

365.bank, a. s.

Consolidated Financial Statements
prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

for the year ended 31 December 2024
(English translation)

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Independent Auditors' Report

A. Consolidated statement of financial position

EUR'000	Notes	31.12.2024	31.12.2023
Assets			
Cash, cash balances at central banks and other demand deposits	4	528,100	438,490
thereof: Cash and cash equivalents	4	496,115	407,469
Financial assets held for trading	5	17	178
Non-trading financial assets mandatorily at fair value through profit or loss	6	142,260	192,884
Financial assets at fair value through other comprehensive income	7	112,790	184,893
Financial assets at amortised cost	8	3,739,543	3,655,814
<i>Debt securities</i>	8	706,016	737,362
<i>Loans and advances</i>	8	3,010,934	2,887,440
thereof: Loans and advances to banks	8	13,501	38,764
thereof: Loans and advances to customers	8	2,997,433	2,848,676
<i>Other financial assets</i>	8	22,593	31,012
Derivatives – Hedge accounting	9	4,933	6,958
Investments in joint ventures	10	900	1,019
Tangible assets	11	44,222	52,142
Intangible assets	12	49,060	60,483
Current tax assets		6,194	1,529
Deferred tax assets	13	29,223	28,616
Other assets	14	23,769	15,811
TOTAL ASSETS		4,681,011	4,638,817
Liabilities			
Financial liabilities held for trading	5	50	85
Financial liabilities at amortised cost	15	4,094,140	3,915,060
<i>Deposits</i>	15	3,763,924	3,730,954
thereof: Subordinated debt	15	8,021	8,024
<i>Debt securities issued</i>	15	295,137	139,709
<i>Other financial liabilities</i>	15	35,079	44,397
Derivatives – Hedge accounting	9	5,857	4,654
Provisions	16	371	393
Current tax liabilities		3,995	35
Other liabilities	17	26,027	29,604
Total liabilities		4,130,440	3,949,831
Share capital and share premium	18	367,043	367,043
Retained earnings	18	120,609	260,712
Other equity	18	62,919	61,231
Total equity	18	550,571	688,986
TOTAL EQUITY AND LIABILITIES		4,681,011	4,638,817

These consolidated financial statements, which include the notes on pages 13 - 74, were approved by the Board of Directors on 26 March 2025.



Chairman of the Board of
Directors
Andrej Zařko



Member of the Board of
Directors
Ladislav Korec

B. Consolidated statement of profit or loss and other comprehensive income

EUR'000	Notes	2024	2023
Statement of profit or loss			
Net interest income	21	144,140	143,116
<i>Interest income calculated on an effective interest rate</i>	21	191,131	174,488
<i>Other interest income</i>	20	766	8
<i>Interest expenses</i>	21	(47,757)	(31,380)
Net fee and commission income	22	76,422	66,804
<i>Fee and commission income</i>	22	99,775	94,466
<i>Fee and commission expenses</i>	22	(23,353)	(27,662)
Dividend income	23	52	14
Net gains from other financial transactions	24	40,167	3,916
Other operating income and expenses	25	1,985	8,787
Staff expenses	26	(62,557)	(63,110)
Other administrative expenses	26	(42,712)	(46,435)
Depreciation	27	(16,154)	(16,655)
Release of provisions	28	59	242
Net impairment of financial assets not valued at fair value through profit and loss	28	(16,501)	1,339
Net impairment on non-financial assets	28	(13,644)	(308)
Share of the profit of investments in joint ventures and associates	10	408	113
Profit before special levy and before tax		111,665	97,823
Special levy		(23,887)	-
Profit after special levy and before tax		87,778	97,823
Income tax	29	(17,881)	(16,843)
PROFIT AFTER SPECIAL LEVY AND AFTER TAX		69,897	80,980
Statement of other comprehensive income			
Items that may be reclassified to profit or loss		1,688	863
<i>Revaluation of debt securities at fair value through other comprehensive income</i>		3,225	6,200
<i>Impairment losses for debt securities at fair value through other comprehensive income</i>		(704)	(7,668)
<i>Deferred tax related to items that may be reclassified to profit or loss</i>		(833)	2,331
Total other comprehensive income		1,688	863
TOTAL COMPREHENSIVE INCOME		71,585	81,843

The notes on pages 13 - 74 are an integral part of these consolidated financial statements.

C. Consolidated statement of changes in equity

EUR'000	Share capital	Share premium	Legal reserve and other funds	Revaluation of FVOCI financial assets	Retained earnings	EQUITY ATTRIB. TO OWNERS OF THE PARENT	TOTAL EQUITY
Opening balance as of 1 January 2024	366,305	738	73,261	(12,030)	260,712	688,986	688,986
Total comprehensive income	-	-	-	1,688	69,897	71,585	71,585
Profit after special levy and after tax	-	-	-	-	69,897	69,897	69,897
Other comprehensive income	-	-	-	1,688	-	1,688	1,688
Other transactions	-	-	-	-	(210,000)	(210,000)	(210,000)
Dividends	-	-	-	-	(210,000)	(210,000)	(210,000)
Closing balance as of 31 December 2024	366,305	738	73,261	(10,342)	120,609	550,571	550,571

EUR'000	Share capital	Share premium	Legal reserve and other funds	Revaluation of FVOCI financial assets	Retained earnings	EQUITY ATTRIB. TO OWNERS OF THE PARENT	TOTAL EQUITY
Opening balance as of 1 January 2023	366,305	738	68,163	(12,893)	334,830	757,143	757,143
Total comprehensive income	-	-	-	863	80,980	81,843	81,843
Profit after special levy and after tax	-	-	-	-	80,980	80,980	80,980
Other comprehensive income	-	-	-	863	-	863	863
Other transactions	-	-	5,098	-	(155,098)	(150,000)	(150,000)
Transfer to legal reserve fund	-	-	3,434	-	(3,434)	-	-
Dividends	-	-	-	-	(150,000)	(150,000)	(150,000)
Other	-	-	1,664	-	(1,664)	-	-
Closing balance as of 31 December 2023	366,305	738	73,261	(12,030)	260,712	688,986	688,986

The notes on pages 13 - 74 are an integral part of these consolidated financial statements.

D. Consolidated statement of cash flows

EUR'000	Notes	2024	2023
Profit before special levy and before tax		111,665	97,823
<i>Adjustments:</i>			
Net interest income	21	(144,140)	(143,116)
Dividend income	23	(52)	(14)
Depreciation	27	16,154	16,655
Release of provisions	28	(59)	(242)
Losses on derecognition of non-financial assets, net	25	25	277
Gain from sale of investments	24	(264)	-
Net impairment of financial assets not valued at fair value through profit and loss	28	16,501	(1,339)
Net impairment on non-financial assets	28	13,644	308
Share of profit in jointly controlled entities		(408)	(113)
Cash flows from/(used in) operating activities before changes in working capital		13,066	(29,761)
<i>(Increase)/decrease in operating assets:</i>			
Cash balances at central banks	4	(964)	1,324
Financial assets held for trading	5	160	(162)
Non-trading financial assets mandatorily at fair value through profit or loss	6	50,624	(6,361)
Financial assets at amortised cost		(141,921)	101,876
<i>Loans and advances</i>		(150,340)	94,014
<i>Other financial assets</i>		8,419	7,862
Derivatives – Hedge accounting	9	2,025	1,131
Other assets	14	(7,959)	3,989
<i>Increase/(decrease) in operating liabilities:</i>			
Financial liabilities held for trading		(35)	(2,017)
Financial liabilities measured at amortised cost, excl. sub-debt, received loans and lease liabilities		16,094	(75,601)
<i>Deposits</i>		22,966	(65,172)
<i>Other financial liabilities</i>		(6,872)	(10,429)
Derivatives – Hedge accounting	9	(579)	(428)
Other liabilities	17	(3,577)	16,332
Cash flows (used in)/from operating activities before interest and income tax		(73,066)	10,322
Interest received		195,606	176,629
Dividends received	23	52	14
Interest paid		(42,481)	(14,432)
Income tax paid		(13,696)	(19,962)
Special levy paid		(32,645)	-
Net cash flows from operating activities		33,770	152,571
Cash flows from investing activities			
<i>Financial assets at amortised cost - debt securities</i>			
Purchase		(42,516)	(245,169)
Proceeds from sale and maturity		83,384	25,000
<i>Financial assets at fair value through other comprehensive income - debt securities</i>			
Proceeds from sale and maturity		75,108	57,481
<i>Investments in subsidiaries and joint ventures</i>			
Proceeds from disposal of subsidiary, net of cash held by subsidiary	10	1,459	-
Other income		220	-
<i>Tangible and intangible assets</i>			
Purchase	11,12	(10,914)	(12,521)
Proceeds from sale		4,282	615
Net cash flows from/(used in) investing activities		111,023	(174,594)
Cash flows from financing activities			
<i>Dividends paid</i>		(210,068)	(150,000)
<i>Debt securities issued</i>			
Proceeds from issue of debt securities		149,120	77,480
Repayment of debt securities		-	(65,000)
<i>Financial liabilities at amortised cost - received loans</i>			
Loan paid		10,000	10,000
<i>Financial liabilities at amortised cost - lease liabilities</i>			
Lease payments		(5,199)	(5,329)
Net cash flows used in financing activities		(56,147)	(132,849)
Net decrease in cash and cash equivalents	4	88,646	(154,872)
Cash and cash equivalents at the beginning of the period	4	407,469	562,341
Cash and cash equivalents at the end of the period	4	496,115	407,469

The notes on pages 13 - 74 are an integral part of these consolidated financial statements.

E. Notes to the consolidated financial statements

1. General information

365.bank, a. s. ('the Bank') was incorporated in the Commercial Register on 31 December 1992 and commenced its activities on 1 January 1993. On 3 July 2021, the Bank changed its business name to 365.bank, a. s. and provides both digital and branch network services. Poštová banka (365.bank, a. s., organizational unit Poštová banka) continues to provide its services at Slovenská pošta's offices. The registered office of the Bank is Dvořákovo nábrežie 4, 811 02 Bratislava. The Bank's identification ('IČO') is 31340890, tax ('DIČ') is 2020294221 and value added tax ('IČ DPH') number is SK7020000680. The Bank is registered as a VAT member of 365.bank group.

The Bank operates in the Slovak Republic through a network of branches, and, under a contract with Slovenská pošta, a.s., the Bank sells its products and services through post offices and financial services compartments located throughout the Slovak Republic.

Consolidated financial statements are the financial statements of the Bank and its subsidiaries, joint ventures and associates ('the Group').

The principal activities of the Group are as follows:

- accepting and providing deposits in euro and in foreign currencies,
- providing loans and guarantees in euro and foreign currencies,
- providing banking services to the public,
- providing services on the capital market,
- provision of investment services,
- managing pension funds,
- mediation of life and non-life insurance services,
- leasing, rental and factoring services.

The shareholder's structure is as follows:

Name of shareholder	Address	31 December 2024		31 December 2023	
		Number of shares	Ownership in %	Number of shares	Ownership in %
J&T FINANCE GROUP SE	Sokolovská 700/113 a, 186 00 Praha 8, Czech Republic	293,035	88.55%	325,794	98.45%
Investro, a. s.	Dúbravská cesta 14, 841 04 Bratislava, Slovak Republic	32,759	9.90%	x	x
Slovenská pošta, a. s.	Partizánska cesta 9, 975 99 Banská Bystrica, Slovak Republic	4,918	1.49%	4,918	1.49%
Ministerstvo dopravy	Námestie slobody 6, 810 05 Bratislava, Slovak Republic	100	0.03%	100	0.03%
UNIQA Österreich	Untere Donaustrasse 21, 1029 Vienna, The Republic of Austria	87	0.03%	87	0.03%
Total		330,899	100.00%	330,899	100.00%

Members of the Board of Directors

Andrej Zafko	Chairman
Peter Hajko	Board member
Ladislav Korec	Board member
Zuzana Žemlová	Board member till 19 December 2024

Members of the Supervisory Board

Jozef Tkáč	Chairman
Vladimír Ohlídal	Board member
Zuzana Žemlová	Board member since 20 December 2024
Patrik Tkáč	Board member since 1 August 2023 till 19 December 2024

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the Board of Directors on 14 March 2024 and are available at its registered office or on its homepage.

The Group's financial statements are included in the consolidated financial statements of J&T FINANCE GROUP SE, Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic. The consolidated financial statements are available at the registered office of J&T FINANCE GROUP SE.

2. Accounting policies

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

These financial statements are prepared as consolidated financial statements under Section 22 of the Slovak Act on Accounting 431/2002, as amended.

The financial statements were prepared using the going concern assumption that the Group will continue in operation for the foreseeable future.

These financial statements are presented in euro ("EUR"), which is the Group's functional currency. Except for otherwise indicated, financial information presented in euro has been rounded to the nearest thousand. The tables in these financial statements may contain rounding differences.

2.2 Subsidiaries and joint ventures

As of 31 December 2024 the Bank held shares in the following subsidiaries and joint ventures:

Company name	Activity	Ownership in %	
		31.12.2024	31.12.2023
Subsidiaries			
365.inv est, správ. spol., a. s.	Asset management	100.00%	100.00%
Ahoj, a.s.	Consumer loans	100.00%	100.00%
PB Servis, a. s.	Real estate administration	100.00%	100.00%
PB Finančné služby, a. s.	Financial and operational leasing and factoring	100.00%	100.00%
365.fintech, a.s.	Investment fund	100.00%	100.00%
Cards&Co, a. s.	Information technology services industry	100.00%	100.00%
DanubePay, a. s.*	Payment services	100.00%	100.00%
ART FOND – Stredoeurópsky fond súčasného umenia, a. s.	Art and sales	x	100.00%
365.nadácia	Charitable foundation	x	x
Joint ventures			
SKPAY, a. s.	Payment services	40.00%	40.00%
Monilogi s.r.o.	Cash management	x	8.00%

* DanubePay, a. s. is owned by the Bank indirectly through the company Cards&Co, a. s. which owns 100.00% of the respective company.

In May 2024, the Bank sold its stake in the joint venture Monilogi s.r.o. In November 2024 the Bank sold its entire stake in the subsidiary ART FOND – Stredoeurópsky fond súčasného umenia, a. s.

