows. Upon their initial recognition, each financial asset is classified into one of the following business models:

1. a model whose purpose is the collection of contractual cash flows (hold to collect model: measurement at amortised cost);
2. a model whose purpose is the collection of contractual cash flows and sale (hold to collect and sell model: measurement at fair value through other comprehensive income); and
3. other models (measurement at fair value through profit or loss).

The SID Bank Group assesses the business model on the basis of how it manages a portfolio of financial assets in order to achieve business goals.

Given its role and framework of operation, the Group manages financial assets under the first two basic business models, and only classifies financial assets under the third business model when they fail to meet the conditions of one of the first two business models.

Purchases and sales of financial assets other than loans and receivables are recognised on

the trade date. Loans and receivables are recognised on the settlement date.

SID Bank's basic business activity involves lending operations executed either via commercial banks or in cooperation with them, or via direct lending to final beneficiaries. The aim of lending activities is to collect contractual cash flows, and these transactions are classified under the first business model accordingly.

The purpose of the Group's treasury transactions is to manage liquidity risk, interest rate risk and currency risk, and to provide funding for the purposes of financing. The aim of deposit and credit operations is to collect contractual cash flows, and they are therefore classified under the first business model. Transactions in debt securities may be concluded to collect contractual cash flows, or with the eventual aim of sale and, on this basis, they can be classified under the first or second business models.

According to the requirements of the standard, all equity instruments may only be classified under the third business model. Given that these financial instruments are not traded by the Group, it decides, upon initial recognition of an individual equity or a group of equities, whether it will use the alternative option of measurement under other comprehensive income. Financial assets that fail the SPPI test are also classified under the third business model.

Assessment of whether contractual cash flows comprise solely payments of principal and interest (SPPI test)

The Group carries out an SPPI test for debt instruments assigned to the hold to collect model and the hold to collect and sell model. For the purpose of this assessment, the principal is defined as the fair value of the financial asset upon initial recognition. Interest is defined as a compensation for the time value of money, the credit risk associated with the unpaid principal, other lending risks and costs (liquidity risk and administrative expenses) and the profit margin.

The Group assesses whether contractual cash flows are comprised solely of payments of principal and interest on the basis of the contractual characteristics of the financial instrument. This assessment also involves an assessment of whether the financial asset contains contractual provisions that may change the time and amount of the contractual cash flows so that this condition would no longer be met. In so doing, it takes account of:

- potential events that could change the time and amount of contractual cash flows;
- the possibility of early repayment or extended loan repayment;
- conditions that restrict the cash flows of some assets (e.g. subordination of payments); and
- characteristics that change the understanding of the time value of money (e.g. periodic repricing of interest rates).

If a debt instrument fails the SPPI test, it must be measured at fair value, i.e. under the third business model.

Categories of financial assets

Financial assets are allocated into the following categories on the basis of the business model and the SPPI test:

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are assets under the first business model, whose aim is to collect contractual cash flows. The contractual provisions stipulate the payment of certain time-dependent cash flows that constitute solely the payment of the principal and interest on the unpaid principal.

The Group includes in this category loans and other financial assets such as trade receivables and debt securities that it does not intend to sell. The effects of interest, foreign exchange differences and impairments are recognised in profit or loss.

Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if they are financial assets under the second business model, whose aim is to collect and sell cash flows. The contractual provisions stipulate the payment of certain time-dependent cash flows that constitute solely the payment of the principal and interest on the unpaid principal.

The Group includes debt securities in this category.

These assets are recognised at fair value in the statement of financial position. The effects of interest, foreign exchange differences and impairments are recognised in the income statement. The effects are the same as in the case of measurement at amortised cost. The difference between the amortised cost and the fair value, taking account of the creation of allowances for expected credit losses, is recorded under other comprehensive income.

Upon derecognition the accumulated effect of measurement is transferred from other comprehensive income to profit or loss.

In individual cases, the Group also values equities at fair value through other comprehensive income, when the relevant standards allow such measurement. In the case of measurement at fair value through other

comprehensive income, only dividend income is recognised in the income statement. Effects accumulated under other comprehensive income are never transferred to profit or loss, even upon derecognition.

Financial assets at fair value through profit or loss

If financial assets are not measured at amortised cost or fair value through other comprehensive income, they are measured at fair value through profit or loss.

This category primarily includes financial assets mandatorily at fair value through profit or loss and financial assets designated for measurement at fair value through profit or loss.

Debt financial assets that do not meet the conditions with regard to the business model or the characteristics of cash flows for

measurement at amortised cost or at fair value through other comprehensive income, and derivatives used to hedge other items but that do not meet all the conditions to be classed as hedging derivatives are classified by the Group as financial assets mandatorily at fair value through profit or loss. This category also includes equities for which no use was made of the alternative option of measurement under other comprehensive income.

The Group would classify debt instruments that passed the SPPI test but that were defined as hedging instruments upon initial recognition under financial assets designated for measurement at fair value through profit or loss, if such classification would materially reduce or eliminate accounting discrepancies that occur due to the use of different valuation methods. The Group does not currently hold such financial assets.

Accounting treatment of the recognition of modified financial assets

If a financial asset is modified, it is necessary to determine whether the change results in the derecognition of an existing asset and the recognition of a new asset, or whether it is simply a change in or modification to an existing financial asset.

In so doing, the Group takes into account the following criteria, which result in the derecognition of a financial asset:

- whether the change results in the reclassification of an on-balance-sheet exposure and a transition to measurement at fair value;
- whether this involves a new contract based on which the original debtor's debt is repaid, or an annex to a contract under which a new debtor replaces the original debtor in the credit relationship;
- whether this is a consolidation of several financial assets into a single or modified structure of new financial assets with a new cash flow scheme;
- whether this is a change in contractual currency; and

- whether this is a partial conversion of debt to equity.

For all other changes in a financial asset, derecognition is carried out if the change is material. When the net present value of the modified contractual cash flows of a financial asset differs by more than 10% from the net present value of other cash flows prior to the modification, it is recognised as a material change that results in derecognition. In that respect, the modification of contractual cash flows is not deemed a change if the modification of contractual cash flows is carried out under the original contractual terms.

If the modification causes the derecognition of a financial asset, all costs and fees are disclosed in the income statement upon derecognition of the original financial asset, and the new financial asset is recognised at fair value, i.e. less expected credit losses as appropriate. If a change does not result in the derecognition of an existing asset, the present value of modified contractual cash flows is calculated using, as the discount rate, the original effective interest rate or the credit-adjusted effective interest rate in

the case of purchased or originated credit-impaired financial assets. The gross carrying amount of an asset is adjusted by the amount of the identified difference, and the effect recognised in the income statement. The amount by which the gross carrying amount of

the asset is adjusted as the result of modified repayment terms is accrued over the entire remainder of the lifetime of the financial asset and is disclosed in profit or loss as interest income.

Reclassification of financial instruments between categories

The Group only reclassifies financial assets if its business model for financial asset management is modified. If financial assets are reclassified, the reclassification is applied prospectively from the reclassification date. The Group did not

carry out any reclassifications during the reporting periods.

Reclassifications of financial liabilities are not allowed.

Write-offs

The Group writes off receivables from investment operations when recovery has failed (generally after the exhaustion of all legal remedies and after the end of the statute-barring periods), or in the event that the customer no longer possesses any assets with which the debt from the investment operation could be repaid. In so doing the Bank takes account of Article 32 of the Bank of Slovenia's Regulation on credit risk management at banks and savings banks, which regulates the write-off of non-performing exposures for reason of failed recovery.

The previous paragraph notwithstanding, the write-off of an exposure in full nevertheless occurs on the basis of a final court order on the completion of bankruptcy proceedings administered against the customer.

Should it be assessed in the recovery procedure that an on-balance-sheet exposure will not be repaid, and that the conditions for derecognising the exposure from the statement of financial position have been met in accordance with the IFRS, the procedure for derecognising the outstanding exposure from the statement of financial position and transferring it to the off-balance-sheet records in full is begun even before a final court order on the completion of bankruptcy proceedings is obtained, in the following cases:

- for unsecured exposures, when bankruptcy proceedings are initiated against the customer and the order initiating bankruptcy proceedings is final; and
- for secured exposures, when a period of more than the following has passed since the order initiating bankruptcy proceedings became final:
 - seven years for exposures secured by real estate; and
 - five years for exposures secured by movable property or other forms of credit protection (e.g. guarantees, securities, monetary claims), and the aforementioned assets have not been liquidated in the interim. If the exposure is secured by collateral of various types, the longer of the periods regarding the other assets is taken into account.

The write-off of an exposure may also occur:

- if an extra-judicial forbearance agreement or extra-judicial or court settlement is concluded between the Group and the customer;
- on the basis of the sale of receivables, in the amount representing the difference between the exposure as at the reporting date and the selling price achieved;
- on the basis of a final court order approving compulsory composition or a final court

order in proceedings on the grounds of imminent insolvency, in the amount in which the Group's right to exercise payment from

the customer in judicial or other proceedings was extinguished.

Promotional financing

Promotional financing is part of SID Bank's legally defined mandate and tasks under the law governing its establishment (the ZSIRB). In its promotional financing, the advantages that SID Bank gains as the national promotional financial institution on the basis of refinancing terms are passed on to eligible borrowers as final beneficiaries via the relevant inputs for setting interest rates, where the Bank does not incorporate any additional subsidies into the

calculation of the interest rate. The terms for obtaining loans are defined in the general terms and conditions, which are tailored to the targets of the individual promotional programmes.

In light of the above, the fair value of these loans at origination is the same as the transaction price, i.e. the contractual amount of the loans granted.

Financial liabilities

Financial liabilities are measured either at amortised cost or at fair value through profit or loss.

Upon initial recognition financial liabilities are classified with regard to the purpose of acquisition, the time held in possession and the type of financial instrument.

Financial liabilities measured at fair value through profit or loss comprise financial liabilities held for trading, under which derivatives not used to hedge against risk, and hedging derivatives, which include derivatives

that meet the conditions for hedge accounting, are classified.

Net gains/losses on the basis of changes in the fair value of financial liabilities are disclosed in the income statement.

All other liabilities are classified to the category of liabilities at amortised cost, which comprises liabilities from deposits and loans from banks and central banks and from non-bank customers, issued debt securities and other financial liabilities.

Principles applied in valuation at fair value

Fair value is the price that would be received when selling an asset or paid when transferring a liability in a transaction between unrelated market participants at the measurement date under current market terms, regardless of whether the price can be directly observed or estimated by means of a valuation technique. The price on the most advantageous market is not adjusted for transaction costs.

The fair value of a financial instrument at initial recognition is the same as the transaction price. If one of the following conditions is met, the fair

value might not be equal to the transaction price:

- the transaction is executed under duress, or the vendor is forced to accept the price in the transaction (which may be the case if the vendor is experiencing financial difficulties);
- the transaction is executed between related parties;
- the transaction is executed in a market other than the most advantageous; or
- the transaction price includes transaction costs.

The valuation methods and the assumptions applied are additionally disclosed in section 3.7 Fair value of financial assets and liabilities. The

forementioned note also describes and discloses the fair value hierarchy.

Impairments of financial assets and provisions

IFRS 9 is based on the expected credit loss model where, in addition to historical data on recoverability, it is necessary to take account of forward-looking information and other internal and external factors that indicate the debtor's solvency in the future.

Expected credit losses need to be estimated for the following financial instruments:

- financial assets measured at amortised cost;
- debt securities classified as financial assets measured at fair value through other comprehensive income;
- lease receivables; and
- off-balance-sheet exposures from loan commitments given and financial guarantee contracts.

IFRS 9 distinguishes between the recognition of expected credit losses during a 12-month period, and lifetime expected credit losses. The SID Bank Group classifies financial assets for which expected credit losses must be estimated in accordance with IFRS 9 into the following stages:

- financial instruments where there has not yet been a significant increase in credit risk, and for which impairments and/or provisions for credit losses are measured on the basis of expected credit losses over a 12-month period are classified as Stage 1. Interest income from these financial instruments is calculated on the basis of the gross carrying amount;
- financial instruments where there has been a significant increase in credit risk in the period between initial recognition and the date for which expected credit losses are being estimated are classified as Stage 2. Allowances and provisions for credit losses are measured on the basis of expected credit losses over the entire lifetime of the financial

instrument. Interest income from these financial instruments is calculated on the basis of the gross carrying amount;

- financial instruments where there has been a default event on the part of the debtor are classified as Stage 3. Allowances and provisions for credit losses are measured on the basis of expected credit losses over the entire lifetime of the financial instrument. Interest income from these financial instruments is calculated on the basis of the net carrying amount.

The SID Bank Group does not take account of credit protection when classifying exposures to Stages 1, 2 or 3.

Financial instruments are classified as Stage 1 upon initial recognition, with the exception of purchased or originated credit-impaired financial assets (POCI item). Upon subsequent measurement, it is assessed whether there has been a significant increase in the credit risk of the financial instrument in the period between initial recognition and the date for which expected credit losses are being estimated. If this is not the case, the financial instrument remains classified as Stage 1. If there has been a significant increase in credit risk but the financial instrument has not yet been defined as a non-performing exposure, it is classified as Stage 2.

In the case of a purchased or originated credit-impaired financial asset (POCI item), lifetime expected credit losses until derecognition are calculated. Under IFRS 9, for POCI items the amount of the change in the lifetime expected credit losses on a financial instrument is recognised in profit or loss as an impairment gain or loss. Favourable changes to lifetime expected credit losses on a financial instrument are recognised as an impairment gain, even if the lifetime expected credit losses are lower than the amount of the expected losses

included in the estimated cash flows at initial recognition. Under IFRS 9, POCI items are initially recognised at fair value in the statement of financial position. Upon subsequent measurement, this represents the basis for measurement at amortised cost.

The requirements of IFRS 9 with regard to the assessment of expected credit losses are complex and require critical assessments by the management, and estimates and assumptions in the following areas in particular, described in detail below:

- assessment of a significant increase in credit risk since initial recognition;
- inclusion of forward-looking information in the estimation of expected credit losses.

Measurement of expected credit losses

Under IFRS 9, expected credit losses of a financial instrument are measured in a manner that takes account of:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information on past events, current conditions and forecasts of future economic conditions that is available on the reporting date without undue cost or effort.

Definition of default

In determining the default of a debtor, the SID Bank Group applies the definition of default set out in Article 178 of the CRR, namely:

- the debtor is more than 90 days past due on any material credit obligation to the SID Bank Group;
- it is unlikely that the debtor will settle its credit obligations to the SID Bank Group in full, without recourse to actions such as liquidation of collateral or other procedures.

Significant increase in credit risk

The SID Bank Group assesses on each reporting date whether the credit risk inherent in a financial instrument has increased significantly since initial recognition. It assesses significant increases in credit risk using reasonable and supportable information at the level of the individual financial instrument, taking into account the following criteria:

- a change in credit rating with respect to the initial recognition;
- a change in weighted lifetime probability of default with respect to initial recognition;
- the number of days past due at the level of the financial instrument is more than 30;
- the financial instrument becomes a performing forbore exposure;
- the fair value is lower (by a specified percentage) than the amortised cost of a marketable debt security over an uninterrupted specified period.

The SID Bank Group does not take into account the exemptions referred to in Article 5.5.10 of IFRS 9 with regard to the consideration of exposures with low credit risk.

Inputs used to calculate expected credit losses

The SID Bank Group calculates expected credit losses on the basis of the following methodologies:

- a methodology for Stages 1 and 2;
- a methodology for Stage 3.

The inputs used to calculate expected credit losses on the basis of the methodology for Stages 1 and 2 are as follows:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD); and
- discount factor.

The SID Bank Group defines the probability-of-default curve (PD curve) and loss-given-default curve (LGD curve) for individual homogeneous

groups defined internally on the basis of internally developed methodologies.

Probability of default for the main homogeneous PD group: the SID Bank Group determines exposures to undertakings in Slovenia based on the regression method of transition between rating grades. For the purposes of determining the probability of default for other main homogeneous PD groups, the SID Bank Group uses the data of the rating agency Fitch Ratings, which is microdata to which it applies regression methods in survival analysis for modelling.

When determining loss given default, the SID Bank Group proceeds from the default rate as defined by the Bank of Slovenia's Guidelines for calculating default rate and loss rate, and is based on the collection of data on repayments that are not made from collateral, which are reflected in the parameter of the recovery rate for unsecured exposure (Spnez), and on repayments made from collateral, which are reflected in the parameter of haircut (HC). The SID Bank Group collects data on repayments for exposures that are (were) in default status. When estimating expected credit losses for exposures classified to Stages 1 and 2, the loss-given-default curves are calculated for each homogeneous LGD segment. The calculation of the loss-given-default curve takes account of exposure at default, the collateral value of the individual exposure, less the haircut (HC), the recovery rate for unsecured exposure (Spnez), and macroeconomic forecast factors for the Spnez and HC parameters.

The SID Bank Group determines exposure at default with regard to the exposure of a financial instrument on the date of calculation of expected credit losses and the future contractual cash flows from the financial instrument. The calculation of exposure at default for off-balance-sheet exposures takes account of the regulatory conversion factors set out in the CRR.

The effective interest rate determined at initial recognition or an approximation thereof is used as a discount factor. For a purchased or originated credit-impaired financial asset (POCI item), the credit-adjusted effective interest rate

determined at initial recognition is used for discounting. In connection with financial guarantee contracts and financial instruments for which the effective interest rate cannot be determined, the weighted interest rate of performing exposures in SID Bank's credit portfolio is used.

In calculating expected credit losses for financial instruments classified to Stage 3, the SID Bank Group takes account of estimated repayments at the level of the individual exposure, including forward-looking information in the form of macroeconomic forecast factors. The total estimated value of future cash flows is a weighted average of estimated repayments from the entity's cash flows and estimated repayments from collateral.

For a purchased or originated credit-impaired financial asset (POCI item) that is defined as a non-performing exposure, the SID Bank Group calculates the expected credit losses on the basis of the Stage 3 methodologies. If a purchased or originated credit-impaired financial asset (POCI item) becomes a performing exposure, the expected credit losses are calculated on the basis of the Stage 2 methodology.

Forward-looking information

In the determination of probability of default, the SID Bank Group takes into account forward-looking information on the basis of the correlation between the default rate and a macroeconomic indicator derived from GDP growth and financing conditions (EURIBOR).

In the determination of loss given default, it takes into account forward-looking information concerning the parameter of recovery rate for unsecured exposure (Spnez) and the parameter of haircut (HC) in the form of factors of macroeconomic forecasts.

The parameter of recovery rate for unsecured exposure (Spnez) is modelled as a statistical model for forecasting the recovery rate for an unsecured exposure (Spnez) depending on the macroeconomic environment, where the independent variable is average GDP growth

over the four years after the occurrence of default. In order to calculate the factors of macroeconomic forecasts for the haircut (HC) parameter, the SID Bank Group divides collateral into two groups:

- real estate collateral (commercial and residential real estate); and
- other types of collateral (securities, movable property and receivables).

Real estate collateral values are modelled as a statistical model for forecasting real estate collateral values depending on the macroeconomic environment, where the dependent variable is an annual index of commercial real estate prices, and the independent variables are average current GDP growth and the lag thereof.

Other collateral values are modelled as a statistical model for forecasting values of other types of collateral depending on the macroeconomic environment, where the dependent variable is the average quarterly change in the value of other types of collateral, and the independent variables are two lags of GDP growth.

The SID Bank Group takes account of standard factors of macroeconomic forecasts to calculate

expected credit losses for the entire portfolio. The factors of macroeconomic forecasts are taken into account in the calculation of individual points on the LGD curve for financial instruments classified as Stages 1 and 2, and in the calculation of estimated repayments for financial instruments classified as Stage 3.

In the calculation of expected credit losses, the SID Bank Group takes account of three scenarios of macroeconomic forecasts, and may take into account more if major shocks are expected. The scenarios generally comprise baseline, favourable and adverse projections of major macroeconomic factors. The gap between the favourable and adverse scenarios reflects internally assessed risk in the domestic and foreign macro financial environments.

The table indicates the annual GDP growth rates that the SID Bank Group took into account in the calculation of expected credit losses according to the situation as at 31 December 2025. In its baseline scenario the SID Bank Group took account of the forecasts of the Institute of Macroeconomic Analysis and Development in its growth forecast for Slovenia's GDP, and the macroeconomic projections of the European Commission, the ECB and the IMF in its growth forecast for euro area GDP.

	Scenario probability weighting	Annual GDP growth, %							
		Slovenia				Euro area			
		2025	2026	2027	2028	2025	2026	2027	2028
Baseline scenario	50%	0.8	2.1	2.2	2.0	1.2	1.0	1.3	1.1
Favourable scenario	25%	1.6	4.0	2.8	2.2	1.8	2.4	1.8	1.3
Adverse scenario	25%	-0.2	-0.5	-1.0	1.1	0.2	-1.2	1.3	0.5

Sensitivity analysis of macroeconomic variables

The table below presents a sensitivity analysis of the effect of a change in GDP growth by +/-300 basis points (+/- 100 basis points for each year of the 2026 to 2028 horizon) on the level of

probability of default (PD), loss given default (LGD) and expected credit losses (ECL) according to the situation as at 31 December 2025.

Change in GDP growth	Impact on PD (basis points)	Impact on LGD (basis points)	Impact on ECL (EUR thousand)
+300 basis points	-0.69	-145.71	-389
-300 basis points	7.81	319.37	2,000

Forborne loans

Forborne loans that arise in SID Bank' operations are loans for which forbearance measures were applied. Those measures comprise concessions (allowances) to a customer that is experiencing or will soon experience difficulties in meeting its financial commitments (financial difficulties).

The Bank assesses financial difficulties and the ability to repay a debt at the customer level during the forbearance of loans.

For the purpose of making a decision on the adoption of a forbearance measure, the Bank obtains information on the effects of forbearance on its financial assets and, as a rule, information on the economic effects of forbearance compared with alternative solutions (e.g. the liquidation of collateral, the sale of financial assets).

Hedge accounting

New developments in hedge accounting brought about by the introduction of IFRS 9 in 2018 include: the abolition of the measurement of hedge effectiveness, time value of options and forward points, determination of the total exposure of hedged items, the possibility of hedging separate components of risk, and a prohibition on the voluntary discontinuation of hedging relationships.

The Group took the opportunity afforded by IFRS 9 to continue applying the requirements

with regard to hedge accounting under IAS 39. Eligible hedging instruments include:

- derivatives measured at fair value through profit or loss;
- non-derivative financial assets or non-derivative financial liabilities measured at fair value through profit or loss; and
- contracts with parties external to the Group and the Bank.

2.3.11. Derivatives and hedge accounting

The Group classifies derivatives as financial instruments held for trading and financial instruments used for hedging. Derivatives are initially recognised at fair value in the statement of financial position. Fair values are determined on the basis of prices quoted on an active

market, and using the discounted future cash flow method or pricing models, depending on the specific derivative. Derivatives are recognised in the statement of financial position as an asset if their fair value is positive and as a liability if their fair value is negative.

Changes in the fair value of derivatives that are not hedging instruments are disclosed in profit or loss in the item of net gains/losses on financial assets and liabilities held for trading.

Financial instruments held for hedging include those derivatives that meet the conditions for hedge accounting.

Hedge accounting means the booking of a hedging relationship between the hedging instrument (usually a derivative) and the hedged item (an asset or liability, or a group of assets or group of liabilities with similar risk attributes) for the purpose of mutually neutralising the effects of measuring the two instruments in profit or loss, which would otherwise not be recognised in profit or loss simultaneously. In doing so, the hedging relationship should be formally noted and appropriately documented.

When a hedging relationship is introduced, a formal document is produced that describes the relationship between the hedged item and the hedging instrument, the purpose of risk management, the valuation methodology and the hedging strategy. The assessment of the effectiveness of hedging instruments that are exposed to changes in the fair value of the hedged item or the hedged cash flows of the transaction that are attributable to the hedge in question is also documented. These are the conditions that must be met for hedging relationships to be eligible. Hedge effectiveness is assessed at the conclusion of a transaction and then during the hedging relationship, where hedge effectiveness must fall within a range of 80% to 125%.

The Group used fair value hedges in accordance with IAS 39 in 2024 and 2025.

Fair value hedge

According to IAS 39, a fair value hedge is a hedge against exposure to changes in the fair value of a recognised asset or liability or a previously unrecognised firm commitment, or an identified portion of such an asset, liability or

firm commitment that can be attributed to a particular risk and could affect profit or loss.

The Group uses interest rate swaps as hedging instruments.

With an effective hedge, changes in the fair value of hedging instruments (derivatives) are recognised immediately in the income statement under the item of net gains/losses on hedge accounting.

If a hedged item is measured at historical cost, the carrying amount of that item is adjusted for the gain or loss associated with the hedged item that can be attributed to the hedged risk, while that gain or loss is also recognised in the income statement under the item of net gains/losses on hedge accounting.

If a hedged financial asset is measured at fair value through other comprehensive income, the gain or loss attributable to the hedged risk is recognised in the income statement under the item of net gains/losses on hedge accounting, and not in the statement of other comprehensive income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, when the hedge no longer meets the hedge accounting criteria or the Group revokes the hedge designation.

If a hedging relationship fails to meet several conditions for hedge accounting, the ineffective hedge in the form of a derivative is disclosed in the income statement in the item of net gains/losses on financial assets and liabilities held for trading. An adjustment to the carrying amount of a hedged financial instrument for which the effective interest rate method is used is transferred to profit or loss over the remaining period until maturity. An adjustment to the carrying amount of a hedged equity instrument is included in the income statement at the time of sale.

2.3.12. Netting of financial assets and financial liabilities

Financial assets and liabilities are netted in the statement of financial position if there is a legal right to do so and a purpose for the net

settlement or simultaneous realisation of the asset and settlement of the liability.

2.3.13. Property, plant and equipment and intangible assets

Property, plant and equipment

Property, plant and equipment comprise real estate, equipment and supplies.

Property, plant and equipment are valued at original cost upon initial recognition. The original cost comprises the purchase price, import duties and non-refundable purchase taxes, and the costs that can be directly attributed to making the asset fit for its intended use. Subsequently incurred costs of maintenance and repairs in connection with an item of property, plant and equipment are disclosed as costs in profit or loss. Investments in existing property, plant and equipment that increase the future economic benefits increase the value of the aforementioned assets.

After initial recognition a cost model is applied, which means that items of property, plant and equipment are recorded at original cost minus the accumulated depreciation and accumulated impairment loss.

Land and buildings are treated separately, even if acquired together.

Property, plant and equipment become subject to depreciation once the asset is available for use. Depreciation is charged on a straight-line basis.

Depreciation rates applied in 2025 and 2024:

	(%)	
Depreciation rates	2025	2024
Buildings and parts of buildings	5.0 to 6.0	5.0
Computer equipment	14.3 to 33.3	14.3 to 33.3
Cars	12.5	12.5
Furniture	11.0	11.0
Other equipment	10.0 to 25.0	25.0
Supplies	25.0	25.0

Property, plant and equipment are impaired when their carrying amount exceeds their recoverable amount. The impairment loss is recognised as an expense in the income statement. The existence of indications of asset impairment is assessed at the end of each financial year, on the reporting date. If such indications exist, the recoverable amount of the asset is estimated as follows:

- the fair value less cost to sell, or
- the value in use,

whichever is higher.

The carrying amount of an individual item of property, plant and equipment is derecognised upon its disposal, if future economic benefits can no longer be expected from its use or disposal.

Intangible assets with determinable useful life

This item includes investments in software and licences. Software and licences were subject to amortisation at a rate of 14.3% in 2024 and 2025. Amortisation is charged on a straight-line basis.

Intangible assets with determinable useful life are impaired when their carrying amount exceeds the recoverable amount. The impairment loss is recognised as an expense in the income statement. The existence of indications of impairment of intangible assets is assessed at the end of each financial year, on the reporting date. If such indications exist, the recoverable amount of the asset is estimated as follows:

- the fair value less cost to sell, or
- the value in use,

whichever is higher.

After initial recognition, intangible assets with a determinable useful life are disclosed using the cost model, at the original cost less the accumulated amortisation and any accumulated impairment losses.

2.3.14. Accounting for leases

The Group identifies contracts that satisfy the definition of a lease in accordance with IFRS 16. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a specific period in exchange for consideration.

The Group as lessee

On the day that a lease commences, the Group recognises a right-of-use asset and a lease liability. A right-of-use asset is measured at historical cost on the day that the lease commences. Analytical records are kept of assets under lease recognised as right-of-use assets in the appropriate property, plant and equipment and investment property accounts.

The value of a right-of-use asset comprises the amount of the initially measured lease liability adjusted for all lease payments made at or prior to the commencement of a lease, any lease incentives, initial direct costs incurred by the lessee and estimated costs that the lessee will incur at the end of the lease. A right-of-use asset is treated similarly to other non-financial assets and is thus depreciated accordingly. Right-of-use assets under lease are depreciated on a straight-line basis from the day that the lease commences until the end of the asset's useful life or until the end of the lease term, if the latter is shorter.

The lease liability is calculated as the present value of future lease payments, discounted at the rate implicit in the lease if that rate can be determined; otherwise the incremental borrowing rate is assumed.

A five-year lease term is used as an assumption for the calculation of the net present value for contracts concluded for an indefinite period.

Amortisation ceases either on the day when the asset is classified as available-for-sale, or on the day when it is derecognised, whichever is the earlier.

The following practical expedients provided by the standard are used for recognition:

- non-lease components are not separated from lease components; instead all lease components and the associated non-lease components are treated as a single lease component; and
- IFRS 16 is not applied to leases of intangible assets.

The following exemptions permitted by the standard are applied at the time of recognition:

- short-term leases (leases of up to 12 months); and
- low-value leases (the original cost of a new asset under lease does not exceed EUR 5 thousand regardless of the age of the asset).

The lease payments associated with such leases as leasing costs over the entire lease term using the straight-line method are recognised.

The Group as lessor

As the lessor, the Group classifies all of its leases as operating leases or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. Otherwise it is classified as an operating lease. Classification of leases depends on the substance of the transaction rather than the form of the contract.

Assets placed under operating lease are disclosed as property, plant and equipment or investment property in the statement of financial position. Rents from operating leases are disclosed as revenue on a straight-line basis

or, if more representative of the pattern by which the rewards from use of the underlying asset diminish, another systematic basis. All costs including amortisation and depreciation arising in connection with revenue obtained from leases are disclosed as expenses. IAS 36 is applied to the determination of whether an

2.3.15. Other assets

Other assets include prepayments, accrued income, tax assets and advances.

Other assets are recognised in the amounts arising from the relevant documents, on the assumption that they will be recovered. The fair value, i.e. the recoverable amount, is examined for other assets in various ways on the reporting

2.3.16. Provisions for liabilities and costs

Provisions are created for contingent losses in connection with risks inherent in off-balance-sheet liabilities (approved but unused loans and credit lines, and guarantees), and for termination benefits at retirement and jubilee benefits.

Provisions for liabilities and costs are recognised when there is a present commitment (legal or indirect) as a result of a past event, and it is likely that in the settlement of the commitment there will be an outflow of resources yielding

2.3.17. Employee benefits

Employee benefits include current and non-current employee benefits.

Current benefits include wages and salaries, wage compensation, leave allowance, non-cash benefits, refunds of travel and food expenses, and compensation for the use of own assets. Current employee benefit commitments are recognised in an undiscounted amount, and are disclosed as expenses when the work of the employee is performed in respect of the specific current benefit.

asset that is the subject of an operating lease is impaired, and to the recognition of impairment losses.

The Group classified its leases solely as operating leases in 2025, having not acted as a lessor at all in 2024.

date. If there is objective evidence of other assets disclosed at amortised cost having undergone an impairment loss, that loss is disclosed as impairments in connection with other assets; the carrying amount of the other assets is reduced by the restatement in the value adjustment subsidiary account.

economic benefits, and a reliable estimate can be made of the commitment. Provisions are reversed when excessive provisions are established or when contingent losses in connection with risks are reduced.

The Group recognises provisions for off-balance-sheet liabilities on the basis of the procedures cited in section 2.3.10 under the section entitled Impairments of financial assets and provisions.

Non-current employment benefits include post-employment benefits in the form of termination benefits at retirement and other non-current employee benefits in the form of jubilee benefits.

Legislation stipulates that employees generally retire after 40 years of service, and are then entitled to a one-off termination benefit at retirement, provided that the stipulated conditions are met. Employees are also entitled to jubilee benefits in accordance with the collective agreement.

The requisite provisions on this basis are calculated in the amount of the present value of future expenses, taking into account certain assumptions. The creation and reversal of provisions is recognised in the income statement under the item of provisions. A change in the present value of liabilities caused by approaching maturity is recognised in the income statement under interest expenses. Actuarial gains/losses on termination benefits are recognised in the statement of comprehensive income, and are never reclassified to profit or loss. Actuarial gains/losses on jubilee benefits are recognised in the income statement under the item of provisions.

The creation of provisions for termination benefits and jubilee benefits is based on a calculation by an independent certified actuary using the projected unit credit method (a method for accruing benefits in proportion to the work performed, or where benefits are based on years of service at the undertaking). The calculation took account of the following key actuarial assumptions:

- discount rate: 3.9% (31 December 2024: 3.3%), which reflects the return on high-quality corporate bonds (rated AA);
- 2.5% to 2.7% (31 December 2024: 2.5% to 2.6%) growth in basic wages and variable remuneration estimated on the basis of annual inflation, plus a real growth rate of 0.4 percentage points, but no more than is projected for average wage growth in Slovenia and wage growth as a result of promotion and past years of service;
- employee turnover as a result of termination of employment by the employee on the basis of data from previous years;
- a mortality rate with regard to the mortality table for Slovenia's population from 2007;
- retirement conditions in accordance with the ZPIZ-2, and an assumption that women will not retire before 57 or men before 58, irrespective of the total years of service.

2.3.18. Other liabilities

Other liabilities include liabilities for wages, wage compensation and contributions from

wages, liabilities for accruals and deferred income, tax liabilities and advances received.

2.3.19. Shareholder equity

Shareholder equity consists of share capital, share premium, profit reserves, accumulated other comprehensive income, the equity adjustment (shares held in treasury) and net profit for the financial year.

Share capital is disclosed in the nominal value, and has been paid up by the owners.

Share premium may be used in accordance with the law to cover losses and increase capital.

Profit reserves are recognised when created by the body that compiles the annual report or by

a resolution of the competent body, and are used in accordance with the articles of association and the law.

Reserves under the articles of association may be used to cover net loss during the financial year, to cover net losses brought forward, to increase the share capital, to create reserves for treasury shares and to cover major damage incurred during operations or extraordinary business events. Other profit reserves are intended to strengthen capital adequacy.

Accumulated other comprehensive income records accumulated gains/losses from changes in the fair value of equities and debt instruments measured at fair value through other comprehensive income, and actuarial gains/losses plus/less any deferred taxes.

Own shares held in treasury are disclosed as a deduction to equity in the amount of the consideration therefor.

2.3.20. Interest income and expenses

Interest income and interest expenses include interest on financial instruments measured at amortised cost, interest-bearing financial assets measured at fair value through other comprehensive income, non-trading financial assets mandatorily at fair value through profit or loss, hedging derivatives, and other assets and liabilities.

The Group recognises interest income on the basis of the gross carrying amount of financial assets, with the exception of those financial assets that are credit-impaired and have been classified to Stage 3, for which interest income is calculated by means of an effective interest rate on the net amortised cost of the financial asset.

Income and expenses for interest on financial instruments measured at amortised cost and interest-bearing financial assets measured at fair value through other comprehensive income are recognised in the income statement in the relevant period using the effective interest rate method.

For financial assets measured at fair value through other comprehensive income, interest income is calculated on the basis of yield-to-maturity on the basis of the calculation of amortised cost using the effective interest rate method.

2.3.21. Dividend income

Dividend income is recognised in the income statement when the Group acquires the right to payment and the amount of the dividend can be reliably measured.

Dividends received from associates and joint ventures and disclosed in the consolidated financial statements go to reduce the carrying amount of the asset.

2.3.22. Fees and commission received and paid

Fees and commission included in the calculation of the effective interest rate of a financial asset or a financial liability are disclosed under interest income or interest expenses. The item of fee and commission income thus includes fees and commission on issued guarantees and approved credit operations that are not included in the effective interest rate, while the item of fee and commission expenses comprises fees and commission for borrowings, stock exchange transactions, guarantees received,

and payment services provided and services provided in connection with the management of the Group's assets at another institution.

Fee and commission income, except for that comprising a constituent part of the effective interest rate and fees for guarantees, is accounted for in accordance with IFRS 15 Revenue from Contracts with Customers. In accordance with IFRS 15, revenue is recognised when the Group fulfils (or is fulfilling) its

performance obligation by transferring the promised service (i.e. an asset) to the customer. An asset is deemed to have been transferred when the customer obtains control of the asset. If the performance obligation is fulfilled at a specific point in time, the associated revenues are recognised in the income statement when the service is rendered. If the performance obligation is fulfilled over a certain time period, the associated revenues are recognised in the income statement in accordance with the progress made in fulfilling the obligation. Fees and commission from approved credit

operations are thus recognised at the moment when the service is rendered. Fees and commission for guarantees are recognised on a straight-line accrual basis in the income statement over the contractual term.

The amount of revenues associated with fees and commission is measured on the basis of contractual provisions. If the amount provided in the contract depends entirely or partially on variability, the revenues are booked in the amount of the most probable value that the Group expects.

2.3.23. Net gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss

Net gains/losses on derecognition of financial assets not measured at fair value through profit or loss include gains/losses realised from the sale, upon maturity or other derecognition of financial assets not measured at fair value through profit or loss, i.e. financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

The Group discloses gains/losses from the operations of loan funds established by SID

Bank in conjunction with the METS and the Mol under net gains/losses on financial liabilities not measured at fair value through profit or loss. They are recognised on the basis of a contractually agreed first loss clause: any loss on the part of the funds is first covered by the priority participation of the METS and the Mol in loan fund risks by reducing the liabilities to the METS and the Mol, which are disclosed under financial liabilities measured at amortised cost.

2.3.24. Net gains/losses on non-trading financial assets mandatorily at fair value through profit and loss

Net gains/losses on non-trading financial assets mandatorily at fair value through profit or loss include realised and unrealised gains/losses relating to equities, as well as the effects of

measurement and realised effects associated with debt securities, loans and other financial assets that do not meet the conditions for measurement at amortised cost.

2.3.25. Net gains/losses on hedge accounting

In connection with fair value hedging that meets the conditions for hedge accounting, gains or losses from the remeasurement of the hedging instruments at fair value are recognised in the income statement under the item of net gains/losses on hedge accounting. Gains or losses on the hedged item that can be ascribed to the hedged risk are also recognised in the

same item, and the carrying amount of the hedged item is adjusted accordingly at the same time. If the hedging relationship no longer meets the conditions for hedge accounting, the adjustment to the carrying amount of the hedged item, to which the effective interest rate method is applied, is transferred to profit or loss in the remaining period to maturity.

2.3.26. Other operating income and other operating expenses

Income and expenses from non-banking services are recognised in the income statement under other operating income and other operating expenses.

Income from non-banking services include fees charged for services provided under authorisation and other services.

Income is recognised when the contractual obligation has been performed, i.e. when the goods and services have been transferred to the customer. It is recognised in an amount that reflects the consideration to which the undertaking expects to be entitled.

Other operating expenses mainly include expenses for donations.

2.3.27. Government grants

The Group recognises government grants when there is an acceptable assurance that it meets all the relevant conditions and will receive the grant. Government grants received by the Group as compensation for previously incurred expenses or losses or as immediate aid not associated with any additional costs are recognised in profit or loss in the period for which the Group receives the grants. The Group

deducts grants associated with income from the expenses disclosed in relation to these grants. The Group deducts government grants related to assets from the carrying amount of the assets, and recognises them in profit or loss over the useful life of the assets in question.

The Group received subsidies when purchasing electric vehicles in 2024 and 2025.

2.3.28. Taxes

Corporate income tax is accounted for in accordance with local legislation.

Deferred taxes are accounted for by the statement of financial position liability method for all temporary differences arising between the tax values of assets and liabilities and their carrying amounts. Deferred taxes are calculated using the tax rates that are applicable as at the reporting date, or that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. In calculating its deferred taxes as at 31 December 2025, the Group applied the tax rate of 22% that was introduced for the levying of income tax by the Act on Reconstruction, Development and Provision of Financial Resources (ZORZFS) for the period of 2024 to 2028.

Deferred tax assets are recognised for all deductible temporary differences if it is likely that an available taxable profit will arise against which it will be possible to apply deductible temporary differences.

In accordance with IAS 12, deferred tax assets and liabilities are netted against each other.

Deferred taxes in connection with the valuation of financial instruments measured at fair value through other comprehensive income are disclosed directly in other comprehensive income.

In addition to a higher rate for corporate income tax for the period of 2024 to 2028, the ZORZFS also introduced a tax on the total assets of banks and savings banks in the amount of 0.2% of the balance sheet total calculated as an average of the stock as at the final day of each month during the tax period. If the tax liability exceeds 30% of the profit from ordinary operations before recognition of the expense for the tax on the total assets of banks and savings banks for the tax period in question, the tax liability is equal to 30% of the profit from ordinary operations before recognition of the tax expense for the tax period in question.

The Group does not meet the criteria set out by the Minimum Tax Act (ZMD), which transposed

Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale

domestic groups in the Union into Slovenian law, and is therefore not an obliged entity for minimum tax or top-up tax.

2.3.29. Contingent liabilities and financial commitments given

Financial guarantees, undrawn approved loans and credit lines, and unpaid uncalled capital are disclosed under financial commitments given.

Financial guarantees comprise irrevocable commitments for payments when a customer fails to meet its liabilities to third parties. Financial guarantees are initially recognised at fair value, which is usually equal to the amount of commission received. The commission received is transferred to the income statement over the lifetime of the guarantee using the linear accrual method. After initial recognition, issued guarantees are disclosed in the statement of financial position at the higher of the following values:

- the allowance for loss determined in accordance with IFRS 9, or

- the originally recognised amount less the cumulative amount of revenue recognised in accordance with IFRS 15.

The risks related to contingent liabilities and financial commitments given are assessed on the basis of applicable accounting policies and internal regulations in connection with risk management described in section 2.3.10 under the section entitled Impairments of financial assets and provisions. Any increase in liabilities dependent on risk is disclosed in the item of provisions.

The nominal contract values of guarantees and undrawn approved loans that are concluded at market terms are not recognised in the statement of financial position.



2.3.30. Operations for the account of the Republic of Slovenia

Operations on behalf of and for the account of the Republic of Slovenia

The insurance operations that SID Bank provides on behalf of and for the account of the Republic of Slovenia are disclosed under separate items, as determined by the Bank of Slovenia for the administration of transaction under authorisation. The assets and liabilities relating to these transactions are not included in the statement of financial position of the Bank or the Group.

Operations on its own behalf and for the account of the Republic of Slovenia

The operations of the FI 2014–2020 Fund of Funds, the Covid-19 Fund of Funds and the Holding Fund that SID Bank manages on its own behalf and for the account of the Republic of Slovenia are recorded as separate items. The assets and liabilities relating to these funds are not included in the statement of financial position of the Bank or the Group.

Explanations of the operations under Republic of Slovenia authorisation are given in the section of the business report entitled Operations under Republic of Slovenia authorisation.

2.3.31. Reporting by operating segment under IFRS 8

The SID Bank Group pursues a single business activity, which the Bank's senior management monitors as a single segment for decision-making purposes, and financial information is therefore not presented by separate operating segments.

The majority of the SID Bank Group's operations are in the domestic market, for which reason it does not disclose additional itemisation by geographical area.

2.3.32. New effective standards and interpretations in the reporting period, and issued/approved standards and interpretations not yet effective and applied

Accounting standards, and amendments to and interpretations of existing standards that were issued by the IASB and adopted by the EU, and are effective as of 1 January 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, as adopted by the EU on 12 November 2024 and effective 1 January 2025: The amendments set out guidance on how entities should assess whether a currency is exchangeable, and how to determine the spot exchange rate in the case of lack of exchangeability. A currency is deemed exchangeable into another currency if the entity obtains the other currency

during a period including a normal administrative delay, and by market or exchange mechanisms in which the transaction to exchange currency would create enforceable rights and obligations. If the currency cannot be exchanged into the other currency, the entity is required to estimate a spot exchange rate on the measurement date. The entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments state that the entity can use an observable exchange rate

without adjustment or another estimation technique.

The amendment of the existing standard had no material impact on the SID Bank Group's accounting policies, or its financial performance, financial position and cash flows.

Accounting standards, and amendments to and interpretations of existing standards that were issued by the IASB and adopted by the EU, but are not yet effective for the financial year beginning 1 January 2025

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (classification and measurement of financial instruments): In May 2024 the IASB issued amendments to the classification and measurement of financial instruments, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption allowed.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Contracts Referencing Nature-Dependent Electricity): In December 2024 the IASB issued targeted amendments to improve the presentation of nature-dependent electricity contracts, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption allowed.
- Annual Improvements to IFRS Accounting Standards (Volume 11): The IASB issued the Annual Improvements to IFRS Accounting Standards (Volume 11) in July 2024. The Annual Improvements – Volume 11 include amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The purpose of these amendments is to either clarify the wording or correct relatively minor unintended consequences, oversights or conflicts between the requirements in standards. The amendments are effective for annual

reporting periods beginning on or after 1 January 2026, with early adoption allowed.

- IFRS 18 Presentation and Disclosure in Financial Statements: In April 2024 the IASB issued its new standard IFRS 18 Presentation and Disclosures in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. The standard introduces new requirements with regard to presentations in the income statement. It requires entities to disclose all revenues and expenses in the income statement in one of five categories: operating, investing, financing, income tax and discontinued operations. These categories are supplemented by requirements for the presentation of subtotals for operating profit or loss, profit or loss before financing and income tax, and profit or loss. There is also a requirement for management-defined performance measures, and new requirements to improve aggregation and disaggregation of financial information on the basis of the defined roles of fundamental financial statements and notes. Amendments are consequently also made to other accounting standards. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption allowed. The standard is also applied retrospectively in annual and interim financial statements.

The SID Bank Group has not applied early adoption to any of the new standards or amendments to existing standards that are not yet effective. The Group envisages that the introduction of the new standards and the amendments to existing standards in the period of initial application will have no material impact on its accounting policies and measurement of financial performance, although IFRS 18 will affect how the latter is presented. A detailed assessment of the scale of the operational changes caused by the introduction of the modified structure of the income statement and the additional disclosure requirements is still under preparation.

Accounting standards, amendments to and interpretations of existing standards that were issued by the IASB, but not yet adopted by the EU

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (including amendments). The IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures in May 2024, and amendments thereto in August 2025. IFRS 19 (including amendments) is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption allowed.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency: In November 2025 the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates clarifying translation to a hyperinflationary presentation currency. The

amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption allowed.

- Amendments to 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: In December 2015 the IASB indefinitely deferred the effective date of the amendments until the completion of the research project on the equity method.

The SID Bank Group envisages that the introduction of the new standards and the amendments to existing standards in the period of initial application will have no material impact on its accounting policies and measurement of financial performance. The Group decided not to apply the new standards or the amendments to existing standards before the date of mandatory application.

2.4 Notes to the statement of financial position

2.4.1. Cash, cash balances at central banks and demand deposits at banks

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Cash balances at central banks	338,078	493,001	338,078	493,001
Demand deposits at banks	971	207	80	157
Total	339,049	493,208	338,158	493,158

SID Bank is obliged to meet the reserve requirement at the central bank. The reserve requirement is 1% of the stock of deposits received and issued debt securities with an

agreed maturity of up to two years. The reserve requirement amounted to EUR 902 thousand at the end of 2025 (31 December 2024: zero).

2.4.2. Non-trading financial assets mandatorily at fair value through profit or loss

Breakdown by type of non-trading financial asset mandatorily at fair value through profit or loss

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Equity instruments	800	1,068	0	1,068
Equity holdings	800	1,068	0	1,068
Alternative investment funds	51,265	45,012	0	45,012
Loans and advances	2,604	2,609	2,604	2,609
Loans and advances to non-bank customers	2,604	2,609	2,604	2,609
Total	54,669	48,689	2,604	48,689

The decline in equity instruments and alternative investment funds at the Bank was attributable to the demerger. For more information, see section 2.3.6 Definition of the Group. The change in financial assets mandatorily at fair value through profit or loss, which includes the value of the assets transferred on the day of the entry of the

demerger in the companies register, is disclosed below in this section. The breakdown of financial assets according to the fair value hierarchy, transfers between valuation levels and changes in financial instruments classified as Level 3 are disclosed in section 3.7 Fair value of financial assets and liabilities.

Changes in non-trading financial assets mandatorily at fair value through profit or loss: equity instruments

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Balance as at 1 Jan	1,068	4,930	1,068	4,930
Recognition of new financial assets	0	40	0	40
Derecognition of financial assets	0	(2,591)	0	(2,591)
Demerger	0	0	(804)	0
Net changes in fair value	(268)	(1,311)	(264)	(1,311)
Balance as at 31 Dec	800	1,068	0	1,068

Changes in non-trading financial assets mandatorily at fair value through profit or loss: alternative investment funds

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Balance as at 1 Jan	45,012	48,336	45,012	48,336
Recognition of new financial assets	5,731	4,260	4,760	4,260
Derecognition of financial assets	(3,976)	(10,708)	(3,643)	(10,708)
Demerger	0	0	(51,183)	0
Net changes in fair value	4,498	3,124	5,054	3,124
Balance as at 31 Dec	51,265	45,012	0	45,012

Changes in non-trading financial assets mandatorily at fair value through profit or loss: loans and advances

	SID Bank Group and SID Bank	
	2025	2024
Balance as at 1 Jan	2,609	1,976
Calculated interest, fees and commission	37	56
Repayments	(126)	(136)
Net changes in fair value	84	713
Balance as at 31 Dec	2,604	2,609

2.4.3. Financial assets measured at fair value through other comprehensive income

Breakdown by type of financial asset measured at fair value through other comprehensive income

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Debt securities	400,558	393,314
Bonds	400,558	393,314
Government	323,988	302,294
Republic of Slovenia	161,536	129,491
Other countries	162,452	172,803
Banks	35,652	44,925
Non-financial corporations	24,533	27,153
Financial institutions	16,385	18,942
Equities	16,967	15,978
Shares	16,967	15,978
Total	417,525	409,292
Quoted	399,549	392,313
Unquoted	17,976	16,979
Total	417,525	409,292
Allowances for credit losses	(20)	(72)

In its securities portfolio management, the SID Bank Group strives for a combination of safety, liquidity and profitability in order to ensure liquidity, the stabilisation of net interest income, and ALM. To this end, the debt securities portfolio contains a large proportion of marketable government securities and other highly liquid securities.

Equities comprise an investment in a strategic partner, namely the EIF. The increase in the value of equities is the result of a positive revaluation of the investment.

In 2024 and 2025 the Group did not generate any net gains/losses on derecognition of equities measured at fair value through other

comprehensive income, meaning that there was no transfer to retained earnings.

The change in financial assets measured at fair value through other comprehensive income is disclosed below in this section, while the breakdown of financial assets according to the fair value hierarchy is disclosed in section 3.7 The fair value of financial assets and liabilities and the breakdown of debt securities by issuer rating are disclosed in section 3.1 Credit risk.

The Group did not hold any pledged financial assets measured at fair value through other comprehensive income during the reported years.

Changes in financial assets measured at fair value through other comprehensive income: debt securities

	SID Bank Group and SID Bank	
	2025	2024
	Stage 1	Stage 1
Balance as at 1 Jan	393,314	406,509
Recognition of new financial assets	49,841	41,372
Accrued interest	2,593	1,705
Interest paid	(3,898)	(3,969)
Derecognition of financial assets	(49,006)	(67,968)
Net changes in fair value	7,714	15,645
Effect of change in fair value of hedged financial instruments	0	20
Balance as at 31 Dec	400,558	393,314

No sales of debt securities measured at fair value through other comprehensive income

were made in 2025. The derecognition in 2025 related solely to maturing debt securities.

Changes in loss allowances for financial assets measured at fair value through other comprehensive income: debt securities

	SID Bank Group and SID Bank	
	2025	2024
	Stage 1	Stage 1
Balance as at 1 Jan	(72)	(150)
Creation of impairments	0	(35)
Reversal of impairments	52	113
Balance as at 31 Dec	(20)	(72)

Changes in accumulated other comprehensive income from financial assets measured at fair value through other comprehensive income: debt securities

	SID Bank Group and SID Bank	
	2025	2024
	Stage 1	Stage 1
Balance as at 1 Jan	(15,723)	(27,865)
Net changes in fair value	7,714	13,020
Transfer of (gains)/losses to profit or loss upon sale	0	2,625
Creation of impairments	(52)	(78)
Deferred tax	(1,686)	(3,424)
Balance as at 31 Dec	(9,747)	(15,723)

The fall in market interest rates in 2025 drove a positive revaluation of debt securities measured at fair value through other comprehensive

income, which led to a reduction in the negative accumulated other comprehensive income and, consequently, an increase in equity.

Changes in financial assets measured at fair value through other comprehensive income: equities

	SID Bank Group and SID Bank	
	2025	2024
Balance as at 1 Jan	15,978	15,532
Net changes in fair value	989	446
Balance as at 31 Dec	16,967	15,978

Changes in accumulated other comprehensive income from financial assets measured at fair value through other comprehensive income: equities

	SID Bank Group and SID Bank	
	2025	2024
Balance as at 1 Jan	4,385	4,037
Net changes in fair value	989	446
Deferred tax	(218)	(98)
Balance as at 31 Dec	5,156	4,385

2.4.4. Financial assets measured at amortised cost

Breakdown by type of financial asset measured at amortised cost

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Debt securities	254,627	223,478	254,627	223,478
Loans and advances to banks	113,665	189,853	113,665	189,853
Loans and advances to non-bank customers	1,290,887	1,325,818	1,290,887	1,325,818
Other financial assets	2,602	5,297	2,611	5,297
Total	1,661,781	1,744,446	1,661,790	1,744,446

The changes in financial assets measured at amortised cost, which include the value of the transferred other financial assets as at the day of the entry of the demerger in the companies

register, are disclosed below in this section, while the breakdown of financial assets according to customer credit rating is disclosed in section 3.1 Credit risk.

Debt securities

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Bonds	257,307	225,690
Government	63,230	63,127
Banks	174,493	146,688
Non-financial corporations	19,584	15,875
Gross exposure	257,307	225,690
Loss allowances	(2,680)	(2,212)
Net exposure	254,627	223,478

The Group did not hold any pledged debt securities measured at amortised cost during the reported years.

Changes in debt securities (gross exposure)

	SID Bank Group and SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
Balance as at 1 Jan	220,003	5,687	0	225,690	168,718	0	168,718
Transfer from Stage 1 to Stage 2	0	0	0	0	(5,687)	5,687	0
Transfer from Stage 2 to Stage 3	0	(5,773)	5,773	0	0	0	0
Increases	55,866	0	0	55,866	73,326	0	73,326
Accrued interest	11,943	499	59	12,501	10,383	0	10,383
Decreases	(25,000)	0	0	(25,000)	(18,000)	0	(18,000)
Interest paid	(11,337)	(413)	0	(11,750)	(8,737)	0	(8,737)
Balance as at 31 Dec	251,475	0	5,832	257,307	220,003	5,687	225,690

Changes in debt securities (loss allowances)

	SID Bank Group and SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
Balance as at 1 Jan	(288)	(1,924)	0	(2,212)	(192)	0	(192)
Transfer from Stage 1 to Stage 2	0	0	0	0	97	(97)	0
Transfer from Stage 2 to Stage 3	0	1,293	(1,293)	0	0	0	0
Creation of impairments	(82)	0	(970)	(1,052)	(214)	(1,827)	(2,041)
Reversal of impairments	54	631	23	708	19	0	19
Net change due to change in methodology	0	0	(104)	(104)	2	0	2
Net changes without effects on profit or loss	0	0	(20)	(20)	0	0	0
Balance as at 31 Dec	(316)	0	(2,364)	(2,680)	(288)	(1,924)	(2,212)

Loans and advances to banks

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Loans and advances	113,465	184,089
Deposits	341	6,056
Gross exposure	113,806	190,145
Loss allowances	(141)	(292)
Net exposure	113,665	189,853

As at 31 December 2025 the Group held EUR 341 thousand in deposits pledged as coverage for settlement of liabilities from purchased

interest rate swaps for reason of their negative fair value (31 December 2024: EUR 6,055 thousand).

Changes in loans and advances to banks (gross exposure)

	SID Bank Group and SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	181,412	0	8,733	190,145	240,594	19,915	260,509
Transfer from Stage 3 to Stage 2	0	4,742	(4,742)	0	0	0	0
Increase due to new loan drawdowns	3,120	0	0	3,120	1,150	0	1,150
Decrease due to repayments	(72,739)	(1,853)	(3,858)	(78,450)	(59,804)	(11,234)	(71,038)
Other net changes	(1,070)	(42)	16	(1,096)	(780)	52	(728)
Net changes due to modification of contractual cash flows (excluding derecognition)	87	0	0	87	252	0	252
Balance as at 31 Dec	110,810	2,847	149	113,806	181,412	8,733	190,145

Changes in loans and advances to banks (loss allowances)

	SID Bank Group and SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	(202)	0	(90)	(292)	(313)	(1,009)	(1,322)
Transfer from Stage 3 to Stage 2	0	(48)	48	0	0	0	0
Decrease due to repayments	46	33	39	118	69	419	488
Net change due to change in credit risk	23	9	7	39	42	493	535
Net change due to change in methodology	0	0	0	0	0	64	64
Net changes with effects on profit or loss	69	(6)	94	157	111	976	1,087
Other changes without effects on profit or loss	0	0	(6)	(6)	0	(57)	(57)
Net changes without effects on profit or loss	0	0	(6)	(6)	0	(57)	(57)
Balance as at 31 Dec	(133)	(6)	(2)	(141)	(202)	(90)	(292)

Loans and advances to non-bank customers

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Loans and advances	1,343,929	1,335,589
Government	142,342	150,917
Non-financial corporations	1,201,188	1,184,274
Financial institutions	399	398
Receivables from factoring	32,819	38,774
Gross exposure	1,376,748	1,374,363
Loss allowances	(85,861)	(48,545)
Net exposure	1,290,887	1,325,818

The Group did not hold pledged loans and advances to non-bank customers during the reported years.

Changes in loans and advances to non-bank customers (gross exposure)

2025	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 Jan	1,111,168	201,006	56,590	5,599	1,374,363
Transfer from Stage 1 to Stage 2	(79,197)	79,197	0	0	0
Transfer from Stage 1 to Stage 3	(5,529)	0	5,529	0	0
Transfer from Stage 2 to Stage 3	0	(97,513)	97,513	0	0
Transfer from Stage 2 to Stage 1	30,709	(30,709)	0	0	0
Transfer from Stage 3 to Stage 2	0	356	(356)	0	0
Increase due to new loan drawdowns/recognitions	249,974	0	0	1,652	251,626
Decrease due to repayments/derecognition	(202,449)	(28,191)	(12,481)	(3,781)	(246,902)
Other net changes	(125)	(395)	1,158	561	1,199
Net changes due to modification of contractual cash flows (excluding derecognition)	(561)	263	(180)	34	(444)
Write-offs	0	0	(3,094)	0	(3,094)
Balance as at 31 Dec	1,103,990	124,014	144,679	4,065	1,376,748

2024	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 Jan	1,304,473	101,343	65,210	3,518	1,474,544
Transfer from Stage 1 to Stage 2	(145,868)	145,868	0	0	0
Transfer from Stage 1 to Stage 3	(818)	0	818	0	0
Transfer from Stage 2 to Stage 3	0	(17,754)	17,754	0	0
Transfer from Stage 2 to Stage 1	29,068	(29,068)	0	0	0
Transfer from Stage 3 to Stage 2	0	11,767	(11,767)	0	0
Increase due to new loan drawdowns/recognitions	132,254	2,039	0	5,521	139,814
Decrease due to repayments/derecognition	(198,006)	(13,652)	(12,632)	(2,365)	(226,655)
Other net changes	(10,335)	417	1,929	(1,170)	(9,159)
Net changes due to modification of contractual cash flows (excluding derecognition)	400	46	108	95	649
Write-offs	0	0	(4,830)	0	(4,830)
Balance as at 31 Dec	1,111,168	201,006	56,590	5,599	1,374,363

Changes in loans and advances to non-bank customers (loss allowances)

2025	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 Jan	(2,092)	(13,795)	(34,134)	1,476	(48,545)
Transfer from Stage 1 to Stage 2	292	(292)	0	0	0
Transfer from Stage 1 to Stage 3	218	0	(218)	0	0
Transfer from Stage 2 to Stage 3	0	16,507	(16,507)	0	0
Transfer from Stage 2 to Stage 1	(799)	799	0	0	0
Transfer from Stage 3 to Stage 2	0	(77)	77	0	0
Increase due to new loan drawdowns/recognitions	(1,070)	0	0	(11)	(1,081)
Decrease due to repayments/derecognition	869	3,545	5,734	396	10,544
Net change due to change in credit risk	404	(11,922)	(34,562)	(1,128)	(47,208)
Net change due to change in methodology	(52)	(117)	(889)	(79)	(1,137)
Net changes with effects on profit or loss	(138)	8,443	(46,365)	(822)	(38,882)
Changes due to derecognition of existing and recognition of new asset	0	0	1,320	0	1,320
Other changes without effects on profit or loss	0	0	(2,389)	(459)	(2,848)
Write-offs	0	0	3,094	0	3,094
Net changes without effects on profit or loss	0	0	2,025	(459)	1,566
Balance as at 31 Dec	(2,230)	(5,352)	(78,474)	195	(85,861)

2024	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 Jan	(4,926)	(10,122)	(35,272)	1,971	(48,349)
Transfer from Stage 1 to Stage 2	763	(763)	0	0	0
Transfer from Stage 1 to Stage 3	5	0	(5)	0	0
Transfer from Stage 2 to Stage 3	0	2,500	(2,500)	0	0
Transfer from Stage 2 to Stage 1	(2,428)	2,428	0	0	0
Transfer from Stage 3 to Stage 2	0	(1,939)	1,939	0	0
Increase due to new loan drawdowns/recognitions	(591)	(106)	0	(139)	(836)
Decrease due to repayments/derecognition	2,454	5,039	4,029	197	11,719
Net change due to change in credit risk	(288)	(9,059)	(7,517)	(1,136)	(18,000)
Net change due to change in methodology	2,919	(1,773)	917	812	2,875
Net changes with effects on profit or loss	2,834	(3,673)	(3,137)	(266)	(4,242)
Changes due to derecognition of existing and recognition of new asset	0	0	2,970	0	2,970
Other changes without effects on profit or loss	0	0	(3,525)	(229)	(3,754)
Write-offs	0	0	4,830	0	4,830
Net changes without effects on profit or loss	0	0	4,275	(229)	4,046
Balance as at 31 Dec	(2,092)	(13,795)	(34,134)	1,476	(48,545)

Other financial assets

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Fee and commission receivables	57	19	57	19
Trade receivables	2,492	1,941	2,501	1,941
Receivables on other bases	95	3,344	95	3,344
Gross exposure	2,644	5,304	2,653	5,304
Loss allowances	(42)	(7)	(42)	(7)
Net exposure	2,602	5,297	2,611	5,297

Receivables on other bases include receivables for assets in the fiduciary account (year 2024), for refunds and for approved subsidies.

Changes in other financial assets (gross exposure)

	SID Bank Group						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	5,301	0	3	5,304	3,854	0	3,854
Transfer from Stage 1 to Stage 2	(150)	150	0	0	0	0	0
Transfer from Stage 2 to Stage 3	0	(145)	145	0	0	0	0
Increase due to new recognitions	165,840	2	4	165,846	140,363	4	140,367
Decrease due to repayments	(166,433)	(7)	(72)	(166,512)	(138,916)	(1)	(138,917)
Demerger	(1,994)	0	0	(1,994)	0	0	0
Balance as at 31 Dec	2,564	0	80	2,644	5,301	3	5,304

	SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	5,301	0	3	5,304	3,854	0	3,854
Transfer from Stage 1 to Stage 2	(150)	150	0	0	0	0	0
Transfer from Stage 2 to Stage 3	0	(145)	145	0	0	0	0
Increase due to new recognitions	165,866	2	4	165,872	140,363	4	140,367
Decrease due to repayments	(166,450)	(7)	(72)	(166,529)	(138,916)	(1)	(138,917)
Demerger	(1,994)	0	0	(1,994)	0	0	0
Balance as at 31 Dec	2,573	0	80	2,653	5,301	3	5,304

Changes in other financial assets (loss allowances)

	SID Bank Group and SID Bank						
	2025				2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	(4)	0	(3)	(7)	(4)	0	(4)
Transfer from Stage 1 to Stage 2	4	(4)	0	0	0	0	0
Transfer from Stage 2 to Stage 3	0	17	(17)	0	0	0	0
Increase due to new recognitions	0	(11)	(54)	(65)	0	(4)	(4)
Decrease due to repayments	0	0	36	36	0	1	1
Net change due to change in credit risk	0	(2)	(3)	(5)	0	0	0
Net change due to change in methodology	0	0	(1)	(1)	0	0	0
Balance as at 31 Dec	0	0	(42)	(42)	(4)	(3)	(7)

2.4.5. Derivatives – hedge accounting

Derivatives - hedge accounting, breakdown by risk category and hedge type

	SID Bank Group and SID Bank					
	31 Dec 2025			31 Dec 2024		
	Contractual value	Fair value		Contractual value	Fair value	
	Assets	Liabilities		Assets	Liabilities	
Interest rate risk						
Fair value hedge						
Interest rate swaps						
Hedging of issued bonds measured at amortised cost	365,000	10,355	413	440,000	15,033	6,069
Total	365,000	10,355	413	440,000	15,033	6,069

The Group uses interest rate swaps to hedge against the interest rate risk associated with on-balance-sheet liability items in accordance with the internally approved interest rate risk limits. When concluding interest rate swaps, it applies the rules governing the accounting treatment of fair value hedges.

As at 31 December 2025 the Group held three long-term interest rate swaps as fair value hedges of its own issued euro-denominated (SEDABI) bonds, with a total contractual value of EUR 365,000 thousand.

Two interest rate swaps as fair value hedges of bonds issued with a fixed interest rate disclosed under the item of financial liabilities measured at amortised cost matured in 2025.

The Group did not hold any instruments as cash flow hedges or hedges of a net investment in a foreign operation in 2024 or 2025.

Accumulated amount of adjustments to fair value hedges for hedged items

	SID Bank Group and SID Bank			
	31 Dec 2025		31 Dec 2024	
	Carrying amount of hedged item	Accumulated change in fair value of hedged item	Carrying amount of hedged item	Accumulated change in fair value of hedged item
Fair value hedge				
Financial liabilities measured at amortised cost				
Fixed-rate bonds	377,791	4,890	446,535	8,930

The table above discloses the accumulated change in the fair value of the hedged item arising from hedges, which is included in the carrying amount of the hedged item recognised

in the statement of financial position. The accumulated change in fair value is presented in the same item of the statement of financial position as the hedged item.

Changes in fair value in hedge accounting recognised in income statement

	SID Bank Group and SID Bank	
	2025	2024
Fair value hedge		
Net gains/(losses) on derivatives held for hedging	(4,134)	9,813
Interest rate swaps	(4,134)	9,813
Net gains/(losses) on hedged items	4,040	(10,220)
Bonds measured at fair value through other comprehensive income	0	20
Issued bonds measured at amortised cost	4,040	(10,240)
Total gains/(losses)	(94)	(407)

In both reported years all the hedging relationships between hedging instruments (interest rate swaps) and hedged items (issued long-term bonds) were effective according to international accounting standards, with the actual hedge ratio ranging from 80% to 125%. This means that the gains or losses from the

valuation of interest rate swaps, which are recognised in the income statement, could be neutralised due to the valuation of hedged items in the opposite direction. Losses in that regard amounted to EUR 94 thousand in 2025 (2024: EUR 407 thousand).

2.4.6. Investments in subsidiaries and joint ventures

The composition of the SID Bank Group together with basic information about the undertakings included in or excluded from consolidation (business name, nature of activity

and geographical location), and the Group's equity holding and share of voting rights are disclosed in section 2.3.6 Definition of the Group.

Investments in SID Bank's subsidiaries and joint ventures

	31 Dec 2025				31 Dec 2024			
	Subsidiary	Joint ventures		Total	Subsidiary	Joint ventures		Total
	SID Kapital d.o.o.	Prvi faktor, Ljubljana (in liquidation)	Prvi faktor, Beograd (in liquidation)		SID Kapital d.o.o.	Prvi faktor, Ljubljana (in liquidation)	Prvi faktor, Beograd (in liquidation)	
Equity investments	74,483	15,337	279	90,099	50	15,337	279	15,666
Allowances for equity investments	0	(15,337)	(279)	(15,616)	0	(15,337)	(279)	(15,616)
Total	74,483	0	0	74,483	50	0	0	50

The increase in the investment in the subsidiary is attributable to a status change (demerger) executed in 2025. The Bank transferred part of its business activities and the corresponding assets and liabilities in the total amount of EUR 74,433 thousand to SID Kapital (known as SID Svetovanje d.o.o. until 30 September 2025) on the day of the entry of the demerger in the companies register (30 September 2025).

SID Bank's share of the losses of the joint ventures was larger than its participating interests, for which reason it ceased recognising its share in subsequent losses. Given the uncertainty in the liquidation proceedings, the assets remain impaired in full. The investments in the joint ventures are not defined as material from the perspective of the Bank or the Group, and additional financial information is therefore not disclosed.

Data of subsidiaries included in the SID Bank Group's consolidated financial statements

Undertaking	31 Dec 2025				31 Dec 2024			
	Nominal amount of equity holding	Shareholder equity of undertaking	Net profit	Corporate income tax	Nominal amount of equity holding	Shareholder equity of undertaking	Net profit	Corporate income tax
SID Kapital d.o.o.	74,483	72,881	(1,602)	(813)	50	50	0	0
SID Upravljanje premoženja d.o.o.	1,000	1,043	43	(10)	0	0	0	0

The data presented here refers to each undertaking before the elimination of mutual

stocks and transactions within the Group, and before the execution of consolidation bookings.

2.4.7. Property, plant and equipment and intangible assets

Changes in property, plant and equipment

SID Bank Group								
2025	Real estate under operating lease	Buildings under construction	Land and buildings	Equipment under operating lease	Computers	Other equipment	Property, plant and equipment under construction	Total property, plant and equipment
Cost								
Balance as at 1 Jan	283	0	10,069	0	2,573	1,301	0	14,226
Increase	44	329	261	268	194	305	500	1,901
Decrease	0	(261)	(6)	0	(156)	(22)	(498)	(943)
Balance as at 31 Dec	327	68	10,324	268	2,611	1,584	2	15,184
Accumulated depreciation								
Balance as at 1 Jan	(47)	0	(7,592)	0	(1,277)	(801)	0	(9,717)
Depreciation	(47)	0	(332)	(56)	(398)	(131)	0	(964)
Decrease	0	0	2	0	155	22	0	179
Balance as at 31 Dec	(94)	0	(7,922)	(56)	(1,520)	(910)	0	(10,502)
Carrying amount as at 31 Dec	233	68	2,402	212	1,091	674	2	4,682
SID Bank Group								
2024	Real estate under operating lease	Land and buildings	Computers	Other equipment	Property, plant and equipment under construction	Total property, plant and equipment		
Cost								
Balance as at 1 Jan		237	10,069	2,578	1,170	0		14,054
Increase		46	0	583	216	799		1,644
Decrease		0	0	(588)	(85)	(799)		(1,472)
Balance as at 31 Dec		283	10,069	2,573	1,301	0		14,226
Accumulated depreciation								
Balance as at 1 Jan		0	(7,264)	(1,472)	(764)	0		(9,500)
Depreciation		(47)	(328)	(392)	(109)	0		(876)
Decrease		0	0	587	72	0		659
Balance as at 31 Dec		(47)	(7,592)	(1,277)	(801)	0		(9,717)
Carrying amount as at 31 Dec		236	2,477	1,296	500	0		4,509

2025	SID Bank							Total property, plant and equipment
	Real estate under operating lease	Buildings under construction	Land and buildings	Equipment under operating lease	Computers	Other equipment	Property, plant and equipment under construction	
Cost								
Balance as at 1 Jan	283	0	10,069	0	2,573	1,301	0	14,226
Increase	44	329	261	268	178	305	482	1,867
Decrease	0	(261)	(6)	0	(156)	(22)	(482)	(927)
Balance as at 31 Dec	327	68	10,324	268	2,595	1,584	0	15,166
Accumulated depreciation								
Balance as at 1 Jan	(47)	0	(7,592)	0	(1,277)	(801)	0	(9,717)
Depreciation	(47)	0	(332)	(56)	(398)	(131)	0	(964)
Decrease	0	0	2	0	155	22	0	179
Balance as at 31 Dec	(94)	0	(7,922)	(56)	(1,520)	(910)	0	(10,502)
Carrying amount as at 31 Dec	233	68	2,402	212	1,075	674	0	4,664

2024	SID Bank						Total property, plant and equipment
	Real estate under operating lease	Land and buildings	Computers	Other equipment	Property, plant and equipment under construction		
Cost							
Balance as at 1 Jan	237	10,069	2,578	1,170	0	14,054	
Increase	46	0	583	216	799	1,644	
Decrease	0	0	(588)	(85)	(799)	(1,472)	
Balance as at 31 Dec	283	10,069	2,573	1,301	0	14,226	
Accumulated depreciation							
Balance as at 1 Jan	0	(7,264)	(1,472)	(764)	0	(9,500)	
Depreciation	(47)	(328)	(392)	(109)	0	(876)	
Decrease	0	0	587	72	0	659	
Balance as at 31 Dec	(47)	(7,592)	(1,277)	(801)	0	(9,717)	
Carrying amount as at 31 Dec	236	2,477	1,296	500	0	4,509	

The Group did not hold any pledged non-current assets in the reported years. The historical cost of fully depreciated property, plant and equipment that are still in use amounted to EUR 4,424 thousand as at 31 December 2025, of which EUR 3,174 thousand related to buildings (31 December 2024: EUR

4,521 thousand, of which EUR 3,174 thousand related to buildings).

Assets that the Group holds on lease (and are recognised in accordance with IFRS 16) are described in detail in section 2.4.8 Leases.

Changes in intangible assets

	SID Bank Group and SID Bank					
	2025			2024		
	Intangible assets	Intangible assets under construction	Total intangible assets	Intangible assets	Intangible assets under construction	Total intangible assets
Cost						
Balance as at 1 Jan	6,369	259	6,628	4,757	430	5,187
Increase	390	1,417	1,807	1,665	1,494	3,159
Decrease	(551)	(390)	(941)	(53)	(1,665)	(1,718)
Balance as at 31 Dec	6,208	1,286	7,494	6,369	259	6,628
Accumulated amortisation						
Balance as at 1 Jan	(4,316)	0	(4,316)	(3,984)	0	(3,984)
Amortisation	(464)	0	(464)	(385)	0	(385)
Decrease	124	0	124	53	0	53
Balance as at 31 Dec	(4,656)	0	(4,656)	(4,316)	0	(4,316)
Carrying amount as at 31 Dec	1,552	1,286	2,838	2,053	259	2,312

2.4.8. Leases

The Group as lessee

The Group has leased commercial premises and other equipment that it uses in its operations. The lease agreement for the commercial premises has been concluded for an indeterminate period with a notice period of less than 12 months. The Group treats the lease agreement in accordance with IFRS 16, given the reasonable certainty that as the lessee it will

not exercise the option of terminating the lease over the long term. The calculation of the net present value of this lease agreement assumes a five-year lease term, and a discount rate that reflects the interest rate on five-year Slovenian government bonds plus a premium for the Bank.

Impact of leases on the statement of financial position

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Assets		
Right-of-use assets	445	236
Commercial premises	233	236
Equipment	212	0
Total assets	445	236
Liabilities		
Non-current lease liabilities	451	238
Total liabilities	451	238

The carrying amount of the recognised right-of-use assets is disclosed in the statement of

financial position under the item of property, plant and equipment, while the lease liability is

disclosed under the item of other financial liabilities. The changes in right-of-use assets are disclosed in section 2.4.7 Property, plant and equipment and intangible assets.

The Group remeasured the lease liabilities at the end of 2025. It recognised the amount from the remeasurement of the lease liabilities as an adjustment to the value of the right-of-use asset, disclosing it as an increase in the table of changes in property, plant and equipment.

Maturity analysis of liabilities under lease agreements

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Lease liabilities		
Up to 1 month	8	4
1 to 3 months	16	7
3 to 12 months	75	34
1 to 5 years	352	193
Total	451	238

Impact of leases on the income statement

	SID Bank Group and SID Bank	
	2025	2024
Depreciation of right-of-use assets	(103)	(47)
Commercial premises	(47)	(47)
Equipment	(56)	0
Interest expenses for lease liabilities	(12)	(6)
Expenses for short-term leases (included under administrative expenses – cost of services)	(74)	(112)

The Group did not have any costs in connection with variable rents or gains/losses from sale and leaseback transactions in 2025.

It did not recognise any right-of-use assets or lease liabilities for short-term leases. The rents associated with these leases were recorded under expenses on a straight-line basis over the full term of the lease.

Impact of leases on the statement of cash flows

	SID Bank Group and SID Bank	
	2025	2024
Total cash expenditure for leases	(185)	(152)

The Group as lessor

The Group has entered into operating lease agreements for commercial premises and other equipment. The rents are charged and paid monthly, in line with the contractual provisions. The lease agreement for the commercial premises has been signed for an indefinite term,

and allows the rents to be raised in line with the market. The lease for other equipment has been signed for a period of six months, with an option to renew, and carries a fixed rent. The notice periods are three months or less.

Maturity analysis of undiscounted lease receivables to be received after the reporting date

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Undiscounted rents				
Within 1 year	0	0	13	0
Within 2 to 5 years	0	0	43	0
Total	0	0	56	0

The Bank recognised rental income of EUR 4 thousand in 2025 from short-term lease agreements signed with the subsidiary (2024: zero). As a result of the elimination of mutual

transactions in the consolidation process, no rental income was recognised at the level of the SID Bank Group.

2.4.9. Corporate income tax assets and liabilities

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Corporate income tax assets	2,137	898	2,137	898
Deferred tax assets (net)	5,539	7,351	5,539	7,351
Total tax assets	7,676	8,249	7,676	8,249
Corporate income tax liabilities	817	0	0	0
Total tax liabilities	817	0	0	0

The current tax assets of EUR 2,137 thousand consist of the Bank's assets vis-à-vis the FARS for tax prepayments made in excess of the corporate income tax levied for 2025 (31 December 2024: EUR 898 thousand). The tax

liabilities of EUR 817 thousand consist of the subsidiaries' liabilities to the FARS on the basis of corporate income tax levied for 2025 minus the interim prepayments made.

Breakdown by type of deferred tax

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Deferred tax assets from:		
Equity investments	3,436	3,436
Provisions for pensions and jubilee benefits	40	54
Financial assets measured at fair value through other comprehensive income	2,785	4,496
Financial assets measured at amortised cost	585	487
Fixed assets	179	161
Total deferred tax assets	7,025	8,634
Deferred tax liabilities from:		
Financial assets measured at fair value through other comprehensive income	1,486	1,283
Total deferred tax liabilities	1,486	1,283
Net deferred tax assets/(liabilities)	5,539	7,351
	SID Bank Group and SID Bank	
	2025	2024
Included in income statement from:		
Impairment of financial assets measured at fair value through other comprehensive income	(11)	(17)
Impairment of financial assets measured at amortised cost	98	444
Provisions for pensions and jubilee benefits	(14)	(9)
Amortisation/depreciation above the prescribed rate	18	16
Total included in income statement	91	434
Included in other comprehensive income from:		
Revaluation of financial assets measured at fair value through other comprehensive income	(1,903)	(3,522)
Total included in other comprehensive income	(1,903)	(3,522)

The SID Bank Group did not have any unrecognised deferred taxes in the reported years.

Deferred taxes in connection with the valuation of financial instruments measured at fair value through other comprehensive income are disclosed directly in other comprehensive income, while other deferred taxes were recognised in the income statement. The deferred tax assets are primarily due to deductible temporary differences in connection with the negative valuation of financial assets measured at fair value through other

comprehensive income and impairments of equity investments, while the deferred tax liabilities are primarily due to deductible temporary differences in connection with the positive valuation of financial assets measured at fair value through other comprehensive income.

The decline in deferred tax assets compared with the previous year is primarily attributable to the positive revaluation of financial assets measured at fair value through other comprehensive income.