2.3 Changes in accounting policies

The application of other accounting standards since 1 January 2024 had no significant impact on the financial statements of the Group.

2.4 Significant accounting methods and policies

(a) Basis for consolidation

Consolidated financial statements include the financial statements of the Bank and its subsidiaries.

IFRS 12 Disclosure of Interests in Other Entities requires disclosure of significant judgments and assumptions made in determining the nature of a company's shareholding or arrangement, interests in subsidiaries, joint ventures and associates, and in non-consolidated structured units. On the basis of the prepared analysis, the

Group does not have investments in consolidated structured units or in non-consolidated structured companies.

Joint ventures are those entities in which the Bank has a material impact on financial and operating policies but is not controlled or controlled jointly by them. A joint venture is an agreement in which the Bank has joint control, through which it has the right to net assets of the agreement, and not the right to assets and responsibility for the liabilities under this agreement.

i. *Business combinations*

In case of business combinations in which the Group acquires control, the acquisition method is applied. The consideration transferred in the acquisition is generally measured at fair value, similar to the net assets acquired. Reported goodwill is tested for impairment on an annual basis. Profit from a bargain purchase is re-assessed first. If it still exists, is recognised in the profit or loss statement immediately. Procurement costs (transaction costs) are recognised as an expense in the period in which they arise, excluding costs relating to the issue of debt securities and equity securities.

If part of the consideration given is not the amount that relates to the settlement of relationships existing before the business combination then these amounts are recognised in the income statement.

A contingent consideration is measured at fair value at the acquisition date. If the obligation to pay a contingent consideration exists, which meets the definition of a financial instrument classified as equity, the contingent consideration is not remeasured, and its settlement is recognised in equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. *Subsidiaries*

Subsidiaries are entities which are controlled by a group. The Group controls an entity when it is exposed to, or is entitled to, a variable return on its exposure to that entity, and is able to influence that return by its authority over that entity. Subsidiaries' financial statements are included in the consolidated financial statements, from the date of control to the loss of control date.

iii. *Minority interests*

Minority interests are measured at the proportion of the identifiable net assets of the entity procured at the date of acquisition. Changes in the Group's interests in the subsidiary, which do not result in the loss of control, are recognised in equity.

iv. *Loss of control*

If the Group loses control, it derecognises the assets and liabilities of the subsidiary, related non-controlling interests, and other equity. Profit or loss that arises from the loss of control is recognised in profit or loss. If the Group retains non-controlling interest in the former subsidiary, it is measured at fair value at the date when the control is lost.

v. *Transactions eliminated from consolidation*

Account balances and intragroup transactions, as well as any unrealised income, and expenses arising from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains on transactions with equity-settled entities are eliminated against investments in these entities, up to the Group's share in these entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the investment.

vi. *Method of consolidation*

The Bank assessed its shares and control in subsidiaries, jointly controlled entities and associates, in accordance with *IFRS 10 Consolidated Financial Statements*, *IFRS 11 Joint Arrangements* and *IFRS 12 Disclosure of Interests in Other Entities*. Subsidiaries are consolidated using the full consolidation method. The joint ventures are consolidated in accordance with *IFRS 11 Joint Arrangements* by the equity method.

Company name	Share in %		Method of consolidation
	31.12.2024	31.12.2023	
Subsidiaries			
365.invest, správ. spol., a. s.	100.00%	100.00%	full consolidation
Ahoj, a.s.	100.00%	100.00%	full consolidation
PB Servis, a. s.	100.00%	100.00%	full consolidation
PB Finančné služby, a. s.	100.00%	100.00%	full consolidation
365.fintech, a.s.	100.00%	100.00%	full consolidation
Cards&Co, a. s.	100.00%	100.00%	full consolidation
DanubePay, a. s.	100.00%	100.00%	full consolidation
ART FOND – Stredoeurópsky fond súčasného umenia, a. s.	x	100.00%	full consolidation
Joint ventures			
SKPAY, a. s.	40.00%	40.00%	equity method
Monilogi s.r.o.	x	8.00%	equity method

(b) Foreign currency

Transactions denominated in foreign currencies are translated into euro at the exchange rate valid on the date of the transaction. Financial assets and liabilities in foreign currencies are translated at the exchange rate valid on the balance sheet date. All resulting gains and losses are recorded in *Net gains/(losses) from financial transactions* in the statement of profit or loss.

(c) Interest income and expenses

Interest income and expense are recognised in profit or loss using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. EIR is determined on initial recognition of the financial asset and liability, and is not revised subsequently.

The calculation of EIR rate does not consider expected credit losses and includes all fees paid or received, transaction costs, and discounts or premiums, that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or retirement of a financial asset or liability.

Interest income and expenses from financial assets and liabilities at fair value through profit or loss are presented as part of *Net interest income*, and changes in the fair values of such instruments are presented at fair value in *Net gains/(losses) from financial transactions*.

(d) Fee and commission income and expenses

Fee and commission income from customer contracts are measured by consideration stipulated in the contract. The Group recognises revenue upon delivery of the service to the customer. The following paragraphs provide information on the nature and timing of the fulfilment of obligations arising from contracts and related revenue recognition principles. When deciding on the timing and amount of recognised income, the Group follows the *IFRS 15 Revenue from Contracts with Customers*.

The Group provides services to retail and corporate clients, which include account management fees, provision of overdraft and credit facilities, provision of loan commitments and financial guarantees, execution of foreign currency transactions and service fees.

Transaction-based fees such as service fees, investment management fees, sales commissions, placement fees and syndicated product fees are recognised when the related services are rendered.

Fee and commission income and all expenses which form an integral part of the EIR financial asset or liability valued at amortized cost using EIR are included in the EIR calculation. Revenue from accounting services and service fees are recognized over time as the services are rendered. Loan provision fees are recognised on a pro rata basis over the commitment period.

Fees related to services provided over time are accrued. These include commitment fees, guarantee fees and other fees arising from the provision of loans, income from asset management commissions, custody and other management and advisory fees. Payment services include, in part, service fees that are settled over time such as recurring card fees.

Income from fees for the provision of transaction services, such as collateral of the acquisition and sale of shares or other securities on behalf of customers or foreign exchange transactions, as well as income from commissions for services such as the sale of collective investments and insurance products, are recognised after the completion of the transaction. Payment services include, in part, transaction-based fees, such as withdrawal fees.

The Group also provides asset management services. The management fees are based on a fixed percentage of the managed assets and are deducted from the client's asset account. Income from these fees is recognised when the related services are rendered.

(e) Net gains or losses from financial transactions

Net gains or losses from financial transactions comprise the following transactions:

- net gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss;
- net gains or losses on financial assets and liabilities held for trading;
- net gains or losses on non-trading financial assets mandatorily at fair value through profit or loss;
- net gains or losses on financial assets and liabilities designated at fair value through profit or loss;
- net gains or losses from hedge accounting;
- foreign exchange differences.

(f) Dividend income

Dividend income is recognised when the right to receive income is established.

(g) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except for items recognised directly in equity and in other comprehensive income.

Current tax is the expected tax payable on taxable income for the year, calculated using the tax rate valid at the end of the reporting period, and including any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred

tax is calculated using the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In 2024, the Bank was again required to pay a special levy on business activities in regulated sectors. According to International Financial Reporting Standards, this special levy represents a form of income tax, and therefore, this financial statement includes the following terms:

- profit before special levy and before tax,
- profit after special levy and before tax and
- profit after special levy and after tax.

(h) Financial assets

i. Initial recognition

The Group initially recognises loans, advances and other financial assets on the date they are originated. All purchases and sales of securities are recognised on settlement day. Derivative instruments are initially recognised on the trade date, when the Group becomes a contractual party in relation to the instrument.

Financial assets are measured initially at fair value, plus transaction costs that are directly attributable to their acquisition or issue (for items that are not valued at fair value through profit or loss). Immediately after initial recognition, an expected credit loss allowance ('ECL') is recognised for financial assets measured at amortised cost or FVOCI.

ii. *Classification and subsequent measurement*

The Group classifies its financial assets into the following measurement categories:

- amortised cost ('AC')
- fair value through profit or loss ('FVPL')
- fair value through other comprehensive income ('FVOCI')

The classification requirements for debt and equity instruments under *IFRS 9 Financial Instruments* are described below.

Debt instruments

Debt instruments are those instruments which meet the definition of financial liability from the issuer's perspective, such as loans, government and corporate bonds, and trade receivables purchased from clients in factoring and other financial assets.

Classification and subsequent measurement of debt instruments depends on:

a. *Business model for managing the assets*

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets, or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then financial assets are classified as part of the 'other' business model and measured at FVPL.

Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

The Group evaluates the business model for asset management on a portfolio basis. Financial assets are classified into groups of products with the same characteristics in relation to cash flows.

b. *Cash flow characteristics of the assets*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (interest includes only consideration for the time value of money), credit risk, or other basic lending risks plus a profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are treated as a whole when determining whether their cash flows represent only principal and interest payments.

The Group reclassifies debt investments only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. It is expected that such changes will not occur, or they will be very infrequent.

Based on the business model and SPPI test, the Group classifies its debt instruments into one of the following measurement categories:

- *Amortised cost*

(A) Cash, cash balances at central banks and other demand deposits

Cash and cash balances at central banks comprise cash on hand, unrestricted cash balances at central banks, and other demand deposits at other credit institutions. Collateral accounts at other credit institutions, whose use is restricted, are reported within *Financial assets at amortised cost*.

(B) Financial assets at amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus cumulative amortisation, using the effective interest rate method, of any difference between the initial amount recognised and the maturity amount. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in *Net interest income* using the effective interest rate method.

- *Fair value through profit or loss*

(A) Financial assets held for trading

Financial assets that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed to achieve short-term profit or to maintain position. These assets do not meet the criteria for amortised cost or FVOCI based on Group's business model, so they are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss, and is not part of a hedging relationship, is recognised in the profit or loss statement within *Net gains/(losses) from financial transactions* in the period in which it arises.

(B) Non-trading financial assets mandatorily at fair value through profit or loss

Assets whose cash flows do not represent solely payments of principal and interest, and therefore fail the SPPI test, are mandatorily measured at FVPL. Their measurement and subsequent recognition are the same as for financial assets held for trading.

(C) Financial assets designated at fair value through profit or loss

Under *IFRS 9 Financial Instruments*, it is permitted to irrevocably designate financial assets at FVPL, if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. The Group did not use the fair value option for any financial assets that meet the criteria for measurement at amortised cost or FVOCI.

- *Fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income

Financial assets that are held both for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are measured through OCI, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses on the instrument cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in *Net gains/(losses) from financial transactions*. Interest income from these financial assets is included in *Net interest income* using the effective interest rate method.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. When this election is used, fair value gains and losses are recognised in OCI and are never reclassified to profit or loss, including derecognition.

Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established within *Dividend income*.

Gains and losses on equity investments at FVPL (those designated at FVPL or classified as held for trading) are included within *Net gains/(losses) from financial transactions* in the statement of profit or loss.

No expected credit losses are reported for equity instruments.

The Group concluded that share certificates held in the Group's portfolio meet the definition of puttable instruments. According to *IFRS 9 Financial Instruments*, puttable instruments do not meet the definition of an equity instrument, and therefore entities cannot make an irrevocable election to present the changes in fair value of such instruments in other comprehensive income. Due to cash flow characteristics of assets, share certificates fail to meet the solely payments of principal and interest requirement. As a result, these instruments are classified as *Non-trading financial assets mandatorily at fair value through profit or loss*.

iii. Identification and measurement of credit losses

Credit loss is the difference between all contractual cash flows that are attributable to the entity in accordance with the contract, and all cash flows that are expected to be received, discounted at the original effective interest rate. In estimating cash flows, the Group considers all the terms and conditions of the financial asset during the expected life of that financial asset. Considered cash flows should also include cash flows from sale of collateral, or any other form of credit risk mitigation that is an integral part of the terms and conditions.

The Group assesses expected credit losses associated with its debt instrument assets carried at amortised cost and FVOCI, and with exposures arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money;
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 34. *Credit risk* provides more detail of how the expected credit loss allowance is measured.

iv. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the contractual rights to receive the cash flows from the financial asset, in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets, which is created or retained by the Group, is recognised as a consolidated asset or liability.

The Group enters contracts whereby it transfers assets recognised in its statement of financial position but retains either all risks or rewards of the transferred assets or a portion of them. If all, or substantially all, risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position.

Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Group also derecognises certain assets when it writes off assets deemed to be uncollectible.

v. Modifications of financial assets

If there is a change in the contractual terms, the Group evaluates whether there is a significant change in the contractual cash flows. Significant modifications to cash flows result in the derecognition of the original financial asset and a new financial asset is recognised at fair value.

If the modification does not result in the derecognition of the financial asset, the Group recalculates the gross carrying amount as the present value of changed cash flows discounted by the original EIR. Difference between the new and the original values is recognised in the statement of profit or loss as "*Net profit/(loss) from the modification of financial assets*". The impact of the modifications was insignificant during the reported accounting periods.

(i) Derivatives

Derivatives are measured at fair value in the statement of financial position. Changes in fair value depend on their classification:

Hedging derivatives

Under the Group's strategy, hedging derivatives are designed to hedge and manage selected risks.

The Group has elected to adopt *IFRS 9 Financial Instruments* for hedge accounting purposes and in the area of macro hedging derivatives, the Group has decided to continue to apply *IAS 39 Financial Instruments: Recognition and Measurement*.

The main Group criteria for classification of hedging derivatives in the area of micro hedging are as follows:

- the relationship between hedging instrument and hedged item, in meaning of risk characteristics, function, target and strategy of hedging is formally documented at origination of the hedging transaction, together with the method that is used for assessment of effectiveness of the hedging relationship;
- the relationship between hedging instrument and hedged item is formally documented at the origination of the hedging transaction and the Group expects that it will decrease the risk of the hedged item;
- hedging meets all effectiveness criteria:
 - there is an economic relationship between the hedging instrument and hedged item;
 - the effect of credit risk does not dominate the value changes that result from that economic relationship;
 - the hedge ratio of the hedge is the same as the hedge ratio resulting from the amount of the hedging instrument used by the entity for hedging of the hedged item. However, this indication should not reflect the imbalance between the weighted shares of the hedged item and the hedging instrument that could create hedge ineffectiveness (whether or not recognised), that could also result in a business result inconsistent with the purpose of hedge accounting.