2.4.10. Other assets

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Receivables for advances	11	1	11	1
Deferred expenses	836	894	836	894
Accrued income	63	109	59	109
Other accruals	0	1	0	1
Gross exposure	910	1,005	906	1,005
Net exposure	910	1,005	906	1,005

2.4.11. Financial liabilities measured at amortised cost

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Deposits and loans from banks and central banks	213,750	262,796	213,750	262,796
Loans and advances	202,974	247,085	202,974	247,085
Deposits	10,776	15,711	10,776	15,711
Deposits and loans from non-bank customers	1,178,587	1,108,688	1,199,690	1,108,688
Loans and advances	1,097,618	1,108,688	1,097,618	1,108,688
Deposits	80,969	0	102,072	0
Debt securities	577,853	830,445	577,853	830,445
Other financial liabilities	5,756	4,991	5,461	4,991
Total	1,975,946	2,206,920	1,996,754	2,206,920

In the breakdown of financial liabilities measured at amortised cost, there was a decline in the share accounted for by debt securities in 2025, and an increase in the share accounted for by deposits and loans by non-bank customers. A five-year SID Bank bond with a nominal value of EUR 350,000 thousand matured in July 2025, which was partly replaced with a new five-year bond issue with a nominal value of EUR 100,000 thousand. Loans from non-bank customers include purpose-specific long-term funding from foreign development institutions and from the MEDT and the MoI that is earmarked for the implementation of financial instruments within

the framework of the ECP and financial engineering measures. The decline in loans and advances is attributable to scheduled loan repayments and the overall negative result in the loan funds, which owing to the first loss clause was reflected in a decline in liabilities from non-bank customers. For more information, see section 2.5.4 Net gains/losses on financial assets and liabilities not measured at fair value through profit or loss.

The Group replaced the settled past-due liabilities with new funding (e.g. deposits by central government units and a debt certificate).

Debt securities

					SID Bank Group and SID Bank			
					31 Dec 2025		31 Dec 2024	
	Listing	Currency	Maturity date	Interest rate	Carrying amount	Nominal value	Carrying amount	Nominal value
Senior unsecured bonds								
SEDABI 0.125 07/08/25	Frankfurt	EUR	8 Jul 2025	0.125%	0	0	347,466	350,000
SEDABI 0.125 06/24/26	Vienna	EUR	24 Jun 2026	0.125%	200,062	200,000	199,920	200,000
SEDABI 4.03 03/13/30	Frankfurt	EUR	13 Mar 2030	4.030%	149,163	140,000	151,874	140,000
SEDABI 3.423 06/20/31	Frankfurt	EUR	20 Jun 2031	3.423%	128,545	125,000	131,185	125,000
SEDABI 2.704 06/12/30	Frankfurt	EUR	12 Jun 2030	2.704%	100,083	100,000	0	0
Total					577,853	565,000	830,445	815,000

2.4.12. Provisions

Breakdown by type of provision

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Provisions for commitments given	426	137	426	137
Guarantees	297	40	297	40
Undrawn loans	129	97	129	97
Provisions for employee benefits	1,191	1,184	1,182	1,184
Total	1,617	1,321	1,608	1,321

Provisions for employee benefits comprise provisions for jubilee benefits and provisions for termination benefits at retirement.

The changes in provisions are disclosed below in this section.

Contractual value of off-balance-sheet financial instruments arising from commitments given

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Commitments given				
Guarantees	95,511	89,338	95,511	89,338
Undrawn loans	65,997	99,858	65,997	99,858
Uncalled unpaid capital	60,431	41,162	20,000	41,162
Total	221,939	230,358	181,508	230,358

The amount under undrawn loans consists in full of loans and advances approved to non-bank customers.

Uncalled unpaid capital at the Bank was reduced by the demerger in 2025, on the basis of which the Bank transferred commitments of EUR

41,402 thousand for payments into funds within the framework of the SEGIP and the Three Seas Initiative Investment Fund to the subsidiary. Uncalled unpaid capital at Group level increased in 2025, largely as a result of additional commitments for payments into funds within the framework of the SEGIP.

Changes in contractual value of off-balance-sheet financial instruments arising from commitments given

2025	SID Bank Group						Uncalled unpaid capital
	Guarantees			Undrawn loans			
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total	
Balance as at 1 Jan	89,338	0	89,338	99,858	0	99,858	41,162
Transfer from Stage 1 to Stage 3	0	0	0	(106)	106	0	0
Increase in commitments given	64,000	728	64,728	231,212	0	231,212	25,000
Decrease in commitments given	(58,260)	(295)	(58,555)	(264,967)	(106)	(265,073)	(5,731)
Balance as at 31 Dec	95,078	433	95,511	65,997	0	65,997	60,431

2024	SID Bank Group				Uncalled unpaid capital
	Guarantees		Undrawn loans		
	Stage 1	Stage 1	Stage 2	Total	
Balance as at 1 Jan	104,207	77,633	620	78,253	31,333
Transfer from Stage 1 to Stage 2	0	(1,419)	1,419	0	0
Increase in commitments given	0	193,224	0	193,224	14,129
Decrease in commitments given	(14,869)	(169,580)	(2,039)	(171,619)	(4,300)
Balance as at 31 Dec	89,338	99,858	0	99,858	41,162

2025	SID Bank						Uncalled unpaid capital
	Guarantees			Undrawn loans			
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total	
Balance as at 1 Jan	89,338	0	89,338	99,858	0	99,858	41,162
Transfer from Stage 1 to Stage 3	0	0	0	(106)	106	0	0
Increase in commitments given	64,000	728	64,728	231,212	0	231,212	25,000
Decrease in commitments given	(58,260)	(295)	(58,555)	(264,967)	(106)	(265,073)	(4,760)
Demerger	0	0	0	0	0	0	(41,402)
Balance as at 31 Dec	95,078	433	95,511	65,997	0	65,997	20,000

2024	SID Bank				Uncalled unpaid capital
	Guarantees		Undrawn loans		
	Stage 1	Stage 1	Stage 2	Total	
Balance as at 1 Jan	104,207	77,633	620	78,253	31,333
Transfer from Stage 1 to Stage 2	0	(1,419)	1,419	0	0
Increase in commitments given	0	193,224	0	193,224	14,129
Decrease in commitments given	(14,869)	(169,580)	(2,039)	(171,619)	(4,300)
Balance as at 31 Dec	89,338	99,858	0	99,858	41,162

Changes in provisions for commitments given

2025	SID Bank Group and SID Bank					
	Guarantees			Undrawn loans		
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total
Balance as at 1 Jan	40	0	40	97	0	97
Transfer from Stage 1 to Stage 3	0	0	0	(7)	7	0
Increase due to additional commitments given	19	369	388	452	0	452
Decrease due to decline in commitments given	(15)	(149)	(164)	(407)	(103)	(510)
Net change due to change in credit risk	29	(5)	24	(8)	96	88
Net change due to change in methodology	1	8	9	2	0	2
Balance as at 31 Dec	74	223	297	129	0	129

2024	SID Bank Group and SID Bank				
	Guarantees		Undrawn loans		
	Stage 1	Stage 1	Stage 2	Total	
Balance as at 1 Jan	106	225	112	337	
Transfer from Stage 1 to Stage 2	0	(2)	2	0	
Increase due to additional commitments given	0	178	0	178	
Decrease due to decline in commitments given	(13)	(245)	(100)	(345)	
Net change due to change in credit risk	(61)	(29)	(65)	(94)	
Net change due to change in methodology	8	(30)	51	21	
Balance as at 31 Dec	40	97	0	97	

Changes in provisions for employee benefits

	SID Bank Group					
	2025			2024		
	Jubilee benefits	Termination benefits at retirement	Total	Jubilee benefits	Termination benefits at retirement	Total
Balance as at 1 Jan	132	1,052	1,184	77	984	1,061
Created	32	140	172	67	119	186
Reversed	(7)	(25)	(32)	(4)	0	(4)
Used (paid) provisions	(14)	(39)	(53)	(10)	(26)	(36)
Interest expenses	4	32	36	2	29	31
Actuarial (gains)/losses	0	(116)	(116)	0	(54)	(54)
Balance as at 31 Dec	147	1,044	1,191	132	1,052	1,184

	SID Bank					
	2025			2024		
	Jubilee benefits	Termination benefits at retirement	Total	Jubilee benefits	Termination benefits at retirement	Total
Balance as at 1 Jan	132	1,052	1,184	77	984	1,061
Created	30	133	163	67	119	186
Reversed	(7)	(25)	(32)	(4)	0	(4)
Used (paid) provisions	(14)	(39)	(53)	(10)	(26)	(36)
Interest expenses	4	32	36	2	29	31
Actuarial (gains)/losses	0	(116)	(116)	0	(54)	(54)
Balance as at 31 Dec	145	1,037	1,182	132	1,052	1,184

Sensitivity analysis of actuarial assumptions

		SID Bank Group			
		Change in present value of commitment			
		31 Dec 2025		31 Dec 2024	
Actuarial assumption	Change in assumption (percentage points)	Jubilee benefits	Termination benefits at retirement	Jubilee benefits	Termination benefits at retirement
Return	+0.5	(5.5)	(53.7)	(4.8)	(55.2)
	-0.5	5.8	57.9	5.1	59.6
Wage growth	+0.5	6.0	58.6	5.3	59.9
	-0.5	(5.7)	(54.2)	(5.0)	(55.6)
Employee turnover	+0.5	(5.8)	(56.4)	(5.1)	(57.8)
	-0.5	4.9	27.8	4.5	31.3

		SID Bank			
		Change in present value of commitment			
		31 Dec 2025		31 Dec 2024	
Actuarial assumption	Change in assumption (percentage points)	Jubilee benefits	Termination benefits at retirement	Jubilee benefits	Termination benefits at retirement
Return	+0.5	(5.4)	(52.8)	(4.8)	(55.2)
	-0.5	5.7	57.0	5.1	59.6
Wage growth	+0.5	5.9	57.6	5.3	59.9
	-0.5	(5.6)	(53.4)	(5.0)	(55.6)
Employee turnover	+0.5	(5.7)	(55.5)	(5.1)	(57.8)
	-0.5	4.8	27.1	4.5	31.3

The analysis shows how much the present values of the commitment for jubilee benefits and termination benefits at retirement as at 31 December 2025 and, by way of comparison, as at 31 December 2024 change if there is a change in the actuarial assumptions used, namely return, wage growth in Slovenia and at the individual undertaking, and employee

turnover. Each analysis includes a change in a single assumption in the amount of +/-0.5 percentage points, while all the other assumptions in the individual test remain unchanged. The analysis takes into account that the minimum possible employment turnover rate is zero.

Itemisation of actuarial gains and losses by cause

	SID Bank Group and SID Bank			
	2025		2024	
	Jubilee benefits	Termination benefits at retirement	Jubilee benefits	Termination benefits at retirement
Actuarial gains/(losses) based on changes in financial items	2	68	(4)	11
Actuarial gains/(losses) based on changes in demographic items	0	0	4	20
Actuarial gains/(losses) based on experience	(3)	48	(48)	23
Total	(1)	116	(48)	54

Average weighted term of liabilities (years)

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Jubilee benefits	9.7 – 12.9	9.0	9.7	9.0
Termination benefits at retirement	12.8 – 23.7	12.8	12.8	12.8

2.4.13. Other liabilities

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Liabilities for wages, wage compensation, and taxes and contributions on wages	1,392	1,275	1,365	1,275
Current deferred income	40	7	40	7
Tax liabilities	2,440	4,900	2,440	4,900
Total	3,872	6,182	3,845	6,182

A tax on the total assets of banks was introduced for the banking sector for a period of five years in 2024 by the ZORZFS. A tax liability in the amount of EUR 2,335 thousand is disclosed for 2025 (2024: EUR 4,797 thousand) under other liabilities (more precisely, under tax

liabilities). The tax expenses are disclosed under administrative expenses. The liability for the tax on total assets is disclosed in both reported years in the amount of 30% of the profit from ordinary operations before recognition of the tax expense for the tax period in question.

2.4.14. Shareholder equity

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Share capital	300,000	300,000	300,000	300,000
Profit reserves	220,591	213,537	220,589	213,537
Regulatory reserves	17,557	17,292	17,555	17,292
Reserves for treasury shares	1,324	1,324	1,324	1,324
Reserves under articles of association	98,915	96,414	98,915	96,414
Other profit reserves	102,795	98,507	102,795	98,507
Share premium	1,139	1,139	1,139	1,139
Accumulated other comprehensive income	(4,525)	(11,389)	(4,525)	(11,389)
Treasury shares	(1,324)	(1,324)	(1,324)	(1,324)
Retained earnings (including net profit for the financial year)	939	4,288	2,500	4,288
Total	516,820	506,251	518,379	506,251

The negative value of accumulated other comprehensive income diminished in 2025, largely as a result of the continuing fall in market interest rates and the resulting positive revaluation of financial instruments measured at fair value through other comprehensive income.

There were no changes to the treasury shares reserve at SID Bank in 2025. It held 18,445 own

shares, ticker symbol SIDR, in the total amount of EUR 1,324 thousand as at 31 December 2025.

Under a general meeting resolution, the undistributed profit for 2024 in the amount of EUR 4,288 thousand was allocated to other profit reserves. All other changes are disclosed in the statement of changes in equity, and in section 2.4.15 Distributable profit of SID Bank.

Breakdown of accumulated other comprehensive income

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Actuarial gains/(losses) in association with defined-benefit pension plans	64	(52)
Revaluation	64	(52)
Financial assets measured at fair value through other comprehensive income: equity instruments	5,156	4,384
Revaluation	6,611	5,621
Deferred taxes	(1,455)	(1,237)
Financial assets measured at fair value through other comprehensive income: debt securities	(9,745)	(15,721)
Revaluation	(12,494)	(20,156)
Deferred taxes	2,749	4,435
Total	(4,525)	(11,389)

2.4.15. Distributable profit of SID Bank

	SID Bank	
	31 Dec 2025	31 Dec 2024
Net profit for the financial year	5,264	9,027
Increase in profit reserves	(2,763)	(4,739)
Regulatory reserves	(263)	(451)
Reserves under articles of association	(2,500)	(4,288)
Distributable profit	2,500	4,288

In accordance with the articles of association, the management board used SID Bank's net profit for 2025 in the amount of EUR 5,264 thousand (2024: EUR 9,027 thousand) to create regulatory reserves in the amount of EUR 263 thousand (2024: EUR 451 thousand) and reserves under the articles of association in the amount of EUR 2,500 thousand (2024: EUR 4,288 thousand). The distributable profit from 2024 in the amount of EUR 4,288 thousand was allocated to other profit reserves.

Under the ZSIRB, SID Bank's distributable profit may not be used for distribution to shareholders. The Bank's management board and the supervisory board will propose to the general meeting that it pass a resolution whereby the distributable profit for the 2025 financial year in the amount of EUR 2,500 thousand should be allocated to other profit reserves.

2.5 Notes to the income statement

2.5.1. Net interest

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Interest income and similar income				
Interest income calculated using the effective interest method	74,908	103,569	74,903	103,569
Financial assets measured at fair value through other comprehensive income	2,749	1,892	2,749	1,892
Financial assets measured at amortised cost	61,965	85,497	61,965	85,497
Debt securities	12,481	10,385	12,481	10,385
Loans and advances to banks	4,194	10,056	4,194	10,056
Loans and advances to non-bank customers	45,290	65,056	45,290	65,056
Balances at banks and central banks	10,194	16,180	10,189	16,180
Other interest income and similar income	37	180	37	180
Non-trading financial assets mandatorily at fair value through profit or loss	37	55	37	55
Derivatives – hedge accounting	0	125	0	125
Total interest income and similar income	74,945	103,749	74,940	103,749
Interest expenses and similar expenses				
Interest expenses calculated using the effective interest method	(45,715)	(60,390)	(45,818)	(60,390)
Financial liabilities measured at amortised cost	(45,559)	(60,201)	(45,662)	(60,201)
Loans and deposits from banks	(5,954)	(10,473)	(5,954)	(10,473)
Loans and deposits from non-bank customers	(27,421)	(40,147)	(27,524)	(40,147)
Issued debt securities	(12,172)	(9,575)	(12,172)	(9,575)
Other financial liabilities	(12)	(6)	(12)	(6)
Interest on financial assets carrying negative interest rate	(156)	(189)	(156)	(189)
Other interest expenses and similar expenses	(945)	(8,513)	(945)	(8,513)
Derivatives – hedge accounting	(908)	(8,481)	(908)	(8,481)
Other liabilities	(37)	(32)	(37)	(32)
Total interest expenses and similar expenses	(46,660)	(68,903)	(46,763)	(68,903)
Net interest	28,285	34,846	28,177	34,846

The SID Bank Group generated net interest of EUR 28,285 thousand in 2025, down 18.8% on 2024. The decline in net interest was largely attributable to the fall in market interest rates, and a decline in lending.

The Bank classified interest income and expenses from derivatives held for hedging to the item of interest income or expenses with regard to the overall economic effect of interest from the hedged item.

2.5.2. Dividend income

	SID Bank Group and SID Bank	
	2025	2024
Non-trading financial assets mandatorily at fair value through profit or loss	0	814
Financial assets measured at fair value through other comprehensive income	89	78
Total	89	892

In 2025, the Group received dividends in the amount of EUR 89 thousand (2024: EUR 78 thousand) from financial assets measured at fair value through other comprehensive income, which represent investment in the EIF.

There were no dividends from financial assets mandatorily measured at fair value through profit or loss, which are not held for trading, and which represent investments in implementation

of the SEGIP program and in Three Seas Initiative Investment Fund in 2025 (2024: EUR 814 thousand). With these investments, the Group primarily supports the development of the Slovenian economy and the mobilisation of private equity, and improves access to long term-equity financing for firms, particularly SMEs and start-ups, with the payment of dividends not being the primary objective.

2.5.3. Net fee and commission income

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Fee and commission income				
Fee and commission income from financial instruments not measured at fair value through profit or loss	610	961	610	961
Fee and commission income from loan operations	610	961	610	961
Other fee and commission income	0	1	0	1
Fee and commission income from loan operations	0	1	0	1
Total fee and commission income from contracts with customers	610	962	610	962
Fee and commission income from guarantees given	80	236	80	236
Total fee and commission income	690	1,198	690	1,198
Fee and commission expenses				
Fee and commission expenses from financial instruments not measured at fair value through profit or loss	(15)	(19)	(15)	(19)
Fee and commission expenses for loan operations	(15)	(19)	(15)	(19)
Other fee and commission expenses	(1,389)	(1,651)	(1,233)	(1,651)
Fee and commission expenses for stock exchange transactions	(138)	(127)	(138)	(127)
Fee and commission expenses for guarantees received	(389)	(435)	(389)	(435)
Fee and commission expenses for payment transactions	(10)	(6)	(10)	(6)
Fee and commission expenses for other services	(852)	(1,083)	(696)	(1,083)
Total fee and commission expenses	(1,404)	(1,670)	(1,248)	(1,670)
Net fee and commission income	(714)	(472)	(558)	(472)

Fee and commission income for loan operations includes fees and commission from loan

operations that are not included in the effective interest rate.

2.5.4. Net gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss

	SID Bank Group and SID Bank	
	2025	2024
Financial assets measured at fair value through other comprehensive income	0	(2,625)
Gains	0	1
Losses	0	(2,626)
Financial liabilities measured at amortised cost	34,897	4,075
Gains	38,217	10,339
Losses	(3,320)	(6,264)
Net gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss	34,897	1,450

The net gains and losses on financial liabilities measured at amortised cost derive from the revaluation of liabilities of the SID Bank to the government sector. At the end of 2025 SID Bank was managing for its own account five loan funds that it established in conjunction with the METS, and one fund that it established in conjunction with the Mol. Due to significantly changed circumstances that would affect the operation of the loan fund, the Bank terminated the contract. Based on the termination of the contract, the early liquidation of the loan fund, established in conjunction with the METS, was carried out in November.

A first loss clause was contractually agreed for all funds, i.e. any loss on the part of the funds is first covered by the priority participation of the government in loan fund risks by reducing the liabilities to the government and recognising gains on financial liabilities measured at amortised cost. If the loan funds operate profitably over subsequent periods, the liability to the government is increased, and losses on

financial liabilities measured at amortised cost are recognised.

The gross carrying amount of the loans and advances within the framework of the loan funds amounted to EUR 573,556 thousand at the end of 2025, up EUR 124,033 thousand on the end of 2024. Net impairments and provisions were disclosed in 2025, and together with the costs exceeded the net interest and thus caused a negative overall result in the funds in the amount of EUR 34,984 thousand (2024: EUR 4,080 thousand), which owing to the agreed first loss clause was reflected in recognised gains on financial liabilities measured at amortised cost.

Under the same item the Bank also recognised losses of EUR 94 thousand in 2025 (2024: losses of EUR 6 thousand) on financial liabilities measured at amortised cost from the direct implementation of financial instruments from the fund of funds, where either a first loss clause or risk-sharing is also agreed, and gains of EUR 7 thousand from the liquidated loan fund.

2.5.5. Net gains/losses on non-trading financial assets mandatorily at fair value through profit and loss

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Equity instruments	(268)	(1,311)	(264)	(1,311)
Gains	0	888	0	888
Losses	(268)	(2,199)	(264)	(2,199)
Alternative investment funds	4,498	3,124	5,054	3,124
Gains	10,853	24,088	10,252	24,088
Losses	(6,355)	(20,964)	(5,198)	(20,964)
Loans and advances	84	713	84	713
Gains	108	937	108	937
Losses	(24)	(224)	(24)	(224)
Net gains/(losses) on non-trading financial assets mandatorily at fair value through profit or loss	4,314	2,526	4,874	2,526

2.5.6. Other operating income

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Income from activities under Republic of Slovenia authorisation	3,888	3,991	3,888	3,991
Other operating income	1,555	1,949	1,568	1,949
Total	5,443	5,940	5,456	5,940

Two new items of other operating income and other operating expenses have been introduced in place of the item of other net operating gains/losses in the income statement as of 2025, as a result of a change in Bank of Slovenia regulations in 2025. The disclosures in the annual report also follow this.

The Bank recognised revenue of EUR 3,888 thousand in 2025 (2024: EUR 3,991 thousand) from the provision of services in operations under authorisation, of which EUR 2,120 thousand was from the management of contingency reserve assets (2024: EUR 2,109 thousand), EUR 1,680 thousand was from the management and performance of funds (2024:

EUR 1,701 thousand), EUR 1 thousand was from guarantee schemes (2024: EUR 1 thousand), EUR 58 thousand was from guarantee schemes under the ZIUZEOP, ZDLGPE, ZSJSJ and ZORZFS, under which the Republic of Slovenia authorised SID Bank to execute all transactions in connection with the aforementioned schemes on its behalf and for its account (2024: EUR 149 thousand), and EUR 29 thousand was from other operations under authorisation (2024: EUR 31 thousand).

The other operating income is lower at Group level than at the Bank, on account of the elimination of mutual transactions.

2.5.7. Other operating expenses

	SID Bank Group and SID Bank	
	2025	2024
Other operating expenses	(36)	(23)
Total	(36)	(23)

2.5.8. Administrative expenses

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Labour costs	(18,200)	(17,173)	(18,127)	(17,173)
Gross salaries	(13,350)	(12,875)	(13,295)	(12,875)
Pension insurance costs	(1,166)	(1,126)	(1,161)	(1,126)
Social security costs	(1,041)	(936)	(1,037)	(936)
Other labour costs	(2,643)	(2,236)	(2,634)	(2,236)
General and administrative costs	(8,392)	(10,611)	(8,359)	(10,611)
Costs of materials	(213)	(223)	(208)	(223)
Costs of services	(5,503)	(5,292)	(5,475)	(5,292)
Taxes and membership fees	(2,676)	(5,096)	(2,676)	(5,096)
Total	(26,592)	(27,784)	(26,486)	(27,784)

A tax on the total assets of banks was imposed on the banking sector for a period of five years by the ZORZFS in 2024. It is a wealth tax that is independent of performance, although it is limited to 30% of the pre-tax profit in the financial year, and the corresponding expenses are included under administrative expenses

(more precisely, under taxes and membership fees). Expenses for the tax on total assets amounted to EUR 2,335 thousand in 2025 (2024: EUR 4,797 thousand). The tax liability is disclosed as other liabilities under the item of tax liabilities.

Costs of official auditor

	SID Bank Group and SID Bank	
	2025	2024
Auditing of annual report	117	100
Other assurance services	26	17
Total	143	117

2.5.9. Depreciation and amortisation

	SID Bank Group and SID Bank	
	2025	2024
Depreciation of property, plant and equipment	(964)	(876)
Own property, plant and equipment	(861)	(829)
Right-of-use assets	(103)	(47)
Amortisation of intangible assets	(464)	(385)
Total	(1,428)	(1,261)

2.5.10. Net modification gains/losses

	SID Bank Group and SID Bank							
	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Gains	4	194	1	199	7	8	0	15
Losses	(724)	0	(520)	(1,244)	(7)	0	(115)	(122)
Net gains/(losses) on modification of financial assets	(720)	194	(519)	(1,045)	0	8	(115)	(107)

The total amortised cost of financial assets modified during the reporting period and the net modification gains or losses recognised for financial assets for which the contractual cash flows have been modified during the reporting period, and the loss allowance on those assets measured at the time of the modification at an amount equal to the expected credit losses over the lifetime of the asset are presented in section 3.1 Credit risk, under the section entitled Modified financial assets. The same section also

discloses the total gross carrying amount at the end of the reporting period for those financial assets that have been modified since initial recognition, when the loss allowance was still measured at an amount equal to the expected credit losses over the lifetime of the asset, and for which the loss allowance has changed during the reporting period to an amount equal to expected credit losses over a 12-month period.

2.5.11. Provisions

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Provisions for commitments given	(289)	306	(289)	306
Guarantees	(257)	66	(257)	66
Undrawn loans	(32)	240	(32)	240
Other provisions	(140)	(182)	(131)	(182)
Total	(429)	124	(420)	124

Provisions for commitments given consist of expected credit losses in accordance with IFRS 9, while other provisions include provisions for termination benefits at retirement and jubilee benefits and are recognised in accordance with IAS 19.

Net expenses from provisions at the Bank amounted to EUR 420 thousand in 2025 (2024: net income of EUR 124 thousand), of which EUR 289 thousand was net expenses from the creation of provisions for credit losses (2024: net income of EUR 306 thousand from the reversal

of provisions for credit losses) and EUR 131 thousand was net expenses from the creation of other provisions (2024: net expenses of EUR 182 thousand from the creation of other provisions). A change in the methodology for calculating expected credit losses led to an increase of EUR 11 thousand in provisions at the Bank in 2025.

The stocks of off-balance-sheet liabilities for which the provisions have been created are disclosed in the table in section 2.4.12 Provisions.

2.5.12. Impairments

	SID Bank Group and SID Bank	
	2025	2024
Impairments of financial assets measured at fair value through other comprehensive income	52	78
Impairments of financial assets measured at amortised cost	(37,592)	(4,616)
Debt securities	(448)	(2,020)
Loans and advances to banks	153	817
Loans and advances to non-bank customers	(37,262)	(3,410)
Other financial assets	(35)	(3)
Impairments of non-financial assets	(433)	0
Total	(37,973)	(4,538)

Net impairment expenses amounted to EUR 37,973 thousand in 2025 (2024: EUR 4,538 thousand), and relate almost entirely to the creation of impairments for credit losses arising primarily as a result of the reclassification of certain large enterprises in the manufacturing sector as non-performing claims.

The impact of the change in methodology for calculating expected credit losses (calculation of

loss given default) amounted to EUR 1,254 thousand in net income in 2025, and was disclosed under the changes in allowances for various categories of financial instruments.

The majority of impairments of non-financial assets in 2025 arose from the write-off of software licenses related to the core banking system implementation project, which was completed without a transition to production.

2.5.13. Corporate income tax

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Corporate income tax	(1,099)	(2,600)	(276)	(2,600)
Deferred taxes	91	434	91	434
Total	(1,008)	(2,166)	(185)	(2,166)

Current corporate income tax differs from the tax calculated using the prescribed tax rate, and is disclosed in the table below.

Analysis of deferred taxes disclosed in profit or loss is given in section 2.4.9 Corporate income tax assets and liabilities.

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Profit before tax	4,713	11,193	5,449	11,193
Profit for the purposes of taxation	4,713	11,193	966	11,193
Tax calculated at prescribed rate of 22%	(1,037)	(2,462)	(212)	(2,462)
Untaxed income	169	209	169	209
Non-deductible expenses	(483)	(667)	(483)	(667)
Reduction in tax base for expenses not recognised for tax purposes in the past	4	5	4	5
Change in tax base as a result of revaluations	(17)	(6)	(17)	(6)
Increase in tax base	(48)	(9)	(48)	(9)
Tax allowances	313	334	311	334
Additional tax for previous year	0	(4)	0	(4)
Net created/(used) deferred taxes	91	434	91	434
Total	(1,008)	(2,166)	(185)	(2,166)

SID Bank adjusted its tax base for levying corporate income tax for 2025 as a result of the demerger, in accordance with legislation. The base was reduced by the operating result of the demerged activities generated by 30 September 2025 (date of entry of the demerger in the companies register) in the amount of EUR 4,483 thousand. SID Bank disclosed less corporate income tax as a consequence, which also had an impact on the effective tax rate calculated as the ratio of corporate income tax expenses to profit before tax. A tax liability for the operating result of the demerged activities was disclosed by SID Kapital d.o.o., which after the entry of the demerger in the companies register recorded the assets and liabilities corresponding to the transferred activities in its accounting records.

The majority of non-taxable income comes from the reversal of impairments that were not recognised for tax purposes at the time of creation, and exempt dividends in 2024. Non-deductible expenses derive primarily from expenses for bonuses and other employment-related payments, costs of representation

(entertainment) and of the supervisory board, depreciation/amortisation in excess of the prescribed rate, and revaluations of financial assets.

The effective tax rate (calculated as the ratio of expenses for corporate income tax to profit before tax) of the SID Bank Group stood at 23.3% in the 2025 financial year (2024: 23.2%), while that of SID Bank stood at 5.1% (2024: 23.2%).

A tax on the total assets of banks for the period of 2024 to 2028 was introduced by the ZORZFS in 2024. The cap on the tax on total assets defined by law in the amount of 30% of the pre-tax profit did mean that the taxation was limited in nominal terms, but the tax burden relative to profit on the Bank and consequently on the Group was very high in 2025. The overall tax rate (calculated as the ratio of the sum of the corporate income tax expense and the tax on total assets to profit before the two taxes) stood at 48.7% at the SID Bank Group in 2025 (2024: 46.3%), and 33.5% at SID Bank (2024: 46.3%).

2.5.14. Basic and diluted earnings per share

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Number of ordinary registered no-par value shares	3,121,741	3,121,741	3,121,741	3,121,741
Treasury shares	18,445	18,445	18,445	18,445
Number of ordinary shares (excluding treasury shares)	3,103,296	3,103,296	3,103,296	3,103,296
Net profit for financial year (EUR thousand)	3,705	9,027	5,264	9,027
Basic and diluted earnings per share (EUR)	1.19	2.91	1.70	2.91

Basic earnings per share is calculated as the ratio of the net profit in the period to the weighted average number of ordinary

registered no-par-value shares less treasury shares. Diluted earnings per share equals basic earnings per share.

2.6 Other notes to the financial statements

2.6.1. Related party disclosures

In the scope of continuing operations, certain transactions of the Bank and the Group were concluded with related parties, i.e. parties where one party controls the other or has a significant influence over its financial and business decisions. The transactions with related parties were executed at market terms applying to transactions with unrelated parties.

In accordance with IAS 24, related parties include subsidiaries and joint ventures, the Republic of Slovenia as the sole shareholder in SID Bank, undertakings in which the Republic of Slovenia has a significant influence, key management personnel, and other related parties.

Key management personnel are individuals with authority and responsibility for directly or indirectly planning, directing, and controlling the activities of SID Bank or the SID Bank Group.

The key management personnel of the SID Bank Group are the management board of SID Bank, the supervisory board of SID Bank, and the managing directors of the subsidiaries. The key management personnel of SID Bank are its management board and its supervisory board.

Other related parties are close family members of key management personnel, and undertakings that are controlled by these family members or over which they exert a significant influence.

SID Bank and the SID Bank Group did not execute any transactions with the joint ventures in 2024 and 2025, or any transactions with members of the management board or the supervisory board, or with other related parties.

The Bank solely disclosed liabilities to members of the management board for gross salaries for December 2025 accrued but not yet paid, costs from accrued travel orders, and deferred remuneration from previous years in the total amount of EUR 181 thousand at the end of 2025 (31 December 2024: EUR 125 thousand). As at 31 December 2025, the SID Bank Group disclosed liabilities to key management personnel of the Group in the amount of EUR 195 thousand (31 December 2024: EUR 125 thousand). In addition to the aforementioned liabilities to members of the management board of SID Bank, these liabilities also comprise liabilities to directors of subsidiaries for gross salaries for December 2025 accrued but not yet paid.

Transactions with subsidiaries, with the Republic of Slovenia and with undertakings under government ownership, and the benefits and

remuneration of key management personnel are disclosed below.

SID Bank's transactions with subsidiaries

	SID Bank	
	31 Dec 2025	31 Dec 2024
Assets	74,492	50
Financial assets measured at amortised cost	9	0
Other financial assets	9	0
Investments in subsidiaries, associates and joint ventures	74,483	50
Liabilities	21,112	0
Financial liabilities measured at amortised cost	21,112	0
Deposits from non-bank customers	21,103	0
Other financial liabilities	9	0

	SID Bank	
	2025	2024
Interest expenses	(103)	0
Other operating income	13	0

Relations with the Republic of Slovenia and government-owned undertakings

Exposure to:	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Bank of Slovenia				
Balance as at 31 Dec				
ASSETS				
Cash, cash balances at central banks and demand deposits at banks	338,078	493,001	338,078	493,001
LIABILITIES				
Other financial liabilities	554	532	554	532
For period				
Interest income	10,182	16,163	10,182	16,163
Interest expenses	0	(322)	0	(322)
Fee and commission expenses	(39)	(40)	(39)	(40)
Administrative expenses	(584)	(582)	(584)	(582)
Republic of Slovenia				
Balance as at 31 Dec				
ASSETS				
Financial assets measured at fair value through other comprehensive income	161,536	146,405	161,536	146,405
Loans and advances to non-bank customers	175,062	189,557	175,062	189,557
Debt securities measured at amortised cost	10,278	10,277	10,278	10,277
Other financial assets	2,488	1,970	2,488	1,970
Corporate income tax assets	7,676	8,249	7,676	8,249
Other assets	62	111	62	111

Exposure to:	SID Bank Group		SID Bank	
	2025	2024	2025	2024
LIABILITIES				
Deposits from non-bank customers	80,968	0	80,968	0
Loans from non-bank customers	301,234	333,178	301,234	333,178
Other financial liabilities	133	159	133	159
Corporate income tax liabilities	817	0	0	0
Other liabilities	3,068	5,473	3,068	5,473
CONTINGENT LIABILITIES AND COMMITMENTS GIVEN	1,300	1,100	1,300	1,100
For period				
Interest income	6,010	7,898	6,010	7,898
Interest expenses	(6,836)	(9,099)	(6,836)	(9,099)
Fee and commission income	1	15	1	15
Net gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss	34,991	4,075	34,991	4,075
Net gains/(losses) on hedge accounting	0	20	0	20
Other operating income	5,194	5,913	5,194	5,913
Other operating expenses	(5)	0	(5)	0
Administrative expenses	(104)	(100)	(104)	(100)
Net modification gains/(losses)	(10)	0	(10)	0
Impairments and provisions	36	25	36	25
Government-owned undertakings				
Balance as at 31 Dec				
ASSETS				
Cash, cash balances at central banks and demand deposits at banks	148	184	42	134
Debt securities measured at amortised cost	91,221	65,122	91,221	65,122
Loans and advances to banks	7,163	8,594	7,163	8,594
Loans and advances to non-bank customers	343,017	393,993	343,017	393,993
Other financial assets	0	51	9	51
Investments in subsidiaries, associates and joint ventures	0	0	74,483	50
Other assets	59	42	59	42
LIABILITIES				
Deposits from non-bank customers	0	0	21,103	0
Other financial liabilities	2,198	1,698	2,207	1,698
Provisions	33	12	33	12
Other liabilities	53	57	53	57
CONTINGENT LIABILITIES AND COMMITMENTS GIVEN	76,125	91,861	76,125	91,861
For period				
Interest income	16,176	19,032	16,176	19,032
Interest expenses	(103)	(63)	(103)	(63)
Fee and commission income	130	538	130	538
Fee and commission expenses	(70)	(51)	(70)	(51)
Other operating income	0	0	13	0
Administrative expenses	(645)	(688)	(645)	(688)
Net modification gains/(losses)	(715)	0	(715)	0
Impairments and provisions	(8,817)	462	(8,817)	462

Benefits of key management personnel

The table discloses the benefits awarded for the reporting period, including variable benefits

that had not been confirmed by the supervisory board as at the reporting date.

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Short-term benefits	810	736	777	736
Post-employment benefits	0	0	0	0
Other long-term benefits	139	136	133	136
Termination benefits	0	0	0	0
Share-based payments	0	0	0	0
Total	949	872	910	872

Remuneration of the management and supervisory bodies

The following tables disclose the remuneration paid to members of the management board of SID Bank, members of the supervisory board of SID Bank, senior management at the

subsidiaries, and members of the supervisory board of the subsidiary during the reporting periods.

Remuneration of management board members

								(EUR)
2025		SID Bank						
Management board member	Function and term of office	Fixed remuneration	Variable remuneration	Deferred remuneration	Termination benefits	Fringe benefits	Clawback	Gross total
Borut Jamnik	president of management board since 17 Apr 2023	248,366	33,000	0	0	3,703	0	285,069
Stanka Šarc Majdič	member of management board since 1 Jan 2022	223,280	29,583	0	0	2,629	0	255,492
Sibil Svilan	president of management board until 31 Dec 2021	0	0	7,123	0	0	0	7,123
Goran Katušin	member of management board until 31 Dec 2021	0	0	1,536	0	0	0	1,536

								(EUR)
2024		SID Bank						
Management board member	Function and term of office	Fixed remuneration	Variable remuneration	Deferred remuneration	Termination benefits	Fringe benefits	Clawback	Gross total
Borut Jamnik	president of management board since 17 Apr 2023	247,145	22,587	0	0	1,071	0	270,80
Stanka Šarc Majdič	member of management board since 1 Jan 2022	222,448	28,806	0	0	1,686	0	252,94
Sibil Svilan	president of management board until 31 Dec 2021	0	0	4,487	0	0	0	4,487

Remuneration of supervisory board members

							(EUR)
2025		SID Bank					
Supervisory board member	Function and term of office	Gross payment for performance of function	Gross session fees	Gross total	Travel expenses	Other benefits (liability insurance)	
Matija Šenk	chair of supervisory board since 18 Sep 2025, member of supervisory board since 7 Jun 2023	24,646	7,095	31,741	0	571	
Janez Tomšič	chair of supervisory board until 11 Sep 2025	18,302	2,695	20,997	0	428	
Leo Knez	deputy-chair of supervisory board since 23 Mar 2023	25,253	8,371	33,624	0	571	
Marjan Divjak	member of supervisory board since 19 May 2022	21,698	5,995	27,693	0	571	
Marko Tišma	member of supervisory board since 29 Jul 2021	23,753	8,811	32,564	1,210	571	
Dr Katja Lautar	member of supervisory board since 4 Apr 2024	19,823	7,271	27,094	0	571	
Nataša Damjanovič	member of supervisory board since 13 May 2025	12,261	4,070	16,331	200	383	

							(EUR)
2024		SID Bank					
Supervisory board member	Function and term of office	Gross payment for performance of function	Gross session fees	Gross total	Travel expenses	Other benefits (liability insurance)	
Janez Tomšič	chair of supervisory board since 26 May 2022	27,782	5,225	33,007	0	1,042	
Leo Knez	deputy-chair of supervisory board since 23 Mar 2023	25,875	7,260	33,135	0	1,042	
Marjan Divjak	member of supervisory board since 19 May 2022	20,625	4,840	25,465	0	1,042	
Marko Tišma	member of supervisory board since 29 Jul 2021	24,375	6,820	31,195	1,087	1,042	
Matija Šenk	member of supervisory board since 7 Jun 2023	22,500	6,380	28,880	0	1,042	
Dr Katja Lautar	member of supervisory board since 4 Apr 2024	13,343	2,970	16,313	0	0	

In addition to the remuneration of members of the supervisory board, costs in the total amount of EUR 17 thousand were incurred at SID Bank

in connection with the functioning of the supervisory board in 2025 (2024: EUR 26 thousand).

Remuneration of senior management of subsidiaries

								(EUR)
2025		SID Kapital						
Management personnel	Function	Fixed remuneration	Variable remuneration	Deferred remuneration	Termination benefits	Fringe benefits	Clawback	Gross total
Bojan Pecher	managing director since 5 Dec 2024	3,000	0	0	0	575	0	3,575

								(EUR)
2025		SID Upravljanje premoženja						
Management personnel	Function	Fixed remuneration	Variable remuneration	Deferred remuneration	Termination benefits	Fringe benefits	Clawback	Gross total
Uroš Ačko	managing director since 9 Oct 2025	23,805	0	0	0	267	0	24,072
Estera Tajnikar	managing director from 26 Mar 2025 to 8 Oct 2025	0	0	0	0	335	0	335

Remuneration of members of supervisory board of SID Upravljanje premoženja

The representatives of the supervisory board of SID Upravljanje premoženja, who were appointed on 9 October 2025, Mitja Mavko (chair), Anton Škrli (deputy-chair) and Matej

Zalar (member), solely received other benefits (liability insurance) in the amount of EUR 144 each, or EUR 431 in total, for performing their functions.

2.6.2. Disclosure of remuneration in accordance with Article 69 of the ZGD-1

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Members of management board	549	528	549	528
Other employees on individual contracts	2,391	2,120	2,363	2,120
Members of supervisory board	195	174	195	174
Total	3,135	2,822	3,107	2,822

In accordance with Article 69 of the ZGD-1, the table discloses the remuneration of members of the management board and supervisory board, and employees on individual contracts in gross amounts (excluding reimbursement of expenses and supplementary pension insurance).

The remuneration of members of the management board and employees on individual contracts includes wages and salaries,

annual leave allowance, winter allowance, premiums for supplementary pension insurance, fringe benefits, other remuneration from employment and reimbursement of expenses. The remuneration of members of the management board also includes deferred variable remuneration for management board members from previous terms of office. The remuneration of members of the supervisory board includes remuneration for the

performance of their functions and session fees, the reimbursement of expenses, and a fringe benefit in the form of liability insurance.

The remuneration of other employees on individual contracts disclosed for the SID Bank Group includes all employees at the Group who have signed an individual employment contract.

2.6.3. Significant events after the end of the financial year

No events that could have a material impact on the financial statements presented for 2025 had occurred by the time of reporting.

Following the 28 February 2026 attack by Israel and the United States on Iran, and Iran's subsequent response, including the near-complete closure of the Strait of Hormuz, the risks of a deterioration in the macroeconomic outlook across various regions have risen markedly. Up to the date of approval

of the annual report, no direct impact of events on the Group's operations or financial position was identified. The ultimate impact on global markets, inflationary pressures, business conditions, and consequently on economic activity in Europe, including Slovenia, will depend on the intensity and duration of the conflict. A more substantial escalation of negative effects would also affect both the scope and the modalities of SID Bank's intervention measures.



3 RISK MANAGEMENT

Risk management in the SID Bank Group

The Group's risk management system is based on an effective comprehensive risk management process that includes identifying, measuring and assessing, managing and monitoring risks, as well as internal and external risk reporting.

Risk management is undertaken at the individual and consolidated levels, with the subsidiaries largely following the risk management procedures of SID Bank. The assessment of the Group's risk profile, including the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP), the determination of the risk appetite, and the approval of the risk management strategy and policies, is conducted by the Bank at the level of the Group.

The Group has in place a risk management strategy that defines the basic principles applying to the take-up and management of risks, and establishes a framework and basis for the drafting of documents that define in detail the processes of taking up and managing specific types of risk, including the organisational rules that apply to risk management, internal control mechanisms, compliance, and the public disclosure of information relating to the Bank.

SID Bank Group's approach to risk management

On the basis of the risk management strategy, the SID Bank has developed policies for managing specific types of risk, and other bylaws regulating the business processes in which the risks are taken. The policies and other bylaws define the procedures, methods and methodologies used by the Group in risk management for each type of risk.

The aim of the risk management strategy is to establish an effective risk management process for identifying, measuring and assessing,

managing and monitoring risk, including reporting on the risks to which the Group is or could be exposed in its operations, by defining:

- specific types of risk;
- risk-bearing capacity;
- risk appetite;
- a risk management action plan, i.e. risk identification, measurement and assessment, management and monitoring procedures;
- appropriate internal control mechanisms; and
- internal relations with regard to responsibilities.

The key strategic focuses in the area of risk management, which take into account the Group's business model and business strategy, are defined in the risk management strategy, key components of which are the risk-bearing capacity and the risk appetite framework (RAF), as presented below as part of the concise statement on the Group's approach to the realisation of risk appetite.

The risk-bearing capacity is defined as the largest overall risk level that it is able to take up, taking into account its available capital, liquidity and other restrictions (risk management and control measures, stress test results, and other restrictions). The risk-bearing capacity is defined as the higher of the economic and normative perspectives, with the ICAAP representing the economic perspective and the SREP the normative perspective.

The scope of risk take-up complements the set of internal policies for the management of individual types of the risk, through which the risk appetite is transferred into operational restrictions for the appropriate direction of the business. The risk management policies and bylaws define the limits, including the procedures for addressing breaches and for informing the management board, and for managing credit risk, market risks in the banking book including currency risk, and liquidity risk.

A comprehensive and to the risks taken up tailored process for assessing risk-bearing capacity and risk appetite is carried out at least once a year, thereby ensuring that the risks taken up remain within the Group's limits of its risk-bearing capacity. The assessed risk-bearing capacity is taken into account in the drafting of the business strategy and business objectives, and in the determination of the risk appetite.

Regular monitoring of risk appetite indicators is provided on the SID Bank's management body. Risk appetite is monitored by determining it on multiple levels (step-like), where each superior level sets the upper threshold for the subordinate level of limits. The methodology for setting and monitoring risk appetite has a direct relationship with the ICAAP, the annual plan and stress testing.

In accordance with its business strategy, business objectives, risk-bearing capacity and risk management strategy, the Bank takes up risks in its operations within a long-term sustainable target risk profile. It gives priority to the security and stability of its operations to maintain or increase the value of its equity in the long term, to maintain the Group's reputation, and to maximise the benefits for users of the Group's services and other participants.

The risk appetite of the Group is determined by the Bank, through which it defines the material risks that Group is willing to take up in order to realise its business objectives, strategies, policies and plans. The materiality of a risk at the Group is defined in relation to regulatory capital. A particular risk is deemed material to the Group if the corresponding capital requirement is more than 1% of regulatory capital. Risk appetite thresholds are expressed in the form of indicators, or by the definition of allocated capital. The risk appetite is defined in the applicable risk management strategy and through internally set limits. The SID Bank assesses Group's risk appetite at least once a year against its risk-bearing capacity, and whenever the Group hits internally set triggers for an assessment of capital reallocation.

The management body of the Bank is comprehensively briefed on the area of risk

management via quarterly reports on performance, and risk reports. The regular risk reports encompass the monitoring of risk appetite, a report on the ICAAP, detailed information on the Group's exposure to credit risk at the level of the entire credit portfolio, liquidity risk, interest rate risk, operational risk and market risks in the banking book, and an assessment of future trends, with a view to informing the management body of the Bank about the Group's exposure to significant risks.

In addition to its risk management, the SID Bank also conducts regular stress tests at the Group level. Stress tests are conducted on the basis of two bylaws (a rulebook, and the methodological notes to the rulebook). Together the two bylaws make up the stress-testing framework at the Group. The rulebook primarily covers general stress testing and sets out responsibilities. The methodological notes cover procedural aspects, where the Bank defines data sources, the IT infrastructure, methodologies and scenarios. The stress tests also cover the burden on capital due to ESG risk factors. According to the two bylaws, stress testing is followed by the drafting of reports which, in addition to the above, also include key assumptions, the results of the stress testing, and planned measures.

The Bank conducts the following types of stress tests at the Group level:

- ICAAP stress tests (internal stress test);
- ILAAP stress tests (internal stress test);
- regulatory stress tests: conducted in accordance with the methodology and assumptions provided by the regulator; and
- other occasional stress tests.

The general risk management framework, including the organisational aspect and the segregation of roles in the risk management process, internal control mechanisms, and the approach to setting risk appetite, is presented in detail in the business report in the section entitled Risk management of the SID Bank Group, and in the Disclosures under Pillar 3 of the Basel standards.

3.1 Credit risk

The Group is most exposed in its operations to credit risk, i.e. the risk of losses arising from a counterparty's inability to settle contractual liabilities by the originally agreed deadline without the realisation of credit protection. The Group actively manages its credit risk, and is continually improving its risk management processes and approaches and upgrading its methodologies in the area of credit risk.

Within the framework of its bylaws governing credit risk management, the Group has put in place a credit risk management culture that represents the Group's standards and values regarding awareness of credit risk. Via the work of the management body and employees involved in the take-up and management of credit risk and their attitude towards credit risk, and having regard for the recommendations of internal control functions, the credit risk management culture is reflected in those persons' decisions with regard to the take-up and management of credit risk. Through annual reviews of compliance with the credit risk management culture, the Group ensures that the culture is effectively implemented at all levels of the Group, and that all employees involved in the take-up and management of credit risk have full awareness on the culture and are responsible for their actions.

The umbrella document governing the management of credit risk in the Group's operations is the credit risk management policy. The policy defines the attitude towards the take-up of credit risk in relation to business objectives and business strategy within the framework of the risk appetite, the mechanisms and procedures for identifying, measuring and assessing, monitoring, managing and reporting on credit risks, and the powers and responsibilities of the management body, the relevant committees and individual organisational units in the management of credit risk. The credit risk management policy also incorporates the main substantive points of the applicable bylaws and regulations governing credit risk management.

Credit risk management covers all active investment operations that give rise to credit risk, i.e. loans, including commitments given, deposits placed, factoring, transactions involving investments in debt securities that the Bank manages for the purpose of ensuring liquidity, stabilising net interest income, pursuing its asset-liability management, and implementing existing mandate frameworks to support domestic bank and corporate issuers, other financial assets, and transactions in derivatives that the Group uses exclusively for the purpose of hedging open foreign-exchange and interest-rate positions.

The level to which credit risk is taken up is determined in accordance with the adopted risk appetite, which is reflected by limits placed on exposure to credit risk. The credit risk appetite is adopted by the management body within the framework of the ICAAP, the Group's annual operational plan process, and the risk management strategy, and where necessary in the event of major changes, in which the scope and focus of credit risk, the composition of the credit portfolio, including its concentration, and diversification targets in relation to business lines, geographical areas, economic sectors and products may be determined.

In terms of the identification and assessment or measurement of credit risk, credit risk management at the Group level includes activities linked to the assessment of debtors' creditworthiness, the compilation of credit rating reports and the assignment of debtors to the appropriate rating grades. Exposure is approved by the authorised person, the credit committee or another competent body in accordance with the power to approve transactions as set out in SID Bank's bylaws and articles of association, and in accordance with the value of the investment and existing exposure.

In terms of limiting exposure to credit risk, account is first taken of the regulatory limits set out in the applicable banking legislation concerning exposure to individual customers,

groups of connected clients or persons in a special relationship with the Bank. The take-up of credit risk is also limited by SID Bank's articles of association and its internal limits on exposure to credit risk.

Classification of financial assets and commitments given into rating grades

The Group assesses customers' credit quality based on an assessment of quantitative and qualitative elements. It classifies customers into one of 21 internal rating grades, which are combined into five rating pools from A to E, in accordance with the Bank of Slovenia's criteria. Debtors in default are classified into rating pools D and E.

The quantitative elements include an assessment of the customer's financial and asset positions, and all identified risk factors, such as delays by SID Bank and other reporting entities in the submission of reports to SISBIZ, blocked current accounts, arrears in the payment of taxes and liabilities to employees, and official entries. Soft factors are taken into account within the framework of the qualitative elements, and relate to non-financial information about the customer, and ESG factors, which take account of the environment, social and governance aspects of the customer's business.

All customers must be classified to an appropriate rating grade before the approval of an investment operation. The credit rating is then subject to regular confirmation throughout the lifetime of the investment operation within the framework of annual reviews of transactions, and also in ad hoc reviews in the event of risk factors being identified.

The Group has developed separate methodologies for classifying customers to rating grades and for assessing credit quality: a methodology for assessing corporations, sole traders and cooperatives, which includes a methodology for assessing investment projects and newly established corporates, and a methodology for assessing banks and savings banks. The credit ratings of domestic public-

sector entities are derived from Slovenia's sovereign credit rating.

Management of credit protection

Before entering into a contractual relationship, the Group compiles an assessment of the customer's creditworthiness, which represents the primary source of repayment. Collateral is used as a secondary source of loan repayment and is not a replacement for the primary creditworthiness of the debtor. The internal rulebook on collateral for investment operations is a document under which credit protection is implemented in practice. It defines in detail:

- the types and conditions of acceptable collateral with regard to the type of debtor and the investment operation;
- the required ratio between the value of the collateral and the value of the investment operation for each type of collateral;
- the documentation required for each type of collateral that ensures the legal certainty and enforceability of collateral;
- the methodology for valuing each type of collateral, which sets out the method, monitoring and frequency of valuation;
- the types of collateral requiring a physical inspection of the assets pledged as collateral; and
- the liquidation and/or termination of collateral;
- the regular vetting of the independence and qualifications of appraisers and the quality of their valuations; and
- the powers of specific organisational units in accordance with internal rules on organisation.

The rulebook takes account of the key regulatory requirements in the area of credit protection defined in the CRR, Bank of Slovenia regulations, and EBA guidelines.

The Group accepts various forms of funded and unfunded credit protection to secure its investment operations. It accepts commercial and residential real estate, securities, equity

holdings, movable property, European Cohesion Policy funds for collateralising portfolio guarantees, patents, trademarks, and assigned receivables as funded credit protection. Legislation bars SID Bank from accepting deposits from the public, although it may accept deposits solely from informed persons. It therefore does not make use of this form of collaterals. The Group accepts joint and several sureties from legal and natural persons, government guarantees, guarantees from the EGF and the EIF under InvestEU, bank guarantees, and SID Bank insurance policies issued for the account of the Republic of Slovenia as insurance against commercial and non-commercial risks as unfunded credit protection. Within the framework of individual financing programmes, having regard for the commitments proceeding from the attributes of the programme itself and the funding utilised, the range of credit protection accepted may be set out.

The collateral that the Group values must meet the internal conditions of eligibility, which differ with regard to the type of collateral, and must be established in a manner that ensures its legal certainty and enforceability. For collateral in the form of securities, equity holdings, movable property, patents, trademarks, models and assigned receivables, the lien must be registered as the most senior. Only collateral whose maturity is longer than the maturity of the investment operation is classed as eligible collateral. The currency of collateral should be identical to the currency of the investment operation as a rule. Collateral that fails to meet the requirements of the Regulation on credit risk management at banks and savings banks to be taken into account in the estimation of expected credit losses is valued at zero. When calculating expected credit losses and setting the interest rate of an investment operation, the collateral value is reduced by a haircut (HC), which is internally set for each type of collateral.

When calculating capital requirements for credit risk using the standardised approach, the Group does not take into account of a reduction in risk-weighted assets, unless the exposure is secured by collateral from European funds, the EU budget, the European Investment Fund or the

European Investment Bank. The Group does not enter into credit derivative transactions for the purpose of managing capital requirements for credit risk.

The valuation reports that the Group uses as a basis for the valuation of assets pledged as collateral comply with the applicable valuation standards (IVS, EVS, RICS), and are compiled by independent certified appraisers with the requisite qualifications, knowledge and experience. A review of the quality of valuation of real estate and movable property and of the independence and qualifications of appraisers is conducted within the framework of the current review of valuation reports. Each valuation report received is reviewed by a collateral management specialist who holds a current licence as a certified real estate appraiser from the Slovenian Institute of Auditors. During the review of the valuation report, checks are made of compliance with valuation standards, the adequacy of the selected valuation basis, the purpose of valuation, the approaches used with regard to the type of the subject of valuation, the valuation procedures, and the adequacy of declarations, attachments and other content. A collateral management expert provides an opinion of the adequacy of the valuation report, and the adequacy of the estimated market value or liquidation value. The adequacy of a valuation estimated on the basis of the prudently conservative valuation criteria set out in Article 229 of the CRR (prudent value) is also reviewed for real estate collateral. If major irregularities are identified during the review of the valuation report, measures are taken such as reducing the estimated market value, or the liquidation value or prudent value, designating the valuation report as inadequate, obtaining a revised/new valuation report, blacklisting the appraiser, etc.

In real estate valuation the Group takes account of the estimated market value of the real estate from a valuation report formulated on the basis of a comprehensive inspection of the real estate, and in forcible collateral liquidation it takes account of the estimated liquidation value if available. Within the framework of the valuation report there is also a requirement for the appraiser to estimate the prudent value of the

real estate, which is recorded in the collateral monitoring application. The value of real estate collateral is regularly monitored over the term of the investment operation. Once a year real estate price indices for each type of real estate in each statistical region are obtained from an external provider, and are used to monitor the value of real estate collateral. For real estate where there are signs of a major change in its value, and for real estate whose value has changed significantly within the framework of collateral value monitoring, the market value of the real estate is determined by a reassessment by the appraiser. For real estate used as collateral for an exposure in excess of EUR 3 million or 5% of the Bank's regulatory capital, a valuation report is obtained at least every three years. For commercial and residential real estate used as collateral for non-performing exposures whose gross exposure exceeds EUR 300 thousand, a reassessment is obtained from the appraiser once a year.

In the valuation of business equipment, and motor vehicles and trailers, the Group has set thresholds for when the valuation may take account of the value based on a sale and purchase agreement or an invoice between unrelated parties that is no more than one year old, or the estimated market value from the valuation report. Subsequent valuation of business equipment and of motor vehicles and trailers is conducted once a year, or more frequently in the event of major changes in the market. When the initial valuation is based on a sale and purchase agreement or an invoice, subsequent valuations take account of a decline in value in the amount of the corresponding depreciation. When the initial valuation takes account of the estimated market value from the valuation report, a valuation report is obtained each year over the term of the investment operation. The Group values inventories on the basis of a monthly transcript from the debtor's books of account.

The Group values securities traded on a regulated securities market at the closing price, and non-marketable equities and equity holdings on the basis of the estimated market value from the valuation report. The valuation report is also the basis for the valuation of

collateral in the form of patents, trademarks and models.

Collateral in the form of assigned receivables is valued on the basis of the monthly reports of debtors, without taking into account past-due claims and claims against legal or natural persons that constitute a group of connected clients with the debtor. Collateral in the form of the assignment of all current and future receivables is valued at zero.

Credit protection in the form of sureties, debt assumption, guarantees, and SID Bank insurance policies issued for the account of the Republic of Slovenia to insure against commercial and non-commercial risks is valued at the lower of the exposure amount, or the contractual amount of the surety, debt assumption, guarantee, or Republic of Slovenia guarantee for commercial risk. The Group only assigns a non-zero value to the sureties of legal persons if the rating grade of the legal person giving the guarantee is higher than or equal to BBB-, based on the internal credit quality assessment methodology, and the surety demonstrates adequate creditworthiness. Guarantees from natural persons are valued at zero.

The Group monitors the coverage of an exposure by collateral over the lifetime of the exposure. Should the value of the collateral fall, the Group takes action to establish additional collateral as required. As part of the early warning indicators of increased credit risk, the ratio of the total value of the collateral for a particular investment operation to the exposure is monitored. If the ratio deteriorates by more than 50% relative to the ratio at the time of the approval of the investment operation, the debtor is placed on the watch list.

Estimation of credit losses

For the estimation of expected credit losses, the Group has put in place its own methodology in accordance with IFRS 9, which is defined in an internal rulebook and includes:

- the classification of exposures into stages for the purpose of estimating expected credit losses, including the definition of a methodology for assessing a significant increase in credit risk;
- the segmentation of the portfolio for the calculation of expected credit losses (PD and LGD segments);
- the modelling of probability of default (PD) and loss given default (LGD) and
- the calculation of expected credit losses.

In the scope of managing model risk, the Group has put in place a methodology for validating estimates of the credit risk parameters that it takes into account in the calculation of expected credit losses.

The estimation of expected credit losses is defined in more detail in section 2.3.10 under the section entitled Impairments of financial assets and provisions.

Credit risk monitoring

The Group monitors credit risk comprehensively and continuously, at individual customer level and across the entire credit portfolio. The credit risk monitoring process is based on a clear demarcation of the powers of organisational units, and on the integration of regular reviews, the early warning system, and monitoring of the fulfilment of contractual commitments.

One core element of credit risk monitoring is the customer reviews, which are conducted once a year on the basis of the latest available financial statements. The annual review includes an update of the customer's credit rating, analysis of their financial and income positions and key performance indicators, a review of the fulfilment of financial and non-financial contractual commitments, the evaluation of soft factors and ESG factors where relevant, and an

assessment of the impact of the findings on credit risk at the Group. In addition to regular reviews, the Group also conducts ad hoc reviews when significant changes in a customer's credit quality are identified, whether on the basis of quantitative data, qualitative information or signals from the early warning system.

The credit risk inherent in a particular customer is expressed by the credit rating, which is based on a combination of static and dynamic components. The credit rating is updated daily on the basis of available internal and external information, is comprehensively reviewed on an annual basis within the framework of the annual review, and is updated on an ad hoc basis in the event of significant changes in the customer's risk profile being identified. Credit ratings are confirmed by credit risk assessors, and provide a key basis for management of the credit portfolio.

Monitoring of the fulfilment of financial and non-financial contractual commitments is an important element of the early warning system for credit risk. Financial commitments are usually reviewed within the framework of the annual reviews on the basis of the financial statements, while non-financial commitments are monitored with regard to their content and the fulfilment deadlines. Any breaches of contractual commitments identified are analysed from the perspective of their impact on credit risk, and appropriate measures are initiated as necessary, including the customer's inclusion in the early warning system.

Early warning system for detecting increased credit risk

SID Bank has put in place an early warning system (EWS) that facilitates the early detection of increased credit risk for any exposure and of potential defaulters.

The system is based on a combination of quantitative and qualitative indicators, and provides for an automatic and expert risk assessment at the level of customers and related parties.

Trigger levels are defined for individual early warning indicators, based on which the customer is placed on the watch list.

When one or more early warning indicators are triggered, customers are classified into various credit risk levels, which provides for a better overview of the portfolio of exposure with a significant increase in credit risk, faster treatment of customers on the watch list, and prompt action.

The EWS is based on internally defined criteria for inclusion on or removal from the list, and enables the identification of any potential difficulties in debt repayment at an early stage, with the aim of preventing any further deterioration in the credit quality of the exposure by taking timely corrective measures and following up the implementation of measures so that a debtor does not transition to a position of default. Certain indicators of potential customer difficulties are updated automatically every day from external data sources (e.g. blocked accounts or arrears at other banks, failure to pay tax liabilities), and the relevant departments are informed accordingly. The adequacy of the early warning indicators is reviewed at least once a year.

Exposures with increased credit risk are placed on the watch list, which is discussed on a monthly basis by the monitoring committee, which in turn briefs the credit committee.

If, after successfully implementing measures, a debtor no longer meets any of the criteria for placement on the watch list, they are returned to ordinary treatment, or are reclassified as distressed investments if they meet the criteria for reclassification of the exposure as a distressed investment.

The EWS is continually being improved and upgraded by the Bank from the perspective of the inclusion of new quantitative and qualitative indicators for identifying debtors' potential difficulties in debt repayment, and the optimisation of the processes for taking action after a significant increase in credit risk has been identified, and information support.

Management of non-performing exposures

Non-performing exposures that have been classified as distressed investments by the Group are assigned to a special organisational unit responsible for managing assets of this kind. The unit performs a multi-phased segmentation with the aim of identifying debtors with the ability to generate sufficient cash flow from their core business activity, and to regularly service their financial debt at the same time. The relevant process – whether forbearance or recovery – is initiated based on the results of that segmentation.

The Group manages non-performing exposures in accordance with the adopted management strategy, the reduction plan and key indicators, including time-based definitions of quantitative targets, supported by an appropriate comprehensive operational plan to meet these targets.

Forborne exposures are exposures to which forbearance measures were applied. Those measures comprise concessions (allowances) to a customer that is experiencing or will soon experience difficulties in meeting its financial commitments (financial difficulties).

The forbearance of investment operations takes into account the EBA guidelines on the management of non-performing and forborne exposures (EBA/GL/2018/06) and the Slovenian corporate debt restructuring principles drafted by the Bank of Slovenia together with the Bank Association of Slovenia. It also takes into account the Restructuring guidelines for micro, small and medium-sized enterprises and the Bank of Slovenia Handbook for the effective management and workout of non-performing loans. Distressed investments are regularly monitored on special warning lists, which are generally discussed by the distressed investment management committee.

Recovery procedure

Recovery is carried out in accordance with predefined internal procedures, and is generally divided into extra-judicial and judicial recovery. The method of recovery depends primarily on

the type of collateral, the duration of the arrears, the degree of cooperation displayed by the debtor, and the amount of any past-due and outstanding exposures.

Recovery begins with a verbal and written reminder to a debtor. If the reminder process is unsuccessful or the exposure could not be forborne, procedures are usually initiated to liquidate collateral instruments.

If extra-judicial recovery is not successful, judicial recovery is initiated and managed by the distressed investment management department in accordance with the circumstances of the specific case.

Management and monitoring of credit risk

The credit risk of the Group is managed in several ways:

- by defining the risk appetite and risk appetite indicators;
- by setting internal limits in order to limit the concentration of exposure across specific segments, economic sectors and geographical areas;
- by setting thresholds for the allocation of total exposure to credit risk;
- by limiting leveraged transactions by placing a limit on the total exposure of all leveraged transactions;
- by taking into account the limits of exposure to individual debtors, groups of connected clients, and shadow banking entities;
- by setting project financing guidelines;
- by establishing collateral;
- by identifying the risk level of the individual debtor, and creating allowances and provisions for credit losses; and
- by ensuring sufficient capital to cover unexpected credit losses.

Within the Group's credit risk appetite, the Bank also takes into account environmental, social and governance (ESG) risks, for which it has put in place a dynamic limit on total exposure to the

highest-risk ESG customers. ESG risk factors are also taken into account in internal credit ratings.

The monitoring of credit risk begins upon the conclusion of a contractual relationship in the process of credit risk take-up, and ends on the day that all of the debtor's contractual and other obligations have been settled.

Credit risk on debt securities derives from the portfolio managed by the Group for the purpose of ensuring liquidity, stabilising net interest income, pursuing its asset-liability management, and exercising its existing mandate frameworks to support domestic bank and corporate issuers. This credit risk is managed primarily by means of limits on exposure to a particular issuer, and at portfolio level with regard to the credit rating, registered office and type of the issuer, and the type of instrument.

The system of limits in the area of debt securities is designed to ensure that investments are made primarily in debt securities of higher credit quality. In general it does not allow any investment in the financial instruments of foreign issuers without a credit rating from an international rating agency. Within the framework of the management of the risks inherent in debt securities, the differences between the current market price and the amortised cost of each debt security are regularly monitored in connection with the defined indicators of a change in market price. Changes in the market value of debt securities caused by changes in credit spreads and market interest rates are also monitored and evaluated. Developments in the financial markets are also regularly monitored, and the portfolio of debt securities held in the banking book is actively managed. The Bank regularly monitors and evaluates the debt securities portfolio from the perspective of ESG risk factors. To reduce exposure to environmental risk, there is a limit on the purchase of debt securities of issuers whose core activity is in the fossil fuels segment.

The Group has no financial instruments held for trading. Counterparty credit risk is taken into account for derivatives that the Bank enters into solely for the purpose of hedging open foreign-exchange and interest-rate positions. The Bank

determines counterparty credit risk exposure from derivatives using the original exposure method in accordance with Article 282 of the CRR. In the conclusion of derivative transactions, credit risk is managed in such a way that these transactions can only be entered into with counterparties with which the Bank has signed ISDA Agreements and Credit Support Annexes to the ISDA Agreements.

In accordance with its mission statement, and the business model and business strategy adopted by the Group, increased concentration is consciously accepted for the following:

- groups of debtors and sectors that are involved in Slovenia's exports to an above-average degree;
- groups of debtors and sectors where structural or cyclical gaps are appearing,

with the aim of intervening and acting countercyclically;

- groups of debtors and sectors in the circular economy, with high development potential, an innovative component, or a focus on the green transition and digital transformation;
- groups of debtors who are financed within the framework of the Fund of Funds or InvestEU, or via equity financing;
- certain countries that are major destinations for Slovenia's merchandise exports, services exports and outward FDI;
- municipalities via which infrastructure projects are financed;
- banks involved in export transactions and banks and other financial institutions established in Slovenia, if the banks transfer funding obtained to final beneficiaries in accordance with the Slovene Export and Development Bank Act or another law.

Maximum exposure to credit risk

	SID Bank Group			
	Maximum credit risk	Collateral in the form of property	Other credit enhancements	Overall credit risk mitigation
31 Dec 2025				
Financial assets	2,414,347	1,598,243	170,466	1,768,709
Cash, cash balances at central banks and demand deposits at banks	339,049	0	0	0
Non-trading financial assets mandatorily at fair value through profit or loss	2,604	8,568	212	8,780
Loans and advances to non-bank customers	2,604	8,568	212	8,780
Financial assets measured at fair value through other comprehensive income	400,558	0	11,003	11,003
Debt securities	400,558	0	11,003	11,003
Financial assets measured at amortised cost	1,661,781	1,589,675	159,251	1,748,926
Debt securities	254,627	0	0	0
Loans and advances to banks	113,665	0	2,851	2,851
Loans and advances to non-bank customers	1,290,887	1,589,675	156,400	1,746,074
Other financial assets	2,602	0	0	0
Derivatives – hedge accounting	10,355	0	0	0
Off-balance-sheet liabilities	221,513	34,503	0	34,503
Guarantees	95,214	31,078	0	31,078
Assets: undrawn loans	65,868	3,426	0	3,426
Uncalled unpaid capital	60,431	0	0	0
Total credit risk exposure	2,635,860	1,632,746	170,466	1,803,212

31 Dec 2024	SID Bank Group			
	Maximum credit risk	Collateral in the form of property	Other credit enhancements	Overall credit risk mitigation
Financial assets	2,648,610	1,577,028	171,254	1,748,282
Cash, cash balances at central banks and demand deposits at banks	493,208	0	0	0
Non-trading financial assets mandatorily at fair value through profit or loss	2,609	8,168	212	8,380
Loans and advances to non-bank customers	2,609	8,168	212	8,380
Financial assets measured at fair value through other comprehensive income	393,314	0	16,109	16,109
Debt securities	393,314	0	16,109	16,109
Financial assets measured at amortised cost	1,744,446	1,568,860	154,933	1,723,793
Debt securities	223,478	0	0	0
Loans and advances to banks	189,853	0	8,325	8,325
Loans and advances to non-bank customers	1,325,818	1,568,860	146,608	1,715,468
Other financial assets	5,297	0	0	0
Derivatives – hedge accounting	15,033	0	0	0
Off-balance-sheet liabilities	230,221	52,456	23,682	76,138
Guarantees	89,298	41,992	23,682	65,674
Assets: undrawn loans	99,761	10,464	0	10,464
Uncalled unpaid capital	41,162	0	0	0
Total credit risk exposure	2,878,831	1,629,484	194,936	1,824,420

31 Dec 2025	SID Bank			
	Maximum credit risk	Collateral in the form of property	Other credit enhancements	Overall credit risk mitigation
Financial assets	2,413,465	1,598,243	170,466	1,768,709
Cash, cash balances at central banks and demand deposits at banks	338,158	0	0	0
Non-trading financial assets mandatorily at fair value through profit or loss	2,604	8,568	212	8,780
Loans and advances to non-bank customers	2,604	8,568	212	8,780
Financial assets measured at fair value through other comprehensive income	400,558	0	11,003	11,003
Debt securities	400,558	0	11,003	11,003
Financial assets measured at amortised cost	1,661,790	1,589,675	159,251	1,748,926
Debt securities	254,627	0	0	0
Loans and advances to banks	113,665	0	2,851	2,851
Loans and advances to non-bank customers	1,290,887	1,589,675	156,400	1,746,074
Other financial assets	2,611	0	0	0
Derivatives – hedge accounting	10,355	0	0	0
Off-balance-sheet liabilities	181,082	34,503	0	34,503
Guarantees	95,214	31,078	0	31,078
Assets: undrawn loans	65,868	3,426	0	3,426
Uncalled unpaid capital	20,000	0	0	0
Total credit risk exposure	2,594,547	1,632,746	170,466	1,803,212

31 Dec 2024	SID Bank			Overall credit risk mitigation
	Maximum credit risk	Collateral in the form of property	Other credit enhancements	
Financial assets	2,648,560	1,577,028	171,254	1,748,282
Cash, cash balances at central banks and demand deposits at banks	493,158	0	0	0
Non-trading financial assets mandatorily at fair value through profit or loss	2,609	8,168	212	8,380
Loans and advances to non-bank customers	2,609	8,168	212	8,380
Financial assets measured at fair value through other comprehensive income	393,314	0	16,109	16,109
Debt securities	393,314	0	16,109	16,109
Financial assets measured at amortised cost	1,744,446	1,568,860	154,933	1,723,793
Debt securities	223,478	0	0	0
Loans and advances to banks	189,853	0	8,325	8,325
Loans and advances to non-bank customers	1,325,818	1,568,860	146,608	1,715,468
Other financial assets	5,297	0	0	0
Derivatives – hedge accounting	15,033	0	0	0
Off-balance-sheet liabilities	230,221	52,456	23,682	76,138
Guarantees	89,298	41,992	23,682	65,674
Assets: undrawn loans	99,761	10,464	0	10,464
Uncalled unpaid capital	41,162	0	0	0
Total credit risk exposure	2,878,781	1,629,484	194,936	1,824,420

The tables disclose SID Bank Group's and SID Bank's maximum credit risk exposure across individual types of financial asset and off-balance-sheet liability, without consideration of credit protection.

The collateral presented in the table includes collateral in the form of residential real estate,

commercial real estate, shares and participating interests, loans, other funded credit protection and other forms of credit protection.

The other credit enhancements presented in the table include credit protection in the form of irrevocable Slovenian government guarantees and financial guarantees.

Types of credit protection

SID Bank Group and SID Bank									
31 Dec 2025	Irrevocable Slovenian government guarantees	Financial guarantees other than irrevocable Slovenian government guarantees	Collateral in the form of commercial real estate	Collateral in the form of residential real estate	Collateral in the form of shares and participating interests	Collateral in the form of loans	Other funded credit protection	Other forms of credit protection	Total
Financial assets	19,147	151,319	1,095,496	22,153	12,290	0	446,208	22,096	1,768,709
Non-trading financial assets mandatorily at fair value through profit or loss	0	212	8,568	0	0	0	0	0	8,780
Loans and advances to non-bank customers	0	212	8,568	0	0	0	0	0	8,780
Financial assets measured at fair value through other comprehensive income	0	11,003	0	0	0	0	0	0	11,003
Debt securities	0	11,003	0	0	0	0	0	0	11,003
Financial assets measured at amortised cost	19,147	140,104	1,086,928	22,153	12,290	0	446,208	22,096	1,748,926
Loans and advances to banks	2,851	0	0	0	0	0	0	0	2,851
Loans and advances to non-bank customers	16,295	140,104	1,086,928	22,153	12,290	0	446,208	22,096	1,746,074
Off-balance-sheet liabilities	0	0	0	0	0	31,078	3,426	0	34,503
Guarantees	0	0	0	0	0	31,078	0	0	31,078
Assets: undrawn loans	0	0	0	0	0	0	3,426	0	3,426
Total	19,147	151,319	1,095,496	22,153	12,290	31,078	449,633	22,096	1,803,212

SID Bank Group and SID Bank									
31 Dec 2024	Irrevocable Slovenian government guarantees	Financial guarantees other than irrevocable Slovenian government guarantees	Collateral in the form of commercial real estate	Collateral in the form of residential real estate	Collateral in the form of shares and participating interests	Collateral in the form of loans	Other funded credit protection	Other forms of credit protection	Total
Financial assets	28,087	143,167	992,813	22,018	86,666	0	442,316	33,215	1,748,282
Non-trading financial assets mandatorily at fair value through profit or loss	0	212	8,168	0	0	0	0	0	8,380
Loans and advances to non-bank customers	0	212	8,168	0	0	0	0	0	8,380
Financial assets measured at fair value through other comprehensive income	0	16,109	0	0	0	0	0	0	16,109
Debt securities	0	16,109	0	0	0	0	0	0	16,109
Financial assets measured at amortised cost	28,087	126,846	984,645	22,018	86,666	0	442,316	33,215	1,723,793
Loans and advances to banks	8,325	0	0	0	0	0	0	0	8,325
Loans and advances to non-bank customers	19,762	126,846	984,645	22,018	86,666	0	442,316	33,215	1,715,468
Off-balance-sheet liabilities	0	23,682	10,464	0	0	41,992	0	0	76,138
Guarantees	0	23,682	0	0	0	41,992	0	0	65,674
Assets: undrawn loans	0	0	10,464	0	0	0	0	0	10,464
Total	28,087	166,849	1,003,277	22,018	86,666	41,992	442,316	33,215	1,824,420

The total value of SID Bank Group's collateral amounted to EUR 1,803,212 thousand as at 31 December 2025, a fall of EUR 21,208 thousand in comparison with 31 December 2024. The credit protection meets the requirements of the Regulation on credit risk management at banks and savings banks for the purpose of taking into

account the credit protection in the estimation of expected credit losses.

The largest single type of credit protection is collateral in the form of commercial real estate, which is a relatively reliable and high-quality form of collateral. This is followed by other

funded credit protection, financial guarantees (other than irrevocable Slovenian government guarantees), loans, residential real estate, other forms of credit protection, irrevocable Slovenian government guarantees, and shares and participating interests.

The credit protection in the form of irrevocable Slovenian government guarantees consists of SID Bank insurance policies issued for the account of the Republic of Slovenia to insure against commercial and non-commercial risks.

The largest component of financial guarantees other than irrevocable Slovenian government guarantees is guarantees by the Pan-European Guarantee Fund, followed by guarantees from legal persons with a rating higher than BBB-based on the internal credit quality assessment methodology where the guarantor demonstrates adequate creditworthiness, sovereign limited conditional subsidiary

guarantees, guarantees issued by the ECB and by governments and central banks that are assigned a risk rating of 0 or 1 under the minimum export insurance premiums (MEIP) listing, and guarantees by the EIF under InvestEU.

Collateral in the form of shares and participating interests primarily consists of collateral in the form of equity holdings.

Collateral in the form of loans includes collateral in the form of European Cohesion Policy funds pledged as collateral for portfolio guarantees.

The majority of other funded credit protection consists of collateral in the form of inventories, which is followed by collateral in the form of business equipment and motor vehicles.

The largest component of other forms of credit protection is the assignment of secured claims.

Securing of loans and receivables

	SID Bank Group			
	Fully secured and over-secured loans		Unsecured and under-secured loans	
	Net value of loans and receivables	Fair value of collateral	Net value of loans and receivables	Fair value of collateral
31 Dec 2025				
Financial assets measured at amortised cost				
Loans and advances to banks	0	0	113,665	2,851
Loans and advances to non-bank customers	557,441	1,585,578	733,446	160,495
Other financial assets	0	0	2,602	0
Total	557,441	1,585,578	849,713	163,346

	SID Bank Group			
	Fully secured and over-secured loans		Unsecured and under-secured loans	
	Net value of loans and receivables	Fair value of collateral	Net value of loans and receivables	Fair value of collateral
31 Dec 2024				
Financial assets measured at amortised cost				
Loans and advances to banks	0	0	189,853	8,325
Loans and advances to non-bank customers	567,988	1,563,013	757,830	152,454
Other financial assets	0	0	5,297	0
Total	567,988	1,563,013	952,980	160,779

	SID Bank			
	Fully secured and over-secured loans		Unsecured and under-secured loans	
	Net value of loans and receivables	Fair value of collateral	Net value of loans and receivables	Fair value of collateral
31 Dec 2025				
Financial assets measured at amortised cost				
Loans and advances to banks	0	0	113,665	2,851
Loans and advances to non-bank customers	557,441	1,585,578	733,446	160,495
Other financial assets	0	0	2,611	0
Total	557,441	1,585,578	849,722	163,346

	SID Bank			
	Fully secured and over-secured loans		Unsecured and under-secured loans	
	Net value of loans and receivables	Fair value of collateral	Net value of loans and receivables	Fair value of collateral
31 Dec 2024				
Financial assets measured at amortised cost				
Loans and advances to banks	0	0	189,853	8,325
Loans and advances to non-bank customers	567,988	1,563,013	757,830	152,454
Other financial assets	0	0	5,297	0
Total	567,988	1,563,013	952,980	160,779

Fully secured and over-secured loans are loans and other financial assets measured at amortised cost where the fair value of the collateral is higher than or equal to the net value of the loan or other financial asset.

Unsecured and under-secured loans are loans and other financial assets measured at amortised cost where the fair value of the collateral is lower than the net value of the loan or other financial asset.