A hedging relationship in the area of macro hedging qualifies for hedge accounting if, and only if, all of the following conditions are met.

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship;
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, ie the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

The hedged item in the case of macro-hedging is a part of consumer and mortgage loans with a fixed rate denominated in EUR, excluding loans overdue for more than 90 days. The volume of the hedged item and derivative changes continuously based on the development of the loan portfolio.

Individual loans are assigned to time baskets according to their repayment schedule (when fixed to maturity) or according to refixation (currently mainly mortgage loans). For that reason, it is subject to the same risk, namely the risk of changing the swap curve in EUR.

The Group uses 3M time baskets for portfolio hedging purposes. The mapping methodology is identical to the approved methodology for mapping interest time baskets, which take into account early repayment and loans in arrears of more than 90 days.

The purpose of the hedging is to minimize the interest risk resulting from the movement of market interest rates in EUR and to eliminate the "accounting discrepancy" between the accounting of the fair value of the IRS (hedging instrument) through the P&L and the regular accounting of the portfolio of consumer and mortgage loans (hedged item).

i. Fair value hedge

The Group uses financial derivatives to manage the level of risk in relation to interest rate risk. The Group uses hedging derivatives to hedge the fair value of recognised assets. In the case of micro-hedging the Group hedges the fair value of bonds with fixed coupon. In the case of macro-hedging the Group hedges the fixed interest rate loan and advances portfolio. As the purchase of bonds with fixed coupon and origination of loans and advances with fixed interest rate increases the interest rate risk of the Group, the Group enters into interest rate swaps to hedge the changes in fair value, caused by changes in risk-free interest rates, and pays a fixed and receives a floating rate. The notional and fair values of the aforementioned hedging derivatives are described in note 9. *Hedging derivatives*.

Changes in fair value without interest component (clean price) of hedging instruments are recognised in the profit or loss statement line as *Net gains/(losses) from financial transactions*. For micro-hedging, changes in fair value without interest component of the hedged items attributable to the hedged risk adjust the carrying amount of the hedged item and is recognised in profit or loss as *Net gains/(losses) from financial transactions*. For macro-hedging, changes in fair value, without the interest component of the hedged items are presented also at the row *Derivatives – Hedge accounting* and in profit and loss are also included in *Net gains / (losses) from financial transactions*.

Interest expense and interest income from hedging instruments are presented together with interest income and expense from hedged items, in the consolidated profit and loss statement under *Net interest income*. The positive value of hedging instruments is recognised in the consolidated statement of financial position as an asset in *Derivatives - Hedge accounting*. The negative value of hedging instruments is recognised as a liability in *Derivatives – Hedge accounting*. A summary of hedging derivatives is presented in note 9. *Hedging derivatives*.

If the derivative expires or is sold, terminated, exercised, no longer meets the criteria for fair value hedge accounting, then hedge accounting is discontinued. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortised in profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

Other non-trading derivatives

When a derivative is not held for trading and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss as a component of *Net gains/(losses) from financial transactions*.

Embedded derivatives

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as a financial asset and applies classification and measurement accounting principles according to *IFRS 9 Financial Instruments*.

Otherwise, the embedded derivatives are treated as individual derivatives when:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative;
- the hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss, unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

(j) Tangible and intangible assets

i. Recognition and measurement

Items of tangible and intangible assets are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of related equipment is capitalised as part of the cost of that asset. When separate parts of a particular asset have different useful lives, they are accounted for as separate items (major components) or assets.

ii. Subsequent costs

The cost of replacing part of an item of tangible asset is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part of asset will flow to the Group, and its cost can be reliably measured. The costs of day-to-day maintenance of tangible assets are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation and amortisation are recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible and intangible assets. Land is not depreciated. Depreciation of tangible and intangible assets commences as soon as they are put into use.

The estimated useful lives for the current and comparative periods are as follows:

Type of asset	Period	Method
Buildings	40 years	straight line
Hardware	2 – 8 years	straight line
Fittings and other equipment	2 – 15 years	straight line
Software	individual	straight line
Other intangible assets	individual	straight line

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

iv. Goodwill

Goodwill arising in a business combination is determined as the excess of the acquisition cost of the subsidiary's share over the Group's share of the fair value of the assets, liabilities and contingent liabilities of the subsidiary. Goodwill is recognised as part of intangible assets in the statement of financial position.

Goodwill is stated at cost less impairment. Write-offs are not recognised, goodwill is tested for impairment each year and, if the goodwill is greater than the recoverable amount, the difference is recognised as a write-down in the profit and loss statement.

(k) Right-of-use assets and lease liabilities

The Group assesses whether the contract is a lease or contains a lease, according to *IFRS 16 Leases*, at the inception of the contract. The contract is a lease, or contains a lease, when it conveys a right to use the underlying asset for a period of time in exchange for consideration. In cases where the contract is a lease, or contains a lease, the Group accounts for each lease component relating to the contract separately from the non-lease components of the contract.

The Group as a lessee recognises initially the right-of-use asset and the lease liability. The right-of-use asset is measured at cost, which equals the initial measurement of the lease liability. On the commencement day, the Group recognises the lease liability as a present value of minimum lease payments over the lease term, which were not paid until the commencement day. The lease term is a non-cancellable period of a lease, together with periods covered by an option to extend the lease – if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease – if the lessee is reasonably certain not to exercise that option. Lease payments are discounted using the interest rate implicit in the lease in relation to the operating lease of cars and using the incremental borrowing rate in relation to other leasing contracts, or leasing contracts containing a lease.

Right-of-use assets are depreciated evenly over the shorter of either the lease term or the useful life.

The Group uses portfolio approach for contracts with similar characteristics when accounting for the lease.

Right-of-use assets are represented mainly by the lease of headquarter and branch premises, office space in post offices, IT lease contracts, lease of cars, and lease of other devices. The Group applies exemptions related to short term leases, i.e. lease contracts or contracts containing a lease with a lease term of 12 months or less, and to low value leases. Lease payments are recognised evenly as an expense over the lease term.

Right-of-use assets are presented in note 11. *Tangible assets*, and lease liabilities are presented in note 15. *Financial liabilities at amortised cost*.

Interest expenses relating to lease liabilities are presented separately from depreciation relating to right-of-use assets.

(l) Financial leasing

The primary focus of financial leasing has been the financing of agricultural assets. Given that the Group's overarching business strategy prioritizes retail banking over the corporate assets portfolio, the Group has ceased approving new financing. All efforts are now concentrated on managing and servicing the existing portfolio, ensuring the successful fulfillment of current contracts, and providing support to clients until all obligations are fully satisfied.

As a lessor, the Group typically retains ownership rights in the leased assets. The strategy for managing the risks associated with these rights includes:

- ongoing monitoring - throughout the duration of each lease, monitoring for any signs of financial distress or potential default at an early stage to mitigate the risk of asset deterioration or loss;
- asset protection and maintenance - mandating that lessees maintain the assets in good condition and adhere to all relevant regulatory requirements (to ensure the residual value of the assets remains intact in the event of repossession; inspections are conducted as necessary to ensure compliance);
- insurance coverage - unless otherwise agreed, all financed assets must be adequately insured, and the lessee is required to maintain appropriate insurance policies to protect against loss, damage, or theft;
- repossession and liquidation - in the event of a default, the strategy encompasses clear, legally-defined processes for the repossession and liquidation of the assets;
- residual value risk - evaluating the potential residual value of assets upon lease termination or repossession; the strategy involves determining appropriate depreciation rates and ensuring that residual values are realistic, thereby mitigating the risk of overestimating the final worth of the asset.

(m) Impairment losses on non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows which are largely independent from other assets and groups.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use, or its fair value less costs to sell. In assessing value in use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Financial liabilities

i. Initial recognition

The Group initially recognises deposits by banks and customers, loans received, and other financial liabilities on the date they are originated. Derivative instruments are initially recognised on the trade date, when the Group becomes the contractual party in relation to the instrument.

Financial liabilities are measured initially at fair value, including transaction costs which are directly attributable to their acquisition or issue (for items that are not measured at fair value through profit or loss).

ii. Classification and subsequent measurement

In both the current and prior periods, financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading book), and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities, designated at fair value through profit or loss, are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk), and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability;
- financial guarantee contracts and loan commitments.

iii. Derecognition

The Group derecognises a financial liability when its contractual obligations are fulfilled, cancelled or expire.

(o) Financial guarantees and loan commitments

Financial guarantees are contracts based on which the Group undertakes to make a payment in favour of the creditor in order to compensate the incurred loss, if the debtor fails to pay at the due date under the original or modified terms of the instrument.

Loan commitments are the Group's commitments to provide loan under predetermined conditions.

Provided financial guarantees and loan commitments are initially measured at fair value. Subsequently, they are measured at the higher of the originally recognised amount less impairment allowance in compliance with *IFRS 9 Financial Instruments* and the initially recognised amount less cumulative revenue recognised in accordance with *IFRS 15 Revenue from Contracts with Customers*.

Other loan commitments are measured as the total of impairment allowances in accordance with *IFRS 9 Financial Instruments* and the amounts of all fees received less cumulative income, if it is unlikely that the obligation would result in a specific loan agreement.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation arising from the past event and whose impact can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the

expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for off-balance sheet exposures arising from provided loan and other commitments and from provided guarantees are calculated in accordance with *IFRS 9 Financial Instruments* on the basis of the same principles as the ECL for financial assets.

(q) Employee benefits

i. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

ii. Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed when the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus, or profit-sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reliably estimated.

(r) Offsetting

In general, financial assets and liabilities are not offset. They are presented net in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The right to offset financial assets and financial liabilities is applicable only if it is not contingent on a future event, and is enforceable by all counterparties in the normal course of business, as well as in the event of insolvency and bankruptcy. Compensation mainly concerns supplier-customer relations, and it is booked based on offsetting supporting evidence.

Income and expenses are presented on a net basis only when permitted by the reporting standards, or for gains and losses arising from a group of similar transactions, such as in the Group's trading activity.

(s) New standards and interpretations not yet adopted

As of the approval date of these financial statements, the IASB has issued and the EU has adopted the following standards, interpretations, and amendments to standards that have not yet come into effect:

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

As of the approval date of these financial statements, the IASB has issued, but the EU has not approved, the following standards, interpretations, and amendments to standards that have not yet come into effect:

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)** (effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted).
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)** (effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted).
- **IFRS 18 Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted).

The Group has decided not to adopt the new standard and amendments to existing standards before their effective date. According to the Group's estimates, compliance with these standards and amendments to existing standards, when first applied, will not have any significant impact on the Group's financial statements.

(f) New standards and interpretations effective January 1, 2024

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)** (effective for annual reporting periods beginning on or after January 1, 2024).

In accordance with the amendment to the standard, the Group has reassessed the scope of disclosures in the Group's financial statements.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)** (effective for annual reporting periods beginning on or after January 1, 2024).
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)** (effective for annual reporting periods beginning on or after January 1, 2024).

3. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes.

Expected credit losses

The measurement of ECL allowance for debt financial assets measured at amortised cost and FVOCI, financial guarantees and loan commitments, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk;
- choosing the appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL.

Further information about determining ECL is included in note 33. *Credit risk*.

Determining fair values

The determination of fair value for financial assets and liabilities, for which there is no observable market price, requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Determining fair value of such instruments is also influenced by the assessment of credit risk from the counterparty.

Further information about the amounts of financial instruments at fair value, analysed according to the valuation methodology (broken down into individual valuation levels), are included in note 30. *Fair values of financial assets and liabilities*.

4. Cash, cash balances at central banks and other demand deposits

The compulsory minimum reserve account is reported within cash balances at central banks and is held at the National Bank of Slovakia ('NBS'). The account contains funds from the payment system, as well as funds that the Group is obliged to maintain at an average level set by requirement of the NBS.

The amount of set reserve depends on the amount of received deposits and is calculated by multiplying particular items using the valid rate defined for calculation of the compulsory minimum reserve. The account balance of compulsory minimum reserve may significantly vary depending on the amount of incoming and outgoing payments. During the reporting period, the Group fulfilled the set amount of compulsory minimum reserves.

EUR'000	31.12.2024	31.12.2023
Cash on hand	33,534	26,636
Cash balances at central banks	436,008	369,124
Other demand deposits	58,558	42,730
Total	528,100	438,490

The above-mentioned financial assets are not restricted.

Cash and cash equivalents comprise cash on hand and other deposits repayable on demand. The Group does not recognise compulsory minimum reserves as part of cash equivalents due to the obligation to maintain them at the average amount stipulated by the NBS measure.