Analysis of credit quality: financial assets measured at amortised cost and off-balance-sheet liabilities

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Gross carrying amount	1,972,444	2,025,860	1,932,022	2,025,860
A	1,282,586	1,360,171	1,242,164	1,360,171
B	523,811	547,868	523,811	547,868
C	11,332	49,555	11,332	49,555
D	130,995	42,400	130,995	42,400
E	23,721	25,866	23,721	25,866
Allowances and provisions for credit losses	(89,150)	(51,193)	(89,150)	(51,193)
A	(1,357)	(988)	(1,357)	(988)
B	(5,952)	(7,703)	(5,952)	(7,703)
C	(873)	(8,621)	(873)	(8,621)
D	(61,454)	(12,093)	(61,454)	(12,093)
E	(19,517)	(21,788)	(19,517)	(21,788)
Net carrying amount	1,883,294	1,974,667	1,842,872	1,974,667

The SID Bank Group disclosed gross exposure from financial assets measured at amortised cost and off-balance-sheet liabilities in the

amount of EUR 1,972,444 thousand as at 31 December 2025.

Portfolio quality deteriorated in 2025, largely as a result of the reclassification of certain major debtors in the manufacturing sector as non-performing, most notably in the steel and car industries.

Some 91.6% of exposures were rated A or B at the end of the year, while the share accounted

for by rating pools D and E had increased to 7.8%.

The SID Bank Group held total allowances and provisions in the amount of EUR 89,150 thousand (31 December 2024: EUR 51,193 thousand).

Analysis of credit quality: non-trading financial assets mandatorily at fair value through profit or loss – loans and advances to non-bank customers

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Gross carrying amount	2,765	2,854
A	2,765	2,854
Accumulated fair value changes owing to credit risk	(41)	(80)
A	(41)	(80)
Accumulated fair value changes owing to other risks	(120)	(165)
A	(120)	(165)
Net carrying amount	2,604	2,609

There were no major changes in 2025. The fair value of performing loans and advances is calculated in accordance with the internal methodology.

Analysis of credit quality: financial assets measured at fair value through other comprehensive income – debt securities

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
	Stage 1	Stage 1
Gross carrying amount	400,578	393,386
A	400,578	393,386
Allowances for credit losses	(20)	(72)
A	(20)	(72)
Net carrying amount	400,558	393,314

The SID Bank Group disclosed gross exposure from financial assets (debt securities) measured at fair value through other comprehensive income in the amount of EUR 400,578 thousand as at 31 December 2025.

Under IFRS 9, the Bank is required to estimate expected credit losses on financial assets measured at fair value through other comprehensive income, which amounted to EUR 20 thousand.

Analysis of credit quality: financial assets measured at amortised cost – debt securities

	SID Bank Group and SID Bank					
	31 Dec 2025			31 Dec 2024		
	Stage 1	Stage 3	Total	Stage 1	Stage 2	Total
Gross carrying amount	251,475	5,832	257,307	220,003	5,687	225,690
A	203,223	0	203,223	175,186	0	175,186
B	48,252	0	48,252	44,817	0	44,817
C	0	0	0	0	5,687	5,687
D	0	5,832	5,832	0	0	0
Allowances for credit losses	(316)	(2,364)	(2,680)	(288)	(1,924)	(2,212)
A	(81)	0	(81)	(85)	0	(85)
B	(236)	0	(236)	(203)	0	(203)
C	0	0	0	0	(1,924)	(1,924)
D	0	(2,364)	(2,364)	0	0	0
Net carrying amount	251,159	3,468	254,627	219,715	3,763	223,478

The SID Bank Group disclosed exposure from financial assets (debt securities) measured at

amortised cost in the amount of EUR 257,307 thousand as at 31 December 2025.

Analysis of credit quality: financial assets measured at amortised cost – loans and advances to banks

31 Dec 2025	SID Bank Group and SID Bank			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	110,810	2,847	149	113,806
A	82,523	0	0	82,523
B	28,287	0	0	28,287
C	0	2,847	0	2,847
D	0	0	149	149
Allowances for credit losses	(133)	(6)	(2)	(141)
A	(43)	0	0	(43)
B	(90)	0	0	(90)
C	0	(6)	0	(7)
D	0	0	(2)	(2)
Net carrying amount	110,677	2,841	147	113,665

31 Dec 2024	SID bank Group and SID Bank		
	Stage 1	Stage 3	Total
Gross carrying amount	181,412	8,733	190,145
A	136,080	0	136,080
B	45,332	0	45,332
D	0	8,733	8,733
Allowances for credit losses	(202)	(90)	(292)
A	(72)	0	(72)
B	(130)	0	(130)
D	0	(90)	(90)
Net carrying amount	181,210	8,643	189,853

The SID Bank Group disclosed exposure from financial assets measured at amortised cost (loans and advances to banks) in the amount of

EUR 113,806 thousand as at 31 December 2025. Exposure to one Belarusian bank that became non-performing in 2022 was classified as Stage

3 (non-performing financial assets) as at 31 December 2025. Stage 3 exposures were down on the previous year as a result of regular

repayments and the reclassification of two other Belarusian banks as performing financial assets.

Analysis of credit quality: financial assets measured at amortised cost – loans and advances to non-bank customers

31 Dec 2025	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,103,990	124,014	144,679	4,065	1,376,748
A	804,192	30,501	0	65	834,759
B	299,702	85,124	0	457	385,282
C	96	8,389	0	0	8,485
D	0	0	121,227	3,276	124,503
E	0	0	23,452	267	23,719
Allowances for credit losses	(2,230)	(5,352)	(78,474)	195	(85,861)
A	(707)	(494)	0	20	(1,182)
B	(1,519)	(3,996)	0	41	(5,474)
C	(4)	(862)	0	0	(866)
D	0	0	(59,226)	401	(58,825)
E	0	0	(19,248)	(267)	(19,515)
Net carrying amount	1,101,760	118,662	66,205	4,260	1,290,887

31 Dec 2024	SID Bank Group and SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,111,168	201,006	56,590	5,599	1,374,363
A	865,699	2,104	0	63	867,866
B	245,469	155,565	0	2,065	403,099
C	0	43,337	0	531	43,868
D	0	0	30,726	2,940	33,666
E	0	0	25,864	0	25,864
Allowances for credit losses	(2,092)	(13,795)	(34,134)	1,476	(48,545)
A	(801)	(23)	0	22	(802)
B	(1,291)	(7,079)	0	1,112	(7,258)
C	0	(6,693)	0	(4)	(6,697)
D	0	0	(12,348)	346	(12,002)
E	0	0	(21,786)	0	(21,786)
Net carrying amount	1,109,076	187,211	22,456	7,075	1,325,818

The SID Bank Group disclosed exposure from financial assets measured at amortised cost (loans and advances to non-bank customers) in the amount of EUR 1,376,748 thousand as at 31 December 2025. The amount of Stage 3 exposures was significantly higher at the end of 2025, but was limited solely to a small number of debtors in the manufacturing sector.

The gross carrying amount of POCI items was EUR 4,065 thousand as at 31 December 2025. Allowances for credit losses from POCI items were positive and amounted to EUR 195 thousand.

Analysis of credit quality: financial assets measured at amortised cost – other financial assets

	SID Bank Group					
	31 Dec 2025			31 Dec 2024		
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total
Gross carrying amount	2,564	80	2,644	5,301	3	5,304
A	2,564	0	2,564	5,151	0	5,151
B	0	0	0	150	0	150
D	0	78	78	0	1	1
E	0	2	2	0	2	2
Allowances for credit losses	0	(42)	(42)	(4)	(3)	(7)
A	0	0	0	(0)	0	(0)
B	0	0	0	(4)	0	(4)
D	0	(40)	(40)	0	(1)	(1)
E	0	(2)	(2)	0	(2)	(2)
Net carrying amount	2,564	38	2,602	5,297	0	5,297

	SID Bank					
	31 Dec 2025			31 Dec 2024		
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total
Gross carrying amount	2,573	80	2,653	5,301	3	5,304
A	2,573	0	2,573	5,151	0	5,151
B	0	0	0	150	0	150
D	0	78	78	0	1	1
E	0	2	2	0	2	2
Allowances for credit losses	0	(42)	(42)	(4)	(3)	(7)
A	0	0	0	(0)	0	(0)
B	0	0	0	(4)	0	(4)
D	0	(40)	(40)	0	(1)	(1)
E	0	(2)	(2)	0	(2)	(2)
Net carrying amount	2,573	38	2,611	5,297	0	5,297

The SID Bank Group disclosed exposure from financial assets measured at amortised cost

(other financial assets) in the amount of EUR 2,644 thousand as at 31 December 2025.

Analysis of credit quality: financial assets measured at amortised cost – total

31 Dec 2025	SID Bank Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,468,839	126,861	150,740	4,065	1,750,505
A	1,092,502	30,501	0	65	1,123,069
B	376,241	85,124	0	457	461,821
C	96	11,236	0	0	11,332
D	0	0	127,286	3,276	130,562
E	0	0	23,454	267	23,721
Allowances for credit losses	(2,679)	(5,358)	(80,882)	195	(88,724)
A	(831)	(494)	0	20	(1,306)
B	(1,845)	(3,996)	0	41	(5,800)
C	(4)	(868)	0	0	(873)
D	0	0	(61,632)	401	(61,231)
E	0	0	(19,250)	(267)	(19,517)
Net carrying amount	1,466,160	121,503	69,858	4,260	1,661,781

31 Dec 2024	SID Bank Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,517,884	206,693	65,326	5,599	1,795,502
A	1,182,116	2,104	0	63	1,184,283
B	335,768	155,565	0	2,065	493,398
C	0	49,024	0	531	49,555
D	0	0	39,460	2,940	42,400
E	0	0	25,866	0	25,866
Allowances for credit losses	(2,586)	(15,719)	(34,227)	1,476	(51,056)
A	(958)	(23)	0	22	(959)
B	(1,628)	(7,079)	0	1,112	(7,595)
C	0	(8,617)	0	(4)	(8,621)
D	0	0	(12,439)	346	(12,093)
E	0	0	(21,788)	0	(21,788)
Net carrying amount	1,515,298	190,974	31,099	7,075	1,744,446

31 Dec 2025	SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,468,848	126,861	150,740	4,065	1,750,514
A	1,092,511	30,501	0	65	1,123,078
B	376,241	85,124	0	457	461,821
C	96	11,236	0	0	11,332
D	0	0	127,286	3,276	130,562
E	0	0	23,454	267	23,721
Allowances for credit losses	(2,679)	(5,358)	(80,882)	195	(88,724)
A	(831)	(494)	0	20	(1,306)
B	(1,845)	(3,996)	0	41	(5,800)
C	(4)	(868)	0	0	(873)
D	0	0	(61,632)	401	(61,231)
E	0	0	(19,250)	(267)	(19,517)
Net carrying amount	1,466,169	121,503	69,858	4,260	1,661,790

31 Dec 2024	SID Bank				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount	1,517,884	206,693	65,326	5,599	1,795,502
A	1,182,116	2,104	0	63	1,184,283
B	335,768	155,565	0	2,065	493,398
C	0	49,024	0	531	49,555
D	0	0	39,460	2,940	42,400
E	0	0	25,866	0	25,866
Allowances for credit losses	(2,586)	(15,719)	(34,227)	1,476	(51,056)
A	(958)	(23)	0	22	(959)
B	(1,628)	(7,079)	0	1,112	(7,595)
C	0	(8,617)	0	(4)	(8,621)
D	0	0	(12,439)	346	(12,093)
E	0	0	(21,788)	0	(21,788)
Net carrying amount	1,515,298	190,974	31,099	7,075	1,744,446

Analysis of credit quality: off-balance-sheet items

	SID Bank Group			
	31 Dec 2025			31 Dec 2024
	Stage 1	Stage 3	Total	Stage 1
Gross carrying amount	221,506	433	221,939	230,358
A	159,517	0	159,517	175,888
B	61,990	0	61,990	54,470
D	0	433	433	0
Provisions	(203)	(223)	(426)	(137)
A	(51)	0	(51)	(30)
B	(152)	0	(152)	(107)
D	0	(223)	(223)	0
Net carrying amount	221,303	210	221,513	230,221

	SID Bank			
	31 Dec 2025			31 Dec 2024
	Stage 1	Stage 3	Total	Stage 1
Gross carrying amount	181,075	433	181,508	230,358
A	119,086	0	119,086	175,888
B	61,990	0	61,990	54,470
D	0	433	433	0
Provisions	(203)	(223)	(426)	(137)
A	(51)	0	(51)	(30)
B	(152)	0	(152)	(107)
D	0	(223)	(223)	0
Net carrying amount	180,872	210	181,082	230,221

The SID Bank Group disclosed gross exposure from off-balance-sheet liabilities in the amount

of EUR 221,939 thousand as at 31 December 2025.

Forborne loans

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Gross carrying amount	138,111	69,429
Performing forborne exposures	14,051	32,414
Non-performing forborne exposures	124,060	37,015

Forborne loans are exposures to which forbearance measures have been applied in accordance with Annex V to Commission Implementing Regulation (EU) No 680/2014. The SID Bank Group disclosed exposure from forborne loans in the amount of EUR 138,111

thousand as at 31 December 2025. Performing forborne loans decreased by EUR 18,363 thousand in 2025, while non-performing forborne loans increased by EUR 87,045 thousand.

Maturity of financial assets

31 Dec 2025	SID Bank Group									
	Gross carrying amount					Allowances for credit losses				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks										
Non-past-due	110,810	2,847	0	0	113,656	(133)	(6)	0	0	(140)
More than 180 days past due	0	0	149	0	149	0	0	(2)	0	(2)
Total loans and advances to banks	110,810	2,847	149	0	113,806	(133)	(6)	(2)	0	(141)
Loans and advances to non-bank customers										
Non-past-due	1,099,265	116,136	104,791	3,798	1,323,990	(2,214)	(5,050)	(53,755)	462	(60,557)
Up to 29 days past due	4,725	7,717	1,802	0	14,244	(15)	(284)	(1,793)	0	(2,093)
30 to 89 days past due	0	160	4,581	0	4,741	0	(18)	(3,127)	0	(3,145)
90 to 180 days past due	0	0	465	0	465	0	0	(116)	0	(116)
More than 180 days past due	0	0	33,041	267	33,308	0	0	(19,683)	(267)	(19,950)
Total loans and advances to non-bank customers	1,103,990	124,014	144,679	4,065	1,376,748	(2,230)	(5,352)	(78,474)	195	(85,861)
Other financial assets										
Non-past-due	2,564	0	78	0	2,642	0	0	(40)	0	(40)
More than 180 days past due	0	0	2	0	2	0	0	(2)	0	(2)
Total other financial assets	2,564	0	80	0	2,644	0	0	(42)	0	(42)

31 Dec 2024	SID Bank Group									
	Gross carrying amount					Allowances for credit losses				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks										
Non-past-due	181,412	0	8,552	0	189,964	(202)	0	(88)	0	(290)
Up to 29 days past due	0	0	181	0	181	0	0	(2)	0	(2)
Total loans and advances to banks	181,412	0	8,733	0	190,145	(202)	0	(90)	0	(292)
Loans and advances to non-bank customers										
Non-past-due	1,110,630	200,760	17,389	5,394	1,334,173	(2,087)	(13,786)	(2,883)	1,681	(17,075)
Up to 29 days past due	538	246	0	0	784	(5)	(9)	0	0	(14)
30 to 89 days past due	0	0	7,091	0	7,091	0	0	(5,091)	0	(5,091)
90 to 180 days past due	0	0	3,427	205	3,632	0	0	(2,303)	(205)	(2,508)
More than 180 days past due	0	0	28,683	0	28,683	0	0	(23,857)	0	(23,857)
Total loans and advances to non-bank customers	1,111,168	201,006	56,590	5,599	1,374,363	(2,092)	(13,795)	(34,134)	1,476	(48,545)
Other financial assets										
Non-past-due	5,301	0	0	0	5,301	(4)	0	(1)	0	(5)
More than 180 days past due	0	0	3	0	3	0	0	(2)	0	(2)
Total other financial assets	5,301	0	3	0	5,304	(4)	0	(3)	0	(7)

31 Dec 2025	SID Bank									
	Gross carrying amount					Allowances for credit losses				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks										
Non-past-due	110,810	2,847	0	0	113,656	(133)	(6)	0	0	(140)
More than 180 days past due	0	0	149	0	149	0	0	(2)	0	(2)
Total loans and advances to banks	110,810	2,847	149	0	113,806	(133)	(6)	(2)	0	(141)
Loans and advances to non-bank customers										
Non-past-due	1,099,265	116,136	104,791	3,798	1,323,990	(2,214)	(5,050)	(53,755)	462	(60,557)
Up to 29 days past due	4,725	7,717	1,802	0	14,244	(15)	(284)	(1,793)	0	(2,093)
30 to 89 days past due	0	160	4,581	0	4,741	0	(18)	(3,127)	0	(3,145)
90 to 180 days past due	0	0	465	0	465	0	0	(116)	0	(116)
More than 180 days past due	0	0	33,041	267	33,308	0	0	(19,683)	(267)	(19,950)
Total loans and advances to non-bank customers	1,103,990	124,014	144,679	4,065	1,376,748	(2,230)	(5,352)	(78,474)	195	(85,861)
Other financial assets										
Non-past-due	2,573	0	78	0	2,651	0	0	(40)	0	(40)
More than 180 days past due	0	0	2	0	2	0	0	(2)	0	(2)
Total other financial assets	2,573	0	80	0	2,653	0	0	(42)	0	(42)

31 Dec 2024	SID Bank									
	Gross carrying amount					Allowances for credit losses				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to banks										
Non-past-due	181,412	0	8,552	0	189,964	(202)	0	(88)	0	(290)
Up to 29 days past due	0	0	181	0	181	0	0	(2)	0	(2)
Total loans and advances to banks	181,412	0	8,733	0	190,145	(202)	0	(90)	0	(292)
Loans and advances to non-bank customers										
Non-past-due	1,110,630	200,760	17,389	5,394	1,334,173	(2,087)	(13,786)	(2,883)	1,681	(17,075)
Up to 29 days past due	538	246	0	0	784	(5)	(9)	0	0	(14)
30 to 89 days past due	0	0	7,091	0	7,091	0	0	(5,091)	0	(5,091)
90 to 180 days past due	0	0	3,427	205	3,632	0	0	(2,303)	(205)	(2,508)
More than 180 days past due	0	0	28,683	0	28,683	0	0	(23,857)	0	(23,857)
Total loans and advances to non-bank customers	1,111,168	201,006	56,590	5,599	1,374,363	(2,092)	(13,795)	(34,134)	1,476	(48,545)
Other financial assets										
Non-past-due	5,301	0	0	0	5,301	(4)	0	(1)	0	(5)
More than 180 days past due	0	0	3	0	3	0	0	(2)	0	(2)
Total other financial assets	5,301	0	3	0	5,304	(4)	0	(3)	0	(7)

Past-due financial assets comprise loans and other financial assets measured at amortised cost, where the debtor is past due on any material credit obligation to the Group. The whole exposure under a specific loan agreement (and not only the part of the exposure where the debtor is past due) is classified as a past-due asset. When the Group is also exposed to the same debtor under other agreements, these exposures are also classified as past-due assets, even if they are not past-due.

Debt securities

Credit risk on debt securities derives from the portfolio managed by the SID Bank Group primarily for the purpose of ensuring liquidity,

stabilising net interest income, pursuing its asset-liability management, and exercising its existing mandate frameworks to support domestic bank and corporate issuers.

Debt securities accounted for 26.2% of the SID Bank Group's balance sheet total on the asset side as at the end of 2025 (2024: 22.6%). The Bank had 61.1% of its debt securities portfolio classified as debt securities measured at fair value through other comprehensive income and 38.9% classified as debt securities measured at amortised cost (2024: 63.8% and 36.2% respectively).

The proportion of the entire debt securities portfolio accounted for by green, social and sustainability bonds was 18.6% at the end of 2025 (2024: 14.6%). Since mid-2021 the Bank

has not made new investments in debt securities of issuers whose core business is in the fossil fuels segment. The Bank no longer holds investments of this kind in the debt securities portfolio.

Bank has no exposure to Russian or Ukrainian bonds. In 2025 the Bank made new purchases within its mandate frameworks, namely MREL-eligible debt securities of domestic banks and debt securities of domestic corporates that meet green, social, sustainability and other conditions, which resulted in a further increase

in the share of the portfolio accounted for by debt securities measured at amortised cost.

Debt securities measured at fair value through other comprehensive income by issuer rating

The table shows the fair value of debt securities measured at fair value through other comprehensive income, classified in terms of the issuer's rating in accordance with the Bank's methodology.

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
AAA	28,088	21,795
From AA- to AA+	10,174	53,610
From A- to A+	291,127	232,137
From BBB+ to BBB-	71,169	85,772
Total	400,558	393,314

The portfolio of debt securities measured at fair value through other comprehensive income at the end of 2025 was up EUR 7,244 thousand on the previous year.

Debt securities issued by EU Member States (including Slovenia) with an investment-grade rating (BBB- or higher) were the largest component of the portfolio of debt securities measured at fair value through other comprehensive income, accounting for 80.9% of the total as at 31 December 2025 (31 December 2024: 76.9%). Slovenian government debt securities accounted for 49.9% of the portfolio of debt securities measured at fair value through other comprehensive income (31 December 2024: 32.9%). The remainder of the portfolio of debt securities measured at fair value through other comprehensive income

consists of debt securities issued by banks, non-financial corporations and financial institutions.

The Bank held no exposures in debt securities measured at fair value through other comprehensive income rated lower than BBB- at the end of 2025.

A detailed breakdown of financial assets measured at fair value through other comprehensive income, by type of issuer, is given under section 2.4.3 Financial assets measured at fair value through other comprehensive income.

Debt securities measured at amortised cost by issuer rating

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
From AA- to AA+	10,019	52,850
From A- to A+	140,965	15,451
From BBB+ to BBB-	52,159	106,800
From B+ to B-	48,017	48,377
C-	3,467	0
Total	254,627	223,478

The table shows the amortised cost of debt securities classified according to the issuer's rating in accordance with the Bank's methodology.

The portfolio of debt securities measured at amortised cost expanded by EUR 31,149 thousand in 2025, on account of new purchases made within the mandate frameworks to support domestic bank and corporate issuers.

In 2025 Bank made new purchases of MREL-eligible debt securities of domestic banks and debt securities of domestic corporates that meet green, social, sustainability and other

conditions, which upon initial recognition were classified as debt securities measured at amortised cost. The majority of the portfolio of debt securities measured at amortised cost consists of bonds of domestic banks and sovereign issuers from the EU with an investment-grade rating (BBB- or higher). The remainder of the portfolio consists of holdings in a domestic bank issuer and non-financial issuers with a worse rating (lower than BBB-).

A detailed breakdown of financial assets measured at amortised cost by type of issuer is presented in section 2.4.4 Financial assets measured at amortised cost.

Breakdown of exposure to credit risk by geographical area

31 Dec 2025	SID Bank Group				Total
	Slovenia	Other EU Member States	Rest of Europe	Other countries	
Financial assets	2,089,643	304,748	10,240	9,715	2,414,347
Cash, cash balances at central banks and demand deposits at banks	339,049	0	0	0	339,049
Financial assets mandatorily at fair value through profit or loss	2,604	0	0	0	2,604
Loans and advances to non-bank customers	2,604	0	0	0	2,604
Financial assets measured at fair value through other comprehensive income	162,545	238,013	0	0	400,558
Debt securities	162,545	238,013	0	0	400,558
Financial assets measured at amortised cost	1,585,445	56,381	10,240	9,715	1,661,781
Debt securities	201,675	52,952	0	0	254,627
Loans and advances to banks	107,248	3,428	2,988	0	113,665
Loans and advances to non-bank customers	1,273,920	0	7,252	9,715	1,290,887
Other financial assets	2,602	0	0	0	2,602
Derivatives – hedge accounting	0	10,355	0	0	10,355
Off-balance-sheet liabilities	186,250	35,263	0	0	221,513
Guarantees	95,214	0	0	0	95,214
Gross exposure	95,511	0	0	0	95,511
Provisions	(297)	0	0	0	(297)
Other off-balance-sheet liabilities	91,036	35,263	0	0	126,299
Gross exposure	91,165	35,263	0	0	126,428
Provisions	(129)	0	0	0	(129)
Total	2,275,893	340,011	10,240	9,715	2,635,860

31 Dec 2024	SID Bank Group				Total
	Slovenia	Other EU Member States	Rest of Europe	Other countries	
Financial assets	2,270,693	348,756	18,224	10,937	2,648,610
Cash, cash balances at central banks and demand deposits at banks	493,208	0	0	0	493,208
Financial assets mandatorily at fair value through profit or loss	2,609	0	0	0	2,609
Loans and advances to non-bank customers	2,609	0	0	0	2,609
Financial assets measured at fair value through other comprehensive income	130,491	262,823	0	0	393,314
Debt securities	130,491	262,823	0	0	393,314
Financial assets measured at amortised cost	1,644,385	70,900	18,224	10,937	1,744,446
Debt securities	170,628	52,850	0	0	223,478
Loans and advances to banks	166,290	14,920	8,643	0	189,853
Loans and advances to non-bank customers	1,305,300	0	9,581	10,937	1,325,818
Other financial assets	2,167	3,130	0	0	5,297
Derivatives – hedge accounting	0	15,033	0	0	15,033
Off-balance-sheet liabilities	193,769	36,452	0	0	230,221
Guarantees	89,298	0	0	0	89,298
Gross exposure	89,338	0	0	0	89,338
Provisions	(40)	0	0	0	(40)
Other off-balance-sheet liabilities	104,471	36,452	0	0	140,923
Gross exposure	104,568	36,452	0	0	141,020
Provisions	(97)	0	0	0	(97)
Total	2,464,462	385,208	18,224	10,937	2,878,831

31 Dec 2025	SID Bank				Total
	Slovenia	Other EU Member States	Rest of Europe	Other countries	
Financial assets	2,088,761	304,748	10,240	9,715	2,413,465
Cash, cash balances at central banks and demand deposits at banks	338,158	0	0	0	338,158
Financial assets mandatorily at fair value through profit or loss	2,604	0	0	0	2,604
Loans and advances to non-bank customers	2,604	0	0	0	2,604
Financial assets measured at fair value through other comprehensive income	162,545	238,013	0	0	400,558
Debt securities	162,545	238,013	0	0	400,558
Financial assets measured at amortised cost	1,585,454	56,381	10,240	9,715	1,661,790
Debt securities	201,675	52,952	0	0	254,627
Loans and advances to banks	107,248	3,428	2,988	0	113,665
Loans and advances to non-bank customers	1,273,920	0	7,252	9,715	1,290,887
Other financial assets	2,611	0	0	0	2,611
Derivatives – hedge accounting	0	10,355	0	0	10,355
Off-balance-sheet liabilities	161,082	20,000	0	0	181,082
Guarantees	95,214	0	0	0	95,214
Gross exposure	95,511	0	0	0	95,511
Provisions	(297)	0	0	0	(297)
Other off-balance-sheet liabilities	65,868	20,000	0	0	85,868
Gross exposure	65,997	20,000	0	0	85,997
Provisions	(129)	0	0	0	(129)
Total	2,249,843	324,748	10,240	9,715	2,594,546

31 Dec 2024	SID Bank				Total
	Slovenia	Other EU Member States	Rest of Europe	Other countries	
Financial assets	2,270,643	348,756	18,224	10,937	2,648,560
Cash, cash balances at central banks and demand deposits at banks	493,158	0	0	0	493,158
Financial assets mandatorily at fair value through profit or loss	2,609	0	0	0	2,609
Loans and advances to non-bank customers	2,609	0	0	0	2,609
Financial assets measured at fair value through other comprehensive income	130,491	262,823	0	0	393,314
Debt securities	130,491	262,823	0	0	393,314
Financial assets measured at amortised cost	1,644,385	70,900	18,224	10,937	1,744,446
Debt securities	170,628	52,850	0	0	223,478
Loans and advances to banks	166,290	14,920	8,643	0	189,853
Loans and advances to non-bank customers	1,305,300	0	9,581	10,937	1,325,818
Other financial assets	2,167	3,130	0	0	5,297
Derivatives – hedge accounting	0	15,033	0	0	15,033
Off-balance-sheet liabilities	193,769	36,452	0	0	230,221
Guarantees	89,298	0	0	0	89,298
Gross exposure	89,338	0	0	0	89,338
Provisions	(40)	0	0	0	(40)
Other off-balance-sheet liabilities	104,471	36,452	0	0	140,923
Gross exposure	104,568	36,452	0	0	141,020
Provisions	(97)	0	0	0	(97)
Total	2,464,412	385,208	18,224	10,937	2,878,781

The tables illustrate the breakdown of net exposure to credit risk by geographical area as defined by the debtor's registered office.

The Group's exposure to Slovenia from financial assets amounted to EUR 2,089,643 thousand at the end of 2025 (end of 2024: EUR 2,270,693 thousand). The main factor in the decline in exposure from financial assets compared with the end of 2024 was a decrease in balances at the central bank and in demand deposits at banks, while the stock of financial assets measured at amortised cost also declined.

The largest component of the credit portfolio's exposure to the rest of the world from financial

assets was exposure to other EU Member States, which amounted to EUR 304,748 thousand at the end of 2025 (end of 2024: EUR 348,756 thousand).

SID Bank uses internal exposure limits to apply a maximum allowable exposure to individual geographical areas. A detailed presentation of the major credit risk exposures by individual country is given in a separate table.

The SID Bank Group's exposure to Belarus amounts to EUR 2,988 thousand, and its exposure to Ukraine to EUR 5,568 thousand. It has no direct exposure to Russia.

Breakdown of credit risk exposure by country

	SID Bank Group					
	31 Dec 2025			31 Dec 2024		
	Financial assets	Off-balance-sheet liabilities	Total exposure	Financial assets	Off-balance-sheet liabilities	Total exposure
Slovenia	2,089,643	176,345	2,265,988	2,270,693	193,769	2,464,462
France	63,647	0	63,647	62,687	0	62,687
Belgium	41,510	0	41,510	47,306	0	47,306
Spain	48,628	0	48,628	40,710	0	40,710
Hungary	28,693	0	28,693	27,885	0	27,885
Italy	17,942	0	17,942	27,764	0	27,764
Austria	18,044	0	18,044	23,111	0	23,111
Luxembourg	16,385	45,168	61,553	19,103	36,444	55,547
Germany	14,791	0	14,791	32,747	0	32,747
Lithuania	27,184	0	27,184	16,331	0	16,331
Netherlands	8,463	0	8,463	11,245	8	11,253
Belarus	2,988	0	2,988	8,643	0	8,643
Ukraine	5,568	0	5,568	7,460	0	7,460
Other	30,860	0	30,860	52,925	0	52,925
Total	2,414,347	221,513	2,635,860	2,648,610	230,221	2,878,831

	SID Bank					
	31 Dec 2025			31 Dec 2024		
	Financial assets	Off-balance-sheet liabilities	Total exposure	Financial assets	Off-balance-sheet liabilities	Total exposure
Slovenia	2,088,761	161,082	2,249,843	2,270,643	193,769	2,464,412
France	63,647	0	63,647	62,687	0	62,687
Belgium	41,510	0	41,510	47,306	0	47,306
Spain	48,628	0	48,628	40,710	0	40,710
Hungary	28,693	0	28,693	27,885	0	27,885
Italy	17,942	0	17,942	27,764	0	27,764
Austria	18,044	0	18,044	23,111	0	23,111
Luxembourg	16,385	20,000	36,385	19,103	36,444	55,547
Germany	14,791	0	14,791	32,747	0	32,747
Lithuania	27,184	0	27,184	16,331	0	16,331
Netherlands	8,463	0	8,463	11,245	8	11,253
Belarus	2,988	0	2,988	8,643	0	8,643
Ukraine	5,568	0	5,568	7,460	0	7,460
Other	30,860	0	30,860	52,925	0	52,925
Total	2,413,465	181,082	2,594,546	2,648,560	230,221	2,878,781

Breakdown of credit risk exposure by economic sector

31 Dec 2025	SID Bank Group								Total
	Financial and insurance activities	Manu-facturing	Public admini-stration and defence	Wholesale and retail trade	Transpor-tation and storage	Accommo-dation and food service activities	Electricity, gas, steam and air conditioning supply	Other	
Financial assets	679,386	417,627	558,348	130,641	152,832	161,512	87,647	226,353	2,414,347
Cash, cash balances at central banks and demand deposits at banks	339,049	0	0	0	0	0	0	0	339,049
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	0	0	0	2,604	0	0	2,604
Loans and advances to non-bank customers	0	0	0	0	0	2,604	0	0	2,604
Financial assets measured at fair value through other comprehensive income	35,652	16,491	323,988	0	0	0	7,034	17,393	400,558
Debt securities	35,652	16,491	323,988	0	0	0	7,034	17,393	400,558
Financial assets measured at amortised cost	294,331	401,136	234,360	130,641	152,832	158,908	80,613	208,960	1,661,781
Debt securities	174,224	4,990	63,230	2,045	0	0	5,175	4,962	254,627
Loans and advances to banks	113,665	0	0	0	0	0	0	0	113,665
Loans and advances to non-bank customers	6,366	396,108	168,641	128,596	152,832	158,908	75,438	203,998	1,290,887
Other financial assets	76	38	2,488	0	0	0	0	0	2,602
Derivatives – hedge accounting	10,355	0	0	0	0	0	0	0	10,355
Off-balance-sheet liabilities	91,467	44,800	1,300	0	4,759	6,418	0	72,770	221,513
Guarantees	31,036	210	0	0	0	0	0	63,968	95,214
Gross exposure	31,078	433	0	0	0	0	0	64,000	95,511
Provisions	(42)	(223)	0	0	0	0	0	(32)	(297)
Other off-balance-sheet liabilities	60,431	44,590	1,300	0	4,759	6,418	0	8,802	126,299
Gross exposure	60,431	44,641	1,300	0	4,763	6,428	0	8,865	126,428
Provisions	0	(51)	0	0	(4)	(10)	0	(63)	(129)
Total	770,853	462,427	559,648	130,641	157,591	167,930	87,647	299,123	2,635,860

	SID Bank Group								
31 Dec 2024	Financial and insurance activities	Manu- facturing	Public admini- stration and defence	Wholesale and retail trade and repair of motor vehicles and motorcycles	Transportation and storage	Profession- al, scientific and technical activities	Electricity, gas, steam and air conditioning supply	Other	Total
Financial assets	904,786	455,647	550,111	123,763	156,492	24,676	141,906	291,229	2,648,610
Cash, cash balances at central banks and demand deposits at banks	493,208	0	0	0	0	0	0	0	493,208
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	0	0	0	0	0	2,609	2,609
Loans and advances to non-bank customers	0	0	0	0	0	0	0	2,609	2,609
Financial assets measured at fair value through other comprehensive income	47,894	19,195	302,294	0	0	0	6,958	16,973	393,314
Debt securities	47,894	19,195	302,294	0	0	0	6,958	16,973	393,314
Financial assets measured at amortised cost	348,651	436,452	247,817	123,763	156,492	24,676	134,948	271,647	1,744,446
Debt securities	146,425	4,989	63,127	0	0	3,763	5,174	0	223,478
Loans and advances to banks	189,853	0	0	0	0	0	0	0	189,853
Loans and advances to non-bank customers	9,211	431,318	182,719	123,763	156,473	20,913	129,774	271,647	1,325,818
Other financial assets	3,162	145	1,971	0	19	0	0	0	5,297
Derivatives – hedge accounting	15,033	0	0	0	0	0	0	0	15,033
Off-balance-sheet liabilities	83,119	27,256	1,100	0	49,931	0	12,996	55,819	230,221
Guarantees	41,957	0	0	0	47,341	0	0	0	89,298
Gross exposure	41,992	0	0	0	47,346	0	0	0	89,338
Provisions	(35)	0	0	0	(5)	0	0	0	(40)
Other off-balance-sheet liabilities	41,162	27,256	1,100	0	2,590	0	12,996	55,819	140,923
Gross exposure	41,162	27,290	1,100	0	2,595	0	13,000	55,873	141,020
Provisions	0	(34)	(0)	0	(5)	0	(4)	(54)	(97)
Total	987,905	482,903	551,211	123,763	206,423	24,676	154,902	347,048	2,878,831

31 Dec 2025	SID Bank								Total
	Financial and insurance activities	Manu- facturing	Public admini- stration and defence	Wholesale and retail trade	Transpor- tation and storage	Accommo- dation and food service activities	Electricity, gas, steam and air conditioning supply	Other	
Financial assets	678,504	417,627	558,348	130,641	152,832	161,512	87,647	226,353	2,413,465
Cash, cash balances at central banks and demand deposits at banks	338,158	0	0	0	0	0	0	0	338,158
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	0	0	0	2,604	0	0	2,604
Loans and advances to non-bank customers	0	0	0	0	0	2,604	0	0	2,604
Financial assets measured at fair value through other comprehensive income	35,652	16,491	323,988	0	0	0	7,034	17,393	400,558
Debt securities	35,652	16,491	323,988	0	0	0	7,034	17,393	400,558
Financial assets measured at amortised cost	294,340	401,136	234,360	130,641	152,832	158,908	80,613	208,960	1,661,790
Debt securities	174,224	4,990	63,230	2,045	0	0	5,175	4,962	254,627
Loans and advances to banks	113,665	0	0	0	0	0	0	0	113,665
Loans and advances to non-bank customers	6,366	396,108	168,641	128,596	152,832	158,908	75,438	203,998	1,290,887
Other financial assets	85	38	2,488	0	0	0	0	0	2,611
Derivatives – hedge accounting	10,355	0	0	0	0	0	0	0	10,355
Off-balance-sheet liabilities	51,036	44,800	1,300	0	4,759	6,418	0	72,770	181,082
Guarantees	31,036	210	0	0	0	0	0	63,968	95,214
Gross exposure	31,078	433	0	0	0	0	0	64,000	95,511
Provisions	(42)	(223)	0	0	0	0	0	(32)	(297)
Other off-balance-sheet liabilities	20,000	44,590	1,300	0	4,759	6,418	0	8,802	85,868
Gross exposure	20,000	44,641	1,300	0	4,763	6,428	0	8,865	85,997
Provisions	0	(51)	0	0	(4)	(10)	0	(63)	(129)
Total	729,540	462,427	559,648	130,641	157,591	167,930	87,647	299,123	2,594,546

31 Dec 2024	SID Bank								Total
	Financial and insurance activities	Manu- facturing	Public admini- stration and defence	Wholesale and retail trade and repair of motor vehicles and motorcycles	Transportation and storage	Profession- al, scientific and technical activities	Electricity, gas, steam and air conditioning supply	Other	
Financial assets	904,736	455,647	550,111	123,763	156,492	24,676	141,906	291,229	2,648,560
Cash, cash balances at central banks and demand deposits at banks	493,158	0	0	0	0	0	0	0	493,158
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	0	0	0	0	0	2,609	2,609
Loans and advances to non-bank customers	0	0	0	0	0	0	0	2,609	2,609
Financial assets measured at fair value through other comprehensive income	47,894	19,195	302,294	0	0	0	6,958	16,973	393,314
Debt securities	47,894	19,195	302,294	0	0	0	6,958	16,973	393,314
Financial assets measured at amortised cost	348,651	436,452	247,817	123,763	156,492	24,676	134,948	271,647	1,744,446
Debt securities	146,425	4,989	63,127	0	0	3,763	5,174	0	223,478
Loans and advances to banks	189,853	0	0	0	0	0	0	0	189,853
Loans and advances to non-bank customers	9,211	431,318	182,719	123,763	156,473	20,913	129,774	271,647	1,325,818
Other financial assets	3,162	145	1,971	0	19	0	0	0	5,297
Derivatives – hedge accounting	15,033	0	0	0	0	0	0	0	15,033
Off-balance-sheet liabilities	83,119	27,256	1,100	0	49,931	0	12,996	55,819	230,221
Guarantees	41,957	0	0	0	47,341	0	0	0	89,298
Gross exposure	41,992	0	0	0	47,346	0	0	0	89,338
Provisions	(35)	0	0	0	(5)	0	0	0	(40)
Other off-balance-sheet liabilities	41,162	27,256	1,100	0	2,590	0	12,996	55,819	140,923
Gross exposure	41,162	27,290	1,100	0	2,595	0	13,000	55,873	141,020
Provisions	0	(34)	(0)	0	(5)	0	(4)	(54)	(97)
Total	987,855	482,903	551,211	123,763	206,423	24,676	154,902	347,048	2,878,781

The tables illustrate the breakdown of net exposure to credit risk by economic sector.

SID Bank Group's largest exposure remained to the sector of financial and insurance activities at the end of 2025.

Modified financial assets

In the event of modification to the contractual cash flows of a financial asset that do not result in its derecognition, the SID Bank Group calculates the current value of the modified contractual cash flows using, as the discount rate, the effective interest rate at recognition, or the credit-adjusted effective interest rate in the case of POCI items. It also adjusts the gross carrying amount of the financial asset by the

amount of the difference established. It accrues the amount by which the gross carrying amount of the financial asset is adjusted as a result of a modification to contractual cash flows over the entire remainder of the lifetime of the financial asset and discloses it in the income statement as interest income.

The number of contractual cash flows that were modified and did not result in the derecognition of the financial asset in 2025 was up on 2024.

The net impact on profit or loss from contractual cash flows that were modified but did not result in the derecognition of the financial assets was a loss in the amount of EUR 1,045 thousand in 2025 (2024: loss in the amount of EUR 107 thousand).

Financial assets modified in period

	SID Bank Group and SID Bank	
	2025	2024
Gross carrying amount before modification	101,802	15,736
Credit loss allowances before modification	(20,788)	(8,003)
Net amortised cost before modification	81,014	7,733
Net modification gain/(loss)	(325)	(107)
Net amortised cost after modification	80,689	7,626

The table shows the effects of modifications to the contractual cash flows of financial assets, where the Group measures allowances for credit losses based on the lifetime expected credit

losses on a financial instrument (financial assets are classified as Stage 2, Stage 3 or as POCI items), and the modifications did not result in the derecognition of financial assets.

Financial assets modified after initial recognition in a period when the credit loss allowance is based on lifetime ECLs

	SID Bank Group and SID Bank	
	31 Dec 2025	31 Dec 2024
Gross carrying amount of financial assets for which the calculation of credit loss allowances was changed in the reporting period from lifetime to 12-month ECLs	22	209

The table shows the gross carrying amount of modified financial assets where the credit enhancement of the financial assets in the reporting period led to a change in the calculation of expected credit losses. Before the modification to contractual cash flows, allowances for credit losses were measured on the basis of lifetime expected credit losses on the financial instrument (the financial assets were classified as Stage 2 or Stage 3), while in the reporting period these allowances began to be calculated on the basis of 12-month expected credit losses (the financial assets were reclassified to Stage 1) due to credit enhancement.

to credit risk, which are approved by the credit committee.

Bank only concludes transactions outside the regulated stock market (OTC transactions) with banks with whom it has concluded a framework agreement on transactions in derivatives (ISDA Master Agreement). For the purpose of mitigating counterparty credit risk in derivative transactions, the Bank has also signed a credit support annex (CSA) as a legal supplement to the master agreement, based on a system of providing cash margins through the exchange of collateral depending on the daily fair value of the derivative.

Counterparty credit risk

Counterparty credit risk arises as a result of the conclusion of derivative transactions that Bank executes solely for the purpose of hedging open foreign-exchange and interest-rate positions.

The Bank conducts daily monitoring of exposure to counterparty credit risk on the basis of the fair value of the derivative. If adverse changes in the fair value of a derivative result in insufficient coverage of exposure by collateral for a counterparty, the Bank calls on that counterparty to provide additional collateral.

The Bank determines counterparty credit risk exposure from derivatives using the original exposure method in accordance with Article 282 of the CRR. Exposure is managed at transaction level within the framework of limits on exposure

A credit valuation adjustment (CVA) represents an adjustment to the value of the derivative for counterparty credit risk, and is defined as the difference between the value of the financial instrument without taking credit risk into

account and the value after taking credit risk into account. When calculating the CVA for the purpose of recognition in the income statement, the Bank also takes account of any collateral, and does not calculate a CVA if collateral has been established or clearing is being executed in accordance with the EMIR. The valuation adjustment needs to take account of counterparty credit risk (CVA), and also own credit risk (DVA). Given that the Republic of Slovenia bears irrevocable and unlimited liability for SID Bank's liabilities on the basis of the ZSIRB, the Bank does not calculate a DVA.

Counterparty credit risk in derivatives has an impact on the Bank's profit or loss via adjustments to the valuation of assets/liabilities. Bank recognises the calculated CVA amount in

the income statement in months in which the total amount of the calculated CVA for all derivatives exceeds 10 basis points of the last total risk exposure amount, as set out in Article 92(3) of the CRR.

The Bank agreed on cash deposits as collateral with counterparties with whom it concluded derivatives transactions in 2025, and therefore did not calculate a CVA for the purpose of recognition in the income statement as at 31 December 2025.

The Group uses a simplified approach to calculation of the capital requirement for CVA risk in accordance with Article 385 of the CRR. The Bank does not use collateral to reduce the capital requirements for CVA risk.

3.2 Liquidity risk

Liquidity risk is the risk of a loss occurring when the Bank is unable to settle all of its maturing liabilities, or when it is obliged to obtain sources of liquidity at costs significantly higher than average market costs due to its inability to provide sufficient funds to settle its liabilities at maturity. The greater the mismatch between flows of interest and principal on the asset side and the liability side, and in off-balance-sheet items, the higher is the risk of illiquidity.

Liquidity risk in the narrower sense arises when the Bank would be unable to repay its liabilities by means of investment operations. These liabilities are usually settled using cash inflows, readily convertible assets, and borrowed funding. Liquidity risk in the broader sense is the risk that the Bank will have to undertake additional borrowing at a higher interest rate, and the risk that the Bank will be compelled to sell financial assets at a discount as a result of the need for liquidity.

By managing liquidity risk, the Bank ensures the regular settlement of all monetary liabilities, the maintenance of sufficient liquid assets, the high-quality management of operational and

structural liquidity, and compliance with legal and regulatory requirements.

Take-up and management of liquidity risk

The Bank takes up liquidity risk in accordance with the business strategy, its risk-bearing capacity, its risk appetite and the risk management strategy, with the primary objective of ensuring prudent and secure operations. Liquidity management includes the prudent management of assets and liabilities (on-balance-sheet and off-balance-sheet), and a balanced borrowing strategy so that the Bank is capable of meeting its due liabilities at any given moment and in due time (liquidity), and is capable of meeting all its liabilities on a sustained basis (solvency).

The process of taking up and managing liquidity risk is conducted in line with the liquidity risk management policy, which is discussed and adopted at least once a year by the Bank's management body. The policy sets out all steps in liquidity risk management, encompassing the procedures for identifying, measuring, monitoring and managing liquidity risk. It also

includes the approach to the management of assets and funding, including the approaches to reporting the liquidity position, and measures to manage liquidity risk and the internal procedures to implement these measures.

The Bank determines an adequate liquidity position and liquidity buffer level, and a stable funding structure via its adopted liquidity risk appetite. This is reflected by setting minimum values for the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). Each year the management body determines the scope of liquidity risk take-up in accordance with the business strategy, the estimated risk-bearing capacity, and the confirmed risk management strategy. In so doing the Bank takes account of the current liquidity position, the planned stock of asset and liability items aligned with the business plan, and the results of stress testing. The process of determining the liquidity risk appetite also includes reviewing whether the internal limits put in place are adequate.

The liquidity risk management policy and corresponding bylaws set additional quantitative limits and measures for controlling the take-up of liquidity risk at the Bank. These include procedures for when the limits are transgressed, the requisite measures in the event of any deterioration in operational or structural liquidity, and a definition of the responsibilities of the relevant committees and individual organisational units for liquidity risk management.

Exposure to liquidity risk is regularly discussed and monitored in the weekly meetings of the liquidity management committee, the monthly meetings of the asset-liability and risk management committee, and in meetings of the management body, which are held quarterly.

Through the regular implementation of the internal liquidity adequacy assessment process (ILAAP), the Bank ensures the effectiveness of liquidity risk management and the adequacy of the Bank's liquidity relative to its risk profile. The implementation of the ILAAP also includes an assessment of liquidity needs and an assessment of available liquidity within the framework of business as usual, and within the framework of the financial plan and the annual

operating plan. The Bank draws up an ILAAP report once a year, which is discussed and approved by the management body. This report also serves as a basis for the supervisory review and evaluation of liquidity risk at the Bank.

Bank ensures liquidity risk management through its activities to secure funding of the appropriate maturities, by adjusting the maturities of asset and liability items, and maintaining a liquidity buffer of suitable stock and quality, with debt securities accounting for the majority of this buffer. The Bank has a sufficient stock of eligible securities at its continuous disposal to obtain additional secondary liquidity from the central bank.

The Bank systematically monitors its liquidity position by means of various indicators and by reviewing its attainment of the planned objectives. It manages structural liquidity through the assessment of the long-term liquidity position.

Liquidity risk management at the Bank includes the following:

- the daily management of liquidity;
- the setting of a liquidity risk appetite framework and limits for liquidity risk management;
- regular planning and monitoring of future liquidity flows;
- the regular verification of the liquidity position, the stock of liquidity reserves, and simulations of LCR and NSFR, taking into account the annual financial plan and information from the business units for future periods under the baseline scenario and in internally defined liquidity scenarios;
- the monitoring of the appropriate structure of liabilities and financial assets;
- the management and monitoring of a sufficient pool of financial assets as collateral for the central bank's claims;
- the regular verification of the liquidity reserves and the survival period in internal liquidity stress scenarios under the assumption of a runoff balance sheet.

The Bank is obliged to meet the reserve requirement at the central bank. The reserve requirement is 1% of the stock of deposits received from non-bank customers and issued debt securities with an agreed maturity of up to two years. The reserve requirement amounted to EUR 901,789 at the end of 2025.

The Bank does not accept deposits from uninformed investors as a rule. It is therefore not exposed to the risk of potential outflows of retail and corporate demand deposits, and thus does not have an internal model for determining deposit stability. This fact and the specific role of the Bank also affect the structure of funding, and mean that there is higher concentration on the funding side compared with commercial banks.

The Bank obtains funding on the domestic and international financial markets. The diversification of funding, particularly in terms of the type and geographical diversification of investors and the type of financial instrument, ensures that the Bank has stable access to funding. Another factor in the Bank's increased stability in borrowing on the international financial markets and at related financial institutions is that the Bank obtains long-term funding backed by Slovenian government guarantee in line with the purposes set out by the ZSIRB.

Assessment of the adequacy of funding and borrowing activities is based on SID Bank's business strategy and the annual financial borrowing plan, which is drawn up as part of the annual strategic planning process. The purpose of borrowing is to ensure adequate funding for the execution of the Bank's asset-side operations. Adequacy is assessed with regard to maturity, currency, interest-rate type, borrowing costs, and any other characteristics.

Contingent liquidity risk management framework

The Bank uses an internal rulebook that provides a framework for contingent liquidity risk management. This framework includes:

- procedures for the early identification of possible liquidity shortfalls;
- the contingent liquidity risk management plan and the responsibilities for resolving liquidity crises;
- the criteria for activating the contingent liquidity risk management plan;
- the toolkit of possible measures for addressing a liquidity crisis;
- early warning indicators of adverse liquidity conditions;
- internal liquidity stress testing and reviews of the adequacy of the liquidity reserve under the assumption of a runoff balance sheet, having regard for various market scenarios, an institution-specific scenario, and a combined scenario, which represents a combination of the institution-specific scenario and the most severe market scenario;
- internal simulations of liquidity flows, liquidity reserves, and LCR and NSFR, having regard for market conditions (baseline and adverse market scenarios), and assumptions from the annual financial plan and information from the business units.

By regularly monitoring developments on the financial markets, its liquidity position, performance indicators and early warning indicators for potential liquidity difficulties, including macroeconomic indicators, and by reviewing liquidity risk management in internal scenarios, the Bank is able to promptly identify potential liquidity challenges and to take the necessary measures to manage them. ESG risk factors are also incorporated into the liquidity stress testing framework, which provides for even more precise and comprehensive management of the ILAAP.

Liquidity coverage ratio

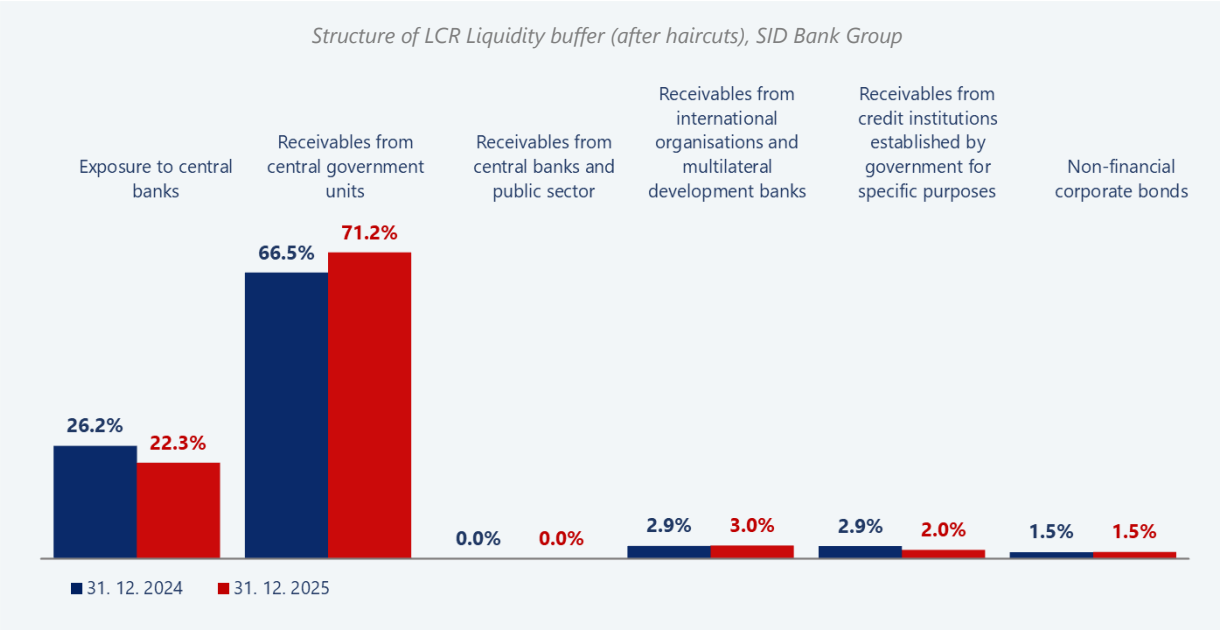
The aim of the liquidity coverage ratio (LCR) requirements is to prevent liquidity risk by reducing credit institutions' dependence on short-term funding and liquidity provided by central banks, by requiring them to hold sufficient liquid assets to handle any surplus of

liquid outflows over inflows that could be expected to occur over a 30-day stress period.

The Bank has put in place an internal limit for maintaining the LCR and liquidity buffer that is more stringent than the regulatory requirement (100%). The asset-liability and risk management committee regularly reviews the LCR and compliance with the approved internal limit.

The LCR on the Group level amounted to 7,382% at the end of 2025 (end of 2024: 4,197%). The Bank maintains the LCR at high levels, but it is also volatile, primarily because the Bank usually does not usually have a high volume of maturities over a period of 30 days, except when long-term funding is maturing.

The Group monitors and maintains an adequate buffer of unencumbered, high-quality liquid assets to be held as a contingency against adverse liquidity conditions. The Bank maintained an adequate level, quality and structure of liquid assets in 2025 for covering its expected and unexpected liquidity outflows, and for business continuity purposes. The structure of the liquidity buffer at the end of 2025 compared with the end of the previous year shows that the Bank slightly reduced its exposure to the central bank, and increased its holding of debt securities eligible for the LCR. The share of Level 1 high-quality liquid assets (HQLA), which in addition to high-quality debt securities also includes balances at the central bank, remains unchanged from the previous year at 98.5% at the end of 2025 (31 December 2024: 98.5%).



The liquid assets of the Group eligible for inclusion in the LCR calculation amounted to EUR 542,769 thousand as at 31 December 2025, after haircuts had been taken into account (31 December 2024: EUR 546,966 thousand), with the liquid assets of central government units accounting for 71.2% (31 December 2024: 66.5%), and exposure to central banks declining to 22.3% (31 December 2024: 26.2%) of all eligible liquid assets after haircuts had been taken into account.

In addition to the regular calculation of the LCR, the Bank regularly conducts and reviews simulations of the LCR that take account of the assumptions of the annual financial plan and information from business units over the next 12 months, with the calculation being carried out in the baseline and internally defined adverse liquidity scenarios.

Net stable funding ratio

In its provisions regarding the net stable funding ratio (NSFR), the CRR focuses on restricting banks in the transformation of the maturity structure. The NSFR is defined as the ratio of available stable funding to required stable funding. Banks are required to maintain an NSFR of at least 100% under the CRR.

The NSFR of the Group stood at 151.4% at the end of 2025 (end of 2024: 160.8%). The level of the ratio, its evolution over time, and compliance with the internal limits put in place are discussed on a regular basis by the asset-liability and risk management committee.

In addition to regular calculations of the NSFR, the Bank regularly conducts and reviews simulations of the NSFR for the period of the financial plan that take account of the assumptions of the financial plan and information from business units in the baseline and internally defined adverse liquidity scenarios.

Exposure to liquidity risk

The table below illustrates future expected or contractual cash flows from on- and off-balance-sheet items by maturity on the reporting date for SID Bank and the SID Bank Group.

Expected cash flows in connection with loans subject to individual and collective impairment comprise expected cash flows with regard to contractual maturity, rather than contractual cash flows.

The expected cash flows of financial liabilities are taken into account with regard to contractual maturity, given that Bank does not have customer demand deposits at its disposal and thus has not developed a methodology for allocating demand deposits over time.

Cash flows from derivatives used for hedging are settled in net amounts.

Expected cash flows from off-balance-sheet liabilities are estimated according to an internal methodology.

Exposure to liquidity risk

31 Dec 2025	SID Bank Group						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Assets	426,821	60,570	327,601	796,041	549,222	603,643	2,763,898
Cash, cash balances at central banks and demand deposits at banks	339,087	0	0	0	0	0	339,087
Non-trading financial assets mandatorily at fair value through profit or loss	23,332	8	26	2,647	25,910	2,823	54,746
Equity instruments	23,332	0	0	0	25,910	2,823	52,065
Loans and advances to non-bank customers	0	8	26	2,647	0	0	2,681
Financial assets measured at fair value through other comprehensive income	30,034	17,628	100,366	127,457	68,260	99,935	443,680
Equity instruments	16,967	0	0	0	0	0	16,967
Debt securities	13,067	17,628	100,366	127,457	68,260	99,935	426,713
Financial assets measured at amortised cost	34,366	39,709	224,222	661,267	447,469	490,922	1,897,955
Debt securities	2,853	657	17,191	186,622	63,989	20,498	291,810
Loans and advances to banks	2,392	4,235	33,199	42,541	25,949	12,520	120,836
Loans and advances to non-bank customers	28,792	32,544	173,832	432,104	357,531	457,904	1,482,707
Other financial assets	329	2,273	0	0	0	0	2,602
Derivatives – hedge accounting	0	3,207	(894)	3,512	3,390	1,623	10,838
Other assets*	2	18	3,881	1,158	4,193	8,340	17,592
Liabilities and equity	10,220	109,009	303,679	864,552	357,129	1,078,219	2,722,808
Financial liabilities measured at amortised cost	7,227	109,005	300,453	864,908	356,961	560,114	2,198,668
Deposits from banks and central banks	16	34	158	420	10,819	0	11,447
Deposits from non-bank customers	0	82,311	0	0	0	0	82,311
Loans from banks and central banks	850	10,438	33,719	62,293	44,014	71,325	222,639
Loans from non-bank customers	1,494	5,759	55,313	776,703	33,513	358,226	1,231,008
Debt securities	0	10,171	211,076	25,250	268,461	130,549	645,507
Other financial liabilities	4,867	292	187	242	154	14	5,756
Derivatives – hedge accounting	0	0	(89)	(518)	135	0	(472)
Other liabilities and equity*	2,993	4	3,315	162	33	518,105	524,612
Liquidity gap	416,601	(48,439)	23,922	(68,511)	192,093	(474,576)	41,090
Off-balance-sheet liabilities	76,350	7,428	14,103	1,352	3,649	31,543	134,425
Undrawn loans	41,762	7,428	14,103	1,352	1,352	0	65,997
Guarantees	7,997	0	0	0	0	0	7,997
Uncalled unpaid capital	26,591	0	0	0	2,297	31,543	60,431

*The item also includes assets or liabilities, including equity, with no direct impact on liquidity.

31 Dec 2024	SID Bank Group						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Assets	555,343	58,072	259,693	865,691	650,792	641,264	3,030,855
Cash, cash, balances at central banks and demand deposits at banks	493,249	0	0	0	0	0	493,249
Non-trading financial assets mandatorily at fair value through profit or loss	20,707	9	28	200	27,708	401	49,053
Equity instruments	20,703	0	0	0	24,976	401	46,080
Loans and advances to non-bank customers	4	9	28	200	2,732	0	2,973
Financial assets measured at fair value through other comprehensive income	16,017	9,979	39,737	178,661	141,481	48,704	434,579
Equity instruments	15,978	0	0	0	0	0	15,978
Debt securities	39	9,979	39,737	178,661	141,481	48,704	418,601
Financial assets measured at amortised cost	25,367	45,713	219,338	679,254	471,912	584,519	2,026,103
Debt securities	508	362	10,885	149,155	61,700	47,299	269,909
Loans and advances to banks	2,845	10,910	47,649	82,713	37,095	23,821	205,033
Loans and advances to non-bank customers	19,847	34,441	160,804	447,386	373,117	510,269	1,545,864
Other financial assets	2,167	0	0	0	0	3,130	5,297
Derivatives – hedge accounting	0	2,365	(1,370)	5,459	4,059	0	10,513
Other assets*	3	6	1,960	2,117	5,632	7,640	17,358
Liabilities and equity	11,809	24,977	502,364	524,803	694,235	1,234,102	2,992,290
Financial liabilities measured at amortised cost	5,892	24,972	494,655	524,789	694,235	726,603	2,471,146
Deposits from banks and central banks	41	74	348	923	16,263	0	17,649
Loans from banks and central banks	0	13,597	37,038	78,721	55,950	95,688	280,994
Loans from non-bank customers	1,364	5,572	102,232	224,930	602,063	351,586	1,287,747
Debt securities	0	5,642	354,966	220,091	19,842	279,200	879,741
Other financial liabilities	4,487	87	71	124	117	129	5,015
Derivatives – hedge accounting	3,294	0	2,813	0	0	0	6,107
Other liabilities and equity*	2,623	5	4,897	13	0	507,499	515,037
Liquidity gap	543,534	33,095	(242,671)	340,888	(43,443)	(592,838)	38,565
Off-balance-sheet liabilities	93,969	13,081	19,880	1,997	3,247	13,313	145,487
Undrawn loans	62,911	13,081	19,872	1,997	1,997	0	99,858
Guarantees	4,467	0	0	0	0	0	4,467
Uncalled unpaid capital	26,591	0	8	0	1,250	13,313	41,162

31 Dec 2025	SID Bank						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Assets	402,607	60,570	327,597	796,041	523,312	675,285	2,785,412
Cash, cash balances at central banks and demand deposits at banks	338,196	0	0	0	0	0	338,196
Non-trading financial assets mandatorily at fair value through profit or loss	0	8	26	2,647	0	0	2,681
Loans and advances to non-bank customers	0	8	26	2,647	0	0	2,681
Financial assets measured at fair value through other comprehensive income	30,034	17,628	100,366	127,457	68,260	99,935	443,680
Equity instruments	16,967	0	0	0	0	0	16,967
Debt securities	13,067	17,628	100,366	127,457	68,260	99,935	426,713
Financial assets measured at amortised cost	34,375	39,709	224,222	661,267	447,469	490,922	1,897,964
Debt securities	2,853	657	17,191	186,622	63,989	20,498	291,810
Loans and advances to banks	2,392	4,235	33,199	42,541	25,949	12,520	120,836
Loans and advances to non-bank customers	28,792	32,544	173,832	432,104	357,531	457,904	1,482,707
Other financial assets	338	2,273	0	0	0	0	2,611
Derivatives – hedge accounting	0	3,207	(894)	3,512	3,390	1,623	10,838
Other assets*	2	18	3,877	1,158	4,193	82,805	92,053
Liabilities and equity	31,277	108,769	302,850	864,551	357,130	1,079,769	2,744,346
Financial liabilities measured at amortised cost	28,311	108,765	300,441	864,907	356,962	560,114	2,219,500
Deposits from banks and central banks	16	34	158	420	10,819	0	11,447
Deposits from non-bank customers	21,127	82,311	0	0	0	0	103,438
Loans from banks and central banks	850	10,438	33,719	62,293	44,014	71,325	222,639
Loans from non-bank customers	1,494	5,759	55,313	776,703	33,513	358,226	1,231,008
Debt securities	0	10,171	211,076	25,250	268,461	130,549	645,507
Other financial liabilities	4,824	52	175	241	155	14	5,461
Derivatives – hedge accounting	0	0	(89)	(518)	135	0	(472)
Other liabilities and equity*	2,966	4	2,498	162	33	519,655	525,318
Liquidity gap	371,330	(48,199)	24,747	(68,510)	166,182	(404,484)	41,066
Off-balance-sheet liabilities	69,758	7,428	14,103	1,353	1,352	0	93,994
Undrawn loans	41,761	7,428	14,103	1,353	1,352	0	65,997
Guarantees	7,997	0	0	0	0	0	7,997
Uncalled unpaid capital	20,000	0	0	0	0	0	20,000

*The item also includes assets or liabilities, including equity, with no direct impact on liquidity.

31 Dec 2024	SID Bank						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Assets	555,293	58,072	259,693	865,691	650,792	641,314	3,030,855
Cash, cash balances at central banks and demand deposits at banks	493,199	0	0	0	0	0	493,199
Non-trading financial assets mandatorily at fair value through profit or loss	20,707	9	28	200	27,708	401	49,053
Equity instruments	20,703	0	0	0	24,976	401	46,080
Loans and advances to non-bank customers	4	9	28	200	2,732	0	2,973
Financial assets measured at fair value through other comprehensive income	16,017	9,979	39,737	178,661	141,481	48,704	434,579
Equity instruments	15,978	0	0	0	0	0	15,978
Debt securities	39	9,979	39,737	178,661	141,481	48,704	418,601
Financial assets measured at amortised cost	25,367	45,713	219,338	679,254	471,912	584,519	2,026,103
Debt securities	508	362	10,885	149,155	61,700	47,299	269,909
Loans and advances to banks	2,845	10,910	47,649	82,713	37,095	23,821	205,033
Loans and advances to non-bank customers	19,847	34,441	160,804	447,386	373,117	510,269	1,545,864
Other financial assets	2,167	0	0	0	0	3,130	5,297
Derivatives – hedge accounting	0	2,365	(1,370)	5,459	4,059	0	10,513
Other assets*	3	6	1,960	2,117	5,632	7,690	17,408
Liabilities and equity	11,809	24,977	502,364	524,802	694,235	1,234,102	2,992,289
Financial liabilities measured at amortised cost	5,892	24,972	494,655	524,789	694,235	726,603	2,471,146
Deposits from banks and central banks	41	74	348	923	16,263	0	17,649
Loans from banks and central banks	0	13,597	37,038	78,721	55,950	95,688	280,994
Loans from non-bank customers	1,364	5,572	102,232	224,930	602,063	351,586	1,287,747
Debt securities	0	5,642	354,966	220,091	19,842	279,200	879,741
Other financial liabilities	4,487	87	71	124	117	129	5,015
Derivatives – hedge accounting	3,294	0	2,813	0	0	0	6,107
Other liabilities and equity*	2,623	5	4,897	13	0	507,499	515,037
Liquidity gap	543,484	33,095	(242,671)	340,889	(43,443)	(592,788)	38,566
Off-balance-sheet liabilities	93,969	13,081	19,880	1,997	3,247	13,313	145,487
Undrawn loans	62,911	13,081	19,872	1,997	1,997	0	99,858
Guarantees	4,467	0	0	0	0	0	4,467
Uncalled unpaid capital	26,591	0	8	0	1,250	13,313	41,162

The changes in the breakdown of the liquidity gap across maturity buckets at the end of 2025 compared with the previous year were primarily attributable to regular maturing and shortening of the residual maturity of financial assets and liabilities, and new long-term borrowing. The Bank issued a long-term bond in the amount of EUR 100 million and a debt certificate in the amount of EUR 30 million in 2025. The share of future cash flows from financial liabilities with a residual maturity of up to 12 months stood at 19.7%. The more notable of these maturities

included an issued bond in the amount of EUR 200 million and scheduled repayments of purpose-specific long-term funding.

The following tables illustrate the undiscounted unrealised cash flows from on and off-balance-sheet items according to contractual maturity. The Bank does not have customer demand deposits at its disposal, for which reason the non-derivative on-balance-sheet liabilities in individual buckets do not differ with regard to expected or contractual maturity.

Non-derivative on and off-balance-sheet liabilities by contractual maturity

31 Dec 2025	SID Bank Group						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Non-derivative financial liabilities	35,288	112,287	318,044	889,541	378,710	686,737	2,420,607
Financial liabilities measured at amortised cost	7,697	108,987	300,370	864,686	356,813	560,115	2,198,668
Deposits from banks and central banks	16	34	158	420	10,819	0	11,447
Deposits from non-bank customers	0	82,311	0	0	0	0	82,311
Loans from banks and central banks	850	10,438	33,719	62,293	44,014	71,325	222,639
Loans from non-bank customers	1,494	5,759	55,313	776,702	33,513	358,227	1,231,008
Debt securities	0	10,171	211,076	25,250	268,461	130,549	645,507
Other financial liabilities	5,337	274	104	21	6	14	5,756
Off-balance-sheet liabilities	27,591	3,300	17,674	24,855	21,897	126,622	221,939
Undrawn loans	1,000	3,300	17,379	24,718	19,600	0	65,997
Guarantees	0	0	295	137	0	95,079	95,511
Uncalled unpaid capital	26,591	0	0	0	2,297	31,543	60,431

31 Dec 2024	SID Bank Group						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Non-derivative financial liabilities	32,933	27,567	626,481	537,129	695,485	781,908	2,701,503
Financial liabilities measured at amortised cost	5,892	24,972	494,654	524,789	694,235	726,603	2,471,145
Deposits from banks and central banks	41	75	347	923	16,263	0	17,649
Loans from banks and central banks	0	13,597	37,038	78,721	55,950	95,688	280,994
Loans from non-bank customers	1,364	5,572	102,232	224,930	602,063	351,586	1,287,747
Debt securities	0	5,642	354,966	220,091	19,842	279,200	879,741
Other financial liabilities	4,487	86	71	124	117	129	5,014
Off-balance-sheet liabilities	27,041	2,595	131,827	12,340	1,250	55,305	230,358
Undrawn loans	450	2,595	84,473	12,340	0	0	99,858
Guarantees	0	0	47,346	0	0	41,992	89,338
Uncalled unpaid capital	26,591	0	8	0	1,250	13,313	41,162

31 Dec 2025	SID Bank						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Non-derivative financial liabilities	49,781	112,047	318,032	889,542	376,413	655,193	2,401,008
Financial liabilities measured at amortised cost	28,781	108,747	300,358	864,687	356,813	560,114	2,219,500
Deposits from banks and central banks	16	34	158	420	10,819	0	11,447
Deposits from non-bank customers	21,127	82,311	0	0	0	0	103,438
Loans from banks and central banks	850	10,438	33,719	62,294	44,014	71,324	222,639
Loans from non-bank customers	1,494	5,759	55,313	776,702	33,513	358,227	1,231,008
Debt securities	0	10,171	211,076	25,250	268,461	130,549	645,507
Other financial liabilities	5,294	34	92	21	6	14	5,461
Off-balance-sheet liabilities	21,000	3,300	17,674	24,855	19,600	95,079	181,508
Undrawn loans	1,000	3,300	17,379	24,718	19,600	0	65,997
Guarantees	0	0	295	137	0	95,079	95,511
Uncalled unpaid capital	20,000	0	0	0	0	0	20,000

31 Dec 2024	SID Bank						Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	
Non-derivative financial liabilities	32,933	27,567	626,481	537,129	695,485	781,908	2,701,503
Financial liabilities measured at amortised cost	5,892	24,972	494,654	524,789	694,235	726,603	2,471,145
Deposits from banks and central banks	41	75	347	923	16,263	0	17,649
Loans from banks and central banks	0	13,597	37,038	78,721	55,950	95,688	280,994
Loans from non-bank customers	1,364	5,572	102,232	224,930	602,063	351,586	1,287,747
Debt securities	0	5,642	354,966	220,091	19,842	279,200	879,741
Other financial liabilities	4,487	86	71	124	117	129	5,014
Off-balance-sheet liabilities	27,041	2,595	131,827	12,340	1,250	55,305	230,358
Undrawn loans	450	2,595	84,473	12,340	0	0	99,858
Guarantees	0	0	47,346	0	0	41,992	89,338
Uncalled unpaid capital	26,591	0	8	0	1,250	13,313	41,162

3.3 Interest rate risk

Interest rate risk is the risk of loss in the event of sudden and unexpected changes in market interest rates, and is the result of maturity mismatches between interest-sensitive assets and liabilities, which can have an adverse impact on net interest income (NII) and the economic value of equity (EVE). Exposure to interest rate risk derives primarily from interest-sensitive assets with different maturities and a different repricing dynamic compared with interest-sensitive liabilities (income aspect). Another element of interest rate risk is the sensitivity of the fair value of assets, liabilities and off-balance-sheet items to changes in interest rates (economic aspect).

The Bank identifies, measures, manages, controls and monitors interest rate risk in accordance with its policy for the management of interest rate risk and credit spread risk on individual and consolidated level. This policy defines the methods and assumptions for identifying, assessing and measuring interest rate risk, interest rate scenarios for assessing interest-rate sensitivity, and the limits within which the Bank manages interest rate risk in the banking book. The policy also defines the responsibilities of individual organisational units in the area of interest rate risk management, and procedures in the event that internally set limits are exceeded. The Bank's management body reviews and adopts the policy for the management of interest rate risk and credit spread risk at least once a year. The

methodologies used, including the assumptions, are defined in detail in a bylaw in the form of the methodological notes to the policy for the management of interest rate risk and credit spread risk. The internal methodology for assessing interest rate risk in the banking book is approved by the asset-liability and risk management committee.

The level of interest rate risk is restricted by the determination of the interest rate risk appetite, the establishment of a limit system, and the determination of internal capital requirements.

The Bank has put in place an internal limit system for restricting interest rate risk. The limits set are more stringent than the legal and regulatory limits, with regard to the maximum allowed loss in EVE and the maximum allowed decline in NII. The regulatory limits stipulate that the potential loss in EVE under any of the six prescribed shifts in the curve of market interest rates (supervisory stress scenarios) may not exceed 15% of Common Equity Tier 1 capital, while the potential decline in NII under the scenario of a parallel shift in the curve of +/- 200 basis points may not exceed 5% of Common Equity Tier 1 capital.

Measurement of exposure to interest rate risk in the banking book

Bank takes into account interest-sensitive assets, liabilities and off-balance-sheet items when assessing exposure to interest rate risk. The assessment is based on interest rate gap analysis and analysis of the interest sensitivity of the economic value of equity (EVE measure) and net interest income (NII measure).

The interest rate gap analysis illustrates the difference between the cash flows of interest-sensitive assets, liabilities and off-balance-sheet items by time bucket, applying the principle of classifying interest-sensitive items with a fixed interest rate according to residual maturity, and items with a variable interest rate with regard to the first interest rate repricing or maturity date, whichever occurs first. When assessing exposure to interest rate risk, the Bank also takes into account off-balance-sheet items which are included and classified by time bucket in accordance with its internal methodology.

Due to its low exposure in foreign currencies, the Group does not conduct sensitivity analysis for individual currencies; instead interest-sensitive items in foreign currencies are added to items in euros. The proportion of interest-sensitive assets accounted for by assets in foreign currencies was less than 1% as at 31 December 2025. The Bank does not have interest-sensitive liabilities in foreign currencies.

The Bank has put in place an internal methodology based on the Basel standards, the EBA guidelines on the management of interest rate risk and credit spread risk arising from the banking book, and the regulatory technical standards in this area.

Interest rate risk in the banking book (IRRBB) is measured on the basis of the regular measurement of the impact of the changes in market interest rates under the prescribed scenarios on the economic value of equity (EVE) and net interest income (NII). The option risk that derives from contractually embedded automatic interest rate options and from the possibility of early redemption of MREL-eligible debt securities of domestic banks is also taken

into account in both measurements. The Bank conducts an annual inventory of instruments with embedded options, and annual analysis of early repayment of loans, but having identified immateriality it does not make adjustments to cash flows from loans and advances granted and received with the contractual option of early repayment. The risk of early repayments of loans is managed by means of appropriate contractual provisions regarding the charging of fees in the event of early loan repayment.

Non-performing exposures are also included in interest rate risk management in accordance with expected value and the repayment of future cash flows, applying the methodology for the assessment of expected credit losses.

The Bank does not accept demand deposits from customers; in accordance with its mandate, it does not provide certain services and products for customers (personal and savings accounts, credit cards, etc.), and as such does not use models to classify interest-sensitive items without a contractual maturity.

A monthly assessment of the interest sensitivity of NII is conducted for the period of one year under six prescribed interest rate scenarios on the basis of the maintenance of a constant balance sheet, where the size and composition are maintained by replacing maturing or revalued items with new items of comparable attributes. For the purposes of conducting internal stress testing, at least once a year the Bank calculates the sensitivity of net interest income for a period of three years, taking into account the assumptions of the financial plan and a chosen scenario of market interest rates. The choice of interest rate scenario for the purposes of internal stress testing is approved on each occasion by the asset-liability and risk management committee.

Management, supervision and monitoring

The asset-liability and risk management committee conducts regular supervision via the monthly discussion of reports on exposure to interest rate risk and at least half-yearly discussion of internal interest rate risk simulations, and takes measures to manage

interest rate risk on the basis of analysis for achieving the optimal balance sheet structure from the perspective of interest rate risk. In the event of increased exposure to interest rate risk, the relevant department proposes measures to reduce interest rate risk to an acceptable level inside the interest rate risk appetite, which are discussed and approved by the asset-liability and risk management committee. The management body discusses exposure to interest rate risk quarterly within the framework of the risk report. The Bank manages exposure to interest rate risk by matching the interest-sensitive assets and interest-sensitive liabilities with regard to their maturity and the level and method of setting interest rates, and through the use of derivatives to hedge against interest rate risk.

The Bank executes transactions in interest rate derivatives for the purpose of managing interest rate risk. If the derivatives meet the conditions, these are dealt with by applying hedge accounting with the aim of achieving lower volatility in profit or loss resulting from changes to the fair value of derivatives. Internal documents describe the relationship between a hedged item and the hedging instrument, the purpose of risk management, the valuation method and the hedging strategy. The Bank conducts regular assessments of the effectiveness of hedging relationships.

As at 31 December 2025, the Bank held three interest rate swaps as fair value hedges of issued bonds, with a total contractual value of EUR 365,000 thousand. All hedging relationships were effective according to hedge accounting rules at the end of 2025.

Sensitivity analysis

For the purposes of the regular management of interest rate risk and the calculation of internal capital requirements for interest rate risk in the banking book on individual and consolidated level, the Bank performs a monthly calculation of the impact on the economic value of equity and the impact on net interest income as a

result of sudden changes in market interest rates under the prescribed interest rate scenarios. The Bank thus regularly determines and reviews whether the potential loss in EVE or decline in NII is within internally defined limits, and within the limits prescribed by regulations.

The Bank uses six supervisory interest rate scenarios (taking into account the prescribed interest rate floor, which depends on maturity). The calculation of EVE and NII is made on the basis of the individual position, having regard for the precise revaluation dates.

The sensitivity of EVE to sudden shifts in market interest rates is measured as the change in the net present value of instruments sensitive to interest rate over their remaining lifetime. Measurement is made under the assumption of a runoff balance sheet, while shareholder equity and non-interest-sensitive items are not included in the calculation. The Bank also excludes commercial margins and other margin components (premium) from measurement. The change in EVE under a specific interest rate scenario is measured relative to the baseline interest rate scenario.

The sensitivity of NII to sudden shifts in market interest rates is assessed for a period of one year under the assumption of a constant balance sheet, where the total size of the balance sheet is maintained by replacing maturing items with new items that have comparable attributes with regard to amount, type of interest rate, repricing period and composition of margin/premium. The premiums on new or revolving operations are determined by taking account of the regulatory technical standards, which set out a standardised methodology and a simplified standardised methodology for the assessment of risks deriving from potential changes in interest rates that impact the economic value of equity and net interest income in activities in the banking book of institutions, and by taking account of the specifics of operations. The change in NII under a specific interest rate scenario is measured relative to the baseline interest rate scenario.