The balance of cash and cash equivalents is as follows:

EUR'000	31.12.2024	31.12.2023
Cash on hand	33,534	26,636
Other demand deposits	404,023	338,103
Other demand deposits	58,558	42,730
Total	496,115	407,469

5. Financial assets and liabilities held for trading

EUR'000	31.12.2024	31.12.2023
Financial assets held for trading		
Derivatives	17	178
Foreign exchange	17	178
Total	17	178
Financial liabilities held for trading		
Derivatives	50	85
Foreign exchange	50	85
Total	50	85

The table below summarises the notional value and fair value of derivatives held for trading:

EUR'000	31.12.2024			31.12.2023		
	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Foreign exchange and gold	35,401	17	50	64,087	178	85
Total	35,401	17	50	64,087	178	85

6. Non-trading financial assets mandatorily at fair value through profit or loss

EUR'000	31.12.2024	31.12.2023
Equity instruments	142,260	192,884
Share certificates	142,260	192,884
Total	142,260	192,884

7. Financial assets at fair value through other comprehensive income

EUR'000	31.12.2024	31.12.2023
Debt securities	112,790	184,893
General governments	88,235	110,828
Credit institutions	4,943	17,684
Other financial corporations	19,612	19,599
Non-financial corporations	-	36,782
Total	112,790	184,893
Impairment allowances to debt securities in OCI	(60)	(764)

The movements in impairment allowances for financial assets at fair value through other comprehensive income are as follows:

EUR'000	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	(764)	-	-	-	(764)
Decreases due to derecognition	160	-	-	-	160
Changes due to change in credit risk (net)	544	-	-	-	544
Transfers:	-	-	-	-	-
(to)/from Stage 1	x	-	-	-	-
(to)/from Stage 2	-	x	-	-	-
(to)/from Stage 3	-	-	x	-	-
As of 31 December 2024	(60)	-	-	-	(60)

EUR'000	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2023	(118)	(8,314)	-	-	(8,432)
Decreases due to derecognition	15	-	-	-	15
Changes due to change in credit risk (net)	3,276	4,377	-	-	7,653
Transfers:	(3,937)	3,937	-	-	-
(to)/from Stage 1	x	3,937	-	-	3,937
(to)/from Stage 2	(3,937)	x	-	-	(3,937)
(to)/from Stage 3	-	-	x	-	-
As of 31 December 2023	(764)	-	-	-	(764)

8. Financial assets at amortised cost

EUR'000	Gross value		Impairment allowances		Carrying amount	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debt securities	706,227	745,063	(211)	(7,701)	706,016	737,362
General governments	659,708	655,283	(211)	(216)	659,497	655,067
Credit institutions	45,280	44,771	-	-	45,280	44,771
Other financial corporations	1,239	1,300	-	-	1,239	1,300
Non-financial corporations	-	43,709	-	(7,485)	-	36,224
Loans and advances	3,144,884	3,031,176	(133,950)	(143,736)	3,010,934	2,887,440
General governments	60,384	60,385	(20)	(20)	60,364	60,365
Credit institutions	13,509	38,772	(8)	(8)	13,501	38,764
Other financial corporations	200,402	191,868	(2,286)	(2,730)	198,116	189,138
Non-financial corporations	178,999	331,769	(16,021)	(30,879)	162,978	300,890
Households	2,691,590	2,408,382	(115,615)	(110,099)	2,575,975	2,298,283
Lending for house purchase	1,704,799	1,463,099	(460)	(381)	1,704,339	1,462,718
Credit for consumption	979,308	937,037	(112,956)	(107,574)	866,352	829,463
Other	7,483	8,246	(2,199)	(2,144)	5,284	6,102
Other financial assets	24,355	32,461	(1,762)	(1,449)	22,593	31,012
Total	3,875,466	3,808,700	(135,923)	(152,886)	3,739,543	3,655,814

Loans and advances include finance lease receivables:

EUR'000	31.12.2024	31.12.2023
Minimum value of leasing payments		
Receivables from leasing	8,074	13,510
Up to 1 year	4,681	5,447
1-5 years	3,393	8,062
Over 5 years	-	1
Unrealized income on finance leases	(610)	(1,514)
Present value of future lease payments	7,464	11,996
Impairment allowances	(608)	(738)
Total	6,856	11,258

EUR'000	31.12.2024	31.12.2023
Present value of future lease payments		
Receivables from leasing	7,464	11,996
Up to 1 year	4,305	4,760
1-5 years	3,159	7,235
Over 5 years	-	1
Present value of future lease payments	7,464	11,996
Impairment allowances	(608)	(738)
Total	6,856	11,258

Other financial assets comprise the following:

EUR'000	31.12.2024	31.12.2023
Other financial assets, gross	24,355	32,461
Clearing and settlement items	7,512	8,921
Cash collateral	9,876	6,921
Trade receivables	5,970	9,155
Other	997	7,464
Impairment allowances	(1,762)	(1,449)
Total	22,593	31,012

The following table shows the gross value and impairment allowances by impairment stage:

31.12.2024	Gross value					Impairment allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	706,227	-	-	-	706,227	(211)	-	-	-	(211)
General governments	659,708	-	-	-	659,708	(211)	-	-	-	(211)
Credit institutions	45,280	-	-	-	45,280	-	-	-	-	-
Other financial corporations	1,239	-	-	-	1,239	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-
Loans and advances	2,740,351	227,328	158,812	18,393	3,144,884	(13,782)	(11,671)	(101,221)	(7,276)	(133,950)
General governments	60,384	-	-	-	60,384	(20)	-	-	-	(20)
Credit institutions	13,509	-	-	-	13,509	(8)	-	-	-	(8)
Other financial corporations	100,985	92,560	-	6,857	200,402	(175)	(3)	-	(2,108)	(2,286)
Non-financial corporations	127,955	22,293	20,944	7,807	178,999	(1,133)	(550)	(10,227)	(4,111)	(16,021)
Households	2,437,518	112,475	137,868	3,729	2,691,590	(12,446)	(11,118)	(90,994)	(1,057)	(115,615)
Lending for house purchase	1,645,630	48,387	10,782	-	1,704,799	(67)	(48)	(345)	-	(460)
Credit for consumption	788,014	62,990	124,575	3,729	979,308	(12,350)	(11,058)	(88,491)	(1,057)	(112,956)
Other	3,874	1,098	2,511	-	7,483	(29)	(12)	(2,158)	-	(2,199)
Other financial assets	-	24,355	-	-	24,355	-	(1,762)	-	-	(1,762)
Total	3,446,578	251,683	158,812	18,393	3,875,466	(13,993)	(13,433)	(101,221)	(7,276)	(135,923)

31.12.2023	Gross value					Impairment allowances				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	701,354	43,709	-	-	745,063	(216)	(7,485)	-	-	(7,701)
General governments	655,283	-	-	-	655,283	(216)	-	-	-	(216)
Credit institutions	44,771	-	-	-	44,771	-	-	-	-	-
Other financial corporations	1,300	-	-	-	1,300	-	-	-	-	-
Non-financial corporations	-	43,709	-	-	43,709	-	(7,485)	-	-	(7,485)
Loans and advances	2,669,772	167,835	179,590	13,979	3,031,176	(9,917)	(17,227)	(113,210)	(3,382)	(143,736)
General governments	60,383	-	2	-	60,385	(20)	-	-	-	(20)
Credit institutions	38,772	-	-	-	38,772	(8)	-	-	-	(8)
Other financial corporations	184,542	-	-	7,326	191,868	(499)	-	-	(2,231)	(2,730)
Non-financial corporations	187,563	87,762	52,010	4,434	331,769	(928)	(8,262)	(21,111)	(578)	(30,879)
Households	2,198,512	80,073	127,578	2,219	2,408,382	(8,462)	(8,965)	(92,099)	(573)	(110,099)
Lending for house purchase	1,430,340	25,555	7,204	-	1,463,099	(33)	(42)	(306)	-	(381)
Credit for consumption	763,436	53,423	117,959	2,219	937,037	(8,382)	(8,898)	(89,721)	(573)	(107,574)
Other	4,736	1,095	2,415	-	8,246	(47)	(25)	(2,072)	-	(2,144)
Other financial assets	-	32,461	-	-	32,461	-	(1,449)	-	-	(1,449)
Total	3,371,126	244,005	179,590	13,979	3,808,700	(10,133)	(26,161)	(113,210)	(3,382)	(152,886)

The movements in impairment allowances for debt securities, and loans and advances, at amortised cost are as follows:

EUR'000	Debt securities				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	(216)	(7,485)	-	-	(7,701)
Increases due to origination and acquisition	(6)	-	-	-	(6)
Decreases due to derecognition	4	3,509	-	-	3,513
Changes due to change in credit risk (net)	7	3,976	-	-	3,983
Transfers:	-	-	-	-	-
(to)/from Stage 1	x	-	-	-	-
(to)/from Stage 2	-	x	-	-	-
(to)/from Stage 3	-	-	x	-	-
As of 31 December 2024	(211)	-	-	-	(211)

EUR'000	Debt securities				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2023	(151)	(7,422)	-	-	(7,593)
Increases due to origination and acquisition	(10)	-	-	-	(10)
Decreases due to derecognition	1	-	-	-	1
Changes due to change in credit risk (net)	(56)	(43)	-	-	(99)
Transfers:	-	-	-	-	-
(to)/from Stage 1	x	-	-	-	-
(to)/from Stage 2	-	x	-	-	-
(to)/from Stage 3	-	-	x	-	-
As of 31 December 2023	(216)	(7,485)	-	-	(7,701)

EUR'000	Loans and advances				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	(9,917)	(17,227)	(113,210)	(3,382)	(143,736)
Increases due to origination and acquisition	(9,907)	-	-	-	(9,907)
Decreases due to derecognition	8,965	6,170	34,516	5	49,656
Changes due to change in credit risk (net)	4,708	(15,979)	(14,799)	(3,899)	(29,969)
Transfers:	(7,628)	15,365	(7,737)	-	-
(to)/from Stage 1	x	2,330	5,298	-	7,628
(to)/from Stage 2	(2,330)	x	(13,035)	-	(15,365)
(to)/from Stage 3	(5,298)	13,035	x	-	7,737
Changes due to movements in FX rates	(3)	-	9	-	6
As of 31 December 2024	(13,782)	(11,671)	(101,221)	(7,276)	(133,950)

EUR'000	Loans and advances - households				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	(8,462)	(8,965)	(92,099)	(573)	(110,099)
Increases due to origination and acquisition	(8,646)	-	-	-	(8,646)
Decreases due to derecognition	8,731	349	24,901	5	33,986
Changes due to change in credit risk (net)	4,089	(15,973)	(18,483)	(489)	(30,856)
Transfers:	(8,158)	13,471	(5,313)	-	-
<i>(to)/from Stage 1</i>	x	2,553	5,605	-	8,158
<i>(to)/from Stage 2</i>	(2,553)	x	(10,918)	-	(13,471)
<i>(to)/from Stage 3</i>	(5,605)	10,918	x	-	5,313
As of 31 December 2024	(12,446)	(11,118)	(90,994)	(1,057)	(115,615)

For the year ended 31 December 2024, the Group sold a portfolio of retail receivables in the gross amount of EUR 18.7 million (for the year ended 31 December 2023: EUR 12.1 million), for which impairment allowances were created in the amount of EUR 17.2 million (for the year ended 31 December 2023: 12.1 million).

EUR'000	Loans and advances - corporate				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	(1,427)	(8,262)	(21,111)	(2,809)	(33,609)
Increases due to origination and acquisition	(1,226)	-	-	-	(1,226)
Decreases due to derecognition	201	5,821	9,885	-	15,907
Changes due to change in credit risk (net)	616	(7)	3,415	(3,410)	614
Transfers:	530	1,895	(2,425)	-	-
<i>(to)/from Stage 1</i>	x	(223)	(307)	-	(530)
<i>(to)/from Stage 2</i>	223	x	(2,118)	-	(1,895)
<i>(to)/from Stage 3</i>	307	2,118	x	-	2,425
Changes due to movements in FX rates	(2)	-	9	-	7
As of 31 December 2024	(1,308)	(553)	(10,227)	(6,219)	(18,307)

EUR'000	Loans and advances				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2023	(16,334)	(20,527)	(131,950)	(8,559)	(177,370)
Increases due to origination and acquisition	(7,577)	-	-	(571)	(8,148)
Decreases due to derecognition	8,038	3,328	30,674	-	42,040
Changes due to change in credit risk (net)	12,177	(5,170)	(13,148)	5,748	(393)
Transfers:	(6,218)	5,066	1,152	-	-
<i>(to)/from Stage 1</i>	x	961	5,257	-	6,218
<i>(to)/from Stage 2</i>	(961)	x	(4,105)	-	(5,066)
<i>(to)/from Stage 3</i>	(5,257)	4,105	x	-	(1,152)
Changes due to movements in FX rates	(3)	76	62	-	135
As of 31 December 2023	(9,917)	(17,227)	(113,210)	(3,382)	(143,736)

9. Hedging derivatives

The Group has designated fair value hedges. For micro-hedging, the hedged items are selected, fixed-coupon debt securities from the portfolio of *Financial assets at FVOCI* and the portfolio of *Financial assets at amortized costs*. For macro-hedging, the hedged items are selected, fixed-interest rate loans and advances to customers. In both cases, interest rate swaps are used as hedging instruments, for which the Group pays fixed interest rate and receives floating interest rate. The hedges were effective in hedging the fair value exposure to interest rate movements during the entire hedge relationship. Changes in the fair value of these interest rate swaps, due to changes in interest rates, substantially offset changes in the fair value of the hedged items caused by changes in interest rates.

The table below summarises notional and fair values of hedging derivatives. The notional amounts represent the volume of unpaid transactions at a certain point in time. They do not represent potential gain or loss relating to the market or credit risks of these transactions.

EUR'000	31.12.2024			31.12.2023		
	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities
Interest rate swaps - portfolio fair value hedges	201,000	133	2,208	290,000	937	2,157
Interest rate swaps - micro fair value hedges	143,366	3,448	3,649	161,366	5,131	2,497
Total	344,366	3,581	5,857	451,366	6,068	4,654

The following table provides the carrying amount of the hedges, the hedge adjustment due to hedging and the statement of financial position in which the hedged item is recognised.

EUR'000	Carrying amount		Amount of fair value hedge adjustments		Line item in the statement of financial position in which the hedged item is included
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	
Fair value hedges					
Portfolio fair value hedge	201,000	290,000	1,352	890	Derivatives – Hedge accounting
Micro fair value hedge (FVOCI debt sec.)	59,583	76,645	(2,728)	(4,509)	Financial assets at FV through OCI
Micro fair value hedge (AC debt sec.)	73,189	72,794	2,078	1,952	Financial assets at amortised cost

The impact of hedge accounting on profit or loss is as follows:

EUR'000	2024	2023
Fair value changes of the hedging instrument	(2,437)	(13,662)
Fair value changes of the hedged item attributable to the hedged risk	2,369	14,026
(Losses)/gains from hedge accounting, net	(68)	364

Net profit/(loss) from hedge accounting is part of the line *Net profit/(loss) from financial operations* in the Statement of profit or loss.

10. Investments in joint ventures

EUR'000	SKPAY, a. s.		Monilogi s.r.o.	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Statement of financial position				
Total assets	26,350	42,612	-	-
Total liabilities	24,099	40,487	-	-
Net assets	2,251	2,125	-	2,095
Group share on net assets	900	850	-	169

EUR'000	SKPAY, a. s.		Monilogi s.r.o.	
	2024	2023	2024	2023
Statement of profit or loss				
Profit before special levy and before tax	1,287	1,113	-	(2,885)
Profit after special levy and after tax	1,021	860	-	(2,885)
Total comprehensive income for the year	1,021	860	-	(2,885)
Group share of profit/(loss) after tax	408	344	-	(231)

Total share in net assets and net profit of the Group, after tax:

EUR'000	31.12.2024	31.12.2023
Net assets		
SKPAY, a. s.	900	850
Monilogi s.r.o.	-	169
Total	900	1,019

EUR'000	2024	2023
Profit after special levy and after tax		
SKPAY, a. s.	408	344
Monilogi s.r.o.	-	(231)
Total	408	113

11. Tangible assets

EUR'000	31.12.2024	31.12.2023
Tangible assets owned	14,774	20,453
<i>Property, plant and equipment</i>	14,774	20,453
Right of use assets	29,448	31,689
Total	44,222	52,142

EUR'000	Tangible assets owned					Total
	Land and buildings	Hardware	Fittings and other equipment	Operating lease assets	Assets not yet in use	
Cost						
As of 1 January 2024	22,920	13,865	19,734	1,445	78	58,042
Additions	-	3	267	-	3,185	3,455
Transfers	75	1,606	978	-	(2,659)	-
Disposals	(448)	(846)	(5,544)	(474)	-	(7,312)
As of 31 December 2024	22,547	14,628	15,435	971	604	54,185
Accumulated depreciation						
As of 1 January 2024	(13,415)	(11,124)	(11,795)	(797)	-	(37,131)
Depreciation for the year	(1,358)	(1,073)	(1,096)	(217)	-	(3,744)
Disposals	255	844	645	285	-	2,029
As of 31 December 2024	(14,518)	(11,353)	(12,246)	(729)	-	(38,846)
Accumulated impairment losses	(449)	-	(64)	(52)	-	(565)
Carrying amount as at 31.12.2024	7,580	3,275	3,125	190	604	14,774

EUR'000	Tangible assets owned					Total
	Land and buildings	Hardware	Fittings and other equipment	Operating lease assets	Assets not yet in use	
Cost						
As of 1 January 2023	23,257	12,067	23,587	1,708	53	60,672
Additions from business combinations	-	-	55	-	1,306	1,361
Transfers	11	2,868	(1,599)	-	(1,280)	-
Disposals	(348)	(1,070)	(2,309)	(263)	(1)	(3,991)
As of 31 December 2023	22,920	13,865	19,734	1,445	78	58,042
Accumulated depreciation						
As of 1 January 2023	(12,094)	(9,194)	(13,857)	(769)	-	(35,914)
Transfers	-	(1,604)	1,604	-	-	-
Depreciation for the year	(1,492)	(1,341)	(1,580)	(253)	-	(4,666)
Disposals	171	1,015	2,038	225	-	3,449
As of 31 December 2023	(13,415)	(11,124)	(11,795)	(797)	-	(37,131)
Accumulated impairment losses	(103)	-	(355)	-	-	(458)
Carrying amount as at 31.12.2023	9,402	2,741	7,584	648	78	20,453

EUR'000	Righ of use assets			Total
	Land and buildings	Hardware	Fittings and other equipment	
Cost				
As of 1 January 2024	52,255	211	4,067	56,533
Additions	8	-	-	8
Lease modifications	4,976	-	(1,259)	3,717
Contract terminations	(2,615)	-	(220)	(2,835)
As of 31 December 2024	54,624	211	2,588	57,423
Accumulated depreciation				
As of 1 January 2024	(22,513)	(211)	(2,120)	(24,844)
Depreciation for the year	(4,877)	-	(322)	(5,199)
Remeasurements	(757)	-	-	(757)
Contract terminations	2,615	-	210	2,825
As of 31 December 2024	(25,532)	(211)	(2,232)	(27,975)
Carrying amount as at 31.12.2024	29,092	-	356	29,448

EUR'000	Righ of use assets			Total
	Land and buildings	Hardware	Fittings and other equipment	
Cost				
As of 1 January 2023	51,836	211	4,062	56,109
Additions	164	-	123	287
Lease modifications	1,111	-	130	1,241
Contract terminations	(856)	-	(248)	(1,104)
As of 31 December 2023	52,255	211	4,067	56,533
Accumulated depreciation				
As of 1 January 2023	(18,373)	(211)	(2,033)	(20,617)
Depreciation for the year	(4,994)	-	(335)	(5,329)
Contract terminations	854	-	248	1,102
As of 31 December 2023	(22,513)	(211)	(2,120)	(24,844)
Carrying amount as at 31.12.2023	29,742	-	1,947	31,689

The movements in impairment losses to tangible assets were as follows:

EUR'000	31.12.2024	31.12.2023
Opening balance as at 1 January	(458)	(154)
Net release/(creation) of impairment losses	(107)	(304)
Closing balance	(565)	(458)

As at 31 December 2024, the Group used fully depreciated tangible assets with an acquisition cost in the amount of EUR 14,834 thousand and as at 31 December 2023 in the amount of EUR 15,020 thousand.

The Group insured its assets against natural disasters, damage caused by intentional acts, burglary and robbery. Motor vehicles are insured by compulsory motor third party liability insurance and CASCO insurance.

No lien has been established on the Group's assets.

EUR'000	31.12.2024	31.12.2023
Insurance amount of fixed assets	49,819	44,391

12. Intangible assets

EUR'000	Goodwill	Software	Other intangible assets	Assets not yet in use	Total
Cost					
As of 1 January 2024	14,024	112,637	424	17,246	144,331
Additions	-	-	-	10,292	10,292
Transfers	-	8,113	-	(8,113)	-
Disposals	(297)	(858)	-	(14,503)	(15,658)
As of 31 December 2024	13,727	119,892	424	4,922	138,965
Accumulated amortisation					
As of 1 January 2024	-	(80,341)	(286)	-	(80,627)
Amortisation for the year	-	(7,173)	(38)	-	(7,211)
Disposals	-	857	-	-	857
As of 31 December 2024	-	(86,657)	(324)	-	(86,981)
Accumulated impairment losses	(2,924)	-	-	-	(2,924)

EUR'000	Goodwill	Software	Other intangible assets	Assets not yet in use	Total
Cost					
As of 1 January 2023	14,024	108,926	424	11,859	135,233
Additions	-	268	-	10,892	11,160
Transfers	-	5,505	-	(5,505)	-
Disposals	-	(2,062)	-	-	(2,062)
As of 31 December 2023	14,024	112,637	424	17,246	144,331
Accumulated amortisation					
As of 1 January 2023	-	(75,755)	(248)	-	(76,003)
Amortisation for the year	-	(6,622)	(38)	-	(6,660)
Disposals	-	2,036	-	-	2,036
As of 31 December 2023	-	(80,341)	(286)	-	(80,627)
Accumulated impairment losses	(3,221)	-	-	-	(3,221)
Carrying amount as at 31.12.2023	10,803	32,296	138	17,246	60,483

As at 31 December 2024, the Group used fully depreciated tangible assets with an acquisition cost in the amount of EUR 15,422 thousand and as at 31 December 2023 in the amount of EUR 14,219 thousand.

The Group tests impairment of goodwill on an annual basis, or more frequently, when events or changes in circumstances indicate that the carrying amount of goodwill may be impaired. For the purpose of impairment testing, management considers the subsidiaries to be separate cash generating units.

The recoverable amount of the subsidiaries was determined by the value-in-use method using expected future cash flows based on the most recent financial and business plans of these companies. The discount rate applied to future cash flows after the approved plan period is adjusted by the projected growth rate. Both the discount rate and the projected growth rate were determined with respect to market share, planning deviation, company size and area of operation.

The Group used the following discount rates:

	31.12.2024	31.12.2023
365.inv est, správ. spol., a. s.	11.18%	11.70%
Cards&Co, a. s.	11.18%	11.70%
Ahoj, a.s.	11.18%	11.70%
PB Finančné služby, a. s.	11.18%	11.70%

13. Deferred tax assets and liabilities

The deferred tax assets and deferred tax liabilities are calculated using the following tax rates:

	31.12.2024	31.12.2023
Companies in SK	24.00%	21.00%

For the calculation of deferred tax on revaluation of financial assets at FVOCI, the tax rate was modified to include the effect of newly-introduced special levy.

EUR'000	31.12.2024	31.12.2023
SK		
Impairment allowances - financial assets at AC	16,930	18,092
Provisions for off-balance sheet exposures	62	67
Revaluation of financial assets at FVOCI - debt securities	5,967	6,356
Revaluation of financial assets at FVOCI - derivatives	(981)	(537)
Tangible assets	809	622
Other	6,436	4,016
Total	29,223	28,616

Movements in deferred tax were as follows:

EUR'000	Note	31.12.2024	31.12.2023
Opening balance as at 1 January		28,616	27,291
Through profit or loss	29	1,440	(1,006)
Through other comprehensive income		(833)	2,331
Closing balance		29,223	28,616

EUR'000	1.1.2024	Profit or loss	OCI	31.12.2024
Impairment on financial assets at amortised costs	18,092	(1,162)	-	16,930
Provisions for off-balance sheet exposures	67	(5)	-	62
Revaluation of financial assets at FVOCI	5,819	-	(833)	4,986
Tangible assets	622	187	-	809
Other	4,016	2,420	-	6,436
Total	28,616	1,440	(833)	29,223

EUR'000	1.1.2023	Profit or loss	OCI	31.12.2023
Impairment on financial assets at amortised cost	19,212	(1,120)	-	18,092
Impairment on other assets	8	(8)	-	-
Provisions for off-balance sheet exposures	123	(56)	-	67
Revaluation of financial assets at FVOCI	3,488	-	2,331	5,819
Tangible assets	469	153	-	622
Other	3,991	25	-	4,016
Total	27,291	(1,006)	2,331	28,616

14. Other assets

EUR'000	31.12.2024	31.12.2023
Deferred expenses and prepayments	15,901	11,404
Inventories	517	194
Reinsurance assets	1	4
Prepayments	7,347	4,206
Other	3	3
Total	23,769	15,811

15. Financial liabilities measured at amortised cost

EUR'000	31.12.2024	31.12.2023
Deposits	3,763,924	3,730,954
Central banks	-	257,424
General governments	3,437	3,685
Credit institutions	45,877	36,110
Credit institutions excluding subordinated debt	37,856	28,086
Credit institutions - subordinated debt	8,021	8,024
Other financial corporations	149,576	102,632
Non-financial corporations	265,186	100,958
Households	3,299,848	3,230,145
Debt securities issued	295,137	139,709
Non-convertible debt securities issued	295,137	139,709
Other financial liabilities	35,079	44,397
Clearing and settlement items	3,300	9,525
Lease liabilities	30,151	32,597
Other creditors	1,628	2,275
Total	4,094,140	3,915,060

The Group issued senior unsecured and non-subordinated debt securities in December 2022, in October 2023 and in July 2024.

The detail shown in the table below:

EUR'000	Issue date	Maturity	Interest rate	Number of securities	Nominal value	Currency	31.12.2024	31.12.2023
Debt securities issued	19.12.2022	19.12.2026	7.04%	60	1,000	EUR	60,128	60,121
Debt securities issued	2.10.2023	2.10.2026	7.75%	650	100	EUR	65,972	65,856
Debt securities issued	6.10.2023	6.10.2026	5.00%	416	30	EUR	12,589	12,568
Debt securities issued	4.7.2024	4.7.2028	7.13%	1500	100	EUR	153,852	-
Total							292,541	138,545

The issuance of senior priority bonds with a total nominal value of EUR 60,000 thousands, carrying a fixed annual interest rate of 7.04%, annual coupon payments, an issuance date of 19 December 2022, and maturity in 2026, was privately placed in the form of a certificate.

The issuance of senior priority bonds with a total nominal value of EUR 65,000 thousands, carrying a fixed annual interest rate of 7.75%, annual coupon payments, ISIN: XS2698768913, an issuance date of 2 October 2023, and maturity in 2026, was conducted within a debt securities program with a total nominal value of EUR 1,500,000 thousands. The issuance was privately offered to eligible counterparties and qualified investors by J&T BANKA, a.s., acting as the dealer, under an exemption from the obligation to publish a prospectus.

The issuance of senior bonds with a total nominal value of EUR 12,480 thousands, carrying a fixed annual interest rate of 5.00%, annual coupon payments, ISIN: SK4000023693, an issuance date of 6 October 2023, and maturity in 2026, was conducted within a debt securities program with a total nominal value of EUR 3,000,000 thousands. These bonds are in the form of book-entry securities. Their transferability is not restricted, and they were offered to individual investors.

The Group issued investment certificates as a part of deferred variable component of remuneration in the total amount of EUR 2,596 thousands (as of 31 December 2024 in the amount of EUR 1,164 thousands).

The table below summarises loans received, classified under financial liabilities and measured at amortised cost:

EUR'000	31.12.2024	31.12.2023
Subordinated debt	8,021	8,024
Other received loans	30,000	20,398

In the event of bankruptcy or liquidation of the Group, subordinated debt will be subordinated to receivables of all other creditors of the Group.

Creditor	Debtor	Carrying amount	Interest rate	Maturity
Subordinated debt				
J&T BANKA, a.s.	365.bank, a. s.	8,021	3M EURIBOR + 6.00%	31.12.2026

Creditor	Debtor	Carrying amount	Interest rate	Maturity
Other received loans				
MONETA Money Bank, a.s.	Ahoj, a.s.	20,000	3.95%	30.9.2025
MONETA Money Bank, a.s.	Ahoj, a.s.	10,000	4.50%	30.9.2027

In December 2024, the bank repaid a loan received in 2021 under the long-term targeted financial operation TLTRO from the European Central Bank in the amount of EUR 250 million. In 2023, this loan is recognised as a deposit received from the central bank.