Results of sensitivity analysis

	ΔEVE			
	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Prescribed (supervisory) interest rate scenarios				
Upward parallel shift of 200 basis points	(29,632)	(26,715)	(29,622)	(26,715)
Downward parallel shift of 200 basis points	15,932	12,420	15,927	12,420
Steeper interest rate yield curve (fall in short-term and rise in long-term interest rates)	1,144	1,352	1,140	1,352
Flatter interest rate yield curve (rise in short-term and fall in long-term interest rates)	(7,464)	(8,070)	(7,454)	(8,070)
Rise in short-term interest rates	(15,765)	(15,009)	(15,753)	(15,009)
Fall in short-term interest rates	8,105	7,506	8,099	7,506
Largest negative impact	(29,632)	(26,715)	(29,622)	(26,715)
Common Equity Tier 1 capital	497,203	493,100	497,109	493,100
Ratio of loss to equity	-6.0%	-5.4%	-6.0%	-5.4%

	ΔNII			
	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Prescribed (supervisory) interest rate scenarios				
Upward parallel shift of 200 basis points	142	1,704	115	1,704
Downward parallel shift of 200 basis points	(308)	(3,400)	(253)	(3,400)
Steeper interest rate yield curve (fall in short-term and rise in long-term interest rates)	(364)	(1,445)	(333)	(1,445)
Flatter interest rate yield curve (rise in short-term and fall in long-term interest rates)	207	1,022	186	1,022
Rise in short-term interest rates	239	1,474	212	1,474
Fall in short-term interest rates	(495)	(2,949)	(441)	(2,949)
Largest negative impact	(495)	(3,400)	(441)	(3,400)
Common Equity Tier 1 capital	497,203	493,100	497,109	493,100
Ratio of loss to equity	-0.1%	-0.7%	-0.1%	-0.7%

According to sensitivity analysis for the economic value of equity based on data at the end of 2025, the Group would suffer the largest potential loss in the economic value of equity under the scenario of a parallel shift in interest rates by +200 basis points, in the amount of EUR 29,632 thousand (31 December 2024: 26,715 thousand), which is equal to 6.0% of Common Equity Tier 1 capital. The increase in loss is primarily attributable to new purchases of fixed-rate debt securities. In June 2025 the Bank issued a five-year fixed-rate bond in the amount of EUR 100 million, and concluded an interest rate swap in the same amount as a fair value hedge for the issued bonds. The resulting impact on EVE was thus immaterial.

According to sensitivity analysis for net interest income based on the data as at the end of 2025, the Group would suffer the largest potential decline in NII under the scenario of a fall in short-term interest rates, in the amount of EUR 495 thousand (31 December 2024: EUR 3,400 thousand). That change would be reflected in the income statement. Were market interest rates to rise by 200 basis points, the Group's NII in the income statement would increase by EUR 142 thousand over one year (31 December 2024: EUR 1,704 thousand), after applying a factor of 0.5 in accordance with the applicable EBA guidelines.

Exposure to interest rate risk

The table illustrates financial assets and liabilities with regard to residual maturity for items with a fixed interest rate, and with regard to the first repricing for items with a variable interest rate. Financial assets and liabilities are disclosed in their carrying amount, whereby debt securities measured at fair value through other comprehensive income are taken into

account at fair value, while debt securities measured at amortised cost are taken into account at amortised cost. Loans and advances are disclosed in their net carrying amount. The effect of hedging derivatives is disclosed in the amount of the face value of concluded interest rate swaps.

Interest rate sensitivity gap

31 Dec 2025	SID Bank Group						Total interest-bearing items	Non-interest-bearing items	Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years				
Financial assets	493,499	349,464	832,247	492,997	233,183	2,401,390	71,634	2,473,024	
Cash, cash balances at central banks and demand deposits at banks	339,049	0	0	0	0	339,049	0	339,049	
Non-trading financial assets mandatorily at fair value through profit or loss	1,314	0	0	1,290	0	2,604	52,065	54,669	
Financial assets measured at fair value through other comprehensive income	13,020	13,989	96,908	184,540	92,101	400,558	16,967	417,525	
Financial assets measured at amortised cost	140,116	335,475	735,339	307,167	141,082	1,659,179	2,602	1,661,781	
Debt securities	0	0	3,467	233,015	18,145	254,627	0	254,627	
Loans and advances to banks	11,575	14,642	71,325	7,449	8,674	113,665	0	113,665	
Loans and advances to non-bank customers	128,541	320,833	660,547	66,703	114,263	1,290,887	0	1,290,887	
Other financial assets	0	0	0	0	0	0	2,602	2,602	
Financial liabilities	204,403	419,636	808,821	258,068	279,262	1,970,190	5,756	1,975,946	
Financial liabilities measured at amortised cost	204,403	419,636	808,821	258,068	279,262	1,970,190	5,756	1,975,946	
Deposits from banks and central banks	10,776	0	0	0	0	10,776	0	10,776	
Deposits from non-bank customers	0	80,969	0	0	0	80,969	0	80,969	
Loans from banks and central banks	17,135	101,687	64,377	8,822	10,953	202,974	0	202,974	
Loans from non-bank customers	176,492	236,980	544,382	0	139,764	1,097,618	0	1,097,618	
Debt securities	0	0	200,062	249,246	128,545	577,853	0	577,853	
Other financial liabilities	0	0	0	0	0	0	5,756	5,756	
Effect of hedging derivatives	0	(140,000)	(225,000)	240,000	125,000	0	0	0	
Interest rate sensitivity gap	289,096	(210,172)	(201,574)	474,929	78,921	431,200	65,878	497,078	

31 Dec 2024	SID Bank Group							Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total interest-bearing items	Non-interest-bearing items	
Financial assets	663,073	354,426	814,041	542,963	253,777	2,628,280	67,355	2,695,635
Cash, cash balances at central banks and demand deposits at banks	493,208	0	0	0	0	493,208	0	493,208
Non-trading financial assets mandatorily at fair value through profit or loss	1,376	0	0	1,233	0	2,609	46,080	48,689
Financial assets measured at fair value through other comprehensive income	2,990	5,101	37,749	300,187	47,287	393,314	15,978	409,292
Financial assets measured at amortised cost	165,499	349,325	776,292	241,543	206,490	1,739,149	5,297	1,744,446
Debt securities	0	0	0	184,864	38,614	223,478	0	223,478
Loans and advances to banks	21,556	43,714	105,344	950	18,289	189,853	0	189,853
Loans and advances to non-bank customers	143,943	305,611	670,948	55,729	149,587	1,325,818	0	1,325,818
Other financial assets	0	0	0	0	0	0	5,297	5,297
Financial liabilities	207,962	362,234	1,012,624	211,682	407,427	2,201,929	4,991	2,206,920
Financial liabilities measured at amortised cost	207,962	362,234	1,012,624	211,682	407,427	2,201,929	4,991	2,206,920
Deposits from banks and central banks	15,711	0	0	0	0	15,711	0	15,711
Loans from banks and central banks	18,257	123,367	82,200	11,762	11,499	247,085	0	247,085
Loans from non-bank customers	173,994	238,867	582,958	0	112,869	1,108,688	0	1,108,688
Debt securities	0	0	347,466	199,920	283,059	830,445	0	830,445
Other financial liabilities	0	0	0	0	0	0	4,991	4,991
Effect of hedging derivatives	(175,000)	(140,000)	50,000	0	265,000	0	0	0
Interest rate sensitivity gap	280,111	(147,808)	(148,583)	331,281	111,350	426,351	62,364	488,715

31 Dec 2025	SID Bank							Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total interest-bearing items	Non-interest-bearing items	
Financial assets	492,608	349,464	832,247	492,997	233,183	2,400,499	19,578	2,420,077
Cash, cash balances at central banks and demand deposits at banks	338,158	0	0	0	0	338,158	0	338,158
Non-trading financial assets mandatorily at fair value through profit or loss	1,314	0	0	1,290	0	2,604	0	2,604
Financial assets measured at fair value through other comprehensive income	13,020	13,989	96,908	184,540	92,101	400,558	16,967	417,525
Financial assets measured at amortised cost	140,116	335,475	735,339	307,167	141,082	1,659,179	2,611	1,661,790
Debt securities	0	0	3,467	233,015	18,145	254,627	0	254,627
Loans and advances to banks	11,575	14,642	71,325	7,449	8,674	113,665	0	113,665
Loans and advances to non-bank customers	128,541	320,833	660,547	66,703	114,263	1,290,887	0	1,290,887
Other financial assets	0	0	0	0	0	0	2,611	2,611
Financial liabilities	225,506	419,636	808,821	258,068	279,262	1,991,293	5,461	1,996,754
Financial liabilities measured at amortised cost	225,506	419,636	808,821	258,068	279,262	1,991,293	5,461	1,996,754
Deposits from banks and central banks	10,776	0	0	0	0	10,776	0	10,776
Deposits from non-bank customers	21,103	80,969	0	0	0	102,072	0	102,072
Loans from banks and central banks	17,135	101,687	64,377	8,822	10,953	202,974	0	202,974
Loans from non-bank customers	176,492	236,980	544,382	0	139,764	1,097,618	0	1,097,618
Debt securities	0	0	200,062	249,246	128,545	577,853	0	577,853
Other financial liabilities	0	0	0	0	0	0	5,461	5,461
Effect of hedging derivatives	0	(140,000)	(225,000)	240,000	125,000	0	0	0
Interest rate sensitivity gap	267,102	(210,172)	(201,574)	474,929	78,921	409,206	14,117	423,323

31 Dec 2024	SID Bank							Total
	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total interest-bearing items	Non-interest-bearing items	
Financial assets	663,023	354,426	814,041	542,963	253,777	2,628,230	67,355	2,695,585
Cash, cash balances at central banks and demand deposits at banks	493,158	0	0	0	0	493,158	0	493,158
Non-trading financial assets mandatorily at fair value through profit or loss	1,376	0	0	1,233	0	2,609	46,080	48,689
Financial assets measured at fair value through other comprehensive income	2,990	5,101	37,749	300,187	47,287	393,314	15,978	409,292
Financial assets measured at amortised cost	165,499	349,325	776,292	241,543	206,490	1,739,149	5,297	1,744,446
Debt securities	0	0	0	184,864	38,614	223,478	0	223,478
Loans and advances to banks	21,556	43,714	105,344	950	18,289	189,853	0	189,853
Loans and advances to non-bank customers	143,943	305,611	670,948	55,729	149,587	1,325,818	0	1,325,818
Other financial assets	0	0	0	0	0	0	5,297	5,297
Financial liabilities	207,962	362,234	1,012,624	211,682	407,427	2,201,929	4,991	2,206,920
Financial liabilities measured at amortised cost	207,962	362,234	1,012,624	211,682	407,427	2,201,929	4,991	2,206,920
Deposits from banks and central banks	15,711	0	0	0	0	15,711	0	15,711
Loans from banks and central banks	18,257	123,367	82,200	11,762	11,499	247,085	0	247,085
Loans from non-bank customers	173,994	238,867	582,958	0	112,869	1,108,688	0	1,108,688
Debt securities	0	0	347,466	199,920	283,059	830,445	0	830,445
Other financial liabilities	0	0	0	0	0	0	4,991	4,991
Effect of hedging derivatives	(175,000)	(140,000)	50,000	0	265,000	0	0	0
Interest rate sensitivity gap	280,061	(147,808)	(148,583)	331,281	111,350	426,301	62,364	488,665

Credit spread risk

The Bank identifies, assesses, manages and monitors credit spread risk in the banking book (CSRBB) in accordance with its policy for the management of interest rate risk and credit spread risk. Regular monitoring and supervision of the implementation of the policy are ensured on the asset-liability and risk management committee via the discussion of monthly reports. Exposure to credit spread risk is discussed by the management body on a quarterly basis within the framework of the risk report.

The methodology, including assumptions for the assessment of CSRBB, is defined in detail in a bylaw in the form of the methodological notes to the policy for the management of interest rate risk and credit spread risk. The internal assessment methodology is approved by the asset-liability and risk management committee.

Exposure to CSRBB is regularly measured for:

- the portfolio of debt securities measured at fair value through other comprehensive income;

- the portfolio of debt securities measured at amortised cost, by which the Bank assesses and monitors unrealised losses for the potential extreme case of sale before final maturity;
- issued debt securities.

The Bank has defined two internal CSRBB scenarios, one for an increase in the credit spread, and one for a decrease. The impact on the economic value of equity (EVE) and the impact on net interest income (NII) from the change in credit spreads relative to the baseline scenario are measured for each CSRBB scenario.

The level of credit spread risk for the portfolio of debt securities measured at fair value through other comprehensive income is limited through the definition of the CSRBB risk appetite and an internal capital requirement.

The Bank's potential loss in EVE under the scenario of a rise in credit spreads according to the data for the end of 2025 amounted to EUR 5,468 thousand for the portfolio of debt securities measured at fair value through other

comprehensive income (31 December 2024: EUR 6,090 thousand) and EUR 7,907 thousand for the portfolio of debt securities measured at amortised cost (31 December 2024: EUR 10,605 thousand). The decline in NII under the scenario of the fall in credit spreads is measured at EUR 265 thousand for the portfolio of debt securities measured at fair value through other comprehensive income and EUR 71 thousand for the portfolio of debt securities measured at amortised cost. The impacts are estimated in

accordance with the internal methodology for measuring credit spread risk.

Exposure to credit spread risk from the debt securities portfolio is mainly managed by the Bank via its investment policy and a limit system, which ensures that the portfolio is of the requisite quality and properly diversified. The Bank mainly invests in debt securities of investment-grade issuers from the EU.

3.4 Currency risk

Currency risk is the risk of a loss arising from unfavourable changes in foreign exchange rates.

The Bank identifies, measures, manages and monitors currency risk in accordance with its currency risk management policy. The management body discusses and adopts the currency risk management policy at least once a year. The implementation of the policy is monitored and supervised by the asset-liability and risk management committee. The management body discusses exposure to currency risk quarterly within the framework of the risk report.

When taking up and managing currency risk, the Bank takes into account the adopted currency risk appetite. The currency risk management process includes the setting of internal limits to restrict the overall net open position in foreign currencies, and the regular measurement, monitoring and reporting of exposure to currency risk.

The exposure to currency risk is managed chiefly by matching asset and liability positions in foreign currencies, and as necessary by

trading in derivatives in major foreign currencies.

In the management of currency risk, a determination is made of the potential loss that would arise as a result of a change in exchange rates based on the net open foreign exchange position, which is the difference between the sums of all assets and liabilities in foreign currencies.

The transactions executed by the Bank in foreign currencies are not materially significant, and they do not entail material exposure to currency risk. The overall net open position in foreign currencies was low during and at the end of 2025 (less than 0.1% of Group's regulatory capital), which is evident from the analysis of currency sensitivity, and also from the table of exposure to currency risk.

Currency sensitivity analysis

Sensitivity analysis for currency risk as at 31 December 2025 shows that the Bank would suffer a loss of around EUR 5 thousand should the value of all currencies (other than the euro) fall by 20% against the euro.

	Change in foreign exchange rate	SID Bank Group and SID Bank	
		31 Dec 2025	31 Dec 2024
All currencies other than the euro	5%	-1.3	-2.2
All currencies other than the euro	10%	-2.6	-4.2
All currencies other than the euro	20%	-4.7	-7.7
US dollar	5%	-0.9	-3.4
US dollar	10%	-1.7	-6.6
US dollar	20%	-3.1	-12.1

Exposure to currency risk for on-balance-sheet and off-balance-sheet financial instruments

The table illustrates exposure to currency risk, and includes on-balance-sheet and off-balance-sheet financial instruments by carrying amount and currency.

31 Dec 2025	SID Bank Group			Total
	Euro	US dollar	Other currencies	
Financial assets	2,483,351	18	10	2,483,379
Cash, cash balances at central banks and demand deposits at banks	339,021	18	10	339,049
Non-trading financial assets mandatorily at fair value through profit or loss	54,669	0	0	54,669
Financial assets measured at fair value through other comprehensive income	417,525	0	0	417,525
Financial assets measured at amortised cost	1,661,781	0	0	1,661,781
Debt securities	254,627	0	0	254,627
Loans and advances to banks	113,665	0	0	113,665
Loans and advances to non-bank customers	1,290,887	0	0	1,290,887
Other financial assets	2,602	0	0	2,602
Derivatives – hedge accounting	10,355	0	0	10,355
Financial liabilities	1,976,358	1	0	1,976,359
Financial liabilities measured at amortised cost	1,975,945	1	0	1,975,946
Deposits from banks and central banks	10,776	0	0	10,776
Deposits from non-bank customers	80,969	0	0	80,969
Loans from banks and central banks	202,974	0	0	202,974
Loans from non-bank customers	1,097,618	0	0	1,097,618
Debt securities	577,853	0	0	577,853
Other financial liabilities	5,755	1	0	5,756
Derivatives – hedge accounting	413	0	0	413
Net on-balance-sheet position	506,993	17	10	507,020
Off-balance-sheet liabilities (net amount)	221,513	0	0	221,513

31 Dec 2024	SID Bank Group			
	Euro	US dollar	Other currencies	Total
Financial assets	2,710,590	73	5	2,710,668
Cash, cash balances at central banks and demand deposits at banks	493,130	73	5	493,208
Non-trading financial assets mandatorily at fair value through profit or loss	48,689	0	0	48,689
Financial assets measured at fair value through other comprehensive income	409,292	0	0	409,292
Financial assets measured at amortised cost	1,744,446	0	0	1,744,446
Debt securities	223,478	0	0	223,478
Loans and advances to banks	189,853	0	0	189,853
Loans and advances to non-bank customers	1,325,818	0	0	1,325,818
Other financial assets	5,297	0	0	5,297
Derivatives – hedge accounting	15,033	0	0	15,033
Financial liabilities	2,212,957	1	31	2,212,989
Financial liabilities measured at amortised cost	2,206,888	1	31	2,206,920
Deposits from banks and central banks	15,711	0	0	15,711
Loans from banks and central banks	247,085	0	0	247,085
Loans from non-bank customers	1,108,688	0	0	1,108,688
Debt securities	830,445	0	0	830,445
Other financial liabilities	4,959	1	31	4,991
Derivatives – hedge accounting	6,069	0	0	6,069
Net on-balance-sheet position	497,633	72	(26)	497,679
Off-balance-sheet liabilities (net amount)	230,221	0	0	230,221
<hr/>				
31 Dec 2025	SID Bank			
	Euro	US dollar	Other currencies	Total
Financial assets	2,430,404	18	10	2,430,432
Cash, cash balances at central banks and demand deposits at banks	338,130	18	10	338,158
Non-trading financial assets mandatorily at fair value through profit or loss	2,604	0	0	2,604
Financial assets measured at fair value through other comprehensive income	417,525	0	0	417,525
Financial assets measured at amortised cost	1,661,790	0	0	1,661,790
Debt securities	254,627	0	0	254,627
Loans and advances to banks	113,665	0	0	113,665
Loans and advances to non-bank customers	1,290,887	0	0	1,290,887
Other financial assets	2,611	0	0	2,611
Derivatives – hedge accounting	10,355	0	0	10,355
Financial liabilities	1,997,166	1	0	1,997,167
Financial liabilities measured at amortised cost	1,996,753	1	0	1,996,754
Deposits from banks and central banks	10,776	0	0	10,776
Deposits from non-bank customers	102,072	0	0	102,072
Loans from banks and central banks	202,974	0	0	202,974
Loans from non-bank customers	1,097,618	0	0	1,097,618
Debt securities	577,853	0	0	577,853
Other financial liabilities	5,460	1	0	5,461
Derivatives – hedge accounting	413	0	0	413
Net on-balance-sheet position	433,238	17	10	433,265
Off-balance-sheet liabilities (net amount)	181,082	0	0	181,082

31 Dec 2024	SID Bank			Total
	Euro	US dollar	Other currencies	
Financial assets	2,710,540	73	5	2,710,618
Cash on hand, balances at central banks and demand deposits at banks	493,080	73	5	493,158
Non-trading financial assets mandatorily at fair value through profit or loss	48,689	0	0	48,689
Financial assets measured at fair value through other comprehensive income	409,292	0	0	409,292
Financial assets measured at amortised cost	1,744,446	0	0	1,744,446
Debt securities	223,478	0	0	223,478
Loans and advances to banks	189,853	0	0	189,853
Loans and advances to non-bank customers	1,325,818	0	0	1,325,818
Other financial assets	5,297	0	0	5,297
Derivatives – hedge accounting	15,033	0	0	15,033
Financial liabilities	2,212,957	1	31	2,212,989
Financial liabilities measured at amortised cost	2,206,888	1	31	2,206,920
Deposits from banks and central banks	15,711	0	0	15,711
Loans from banks and central banks	247,085	0	0	247,085
Loans from non-bank customers	1,108,688	0	0	1,108,688
Debt securities	830,445	0	0	830,445
Other financial liabilities	4,959	1	31	4,991
Derivatives – hedge accounting	6,069	0	0	6,069
Net on-balance-sheet position	497,583	72	(26)	497,629
Off-balance-sheet liabilities (net amount)	230,221	0	0	230,221

3.5 Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people and systems, or from external factors that do not arise from credit risk, market risk or liquidity risk. Operational risk also includes IT risks, legal risks and risks associated with compliance and model risk. One element of legal risk is compliance risk, which is the risk of legal or regulatory sanctions, significant financial losses or a loss of reputation as a result of the Bank's operations failing to comply with the main regulations and standards of good practice.

Operational risk depends on internal organisation, control of business processes, and the approaches to and performance of internal controls, which are reviewed by the internal and external audit functions during their processes, etc. Operational risk factors include human resources, business processes, information technology and other infrastructure,

organisational arrangements and external events.

The Group takes up operational risk within its adopted risk appetite, and allocates internal capital for operational risk in accordance with the ICAAP. The management of operational risk is based on the system of internal controls put in place, the system of decision-making and powers, proper deputisation during absences, the right training for personnel carried out on a regular basis, and investment in information technology. The Bank continually endeavours to improve the culture of awareness on the part of senior management and other employees of the importance of effective operational risk management, which is present in all activities and operational processes. Operational risk management is upgraded on an annual basis, in particular from an internal point of view (internal procedures, processes, the provision of proper information support for risk control or

mitigation, monitoring and other regulatory requirements).

The Bank manages model risk and has adopted a rulebook on model risk management. The framework is defined in a way that clearly identifies the essential features of model risk and its management through identification, measurement, monitoring/reporting and control. The model risk management framework has clearly defined components for managing this risk, and a catalogue of models created. Model risk management also encompassed validation of the estimates of credit risk parameters, thereby strengthening the accuracy and robustness of the assessment of credit risk and reducing operational risk in connection with the use of models. Within the framework of the rulebook on model risk management framework, the Bank has put in place a plan of past and future model evaluations within the catalogue of models.

The Bank is aware of the risk of fraud, money laundering/terrorist financing and cyber threats, and has thus also strengthened the management of these subcategories of operational risk.

Operational risk management includes the recording of identified loss events from all sub-types of operational risk in the software database, and the analysis and resolution thereof with the aim of effectively identifying, assessing and managing operational risks. Control of registered loss events is carried out by the risk management and asset-liability management department, which reports regularly to the management board and the supervisory board. The report on operational risk is an integral part of the risk report, which is also submitted to the Bank of Slovenia. If an event involving significant losses occurs, the Bank is obliged to notify the supervisory board and the Bank of Slovenia immediately, and to submit all relevant documentation.

In accordance with Article 324 of the CRR, the Bank has defined the following categories of loss events:

- internal fraud;
- external fraud;

- employment practices and workplace safety;
- clients, products and business practices;
- damage to physical assets;
- business disruption and system failures; and
- execution, delivery and process management.

In terms of the category of loss events in accordance with the Basel standards, the most common loss events in 2025 were execution, delivery and process management (43% of all loss events), followed by business disruption and system failures (26%), damage to physical assets (17%), external fraud (7%), and clients, products and business practices (7%).

There were no significant loss events in 2025. The cumulative loss from operational loss events in 2025 was less than EUR 12 thousand.

The Group uses the unified standardized approach for calculating capital requirements for operational risk in accordance with the CRR.

The Group assesses operational risk annually by developing a risk profile and assessing the risk matrix based on the methodology for assessing exposure to operational risk. This governs the assessment of operational risk, the breakdown of operational risk into subcategories, the ownership of individual subcategories of operational risk, and the procedures and timing of the annual assessment of operational risks. The Bank has put in place a catalogue of operational risks that includes risk scenarios broken down by individual operational risk subcategory, and a catalogue of internal controls that includes a list of the internal controls used to mitigate risk. The Group upgraded the two catalogues in 2025.

By conducting internal audits, the internal audit department ensures the independent and impartial assessment of internal governance arrangements, including risk management systems and processes, and internal controls. In order to improve operations and add value, internal audits are carried out in all areas, business activities, processes and functions of the Group in line with the risk profile and the annual internal audit work plan.

Systemic risks associated with information technology, which are increasing as the level of computerisation increases, are managed through additional measures such as the business continuity plan, duplication of critical infrastructure and other measures to increase information security (advanced systems to prevent and detect hacking, proactive threat hunting, vulnerability scanning, security systems and incident-management operating processes, security checks, staff training, etc.). The Bank strengthened and upgraded these measures in 2025. Responsibility for implementing the business continuity plan is assigned to groups of employees formed in advance (emergencies group, operational security group, first aid and rescue group, and asset remediation group). The members of these groups also participate in the processes of amending the business continuity plan. The Bank updated the business continuity plan in 2025, and tested it against the projected scenarios.

Inside the risk and asset-liability management department, the Bank has put in place an information security function in the area of operational risk and information security, which monitors and controls information security procedures to prevent unauthorised access to information in storage, being processed or being transferred, and to prevent changes to information. One of the duties of this function is to manage security incidents and potential security incidents. The information security function draws up quarterly reports for the management board on the state of information security, and heads a security information team that handles specific security issues and policies.

In the event of a cyber incident that constitutes an unwanted or unexpected information security event or a series of such events that could harm operations and threaten information security, employees who detect or suspect that a cyber incident has occurred must immediately notify the information security function, which assumes responsibility for handling the incident and for any reporting to the Bank of Slovenia.

In 2025 the Bank carried out intensive activities in line with Regulation (EU) 2022/2554 of the

European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (DORA), which began to be applied on 17 January 2025.

The Bank manages outsourcing risks in accordance with the Guidelines on outsourcing arrangements (EBA/GL/2019/02), and has adopted bylaws and a standardised process for outsourcing and subsequent risk monitoring and assessment. The Bank also has a register of external contractors and standard questionnaires in place that assist employees in the analysis of outsourced functions and the assessment of risks of external contractors. In managing operational risk, the Bank takes account of the outsourcing policy and the handbooks for implementing that policy, the purpose of which is to create a framework for the selection, establishment, implementation and monitoring of contractual relationships with external contractors, to prevent inconsistencies, inequalities, ambiguities and imbalanced risk management when outsourcing, and thus potential negative consequences on the operations of the Group, and to ensure an adequate level of quality of outsourced services, to monitor the implementation of those services and to manage the risks arising from outsourcing. The risk management and asset-liability management department conducts a semi-annual assessment of external contractors, drafts an annual review of the management of external contractors, compiles an annual report and proposes measures. After receiving the management board's approval, the supervisory board is briefed on the report, which is then forwarded to the Bank of Slovenia.

As Slovenia's central financial institution in the area of promotion and development, the Bank is moving into new areas of operation in line with its mission. In line with the gradual introduction of new products, and the complexity of its products and processes, an appropriate amount of attention is dedicated to operational risk.

To manage risks arising from new product launches, the Bank has adopted a product management policy that sets out the rules for

launching new products, and the powers and responsibilities of organisational units in the process of launching new products, including an emphasis on conducting a comprehensive and impartial risk assessment. All material risks identified during the development or implementation of a new product in connection with the planned launch of a new product must be processed in a timely and thorough manner in the risk management process in accordance with the bylaws governing the management of individual risks, which means, *inter alia*, that measures are adopted by the Bank's competent bodies to manage the identified risks.

The Bank monitors the risk of identified internal and external fraud in the context of operational risk via a loss event database, while that risk is managed in detail by the compliance department. The Bank has zero tolerance for suspected fraud. This does not mean that fraud cannot occur at the Bank. The Bank is committed to protecting its integrity and reputation in relation to fraud, including by minimising the risk of fraud and unethical behaviour. Furthermore, it does not tolerate any form of fraud, and has a zero tolerance policy in

place for identified cases of suspected fraud. This means that it responds to all identified cases of suspected fraud, regardless of the identity of the whistleblower or the alleged perpetrator. The Bank adheres in full to the relevant international standards and EU laws, and regularly follows the development of best practices relating to the prevention of money laundering, the combating of terrorism, tax fraud, tax evasion and tax arrangements aimed at avoiding tax payments. The management board and supervisory board of the Bank have a zero-tolerance policy in place for all forms of fraud and for all identified cases of suspected fraud, which they clearly communicate to employees (i.e. the tone from the top).

When assessing its exposure to fraud risk, the Bank assumes that fraud is the intent to commit an act for the purpose of acquiring an unlawful benefit for oneself or a third party.

Measures to prevent fraud are divided into short-term measures, which primarily include internal controls/procedures, and long-term measures that the Bank achieves primarily by strengthening the organisational culture.

3.6 Capital management

Bank is subject to capital requirements on the basis of its consolidated position as at 31 December 2025. The two subsidiaries SID Kapital and SID Upravljanje premoženja are included in the prudential consolidation of the Group alongside SID Bank.

The Group must have adequate capital at its disposal at all times as a reserve against the various risks to which it is exposed in its operations. This is the continuous process of determining and maintaining a sufficient amount of high-quality capital, taking into account the taken-up risks defined in the capital management policy. Fulfilment of the capital requirements and of the requirements relating to buffers and the leverage ratio is based on the CRR and the ZBan-3.

Capital risk relates to the inadequate composition of capital with regard to the scope and type of operations or to the difficulties that the Bank faces in obtaining fresh capital, particularly in the event of the need for a rapid increase or in the event of adverse conditions in the business environment.

The role and responsibilities of the supervisory board in the management of capital risk and capital are to assess the adequacy of the capital risk and capital management policy, and to assess the implementation of that policy. The management board is responsible for adopting an adequate capital management policy, ensuring an adequate amount and quality of capital, and meeting the capital requirements.

Capital for capital adequacy purposes

Capital is divided into three categories with regard to its attributes and requirements: Common Equity Tier 1 (CET1), Additional Tier 1 (T1) and Tier 2 (T2). The Group's capital is comprised solely of the highest quality Common Equity Tier 1 capital; the Group does not hold any Additional Tier 1 capital or Tier 2 capital.

The capital requirements for credit risk and counterparty credit risk are calculated using the standardised approach, in accordance with the provisions of Part Three, Title II, Chapter 2 of the CRR. In order to determine the credit quality step of a central government (Article 114 of the CRR), the Group uses the ratings of SID Bank as a nominated export credit agency, as set out in Article 137 of the CRR.

The Group calculates its capital requirements for operational risk in accordance with Articles 312 to 314 of the CRR.

A simplified approach as cited in Article 385 of the CRR is used to calculate the capital requirement for credit valuation adjustment (CVA) risk.

The Group does not hold any positions in the trading book, and therefore does not calculate capital requirements for market risk for that purpose. In the scope of market risk, the Group only calculates capital requirements for currency risk in accordance with Articles 351 to 354 of the CRR. Those requirements are calculated when the sum of the overall net foreign exchange position exceeds 2% of the total capital for capital adequacy purposes. As at the end of 2025, the Group was not required to formulate capital requirements for currency risk, as the limit was not exceeded.

The SID Bank Group's net profit for the financial year, which amounted to EUR 3,705 thousand in 2025, was not taken into account in the calculation of capital for capital adequacy purposes as at 31 December 2025.

Capital requirements

During its regular supervisory review and evaluation process (SREP), the Bank of Slovenia assessed the risks to which SID Bank is exposed, and found that the capital adequacy risk at the Bank was medium-low. As at 31 December 2025, Bank exceeded the Bank of Slovenia requirements regarding the level of capital ratios, including the Pillar 2 Guidance (P2G), which derives from the findings of supervisory stress tests and must be comprised solely of Common Equity Tier 1 capital. The total capital ratio and the Common Equity Tier 1 capital (CET1) ratio for the Group stood at 32.7% as at 31 December 2025 (31 December 2024: 30.7%).

In accordance with the ZBan-3 and European banking legislation, the Bank of Slovenia has set requirements regarding the maintenance of capital buffers for the purpose of preventing or mitigating macroprudential and systemic risks. The capital buffers represent an additional requirement in determining the required level of capital, as banks must use their highest-quality capital (CET1) to meet not only the Pillar 1 and Pillar 2 requirements under the Basel Accords, but also the capital buffer requirements.

Bank's overall capital requirement (OCR) stood at 14.25% at the end of 2025. Within the overall capital requirement, the total SREP capital requirement amounted to 10.25%, broken down into 8.00% under Pillar 1 and 2.25% under Pillar 2. There was no change in the Pillar 2 requirement compared with the previous year. The total buffer requirement stood at 4%, comprising a capital conservation buffer of 2.50%, an O-SII buffer of 0.50%, and a countercyclical capital buffer of 1% (Bank of Slovenia's assumption; the actual calculation at the end of the year was 0.92%). In addition to the above requirements, the Pillar 2 guidance (P2G) stood at 1.75% of Common Equity Tier 1 capital.

The countercyclical capital buffer is implemented to protect the banking system against potential losses whenever these are related to an increase in risks in the system as a result of excessive growth in lending. An

additional capital reserve is required of banks during times of high credit growth, to increase the resilience of the banking system and prevent leverage. The countercyclical capital buffer may range from 0% to 2.5% of the total risk exposure amount (and may exceptionally be higher). The buffer rate for exposures in Slovenia stood at 1% as at 31 December 2025. The institution-specific countercyclical capital buffer rate is calculated as the weighted average

of countercyclical buffer rates that apply in the countries in which the Group's relevant credit exposures are located.

As of 1 January 2026, under the assumption an institution-specific countercyclical capital buffer rate of 0.92%, Bank has an overall capital requirement in the amount of 14.17%.

Reconciliation of items of Common Equity Tier 1 capital with the statement of financial position, risk exposure and capital adequacy ratios

	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Total equity	516,820	506,251	518,379	506,251
Total adjustments to Common Equity Tier 1 capital	(19,616)	(13,151)	(21,269)	(13,151)
Of which:				
Net profit for financial year and retained earnings	(3,705)	(9,027)	(5,264)	(9,027)
Intangible assets	(2,838)	(2,312)	(2,838)	(2,312)
Adjustments for assets and liabilities at fair value	(483)	(479)	(431)	(479)
Deduction for insufficient coverage of non-performing exposures	(236)	(34)	(236)	(34)
Deduction for specific credit risk adjustments	(12,355)	(1,299)	(12,501)	(1,299)
Common Equity Tier 1 capital (CET1)	497,203	493,100	497,109	493,100
Additional Tier 1 capital (AT1)	0	0	0	0
Tier 1 capital (T1)	497,203	493,100	497,109	493,100
Tier 2 capital (T2)	0	0	0	0
Capital for capital adequacy purposes	497,203	493,100	497,109	493,100
Risk-weighted exposure amounts for credit risk and counterparty credit risk	1,432,470	1,496,840	1,414,272	1,496,905
Exposures to central governments or central banks	17,212	22,242	17,212	22,242
Exposures to regional governments or local authorities	25,271	26,723	25,271	26,723
Exposures to public sector entities	3,292	3,553	3,292	3,553
Exposures to multilateral development banks	4,000	4,000	4,000	4,000
Exposures to institutions	140,507	79,468	140,328	79,459
Exposures to corporates	544,411	1,201,120	544,417	1,201,120
Exposures secured by mortgages on immovable property and ADC exposures	488,634	0	488,634	0
Exposures in default	83,202	45,358	83,202	45,358
Regulatory high-risk exposures	n.a.	0	n.a.	75
Exposures from subordinated debt	11,800	n.a.	11,800	n.a.
Exposures to collective investment undertakings (CIUs)	92,491	85,022	0	85,022
Equity exposures	16,967	23,840	91,451	23,840
Other items	4,684	5,513	4,665	5,513
Exposure to market risk	0	0	0	0
Exposure to operational risk	81,966	72,972	82,119	72,972
Exposure to credit valuation adjustment risk	7,954	36,540	7,954	36,540
Total risk exposure amount (RWA)	1,522,390	1,606,352	1,504,346	1,606,417
Surplus of Common Equity Tier 1 capital (CET1)	428,696	420,814	429,414	420,811
Surplus of Tier 1 capital (T1)	405,860	396,719	406,849	396,715
Total capital surplus	375,412	364,592	376,762	364,587
Common Equity Tier 1 capital ratio (CET1)	32.66%	30.70%	33.04%	30.70%
Tier 1 capital ratio (T1)	32.66%	30.70%	33.04%	30.70%
Total capital ratio	32.66%	30.70%	33.04%	30.70%

Breakdown of capital requirements by type of risk

	SID Bank Group			
	31 Dec 2025	Breakdown, %	31 Dec 2024	Breakdown, %
Capital requirements				
For credit risk	114,598	94.1	119,747	93.2
For operational risk	6,557	5.4	5,838	4.5
For credit valuation adjustment risk	636	0.5	2,923	2.3
Total	121,791	100.0	128,508	100.0

	SID Bank			
	31 Dec 2025	Breakdown, %	31 Dec 2024	Breakdown, %
Capital requirements				
For credit risk	113,142	94.0	119,752	93.2
For operational risk	6,570	5.5	5,838	4.5
For credit valuation adjustment risk	636	0.5	2,923	2.3
Total	120,348	100.0	128,513	100.0

Capital requirements for credit risk

Exposure class	SID Bank Group		SID Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Exposures to central governments or central banks	1,377	1,779	1,377	1,779
Exposures to regional governments or local authorities	2,022	2,138	2,022	2,138
Exposures to public sector entities	263	284	263	284
Exposures to multilateral development banks	320	320	320	320
Exposures to institutions	11,241	6,357	11,226	6,357
Exposures to corporates	43,553	96,090	43,553	96,090
Exposures secured by mortgages on immovable property and ADC exposures	39,091	0	39,091	0
Exposures in default	6,656	3,629	6,656	3,629
Regulatory high-risk exposures	n.a.	0	n.a.	6
Exposures from subordinated debt	944	n.a.	944	n.a.
Exposures to collective investment undertakings (CIUs)	7,399	6,802	0	6,802
Equity exposures	1,357	1,907	7,316	1,907
Other items	375	441	373	441
Total	114,598	119,747	113,142	119,752

Leverage ratio

Developments in the leverage ratio are regularly monitored on the asset-liability and risk management committee, and within the framework of the selected risk appetite indicators.

The leverage ratio stood at 18.3% as at 31 December 2025 for the SID Bank Group (end of 2024: 16.9%), and 18.5% for SID Bank (end of 2024: 16.9%). In light of the structure of the statement of financial position and the level of the leverage ratio, the risk of excessive leverage is low.

Assessment of internal capital requirement

The risk profile, which is the result of the processes of identification, definition of materiality and measurement of risks, represents a collection of the risks that are material to the SID Bank Group and that it takes up or will take up in the framework of its operations, and is quantified by the capital requirement.

The risk profile serves as the basis for the comprehensive risk management process, the planning of internal audit procedures, compliance and direct supervision by the Bank of Slovenia.

The outcomes of the determination of the risk profile before the end of 2025 do not deviate materially from the profile in the previous year. Of the identified risks, the Group treats credit risk as the most material risk that it faces.

In line with its business strategy the Group is or will be exposed to the following material risks: credit risk, market risks in the banking book (excluding IRRBB), interest rate risk in the banking book (IRRBB), liquidity risk,²⁴ operational risk, and business/strategic risk.

There were four material sub-types of risk defined within credit risk in 2025:

- default risk;
- concentration risk;
- country risk;
- participation risk.

The metrics for measuring individual sub-categories of credit risk are:

- the internal ratings based (IRB) approach;
- the Herfindahl-Hirschman index as a measure of sectoral concentration;
- the Monte Carlo simulation of the IRB to measure individual concentration.

Three sub-types of market risk in the banking book (excluding IRRBB) were defined as material in 2025, and remain so in 2026:

- credit spread risk in the banking book (CSRBB);
- the risk of *de facto* hidden losses in the portfolio of debt securities measured at amortised cost;
- equity revaluation risk.

Within the framework of interest rate risk in the banking book (IRRBB) the Group defined all four sub-types as material in 2025, and these remain so in 2026:

- the IRRBB measurement of EVE;
- the IRRBB measurement of NII;
- the IRRBB total measurement of EVE and NII;
- the IRRBB measurement of EVE for the portfolio of debt securities measured at fair value through other comprehensive income.