The reconciliation of movements of liabilities to the cash flows from financing activities is as follows:

EUR'000	Debt securities		Subordinated debt		Other received loans	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Opening balance as at 1 January	138,545	124,981	8,024	8,019	20,398	10,035
Proceeds from issue of debt securities	149,120	77,480	-	-	-	-
Repayment of debt securities	-	(65,000)	-	-	-	-
Loans received	-	-	-	-	10,000	10,000
Interest expenses	15,563	8,134	780	731	792	762
Interest paid	(10,687)	(7,050)	(783)	(726)	(1,190)	(399)
Closing balance	292,541	138,545	8,021	8,024	30,000	20,398

16. Provisions

EUR'000	31.12.2024	31.12.2023
Commitments and guarantees given	258	317
<i>Loan commitments</i>	223	141
<i>Guarantees given</i>	35	176
Other provisions	113	76
Total	371	393

The movements in provisions for commitments and guarantees provided were as follows:

EUR'000	Commitments and guarantees given				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2024	107	35	175	-	317
Increases due to origination and acquisition	523	-	-	-	523
Decreases due to derecognition	(247)	(4)	(169)	-	(420)
Changes due to change in credit risk (net)	(216)	37	17	-	(162)
Transfers:	7	(7)	-	-	-
<i>to/(from) Stage 1</i>	x	(7)	-	-	(7)
<i>to/(from) Stage 2</i>	7	x	-	-	7
<i>to/(from) Stage 3</i>	-	-	x	-	-
As of 31 December 2024	174	61	23	-	258

EUR'000	Commitments and guarantees given				
	Stage 1	Stage 2	Stage 3	POCI	Total
As of 1 January 2023	147	424	6	-	577
Increases due to origination and acquisition	484	-	-	-	484
Decreases due to derecognition	(229)	(88)	(14)	-	(331)
Changes due to change in credit risk (net)	(397)	(112)	96	-	(413)
Transfers:	102	(189)	87	-	-
to/(from) Stage 1	x	(102)	-	-	(102)
to/(from) Stage 2	102	x	87	-	189
to/(from) Stage 3	-	(87)	x	-	(87)
As of 31 December 2023	107	35	175	-	317

17. Other liabilities

EUR'000	31.12.2024	31.12.2023
Estimated payables (OPEX)	6,563	10,768
Deferred income	55	97
Accrued expenses	556	239
Liabilities to employees and estimated payables to employees	9,429	10,060
Liabilities from social and health insurance and social fund	2,151	2,157
Tax liabilities	1,984	1,494
Received prepayments	4,533	3,965
Liabilities from dividends	756	824
Total	26,027	29,604

18. Equity

a) Share capital

	31.12.2024	31.12.2023
Nominal value per share in EUR	1,107	1,107
Number of shares	330,899	330,899
Total share capital in EUR'000	366,305	366,305

All shares of the Bank are ordinary registered shares.

b) Legal reserve fund

Under the Slovak Commercial Code, all companies are required to create a legal reserve fund to cover losses. Each entity is obliged to contribute an amount of at least 10% of its annual net profit each year, until the aggregate amount reaches a level equal to 20% of the issued share capital. The legal reserve fund is not readily distributable to shareholders.

c) Revaluation of financial instruments measured through other comprehensive income

This item includes the revaluation of FVOCI of financial assets after deferred tax. Since 1 January 2018, under the implementation of IFRS 9 *Financial Instruments*, the Group also recognises provisions for debt securities measured at fair value through other comprehensive income within this equity item.

19. Off-balance sheet items

a) Loan commitments, financial guarantees and other commitments given

EUR'000	31.12.2024	31.12.2023
Loan commitments given	114,948	107,067
Financial guarantees given	1,799	8,794
Total	116,747	115,861

b) Assets' management and custody

EUR'000	31.12.2024	31.12.2023
Asset management	2,373,304	2,278,234
Custody assets	-	121,537
Total	2,373,304	2,399,771

c) Securities provided as collateral

EUR'000	31.12.2024	31.12.2023
Financial assets at fair value through other comprehensive income	45,614	-
Financial assets at amortised cost	231,416	564,300
Total	277,030	564,300

The Group has pledged debt securities in carrying amount as summarised in the table below. The pledge was provided against transactions with the Central Bank and credit institutions. These debt securities have not been derecognised from the Group's statement of financial position.

20. Offsetting of financial assets and liabilities

The following table shows the financial assets and financial liabilities that could be offset under "master netting agreements", or similar agreements (legally enforceable):

31.12.2024	Values, gross	Offset values, gross	Presented values, net	Possible effect of master offsetting			Net values after possible offsetting
				Financial instruments	Cash collateral	Non-cash financial collateral	
Financial assets							
Derivatives	17	-	17	50	-	-	(33)
Hedging derivatives	3,581	-	3,581	-	5,031	-	(1,450)
Total assets	3,598	-	3,598	50	5,031	-	(1,483)
Financial liabilities							
Derivatives	50	-	50	50	-	-	-
Hedging derivatives	5,857	-	5,857	-	3,490	-	2,367
Total liabilities	5,907	-	5,907	50	3,490	-	2,367

31.12.2023	Values, gross	Offset values, gross	Presented values, net	Possible effect of master offsetting			Net values after possible offsetting
				Financial instruments	Cash collateral	Non-cash financial collateral	
Financial assets							
Derivatives	178	-	178	16	-	-	162
Hedging derivatives	6,068	-	6,068	-	8,641	-	(2,573)
Total assets	6,246	-	6,246	16	8,641	-	(2,411)
Financial liabilities							
Derivatives	85	-	85	85	-	-	-
Hedging derivatives	4,654	-	4,654	-	5,790	-	(1,136)
Total liabilities	4,739	-	4,739	85	5,790	-	(1,136)

21. Net interest income

EUR'000	2024	2023
Interest income		
Financial assets at fair value through other comprehensive income	2,855	3,598
Financial assets at amortised cost	168,804	154,119
<i>Debt securities</i>	18,842	15,454
<i>Loans and advances</i>	149,962	138,665
Derivatives - Hedge accounting, interest rate risk	4,569	4,907
Other assets	15,669	11,872
<i>Cash balances at central banks</i>	14,163	10,498
<i>Other demand deposits</i>	1,506	1,374
Total interest income	191,897	174,496
Interest expenses		
Financial liabilities measured at amortised cost	(47,569)	(31,269)
<i>thereof: lease liabilities</i>	(396)	(428)
Other liabilities	(81)	(3)
Interest expense on assets	(107)	(108)
Total interest expense	(47,757)	(31,380)
Net interest income	144,140	143,116

22. Net fee and commission income

EUR'000	2024	2023
Fee and commission income		
Securities	184	34
Clearing and settlement	15,371	15,946
Asset management	28,223	25,756
Custody	3,899	3,427
Payment services	36,959	34,267
<i>Current accounts</i>	27,381	25,265
<i>Debit cards and other card payments</i>	392	316
<i>Transfers and other payment orders</i>	2,451	2,520
<i>Other fee and commission income in relation to payment services</i>	6,735	6,166
Loan servicing activities	1,496	1,536
Loan commitments given	571	314
Financial guarantees given	59	119
Commissions for brokerage	4,307	5,278
Other	8,706	7,789
Total fee and commission income	99,775	94,466
Of which: Revenue recognised under IFRS 15 Revenue from Contracts with Customers	99,145	94,033
Fee and commission expenses		
Securities	(18)	(35)
Clearing and settlement	(17,612)	(20,703)
Custody	(353)	(356)
Loan servicing activities	(555)	(766)
Other	(4,815)	(5,802)
Total fee and commission expenses	(23,353)	(27,662)
Net fee and commission income	76,422	66,804

23. Dividend income

EUR'000	2024	2023
Non-trading financial assets mandatorily at fair value through profit or loss	52	14
Total	52	14

24. Net gains from other financial transactions

EUR'000	2024	2023
Gains/(losses) on derecognition of financial assets and liabilities not at FVPL	479	23
Gain from sale of subsidiary and joint investment	467	-
Financial assets at fair value through other comprehensive income, net	12	23
Gains/(losses) on financial assets and liabilities held for trading, net	(581)	(558)
Derivatives	(581)	(558)
Exchange differences, net	1,235	(641)
Gains/(losses) on non-trading financial assets mandatorily at FVPL, net	39,102	4,728
Revaluation gains/(losses)	39,102	6,231
Trading gains/(losses)	-	(1,503)
Gains/(losses) from hedge accounting, net	(68)	364
Fair value changes of the hedging instrument	(2,437)	(13,662)
Fair value changes of the hedged item attributable to the hedged risk	2,369	14,026
Total	40,167	3,916

25. Other operating income and expenses

EUR'000	2024	2023
Other operating expenses	(12,953)	(4,351)
Bank and insurance companies specific fees	(625)	(1,106)
Resolution fund	-	(385)
Deposit protection fund	(625)	(721)
Other	(12,328)	(3,245)
Other operating income	14,963	13,415
Operating leases other than investment property	1,580	1,382
Other	13,383	12,033
Gains/(losses) on derecognition of non-financial assets, net	(25)	(277)
Total	1,985	8,787

The amount in "Other operating income – other" comprises income from other payment services, contractual fines and other operating income.

26. Administrative expenses

EUR'000	2024	2023
Staff expenses	(62,557)	(63,110)
Wages and salaries (including bonuses)	(44,354)	(44,407)
Social expenses	(18,203)	(18,703)
Other administrative expenses	(42,712)	(46,435)
Rental expenses	(3,930)	(4,361)
Short-term lease contracts	(1,374)	(1,266)
Variable lease payments not included in the lease liabilities	(2,359)	(2,916)
Other	(197)	(179)
Real estate expenses	(2,290)	(2,551)
IT expenses	(12,929)	(14,949)
Marketing and advertisement	(6,983)	(6,863)
Legal and consulting services	(2,875)	(3,251)
Post and telecommunication	(3,412)	(3,612)
Material consumption	(997)	(1,113)
Repair and maintenance	(2,474)	(2,603)
Other administrative expenses	(6,822)	(7,132)
Total	(105,269)	(109,545)
	2024	2023
Average number of employees for the period	1,317	1,422
Number of employees as of balance sheet date	1,292	1,398
thereof, key management	44	36

Management consists of Board of Directors members and managers directly responsible to the Board of Directors (B-1 positions) throughout the Group.

The cost of services provided by the auditor for the period were as follows:

tis. eur	2024	2023
Ov erenie účtov nej záv ierky	(319)	(286)
Uisfov acie auditorské služby s v ýnimkou ov erenia účtov nej záv ierky	(24)	(254)
Spolu	(343)	(540)

The audit of the financial statements in 2024 also includes the verification of CSRD disclosures in the Bank's Annual Report.

Assurance audit services excluding the audit of financial statements pertained to the audit of prudential business reports and the preparation of an extended auditor's report for the NBS.

27. Depreciation and amortisation

EUR'000	2024	2023
Property, plant and equipment	(3,744)	(4,666)
Buildings	(1,358)	(1,492)
Hardware	(1,073)	(1,341)
Fittings and other equipment	(1,096)	(1,580)
Operating lease assets	(217)	(253)
Right of use assets	(5,199)	(5,329)
Buildings	(4,877)	(4,994)
Fittings and other equipment	(322)	(335)
Intangible assets	(7,211)	(6,660)
Software	(7,173)	(6,622)
Other intangible assets	(38)	(38)
Total	(16,154)	(16,655)

28. Impairment losses and provisions

EUR'000	2024	2023
Net impairment of financial assets not valued at fair value through profit or loss	(16,501)	1,339
Financial assets at fair value through other comprehensive income	704	7,668
<i>Debt securities</i>	704	7,668
Financial assets at amortised cost	(17,205)	(6,329)
<i>Debt securities</i>	7,490	(108)
<i>Loans and advances</i>	(24,234)	(6,388)
<i>Other financial assets</i>	(461)	167
Release/(creation) of provisions	59	242
Net impairment on non-financial assets	(13,644)	(308)
Total	(30,086)	1,273

The detail to net impairment of loans and advances at amortised cost is as follows:

EUR'000	2024	2023
Net impairment of loans and advances at amortised cost	(24,234)	(6,388)
Net (creation)/release of allowances	(26,283)	(8,900)
Creation of allowances	(93,800)	(100,007)
Release of allowances	67,517	91,107
Net effect from derecognition of loans and advances	2,861	2,512
Derecognition of loans and advances	(38,068)	(57,818)
Usage of allowances	36,032	42,040
Income from previously derecognized loans and advances	4,897	18,290
Other expenses related to credit risk	(812)	-

29. Income tax

EUR'000	2024	2023
Current income tax	(19,321)	(15,837)
Deferred tax	1,440	(1,006)
Total	(17,881)	(16,843)

Reconciliation of the effective tax rate is as follows:

EUR'000	2024	2023
Profit before special levy and before tax	111,665	97,823
Special levy	(23,887)	-
Profit after special levy and before tax	87,778	97,823
Income tax rate	21.00%	21.00%
Theoretical income tax	(18,433)	(20,543)
Non - tax expenses	(982)	(1,013)
<i>Other</i>	(982)	(1,013)
Non - taxable income	(397)	(743)
<i>Dividends</i>	11	3
<i>Impairment allowances</i>	(714)	(1,119)
<i>Other</i>	306	373
Change in tax rate	2,167	-
Change in estimates for deferred tax	-	2,305
Correction of prior period	27	-
Withholding tax	(209)	(35)
<i>Other</i>	(54)	3,186
Total	(17,881)	(16,843)
Effective tax rate	16.01%	17.22%

Given that many parts of the Slovak tax legislation remain untested, there is uncertainty about how the tax authorities will apply them. The effect of this uncertainty cannot be quantified and will only be resolved once legislative precedents are set, or when official interpretations of the authorities are available.

30. Related party transactions

Parties are considered to be related if one party has the ability to control the other party, or it has through its financial and operational decisions, significant influence over the other party.

The following persons or companies meet the definition of related parties:

- entities that directly or indirectly, through one or more intermediaries' control, or are controlled, have significant influence, or are under joint control of the reporting company;
- affiliated entities in which the parent company has significant influence, and which are not a subsidiary, nor a joint venture;
- individuals owning, directly or indirectly, shares in the voting right of the Group that gives them significant influence over the Group, and any other individual who may be expected to influence, or be influenced by that person in their dealings with the Group;
- key management personnel, i.e. persons having authority and responsibility for planning, managing and controlling the activities of the Group, including directors and managing employees of the Group, and persons related to them;
- companies in which a significant share of voting rights is owned, directly or indirectly, by any person described in points (a), (c) or (d) above, or over which such party may have a significant influence. This includes companies owned by directors or major shareholders of the Group and companies that have key member of management common with the Group.

31.12.2024	Shareholders	Members of J&T FINANCE GROUP SE	Joint ventures	Key management and related parties	Others
Assets	-	126,394	983	3,029	35,050
Other demand deposits	-	183	-	-	-
Non-trading financial assets mandatorily at FVPL	-	110,958	-	-	-
Financial assets at FVOCI	-	10,043	-	-	-
Financial assets at amortised cost	-	5,210	983	3,029	35,050
<i>Loans and advances</i>	-	-	-	3,029	35,050
<i>Other financial assets</i>	-	5,210	983	-	-
Liabilities	-	56,614	10,950	1,579	2,222
Financial liabilities measured at amortised cost	-	56,614	10,950	1,579	2,222
<i>Deposits</i>	-	56,597	10,950	1,579	2,222
<i>Other financial liabilities</i>	-	17	-	-	-
Income/expenses					
Net interest income	-	70	-	60	-
Net fee and commission income	-	1,341	6,875	1	28
Net gains/(losses) from financial transactions	-	3,523	-	-	-
Net other operating expenses	-	61	113	-	-
Administrative expenses	-	(61)	-	-	(11)

31.12.2023	Shareholders	Members of J&T FINANCE GROUP SE	Joint ventures	Key management and related parties	Others
Assets	-	117,958	-	2,916	28,258
Other demand deposits	-	687	-	-	-
Non-trading financial assets mandatorily at FVPL	-	107,435	-	-	-
Financial assets at FVOCI	-	9,804	-	-	-
Financial assets at amortised cost	-	32	-	2,916	28,258
<i>Loans and advances</i>	-	-	-	2,916	28,247
<i>Other financial assets</i>	-	32	-	-	11
Liabilities	-	24,800	9,960	1,183	722
Financial liabilities measured at amortised cost	-	24,800	9,960	1,183	722
<i>Deposits</i>	-	24,792	9,960	1,183	722
<i>Other financial liabilities</i>	-	8	-	-	-
2023					
Income/expenses					
Net interest income	1,543	118	-	29	143
Net fee and commission income	111	303	141	2	150
Net gains/(losses) from financial transactions	-	7,370	-	-	-
Net other operating expenses	-	61	-	-	-
Administrative expenses	1	(64)	-	-	(30)

The total remuneration of the members of the Board of Directors and executive officers directly supervised by the Board of Directors members of 365.bank, a. s. and its subsidiaries for the year ended 31 December 2024 is in the amount of EUR 7,456 thousand (for the year ended 31 December 2023: EUR 6,429 thousand). Remuneration includes basic wages and salaries, remuneration and payments for health and social insurance.

31. Fair value of financial assets and liabilities

According to *IFRS 13 Fair Value Measurement*, fair value is the price that would be received when selling an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Group measures fair values using the following fair value level hierarchy:

- **Level 1:** Quoted market price in an active market for an identical instrument;
- **Level 2:** Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and where the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values for financial assets and financial liabilities is based on quoted market prices. Shares in funds are measured at prices obtained from an asset management company. The funds are not listed however they are audited annually. Prices of funds are determined using NAV, which is fair value of the net assets determined using valuation techniques corresponding to the above-mentioned fair value hierarchies.

For all other financial instruments, fair value is determined by using valuation techniques. These valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premiums used in estimating discount rates. The objective of valuation techniques is to arrive at a fair value determination, that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and less complicated financial instruments, like interest rate and currency swaps, that use only observable market data, and require little management judgement or estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives, like interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation, and also reduces the uncertainty associated with determination of fair values. The availability of observable market prices and inputs varies depending on products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For fair value measurement of debt financial instruments, the Group uses models based on net present value. The key estimation parameter is the discount interest rate. Determination of the discount interest rate is based on the risk-free market rate, which corresponds to the incremental maturity of particular financial instruments, plus a risk premium. The risk premium is determined to be consistent with regular market practice.

The Group estimates future cash flows from financial instruments based on contractual maturities. The fair value of a financial liability that includes a demand feature must not be lower than the amount payable on demand, discounted from the earliest date it could be due.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed based on recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices and rates, or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over-the-counter structured derivatives, certain loans and securities for which there is no active market, and certain investments in subsidiaries. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows from the financial instrument being valued, determination of the probability of counterparty default or prepayments, and selection of appropriate discount rates.

Basic parameters entering into the valuation model to determine the fair value of equity financial instruments are forecast economic results and equity of the company, market multiples, and indicators such as EBITDA, sales etc. for comparable companies, all of which are published by reputable companies for different sectors.

Even though these valuation techniques are considered to be appropriate and in compliance with market practice, the estimations in discount interest rates and changes of basic assumptions in future cash flows, may lead to different fair value of financial instruments.

Transfers of financial instruments between individual levels can occur only if market activity has changed.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a control function, performed by the Market Risks department, which is independent from front office management. Specific controls include: verification of observable pricing inputs and reperformance of model valuations; review and approval processes for new models and changes to models; calibration and back-testing of models against observed market transactions; analysis and investigation of significant daily valuation movements; and review of significant unobservable inputs and valuation adjustments.

The reported fair values of financial instruments analysed according to fair value levels are as follows:

EUR'000	Level 1		Level 2		Level 3		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
ASSETS								
Financial assets held for trading	-	-	17	178	-	-	17	178
Derivatives	-	-	17	178	-	-	17	178
Non-trading financial assets mandatorily at FVPL	-	-	141,925	192,566	335	318	142,260	192,884
Equity instruments	-	-	141,925	192,566	335	318	142,260	192,884
Financial assets at FVOCI	95,056	138,307	17,734	-	-	46,586	112,790	184,893
Debt securities	95,056	138,307	17,734	-	-	46,586	112,790	184,893
Derivatives – Hedge accounting	-	-	3,448	5,131	-	-	3,448	5,131
Total assets	95,056	138,307	163,124	197,875	335	46,904	258,515	383,086

EUR'000	Level 1		Level 2		Level 3		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
LIABILITIES								
Financial liabilities held for trading	-	-	50	85	-	-	50	85
Derivatives	-	-	50	85	-	-	50	85
Derivatives – Hedge accounting	-	-	744	306	-	-	744	306
Total liabilities	-	-	794	391	-	-	794	391

The following table shows the reconciliations of the opening and closing balances of the fair values of each category at level 3:

EUR'000	1.1.2024	Gains / losses in PL	Gains / losses in OCI	Purchases	Maturities and sales	Transfers into Level 3	Transfers out Level 3	31.12.2024
Non-trading financial assets mandatorily at FVPL	318	17	-	-	-	-	-	335
Financial assets at fair value through OCI	46,586	(1,969)	1,277	-	(36,000)	-	(9,894)	-
Total	46,904	(1,952)	1,277	-	(36,000)	-	(9,894)	335

The following table shows information regarding the investment movements between all categories of valuation:

EUR'000	31.12.2024			31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS						
Financial assets at fair value through OCI						
Transfers into the category	-	17,585	-	2,460	-	-
Transfers out of the category	(7,691)	-	(9,894)	(9,546)	(2,460)	9,546
Total assets	(7,691)	17,585	(9,894)	(7,086)	(2,460)	9,546

The following table shows the estimated fair values of the Group's financial assets and liabilities that are not carried at fair value:

31.12.2024	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS					
Cash, cash balances at central banks and other demand deposits	528,100	528,100	-	528,100	-
Financial assets at amortised cost	3,739,543	3,867,628	757,698	39,093	3,070,837
Debt securities	706,016	673,515	670,232	3,283	-
Loans and advances	3,010,934	3,171,520	87,466	13,217	3,070,837
Other financial assets	22,593	22,593	-	22,593	-
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost	4,094,140	4,096,740	-	4,096,740	-
Deposits	3,763,924	3,766,524	-	3,766,524	-
Debt securities issued	295,137	295,137	-	295,137	-
Other financial liabilities	35,079	35,079	-	35,079	-
31.12.2023					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS					
Cash, cash balances at central banks and other demand deposits	438,490	438,490	-	438,490	-
Financial assets at amortised cost	3,655,814	3,703,383	732,893	43,915	2,926,575
Debt securities	737,362	702,482	657,145	1,603	43,734
Loans and advances	2,887,440	2,969,889	75,748	11,300	2,882,841
Other financial assets	31,012	31,012	-	31,012	-
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost	3,915,060	3,915,060	20,398	3,894,662	-
Deposits	3,730,954	3,730,954	20,398	3,710,556	-
Debt securities issued	139,709	139,709	-	139,709	-
Other financial liabilities	44,397	44,397	-	44,397	-

Should the fair value of deposits be estimated based on the expected maturity, the comparison to the book value would be as follows:

	31.12.2024		31.12.2023	
	Carrying value	Fair value	Carrying value	Fair value
Deposits	3,763,924	3,645,345	3,730,954	3,557,757

32. Segment reporting

The Group classifies its business activities into three segments. Within these segments, various products and services are offered and they are also managed independently by the Group's management.

- Retail banking - loans, deposits and other transactions with retail customers.
- Corporate banking - loans, deposits and other transactions with corporate customers and investments in liquid assets, such as short-term investments and corporate or government debt securities.
- Other - asset management (fund management activities) and treasury (financing and centralized risk management activities through loans, use of derivatives for risk management).

The Board of Directors continuously monitors internal reports for each segment at least once a month.

Information related to the reported segments is presented in the table:

EUR'000	Retail banking		Corporate banking		Other banking		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Interest income	106,206	81,812	47,294	62,023	38,397	30,661	191,897	174,496
Interest expenses	(17,021)	(10,524)	(3,534)	(2,099)	(27,202)	(18,757)	(47,757)	(31,380)
Net interest income	89,185	71,288	43,760	59,924	11,195	11,904	144,140	143,116
Net intersegment income	50,336	61,958	(12,534)	(18,062)	(37,802)	(43,896)	-	-
Fee and commission income	85,259	79,413	13,438	13,585	1,078	1,468	99,775	94,466
Fee and commission expenses	(19,299)	(23,730)	(1,956)	(1,936)	(2,098)	(1,996)	(23,353)	(27,662)
Net fee and commission income	65,960	55,683	11,482	11,649	(1,020)	(528)	76,422	66,804
Net interest and fee margin	205,481	188,929	42,708	53,511	(27,627)	(32,520)	220,562	209,920
Impairment losses and provisions	(29,592)	(12,677)	19,984	21,375	(20,478)	(7,425)	(30,086)	1,273

EUR'000	Retail banking		Corporate banking		Other banking		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Assets	2,603,852	2,308,934	505,374	827,191	1,571,785	1,502,692	4,681,011	4,638,817
Liabilities	3,325,525	3,299,483	399,246	185,068	405,669	465,280	4,130,440	3,949,831

The following table shows the distribution of income from fees and commissions by segment (based on the requirements of IFRS 15 Revenue from Contracts with Customers):

EUR'000	Retail banking		Corporate banking		Other banking		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Fee and commission income								
Securities	-	-	-	-	184	34	184	34
Clearing and settlement	8,421	8,477	6,524	7,148	426	321	15,371	15,946
Asset management	28,223	25,756	-	-	-	-	28,223	25,756
Custody	-	-	3,846	3,372	53	55	3,899	3,427
Payment services	34,453	31,191	2,153	2,201	353	875	36,959	34,267
Loan servicing activities	1,216	1,090	280	421	-	25	1,496	1,536
Loan commitments given	-	-	571	314	-	-	571	314
Financial guarantees given	8	-	51	119	-	-	59	119
Commodities	4,295	5,278	1	-	11	-	4,307	5,278
Other	8,643	7,621	12	10	51	158	8,706	7,789
Total fee and commission income	85,259	79,413	13,438	13,585	1,078	1,468	99,775	94,466
Of which: Revenue recognised under IFRS 15 Revenue from Contracts with Customers	85,251	79,413	12,816	13,152	1,078	1,468	99,145	94,033

33. Risk management

The ultimate body responsible for risk management is the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Some responsibilities are delegated to permanent working groups and advisory bodies (committees).

The Group's risk management policies are based on the Risk Management Strategy, as a primary document for risk management, which is then further described in the Risk Appetite document. These documents are regularly reassessed, updated and approved by the Board of Directors. The risk management process is a dynamic and continuous process of identification, measurement, monitoring, control, and reporting of risks within the Group. For management of the risks faced by the Group, there are defined appropriate limits, and controls for risk monitoring and adherence to those limits.

Risk management policies and systems are reviewed and amended regularly to reflect changes in legislation, market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The rights and responsibilities of the Group's Audit Committee are assigned to the Supervisory Board, who are responsible for monitoring the effectiveness of internal control and risk management systems. Its activities also cover review of the external auditor's independence, and evaluation of the findings from audit of the financial statements, made by the external auditor. They also monitor the Group's compliance with financial

accounting standards. The Audit Committee is assisted in these functions by the Department of Internal control and audit.

The Group has exposure primarily to the following main risks:

- credit risk;
- liquidity risk;
- market risk;
- operational risk;
- settlement risk.

34. Credit risk

Credit risk is the risk of financial loss to the Group if a debtor, or counterparty to a financial instrument, fails to meet its contractual obligations, and arises from the Group's financial assets – primarily from loans and advances, debt securities, and off-balance sheet exposures. For risk management reporting purposes, the Group considers and consolidates all elements of its credit risk exposure (such as individual obligor default risk, management failure, country, sector or concentration risk).

Credit risk management within the Group is the responsibility of the Risk Management division. The Board of Directors has delegated responsibility for the oversight of credit risk in compliance with a formal competence order.

Credit risk management includes:

- examination of the clients' creditworthiness;
- assessing limits for clients, and economically connected parties, including monitoring portfolio concentration;
- setting target values for concentrations of corporate trades with higher risk profiles;
- mitigation of risk by various forms of collateral;
- continuous monitoring of loan portfolio development, and prompt decision-making to minimise possible losses.