The Group measures interest rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB) in accordance with its adopted internal methodology, which is based on the EBA guidelines on the management of interest rate risk and credit spread risk arising from the banking book. More detailed disclosures are given in section 3.3 Interest rate risk.

The Group monitored seven material sub-types of operational risk in 2025: internal fraud risk; external fraud risk; employment practices and workplace safety; clients, products and business practices; damage to physical assets; business disruption and system failures; and execution, delivery and process management. The metric for measuring operational risk is the Pillar 1 capital requirement for operational risks.

All three sub-types of business/strategic risk were defined as material by the Group in 2025, and remain so in 2026:

- the risk of an external factor (the regulatory environment);
- profitability risk;
- strategic risk, where the effects of strategic risk are disclosed via residual risk.

The metrics for business/strategic risk are in line with the adopted internal methodology.

²⁴ The Group does not allocate capital for liquidity risk, as it manages liquidity through the ILAAP, which is explained in detail in section 3.2 Liquidity risk.

The overall assessment of internal capital requirements also includes an assessment from an integrated stress test if the assessment in question is higher than the capital requirement. The Bank has also incorporated ESG risk factors into the integrated stress test. The Group calculates the internal capital requirements on a quarterly basis, and verifies whether the level of

capital is adequate. The results are then discussed by the asset-liability and risk management committee, and by Bank's management body within the framework of the risk report. The management body approves the results of the Bank's risk profile and the internal capital adequacy assessment process at least once a year.

3.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities

Fair value is the price that would be received when selling an asset or paid when transferring a liability in a standard transaction between market participants on the measurement date under current market terms, regardless of whether the price can be directly observed or estimated using another valuation technique.

The fair value of financial assets and financial liabilities traded on an active market is based on published market prices. The SID Bank Group determines fair value for all other financial instruments using other valuation techniques.

An active market is a market on which frequent transactions are executed in assets or liabilities, and public information on prices is thus provided on a regular basis.

The SID Bank Group measures fair value using a fair value hierarchy that reflects the significance of the input data.

- Level 1: Level 1 inputs are quoted prices on active markets for identical assets or liabilities to which the Group has access as at the measurement date. Level 1 includes holdings of financial instruments to which an official price applies within the framework of the trading system of Ljubljana Stock Exchange, or the price of an official market maker, and financial instruments valued at the price that would be received when selling the holding in a transaction with third parties.

- Level 2: Level 2 inputs are inputs other than the quoted prices included in Level 1 that are observable for an asset or liability, either directly (prices) or indirectly (derived from prices). Level 2 includes financial instruments valued through the use of quoted prices for similar assets and liabilities on active markets, quoted prices for equivalent or similar assets and liabilities on inactive markets, or inputs other than quoted prices that can be observed as assets or liabilities, e.g. interest rates and yield curves. Level 2 also includes investments in bonds that are valued on the basis of the Bloomberg Generic Price (BGN), as this price is identical to the interbank or OTC market price. While the BGN is not a direct price that the Group could use to sell securities on the valuation date, its use does ensure impartiality in valuation. The price is a reflection of the actual transactions on the market and is an appropriate indicator of the prices that could be achieved through the sale of the security on the market. The prices of vendors do not deviate from the applied price to a materially significant extent. Level 2 also includes hedging derivatives, including interest rate swaps. These are valued by taking account of market interest rates and the yield curve. The Group does not have any loans and advances at Level 2 measured at fair value.
- Level 3: In this category the SID Bank Group includes financial instruments for which fair value is calculated using an internal fair value methodology that mainly uses unobservable

inputs. Unobservable inputs are inputs for which market data is not available, and are developed using the best available information on the assumptions that market participants would use when pricing the asset or liability. The fair value of loans and advances mandatorily at fair value that are classed as performing exposures is determined on the basis of contractual cash flows, discounted by a curve composited from the risk-free interest rate curve and a spread for credit risk and liquidity risk. The fair value of loans and advances measured at fair value that are classed as non-performing exposures is calculated on the basis of two repayment scenarios. The first scenario represents the estimated repayments from the entity's cash flows, while the second consists of estimated repayments from collateral. A standard interest rate is used to discount the estimated repayments upon

recognition. The total estimated value of future cash flows is a weighted average of estimated repayments from the entity's cash flows and estimated repayments from collateral. The Group also classes equities not listed on functioning markets and alternative investment funds as Level 3. Alternative investment funds, which are regularly audited by certified auditors, are valued by fund managers in the form of the unit price, or the net asset value, which represents the best approximation of fair value. Valuation is made on the basis of material non-public information about holdings in funds. The Group does not conduct its own valuation of holdings in alternative investment funds, as it has very limited access to and insight into the input data used by fund managers. Sensitivity analysis was also not conducted for these assets.

Fair value hierarchy of financial instruments measured at fair value

The table discloses financial instruments measured at fair value as at the reporting date

with regard to level of classification in the fair value hierarchy.

31 Dec 2025	SID Bank Group			Total
	Level 1	Level 2	Level 3	
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	54,669	54,669
Equity instruments	0	0	800	800
Alternative investment funds	0	0	51,265	51,265
Loans and advances	0	0	2,604	2,604
Financial assets measured at fair value through other comprehensive income	28,879	388,646	0	417,525
Debt instruments	11,912	388,646	0	400,558
Equity instruments	16,967	0	0	16,967
Derivatives – hedge accounting	0	10,355	0	10,355
Total financial assets measured at fair value	28,879	399,001	54,669	482,549
Derivatives – hedge accounting	0	413	0	413
Total financial liabilities measured at fair value	0	413	0	413

31 Dec 2024	SID Bank Group			
	Level 1	Level 2	Level 3	Total
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	48,689	48,689
Equity instruments	0	0	1,068	1,068
Alternative investment funds	0	0	45,012	45,012
Loans and advances	0	0	2,609	2,609
Financial assets measured at fair value through other comprehensive income	30,568	378,724	0	409,292
Debt instruments	14,590	378,724	0	393,314
Equity instruments	15,978	0	0	15,978
Derivatives – hedge accounting	0	15,033	0	15,033
Total financial assets measured at fair value	30,568	393,757	48,689	473,014
Derivatives – hedge accounting	0	6,069	0	6,069
Total financial liabilities measured at fair value	0	6,069	0	6,069

31 Dec 2025	SID Bank			
	Level 1	Level 2	Level 3	Total
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	2,604	2,604
Equity instruments	0	0	0	0
Alternative investment funds	0	0	0	0
Loans and advances	0	0	2,604	2,604
Financial assets measured at fair value through other comprehensive income	28,879	388,646	0	417,525
Debt instruments	11,912	388,646	0	400,558
Equity instruments	16,967	0	0	16,967
Derivatives – hedge accounting	0	10,355	0	10,355
Total financial assets measured at fair value	28,879	399,001	2,604	430,484
Derivatives – hedge accounting	0	413	0	413
Total financial liabilities measured at fair value	0	413	0	413

31 Dec 2024	SID Bank			
	Level 1	Level 2	Level 3	Total
Non-trading financial assets mandatorily at fair value through profit or loss	0	0	48,689	48,689
Equity instruments	0	0	1,068	1,068
Alternative investment funds	0	0	45,012	45,012
Loans and advances	0	0	2,609	2,609
Financial assets measured at fair value through other comprehensive income	30,568	378,724	0	409,292
Debt instruments	14,590	378,724	0	393,314
Equity instruments	15,978	0	0	15,978
Derivatives – hedge accounting	0	15,033	0	15,033
Total financial assets measured at fair value	30,568	393,757	48,689	473,014
Derivatives – hedge accounting	0	6,069	0	6,069
Total financial liabilities measured at fair value	0	6,069	0	6,069

Level 3: changes in non-trading financial assets mandatorily at fair value through profit or loss

	SID Bank Group		SID Bank	
	2025	2024	2025	2024
Equity instruments				
Balance as at 1 Jan	1,068	4,930	1,068	4,930
Recognition of new financial assets	0	40	0	40
Derecognition of financial assets	0	(2,591)	0	(2,591)
Demerger	0	0	(804)	0
Net change in fair value recognised in income statement	(268)	(1,311)	(264)	(1,311)
Balance as at 31 Dec	800	1,068	0	1,068
Alternative investment funds				
Balance as at 1 Jan	45,012	48,336	45,012	48,336
Recognition of new financial assets	5,731	4,260	4,760	4,260
Derecognition of financial assets	(3,976)	(10,708)	(3,643)	(10,708)
Demerger	0	0	(51,183)	0
Net change in fair value recognised in income statement	4,498	3,124	5,054	3,124
Balance as at 31 Dec	51,265	45,012	0	45,012
Loans and advances				
Balance as at 1 Jan			2,609	1,976
Calculated interest, fees and commission			37	56
Repayments			(126)	(136)
Net change in fair value recognised in income statement			84	713
Balance as at 31 Dec			2,604	2,609

Neither SID Bank nor the SID Bank Group executed any transfers of financial assets and liabilities measured at fair value into or out of Level 3 in the presented years.

Sensitivity analysis was conducted for non-trading financial assets mandatorily at fair value through profit or loss that are classified as Level 3, except for investments in alternative investment funds.

If the unit price used to calculate the fair value of the equity instruments rises by 100 basis points, the cumulative valuation result as at 31 December 2025 increases by EUR 8 thousand. (31 December 2024: EUR 11 thousand). If the

unit price used to calculate the fair value of the equity instruments falls by 100 basis points, the cumulative valuation result as at 31 December 2025 decreases by EUR 8 thousand (31 December 2024: EUR 11 thousand).

If the credit spread used to calculate the fair value of the loans and advances increases by 100 basis points, the cumulative valuation result as at 31 December 2025 decreases by EUR 55 thousand (31 December 2024: EUR 77 thousand). If the credit spread used to calculate the fair value decreases by 100 basis points, the cumulative valuation result as at 31 December 2025 increases by EUR 56 thousand (31 December 2024: EUR 80 thousand).

Financial instruments not measured at fair value

The table discloses the estimated fair values of financial instruments not measured at fair value. The disclosed fair values are calculated solely for reporting purposes, and do not affect the statement of financial position, or profit or loss.

Financial assets are disclosed at fair value as at the reporting date with regard to level of classification in the fair value hierarchy.

The fair values of financial instruments not measured at fair value in the statement of

financial position are measured using the fair value hierarchy, which also applies to financial instruments measured at fair value in the statement of financial position and is described in the first chapter of section 3.7. Fair values of financial assets and liabilities. For short-term financial assets, which include cash, cash balances at central banks and demand deposits at banks and other financial assets, it is assumed that fair value does not materially differ from the carrying amount.

31 Dec 2025	SID Bank Group				Fair value	Carrying amount
	Level 1	Level 2	Level 3			
Cash, cash balances at central banks and demand deposits at banks	339,049	0	0	339,049	339,049	
Financial assets measured at amortised cost	0	370,580	1,220,069	1,590,649	1,661,781	
Debt securities	0	258,902	3,467	262,369	254,627	
Loans and advances to banks	0	109,114	0	109,114	113,665	
Loans and advances to non-bank customers	0	0	1,216,564	1,216,564	1,290,887	
Other financial assets	0	2,564	38	2,602	2,602	
Total financial assets	339,049	370,580	1,220,069	1,929,698	2,000,830	
Financial liabilities measured at amortised cost	0	300,555	1,672,896	1,973,451	1,975,946	
Deposits from banks and central banks	0	10,776	0	10,776	10,776	
Deposits from non-bank customers	0	80,969	0	80,969	80,969	
Loans from banks and central banks	0	203,054	0	203,054	202,974	
Loans from non-bank customers	0	0	1,097,706	1,097,706	1,097,618	
Debt securities	0	0	575,190	575,190	577,853	
Other financial liabilities	0	5,756	0	5,756	5,756	
Total financial liabilities	0	300,555	1,672,896	1,973,451	1,975,946	

31 Dec 2024	SID Bank Group				Fair value	Carrying amount
	Level 1	Level 2	Level 3			
Cash, cash balances at central banks and demand deposits at banks	493,208	0	0	493,208	493,208	
Financial assets measured at amortised cost	0	419,456	1,297,770	1,717,226	1,744,446	
Debt securities	0	229,037	5,858	234,895	223,478	
Loans and advances to banks	0	185,268	0	185,268	189,853	
Loans and advances to non-bank customers	0	0	1,291,840	1,291,840	1,325,818	
Other financial assets	0	5,151	72	5,223	5,297	
Total financial assets	493,208	419,456	1,297,770	2,210,434	2,237,654	
Financial liabilities measured at amortised cost	0	267,884	1,924,729	2,192,613	2,206,920	
Deposits from banks and central banks	0	15,711	0	15,711	15,711	
Loans from banks and central banks	0	247,182	0	247,182	247,085	
Loans from non-bank customers	0	0	1,108,731	1,108,731	1,108,688	
Debt securities	0	0	815,998	815,998	830,445	
Other financial liabilities	0	4,991	0	4,991	4,991	
Total financial liabilities	0	267,884	1,924,729	2,192,613	2,206,920	

31 Dec 2025	SID Bank				Carrying amount
	Level 1	Level 2	Level 3	Fair value	
Cash, cash balances at central banks and demand deposits at banks	338,158	0	0	338,158	338,158
Financial assets measured at amortised cost	0	370,319	1,220,069	1,590,388	1,661,790
Debt securities	0	258,902	3,467	262,369	254,627
Loans and advances to banks	0	108,844	0	108,844	113,665
Loans and advances to non-bank customers	0	0	1,216,564	1,216,564	1,290,887
Other financial assets	0	2,573	38	2,611	2,611
Total financial assets	338,158	370,319	1,220,069	1,928,546	1,999,948
Financial liabilities measured at amortised cost	0	321,363	1,672,896	1,994,259	1,996,754
Deposits from banks and central banks	0	10,776	0	10,776	10,776
Deposits from non-bank customers	0	102,072	0	102,072	102,072
Loans from banks and central banks	0	203,054	0	203,054	202,974
Loans from non-bank customers	0	0	1,097,706	1,097,706	1,097,618
Debt securities	0	0	575,190	575,190	577,853
Other financial liabilities	0	5,461	0	5,461	5,461
Total financial liabilities	0	321,363	1,672,896	1,994,259	1,996,754

31 Dec 2024	SID Bank				Carrying amount
	Level 1	Level 2	Level 3	Fair value	
Cash, cash balances at central banks and demand deposits at banks	493,158	0	0	493,158	493,158
Financial assets measured at amortised cost	0	419,456	1,297,770	1,717,226	1,744,446
Debt securities	0	229,037	5,858	234,895	223,478
Loans and advances to banks	0	185,268	0	185,268	189,853
Loans and advances to non-bank customers	0	0	1,291,840	1,291,840	1,325,818
Other financial assets	0	5,151	72	5,223	5,297
Total financial assets	493,158	419,456	1,297,770	2,210,384	2,237,604
Financial liabilities measured at amortised cost	0	267,884	1,924,729	2,192,613	2,206,920
Deposits from banks and central banks	0	15,711	0	15,711	15,711
Loans from banks and central banks	0	247,182	0	247,182	247,085
Loans from non-bank customers	0	0	1,108,731	1,108,731	1,108,688
Debt securities	0	0	815,998	815,998	830,445
Other financial liabilities	0	4,991	0	4,991	4,991
Total financial liabilities	0	267,884	1,924,729	2,192,613	2,206,920

4 MANAGEMENT BODY'S CONCISE STATEMENT ON THE SID BANK GROUP'S APPROACH TO THE REALISATION OF RISK APPETITE

In accordance with Article 435(1)(f) of Regulation (EU) No 575/2013 (the CRR), Article 17 of the Regulation on internal governance arrangements, the management body and the internal capital adequacy assessment process for banks and savings banks, and Article 2 of Commission Implementing Regulation (EU) 2024/3172, the management body hereby issues a concise statement on risk management. The concise statement represents the qualitative part of the risk appetite framework (RAF), which is complemented by a quantitative part in the form of indicators. The indicators primarily relate to capital, liquidity and other key financial and non-financial constraints on the SID Bank Group. The risk appetite reflects the existing risk culture, the business principles and the strategic guidance of the Group in the area of risk management.

SID Bank is a specialist promotional, export and development bank that is authorised to provide long-term financial services designed to complement financial markets in various areas defined by the Slovene Export and Development Bank Act (ZSIRB) as important for promoting the competitiveness of the Slovenian economy and for the country's sustainable development. SID Bank's essential activities involve complementing the range of products and services of commercial banks and the elimination of market gaps that arise when the range of financial and insurance services is insufficient to meet market demand, in particular with respect to SMEs, development, environmental protection, the circular economy, infrastructure and energy projects, and the promotion of the internationalisation of companies, as well as cyclical gaps following changes to the Slovene Export and Development Bank Act (ZSIRB).

As a development bank in accordance with ZSIRB, SID Bank is required to fully comply with the act governing banking, with the exception of parts that are explicitly excluded. This relates to specific features in the assessment of large exposures and capital requirements, the establishment of bank branches, with regard to the obligation to draw up a recovery plan and the application of provisions on covered deposits, as SID Bank is not allowed to accept deposits from the public, except through a public offering of debt securities where SID Bank is the issuer. Additional restrictions on operations are set out in the ZSIRB and the rules governing state aid that apply in the EU, which require SID Bank to provide financial services only in segments where market gaps appear or are identified, and prohibit it from competing with other commercial banks. Furthermore, the purpose of SID Bank's funding must comply with the purposes defined by the law. SID Bank is not allowed to finance firms that are classed as firms in difficulty. The Bank and its management body take into account these and other prescribed requirements in the adoption and implementation of its business objectives, strategies and policies.

SID Bank completed the process of demerging its equity financing activities in 2025. The two new subsidiaries SID Kapital d.o.o. and SID Upravljanje premoženja d.o.o., to which the activities of executing and managing equity investments were transferred, began trading in the final quarter of the year. The demerger was executed within the framework of approvals and authorisations obtained in advance from supervisory institutions. The new structure allows for greater transparency, specialisation and increased efficiency in equity financing, and the strengthening of the SID Bank Group's investment activity.

SID Bank is the subject to capital requirements on the basis of its consolidated position. The two subsidiaries SID Kapital and SID Upravljanje premoženja are included in prudential consolidation alongside SID Bank.

Risk management at the SID Bank Group is undertaken on an individual basis and on a consolidated basis. The subsidiaries largely follow SID Bank's procedures for identifying, measuring or assessing, controlling and monitoring risks. The assessment of the SID Bank Group's risk profile, including the

internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP), the determination of the risk appetite, and the approval of the risk management strategy and policies, is conducted at the level of the Group as a whole.

The overall risk level and the levels and types of individual material risks are subject to comprehensive identification at least once a year in the process of drawing up the Group's profile, which is approved by its management body. At least once a year, during the internal capital adequacy assessment process (ICAAP), the management body approves the assessment of internal capital requirements and the capital available to cover losses in the event of the realisation of the risks taken up.

The Bank defines the Group's risk-bearing capacity as the largest overall risk level that it is able to take up, taking into account its available capital, liquidity and other restrictions (risk management and control measures, stress test results, and other restrictions). The Bank defines the Group's risk-bearing capacity as the higher of the economic and normative perspectives, with the ICAAP representing the economic perspective and the SREP the normative perspective.

The assessed risk-bearing capacity is taken into account when the business strategy, business objectives and risk appetite are being defined. The SID Bank Group's risk profile is presented in the risk management chapter of the financial report, under the section on capital management. The management body also approves the internal liquidity adequacy assessment process (ILAAP) at least once a year, in which the Group carries out a comprehensive assessment of the systems put in place for the management of liquidity risk, including an assessment of liquidity risk in connection with the Bank's risk profile and business strategy.

The management body defines the risk appetite taking into account its risk-bearing capacity at least once a year, within the framework of the process of adopting the annual operational plan, and thus ensures that the risk appetite has been aligned to any changes in the business model and in the current business strategy. The Bank defines the Group's risk appetite as the sum of the ICAAP profile, the effect of the change in the business plan, and the buffers. The buffers generally represent the effects of stress testing.

Within its risk management the SID Bank Group has put in place a stress testing framework, which is part of its advanced determination of risks and vulnerabilities. The stress testing framework includes all material types of risk, including those in the area of ESG.

The risk appetite framework takes into account all material risks identified in the risk management process, and is reflected in the risk appetite thresholds approved by the management body, including threshold values set with regard to the Group's planned activities, and also the limits set in the policies for the take-up and management of individual risks and other bylaws of the Group.

For risk appetite indicators that have regulatory values and/or restrictions prescribed, the Group has set the same or stricter target values and/or restrictions. The early warning thresholds and the thresholds under the second level of risk categories have the nature of alerts, and allow the management body to promptly identify deviations and take appropriate remedial measures when indicators approach a defined threshold of the risk appetite. The Group has put in place an escalation mechanism for measures that includes quarterly reporting of indicator values to competent authorities, and has also set out a structured procedure for preparing and implementing measures in the event of the values of and/or restrictions on the indicators being transgressed. In accordance with the disclosures under the CRR, the values of the risk appetite indicators for the Group at the first level of the risk appetite framework and the thresholds are presented below. The following values of these indicators were realised at the end of 2025:

- total capital ratio (TCR): 32.7% (threshold: 17.2%);
- leverage ratio (LR): 18.3% (threshold: 13.8%);
- liquidity coverage ratio (LCR): 7,382% (threshold: 112%);
- net stable funding ratio (NSFR): 151.4% (threshold: 118%).

The scope of risk take-up is complemented by the set of internal policies for the management of individual types of risk, through which Bank transfers (escalates) limits regarding the Group's risk appetite into operational restrictions for the appropriate direction of the business. Risk management policies and internal rulebooks set out the limits for the management of credit risk, market risk in the banking book and liquidity risk, including the procedures for dealing with limit breaches and notification of the management board.

The risk appetite framework is monitored and discussed by SID Bank's management body on a quarterly basis.

The SID Bank Group managed all the identified material risks within its adopted risk appetite framework in 2025, except within the framework of the other warning indicators of the risk appetite, where the thresholds under credit risk were transgressed. The deviations were addressed in timely fashion, in accordance with the internal rules and procedures.

In terms of limiting exposure to credit risk, in operations of all types the SID Bank Group first takes account of the regulatory limits under the applicable banking legislation concerning exposure to individual customers and groups of connected clients. In addition the take-up of credit risk is limited by SID Bank's articles of association, the thresholds of the risk appetite at various levels of granularity in the credit portfolio, and the internal limits on exposure to credit risk. To manage the credit risk inherent in investments for managing the Bank's liquidity, bylaws set limits on exposures to individual persons, and in case the persons comprise a group of connected clients also a limit on the group and a limit on the individual persons. In managing these investments, the Group pursues a policy of investing its surplus liquidity in high-quality liquid financial instruments. Credit risk in investments for managing the Bank's liquidity is managed by limiting exposures with regard to credit rating, registered office, type of issuer and type of instrument, where in order to limit environmental risks, purchases of securities of issuers whose core business is in the fossil fuels sector are prohibited. The limits for credit operations are not predetermined or general; instead creditworthiness is defined during the handling of the individual operation with regard to a calculation of the customer's borrowing capacity. The powers to approve transactions are set out in the bylaws and the articles of association of SID Bank with regard to investment value and current exposure. Bylaws also set out the approach to identifying and measuring concentration risks for the total portfolio. In addition, internal loan approval procedures and the placement of a limit on total exposure ensure that all leveraged operations are adequately controlled, and comply with the Group's risk appetite framework. Within the framework of its credit risk management the Bank regularly monitors the financial position of debtors and reviews the accuracy of their assignment to ratings, creates allowances and provisions for credit losses, reviews the fulfilment of financial and other contractual commitments, and assesses the eligibility and level of collateral. The Bank has put in place an early warning system (EWS) for increased credit risk, which on the basis of internally determined quantitative and qualitative indicators and defined trigger levels classifies debtors into different credit risk stages. The system provides for early identification of a deterioration in credit quality, and timely action with the aim of reducing the probability of the debtor defaulting. The Bank is continually upgrading and improving the early warning system. In 2025 it introduced additional indicators for identifying potential difficulties on the part of debtors in repaying liabilities, optimised the procedural steps, and further strengthened the information support, which is contributing to the increased effectiveness of credit risk management.

The largest factor acting to worsen the quality of the SID Bank Group's credit portfolio in 2025 was the increase in the stock of non-performing loans. Deterioration in the financial positions of certain major debtors in the manufacturing sector, particularly in the steel industry and the car industry, led to their reclassification as non-performing exposures. This drove a significant increase in allowances and provisions for credit losses. Reclassifications as non-performing exposures reduced the share of Stage 2 exposures. The share of classified claims and other financial assets accounted for by non-performing loans and other non-performing financial assets stood at 9.9% at the end of 2025 (up from 4.3% at the end of 2024), while the share of the Group's classified on-balance-sheet and off-balance-sheet exposures accounted for by non-performing exposures stood at 5.7% at the end of 2025 (up from 2.3% at the end of 2024). The Group's coverage of non-performing exposures stood at 52.8% at the end of 2025 (end of 2024: 49.6%).

The Bank upgraded its methodology for calculating loss given default in 2025 in the part relating to the consideration of macroeconomic forecasts. The allowances and provisions for credit losses increased by EUR 1,254 thousand in consequence.

In the area of credit risk, the risk appetite thresholds relating to other credit risk indicators were transgressed in 2025. Two indicators in the form of the share of the Group's classified claims and other financial assets accounted for by non-performing loans and other non-performing financial assets and the share of classified on-balance-sheet and off-balance-sheet exposures accounted for by non-performing exposures were transgressed. The transgression was caused by the realisation of default in major exposures and their reclassification as non-performing exposures. A significant proportion of the exposures reclassified as non-performing came from loans approved within the framework of the loan funds established in conjunction with the METS and the MoI that are subject to a contractually agreed first loss clause. On this basis any loss on the part of the loan funds is first covered by the priority participation of the METS and the MoI, which means that an increase in allowances and provisions for credit losses has no impact on profit or loss up to the amount of the agreed first loss. The measures taken included the adoption of a plan for managing and reducing non-performing exposures, which was approved by the management body within the framework of the risk management strategy adopted for 2026. The Group is maintaining a stable capital position, and is continuing to ensure an adequate level of internal capital to cover credit risk losses.

SID Bank will continue its high-quality credit risk management in 2026, and in accordance with best banking practice will upgrade its credit risk assessment tools and its early warning system for increased credit risk.

A risk appetite framework is also set out for controlling interest rate risk and market risks in the banking book. The Bank took up interest rate risk and market risk in line with the Group's risk appetite during its operations in 2025. Thresholds for the decline in net interest income and for the loss in the economic value of equity are set for interest rate risk in the banking book (IRRBB), and are more stringent than those set by banking regulations. The Bank regularly measures exposure to credit spread risk (CSRBB) for debt securities in the banking book, namely for the portfolio of debt securities measured at fair value through other comprehensive income and at amortised cost, and for issued debt securities. The Group's net exposure to currency risk is low, and within the internally set frameworks, and does not exceed the limits prescribed by regulations for the calculation of capital requirements for currency risk.

The liquidity risk management framework includes the regular implementation of the ILAAP, and the limit system put in place to manage liquidity risk, where the limits are more stringent than those prescribed by regulations. The management body annually reviews and approves the outcomes of the ILAAP, which cover an assessment of liquidity needs and an assessment of available liquidity within the framework of ordinary operations, and in adverse situations. The Bank's liquidity position is verified on a regular basis by decision-making bodies through the monitoring of various indicators, including in relation to the achievement of planned targets. The Bank regularly plans and monitors cash flows, and

reviews its liquidity position and adequacy, while also taking account of the internally defined liquidity stress test scenarios, which also incorporate ESG risk factors. The Bank has also drawn up a liquidity risk management plan for emergency liquidity situations, has put in place an early warning system for potential adverse developments on the financial markets, and has put in place regular implementation of liquidity simulations in connection with the financial plan for future periods under a baseline scenario and adverse scenario. The regular assessment of funding adequacy is also reviewed during the preparation of the financial plan, which is approved for the next three financial years by the management body each year. Debt securities account for a significant share of the liquidity buffer. When investing in them the Bank upholds the principles of security and prudence, while taking account of the market liquidity and credit quality of the selected instruments, which is reflected in the high share of liquid debt securities eligible as collateral at the central bank. Monitoring the portfolio of debt securities from the perspective of ESG risk factors ensures that the Bank complies with sustainability targets.

The SID Bank Group's liquidity position remained strong in 2025, which was reflected in the key liquidity indicators, which were well above their regulatory requirements and inside the range set out by the risk appetite. The Group maintains a large liquidity buffer, as proceeds from its developmental role and the need for constant readiness to act on an interventionist basis. The high level of the liquidity buffer in combination with low net outflows ensures that the liquidity coverage ratio remains at an appropriately high level, although it displays sharp dynamics, given the structural attributes of the business model. The net stable funding ratio is also being maintained at a high level, which confirms the stable structure of liquidity at the Group. A decisive factor here is the prevalence of long-term debt funding and a high level of equity, which together provide reliable support for the Bank's ongoing development activities.

In support of this liquidity position, the Group maintained an adequate level, quality and structure of liquid assets in 2025 for covering its expected and unexpected liquidity outflows, and for ensuring business continuity and an adequate liquidity position under the baseline scenario and during a liquidity emergency. In the event of the realisation of the most severe adverse combined scenario, the Bank would maintain liquidity viability for more than 12 months under these circumstances. In its management of liquid assets in 2026 it will pursue a conservative and prudent investment strategy, and will manage funding risk through new long-term borrowing, which will provide adequate funding for the execution of its mandates.

Environmental, social and governance (ESG) risks are included in the comprehensive risk management framework, where they constitute one of the risk factors that are being integrated into existing types of risk. The Bank also takes into account ESG risk factors within the credit risk appetite framework, where it has set flexible limits for total exposure to the highest-risk customers. Above a certain exposure amount, it also conducts its assessment of ESG risk factors at the borrower level. To monitor environmental and climate-related performance indicators, the Bank has also defined a strategic indicator that measures the average ESG score of new loans. This indicator may not be lower than the average ESG score of exposures from the previous year, which ensures that the Bank makes progress in the area of sustainable lending.

The Bank has already incorporated internal ESG scores into its credit ratings, and has put in place a structured set of sustainability functions and procedural tasks. The custodians of these tasks have also been designated, with appropriate changes made to the Bank's organisational structure to reflect the proper distribution of roles between individual departments in the performance of the tasks. The organisational structure has also been tailored to the effective management of ESG risk factors, where the Bank takes account of its risk profile and the principle of three lines of defence.

In 2026, the risk appetite framework will also include the indicator of exposure to companies excluded from the EU Paris-aligned benchmarks. This indicator measures the portfolio exposure to companies excluded from the EU Paris-aligned benchmarks for failing to meet the sustainability criteria (e.g. sectors not aligned with the objectives of the Paris Agreement). The purpose is to ensure oversight of the

portfolio's compliance with the EU environmental objectives, and to mitigate the risks in connection with climate change and regulatory requirements. The Bank also ensures that the risk limits defined in the risk appetite statement and included in the risk management framework are consistent with the elements and objectives of the green transition plan.

The Bank manages risks that are difficult to measure, such as certain subcategories of operational risk, i.e. compliance risk, model risk, cyber risk, outsourcing risk, legal risk, HR risk, reputation risk, and the risk of money laundering and terrorist financing and other unethical business practices, through qualitative risk management measures and internal control mechanisms. The SID Bank Group's appetite to take up risks that are difficult to measure is low. In taking up such risks, the Bank focuses on minimising their impact on performance. The management of these risks is primarily undertaken through set internal rules, ICT systems to prevent and identify cyber incidents, controls over the implementation of the Group's organisational, operational and work procedures, and additional monitoring by independent functions and internal control departments. The Bank quantifies the risks that are difficult to measure when compiling risk profile of the Group, with the exception of strategic risk.

Business/strategic risk at the SID Bank Group remained moderately elevated in 2025, largely on account of the uncertain macroeconomic situation, geopolitical tensions, and the slowdown in economic growth, which was reflected in sluggish and unpredictable demand for investment financing in particular, and elevated profitability risk. Pronounced countercyclical action was not required in 2025, and therefore the Group's activities primarily focused on development, with market gaps remaining in particular in the financing of SMEs, private-sector investment, research, development and innovation, and the green transition. The Bank manages the Group's strategic risk by systematically monitoring the implementation of the strategy, updating the risk management strategy, and tailoring its measures at the managerial level in timely fashion. SID Bank's development strategy for the 2026 to 2028 period adopted in December 2025 represents a response to the aforementioned risks, and envisages further adjustments to the business model in parallel with its developmental and countercyclical activity, the development of equity and indirect financing, the activation of new loan funds, inclusion in the ECP's new financial framework, the pursuit of the mandate objectives through treasury operations, upgrades to indirect financing, and a new form of financing for housing.

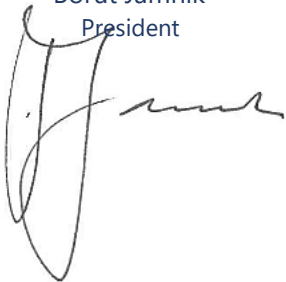
Ljubljana, 25 March 2026

Management Board of SID Bank

Stanka Šarc Majdič
Member



Borut Jamnik
President



Supervisory Board of SID Bank

Matija Šenk
Chair of the Supervisory Board



5 SID BANK'S OPERATIONS UNDER REPUBLIC OF SLOVENIA AUTHORISATION

Operations on behalf of and for the account of the Republic of Slovenia

As an authorised institution, on behalf of and for the account of the Republic of Slovenia, SID Bank insures against those commercial and non-commercial risks that, in light of their nature and risk level, the private reinsurance sector is generally not willing to take up or has limited capacity to take up.

A special contingency reserve was created in 2023 on the basis of the Decree on the insurance of international economic operations

in Ukraine for the purpose of providing insurance for operations in Ukraine. SID Bank manages the special contingency reserve for Ukraine as an authorised institution.

Operations on behalf of and for the account of the Republic of Slovenia are not included in the financial statements of SID Bank. They are recorded in separate items, as determined by the Bank of Slovenia for the administration of these operations.

Contingency reserves

	31 Dec 2025	31 Dec 2024
Assets		
Customer funds in current accounts	19	296
Financial assets measured at fair value through other comprehensive income	189,776	177,795
Equity investments	2,820	2,820
Other assets	176	91
Total assets	192,791	181,002
Liabilities		
Contingency reserves	190,741	180,365
Accumulated other comprehensive income	(950)	(2,278)
Other financial liabilities	4	4
Other liabilities	2,996	2,911
Total liabilities	192,791	181,002
Memorandum account for brokerage	662,509	580,110

Special contingency reserves for Ukraine

	31 Dec 2025	31 Dec 2024
Assets		
Customer funds in current accounts	87	95
Financial assets measured at fair value through other comprehensive income	10,678	10,198
Total assets	10,765	10,293
Liabilities		
Contingency reserves	10,769	10,284
Accumulated other comprehensive income	(4)	9
Total liabilities	10,765	10,293
Memorandum account for brokerage	8,262	13,880

The memorandum account for insurance brokerage on behalf of and for the account of

the Republic of Slovenia represents the exposure from valid insurance policies and commitments.

Operations on its own behalf and for the account of the Republic of Slovenia

In previous years SID Bank was named as the manager of the FI 2014–2020 Fund of Funds, the Covid-19 Fund of Funds, and the Holding Fund.

SID Bank manages the funds on its own behalf and for the account of the Republic of Slovenia.

The operations of the funds that SID Bank manages on its own behalf and for the account of the Republic of Slovenia are not included in the financial statements of SID Bank, but are instead recorded in separate items.

FI 2014–2020 Fund of Funds

The METS and SID Bank signed a financing agreement in November 2017, under which the first SID Bank fund of funds was created (FI 2014–2020 Fund of Funds). That fund is intended for the use of European cohesion funds.

The purpose of the FI 2014–2020 Fund of Funds is the promotion and financing of energy efficiency projects, the development of urban municipalities, sustainable economic growth and development, investments in innovation, and current operations, through debt and equity financing.

	31 Dec 2025	31 Dec 2024
Assets		
Balances at the central bank	807	791
Non-trading financial assets mandatorily at fair value through profit or loss	176,681	181,834
Other assets	12	13
Total assets	177,500	182,638
Liabilities		
Financial liabilities	177,500	182,638
Loans from non-bank customers	202,320	207,394
Revaluation of loans from non-bank customers	(25,918)	(25,874)
Other financial liabilities	1,098	1,118
Total liabilities	177,500	182,638

Covid-19 Fund of Funds

To mitigate the consequences of the economic crisis due to the Covid-19 pandemic, the Covid-19 Fund of Funds was established in conjunction with the METS in 2020.

The Covid-19 Fund of Funds is intended for the financing of investments, research, development, innovations and working capital in order to improve liquidity and facilitate the recovery of the economy, which suffered damage as a result of the Covid-19 pandemic.

	31 Dec 2025	31 Dec 2024
Assets		
Balances at the central bank	2	16
Non-trading financial assets mandatorily at fair value through profit or loss	47,578	48,275
Other assets	7	7
Total assets	47,587	48,298
Liabilities		
Financial liabilities	47,587	48,298
Loans from non-bank customers	59,348	60,267
Revaluation of loans from non-bank customers	(12,903)	(12,552)
Other financial liabilities	1,142	583
Total liabilities	47,587	48,298

FI 2021–2027 Holding Fund

In 2025 the METS and SID Bank signed a financing agreement to create the Holding Fund, which is designed for the implementation of financial instruments over the 2021 to 2027 period.

The Holding Fund's purpose is to encourage sustained economic growth and development through the use of European cohesion funds via refundable forms of financing.

	31 Dec 2025
Assets	
Balances at the central bank	57,891
Total assets	57,891
Liabilities	
Financial liabilities	57,891
Loans from non-bank customers	57,000
Revaluation of loans from non-bank customers	891
Total liabilities	57,891
Transaction memorandum account	133,000
Off-balance-sheet receivables	133,000
Loans received: east	89,696
Loans received: west	43,304

LIST OF ABBRIVIATIONS

ALM	Asset and Liability Management
AML/CFT	Anti-money laundering and countering the financing of terrorism
CET1	Common Equity Tier 1 Capital
CIR	Cost to Income Ratio
CMSR	Centre for International Cooperation and Development
CPRS	Climate policy relevant sectors
CRO	Chief Risk Officer
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (with amendments)
CSRBB	Credit Spread Risk in the Banking Book
CSRD	Corporate Sustainability Reporting Directive
CVA	Credit Valuation Adjustment
EAD	Exposure at Default
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected credit losses
ECP	EU Cohesion Policy
EGF	European Guarantee Fund
EIF	European Investment Fund
ESG	Environmental, social and governance factors
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
EU	European Union
EVE	Economic value of equity
EWS	Early Warning System
FARS	Financial Administration of the Republic of Slovenia
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HQLA	High-quality liquid assets
HR	Human Resources
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communication Technologies
IFRS	International Financial Reporting Standards as adopted by the EU
ILAAP	Internal Liquidity Adequacy Assessment Process
IMF	International Monetary Fund
InvestEU	EU investment programme to promote growth of Europe's economy. Combines a number of EU financial instrument that are currently available to support investments, innovations and job creation in Europe.
IRRBB	Interest Rate Risk in the Banking Book
IT	Information technology
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MEDT	Ministry of Economic Development and Technology
METS	The Ministry of the Economy, Tourism and Sports
Mol	Ministry of Infrastructure
MREL	Minimum Requirement for own funds and eligible liabilities
MSP9	Programme for financing SMEs
NII	Net interest income
NPL	Non-performing loan
NSFR	Net Stable Funding Ratio
OCR	Overall capital requirement
O-SII	Other Systematically Important Institutions
P2G	Pillar 2 guidance
PD	Probability of Default

POCI	Purchased or Originated Credit-Impaired Assets
RDI	Research, development and innovation
RWA	Risk-weighted assets
SEGIP	Slovenian Equity Growth Investment Programme
SMEs	Small and Medium Sized Enterprises
SPPI	Solely Payments of Principal and Interest
SREP	Supervisory Review and Evaluation Process
SSH	Slovenian Sovereign Holding
ZBan-3	Banking Act
ZDLGPE	Act on Additional Liquidity to the Economy to Mitigate the Effects of the COVID-19 Epidemic
ZGD-1	Companies Act
ZIUZEOP	Act on Intervention Measures to Mitigate the Effects of the COVID-19 Epidemic on Citizens and the Economy
ZORZFS	Act on Reconstruction, Development and the Provision of Financial Resources
ZPIZ-2	Pension and Disability Insurance Act
ZSIRB	Slovene Export and Development Bank Act
ZSJSM	Housing Guarantee Scheme for Young People Act
ZZFMGP	Insurance and Financing of International Commercial Transactions Act