In order to mitigate credit risk, the Group assesses the creditworthiness of the client deal using a rating tool with parameters specific to each client segment, when initially providing the loan, as well as during the life of the credit loan trade. The Group has various rating models depending on the type of business.

When analysing client deals the Group uses:

- client rating;
- project assessment tools;
- scoring for retail loans.

The approval process of active bank transactions includes a review of the individual applicant of the transactions, credit limit of the counterparty, and collateral in order to mitigate credit risk. The Group monitors the development of the portfolio of active bank transactions yearly, or more often as necessary, to ensure that prompt action can be taken to minimise potential risks.

To mitigate credit risk, the Group uses the following types of limits:

- financial involvement limits of the client or economically connected entities (clients);
- limits on banks;
- target values for concentrations of corporate trades with higher risk profiles;
- target values for selected parameters of the retail portfolio.

Compliance with the both limits and target value is continuously monitored, evaluated and applied into the Group's activities.

The tables below provide sector and geographical summaries of financial assets at amortised cost, financial assets at fair value through other comprehensive income, and off-balance sheet exposures (in gross amounts):

EUR'000	Financial assets at amortised cost				Financial assets at FVOCI		OFF Balance sheet			
	Debt securities		Loans and advances		Debt securities		Loan commitments given		Financial guarantees given	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
General governments	659,708	655,283	60,384	60,385	88,235	110,828	-	-	-	-
Credit institutions	45,280	44,771	13,509	38,772	4,943	17,684	-	-	-	-
Other financial corporations	1,239	1,300	200,402	191,868	19,612	19,599	-	251	-	-
Non-financial corporations	-	43,709	178,999	331,769	-	36,782	11,601	8,545	1,799	8,794
A Agriculture, forestry and fishing	-	-	20,796	28,334	-	-	-	-	-	-
B Mining and quarrying	-	-	-	-	-	-	-	-	-	-
C Manufacturing	-	-	14,407	28,139	-	-	17	19	-	-
D Electricity, gas, steam and air conditioning supply	-	-	2,907	14,371	-	-	75	-	-	-
E Water supply	-	-	585	555	-	-	-	-	272	147
F Construction	-	-	10,205	16,866	-	-	352	55	101	851
G Wholesale and retail trade	-	-	16,284	10,689	-	-	639	409	-	-
H Transport and storage	-	-	2,051	1,977	-	-	10	18	3	3
I Accommodation and food service activities	-	-	2,609	13,857	-	-	33	464	-	-
J Information and communication	-	-	445	231	-	-	2,793	3,000	-	-
K Financial and insurance activities	-	-	396	87	-	-	8	32	-	-
L Real estate activities	-	43,709	95,728	120,920	-	-	7,620	23	-	-
M Professional, scientific and technical activities	-	-	6,456	13,946	-	-	50	64	1,423	7,793
N Administrative and support service activities	-	-	5,089	60,261	-	-	-	28	-	-
O Public administration and defence, compulsory social security	-	-	-	-	-	-	-	-	-	-
P Education	-	-	102	43	-	-	4	-	-	-
Q Human health services and social work activities	-	-	68	35	-	-	-	-	-	-
R Arts, entertainment and recreation	-	-	195	17,308	-	36,782	-	4,433	-	-
S Other services	-	-	676	4,150	-	-	-	-	-	-
Households	-	-	2,691,590	2,408,382	-	-	103,347	98,271	-	-
Total	706,227	745,063	3,144,884	3,031,176	112,790	184,893	114,948	107,067	1,799	8,794

EUR'000	Financial assets at amortised cost				Financial assets at FVOCI		OFF Balance sheet			
	Debt securities		Loans and advances		Debt securities		Loan commitments given		Financial guarantees given	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Slovak Republic	659,483	698,340	2,865,845	2,744,792	97,850	153,357	114,903	107,025	377	1,002
Czech Republic	-	-	109,162	114,053	-	-	27	26	-	-
Cyprus	-	-	65,047	58,246	-	-	4	2	-	-
Luxembourg	1,239	1,300	92,560	99,820	9,569	9,795	-	-	-	-
France	-	-	9,722	11,715	-	-	1	1	-	-
Netherlands	2,109	1,603	2,000	2,000	-	-	-	-	-	-
Latvia	2,102	2,129	-	-	-	-	-	-	-	-
Lithuania	9,917	9,981	-	-	2,748	8,954	-	-	-	-
Belgium	10,603	10,728	384	384	-	-	-	-	-	-
Ireland	10,583	10,701	9	10	-	-	-	-	-	-
Romania	10,191	10,281	6	5	-	-	-	-	-	-
Poland	-	-	2	-	2,623	12,787	1	1	-	-
Sweden	-	-	-	-	-	-	-	-	1,422	7,792
Other countries	-	-	147	151	-	-	12	12	-	-
Total	706,227	745,063	3,144,884	3,031,176	112,790	184,893	114,948	107,067	1,799	8,794

Rating system

The Group uses a rating system to evaluate the financial performance of companies. The rating system evaluate quantitative and qualitative indicators of economic activities (e.g. liquidity ratio, profitability, gearing etc.), and compares them with the subjective assessment of the client by the Group. The Group categorises clients into rating levels from best to worst, the worst level representing the highest probability of default. The Group has established processes for creation of ratings, their regular update, and control for assigning the ratings, and these are defined in the Group's internal guidelines.

The Group uses internal credit risk ratings that reflect its assessment of the probability of default by individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. Borrower and loan specific information, collected at the time of application (such as disposable income, level of collateral for retail exposures, or turnover and industry type for corporate exposures) is entered into this rating model. This is supplemented with external data, such as credit bureau scoring information on retail customers. In addition, the models enable inclusion of expert judgements, to be entered into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of other data inputs into the model.

The rating methods are subject to regular validation and recalibration, so that they reflect the latest projections in the light of all actually observed defaults.

The following table shows the assignment of external and internal ratings to each level of credit risk:

Credit risk	External rating Moody's	Internal rating corporate	Internal rating retail	1YPD
Low credit risk	Aaa – Aa3			
Low credit risk	A1 – A3	1 – 3	A1 – A3	0.20% –
Low credit risk	Baa1 – Baa3			1.00%
Low credit risk	Ba1 – Ba2			
Moderate credit risk	Ba3			
Moderate credit risk	B1 – B3	4C – 5C	B1 – C1	2.00% –
Moderate credit risk	Caa1			8.00%
High credit risk	Caa2 –			
High credit risk	Ca – C	6 – 8	C2 – C3	12.00% –
High credit risk			D – F	35.00%
Default	D	9 – 10	Default	100.00%

Measurement of expected credit losses

IFRS 9 *Financial Instruments* outlines a three-stage model for impairment, based on changes in credit quality since initial recognition:

- **Stage 1:** A financial instrument that is not impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group. This includes all financial instruments, where no significant increase in credit risk has been identified, from the date of initial recognition,
- **Stage 2:** If significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to Stage 2, but is not yet deemed to be credit-impaired,
- **Stage 3:** If the financial instrument is impaired, the financial instrument is moved to Stage 3.

Financial instruments in *Stage 1* have their ECL measured, at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in *Stages 2* or *3* have their ECL measured based on expected credit losses on a lifetime basis. The Group has a defined remedial period for returning from *Stage 3* to *Stage 2* and from *Stage 2* to *Stage 1*. Direct movement from *Stage 3* to *Stage 1* is not allowed except retail loans without any forbearance indicator.

Purchased or originated credit-impaired financial assets ('POCI') are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

A pervasive concept in measuring ECL is that it should consider forward-looking information.

The Group sets the level of significance at EUR 300 thousand (for the year ended 31 December 2023: EUR 300 thousand). Financial assets with exposure equal or higher than EUR 300 thousand (for the year ended 31 December 2023: EUR 300 thousand) are assessed individually in the staging process.

The same principles are also applied for measurement of provisions for off-balance sheet exposures, arising from loan and other commitments, and guarantees given.

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below.

Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

i. Quantitative criteria:

Remaining Lifetime PD at the reporting date has increased compared to the expected residual Lifetime PD at the initial recognition date, and it exceeds the relevant threshold.

These thresholds are determined separately for retail and corporate portfolios, by assessing how the Lifetime PD changes prior to an instrument becoming problematic.

The protection criterion applies, and the financial asset is considered to have experienced a significant increase in credit risk, when the borrower is past due with contracted payments for more than 30 days. The Group does not benefit from the exception of low credit risk for any financial instrument.

The following thresholds apply to retail portfolios:

- deterioration of the internal rating by more than one rating grade on exposures that are at least 12 months old;
- forbearance indicator.

The following thresholds apply to corporate portfolios:

- deterioration of the internal rating to rating 7 and higher;
- forbearance indicator;
- non-compliance with financial covenants.

ii. Qualitative criteria:

The Group uses the following indicators to assess whether SICR has occurred:

- the debtor violates the financial covenants or contracts;
- actual or expected significant adverse change in operating results of the borrower;
- negative information about the borrower from external sources;
- significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- significant change in collateral value (secured facilities only) which is expected to increase risk of default;
- actual or expected concession, restructuring or change in the repayment schedule.

The assessment of SICR for individually assessed exposures is carried out at the level of the counterparty on an ongoing basis. The criteria used to identify SICR are monitored and reassessed, in order to assess their suitability, at least once a year.

Definition of default and credit impaired financial assets

The Group defines a financial asset as defaulted when it fully complies with the definition of credit impairment, or when one or more events occur that have a detrimental effect on the estimated future cash flows of that financial asset.

Retail:

- A receivable is considered defaulted if it is more than 90 days overdue, while the significance threshold is set at EUR 100 or 1.00% of the amount of the debtor's balance sheet exposure to the receivable;
- The loan has been called to repay.
- A receivable is an unauthorized debit balance on a personal account with no limit of authorized overdraft in the account.
- The sum of defaulted receivables of the debtor more than 90 days overdue is more than 20 percent of all debtor's receivables.
- The loan id credit impaired with forborne indicator (forborne non-performing).

Non-retail:

Assessed by 2 types of criteria:

- I. Criteria, if identified by the Group, that the receivable immediately becomes defaulted:
 - A receivable that meets the severity threshold, i.e., the amount of all overdue credit obligations of the borrower towards the Bank, the parent company or any of its subsidiaries is greater than EUR 500 or is greater than 1.00% of the total obligation of the borrower, for a period of more than 90 consecutive days
 - The Borrower has declared bankruptcy or other form of reorganisation;
 - The Borrower has asked the Bank for concession due to economic or contractual reasons, related to the borrower's financial difficulties and a significant reduction in the quality of the loan;
 - The loan was forfeited;
 - Fraud.

- II. Criteria subject to a qualified assessment at the Group, whether the receivable is defaulted:
 - The receivable is overdue (up to 90 days);
 - The Group recognises a specific concession to the loan agreement, resulting from a significant reduction in the quality of the loan;
 - Signs of impairment, leading to the assumption that the borrower will not pay its credit obligations to the Group in full amount and in time, without the Group taking any actions such as realisation of the collateral;
 - Significant impairment of main collateral;
 - Failure of the debtor in another financial institution, or failure of another client's loans and advances in the Group;
 - Any other warning signs identified in the client monitoring and engagement process that, according to the Bank's assessment, will result in the debtor not paying his credit commitments to the Group in full and in time, without the Group taking steps toward loan collateral.

Forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information ('FLI').

i. Individually assessed exposures

Considering the abundance and high diversity of corporate exposures, the Group does not identify a reliable correlation between macroeconomic indicators and ECL. Using future-oriented information for individually assessed exposures would lead to unpredictable results due to a lack of reliable correlation, and the Group therefore concludes that the use of future-oriented information is not appropriate for individually assessed exposures. Therefore, the Group assesses the potential impacts of macroeconomic changes at the level of individual loans in their regular monitoring, and any possible impacts are considered when modelling expected cash flows.

The Group regularly carries out detailed monitoring of each corporate client at least once a year. As part of this revision, all aspects of the credit relationship are re-evaluated, from assessing the business model, financial situation, re-assessing collateral, evaluating the fulfilment of contractual conditions.

ii. Portfolio-based exposures

In assessing the amount of expected loss of portfolio exposures, the Group considers estimated future economic conditions. This is achieved by appropriate PD value modifications via a multiplier. The FLI setting consists of determining the values of two parameters:

- the coefficient of increase of 12-month marginal PD values,
- the number of months during which the PD will revert to the original values.

As of 31 December 2024, the setting of FLI parameters for retail portfolio-assessed exposures is based on the assumption of a worsening of the macroeconomic situation in Slovakia. The Group implemented Merton-Vasicek model to assessed relevant macroeconomic component.

For modelling the impact of macro variables on the probability of default, the Group uses available time series published by the Statistical Office of the Slovak Republic, the ECB and the ARDAL agency. Specifically analysed variables and their lagging equivalents: unemployment, inflation, GDP, base interest rate, average coupons of Slovak government bonds for individual years, EURIBOR rates, dummy variables. Based on the results of statistical methods, the final model contains exactly one variable unemployment. Models with multiple variables and their interactions are either insignificant or the result of the variable coefficients is uninterpretable or counterintuitive.

Weighted value of unemployment rate 5.30% was used, based of three scenarios of macroeconomic development with following input values and weights:

- baseline, 80.00%, 5.30%
- positive 10.00%, 5.00%
- negative 10.00%, 5.80%

The resulting impact on the probability of default of retail clients is a relative increase of 5.00% for all retail rating categories.

For the weighted average across individual scenarios, the Group used the predictions of the base scenario from the NBS published in December 2024 and internal estimates of the variables for the negative and optimistic scenario. The starting point for the negative scenario is primarily risk factors, namely the increase in price of the inputs driven by the development on the food and energy markets, escalation of the war conflicts and limited recovery of the world trade.

Calculation of ECL

The Group calculates ECL on an individual or portfolio basis. Individual basis is an individual estimate of cash flows at the exposure level. In calculating the ECL on a portfolio basis, exposures are classified from common risk characteristics into a homogenous group.

The aggregation of the exposures follows a business purpose and also considers the risk perspective. Separate portfolios are created for retail secured and unsecured loans, while the Group also creates additional portfolios by the amount of LTV or product type. Corporate exposures are aggregated into instalment loans, overdrafts, guarantees and bonds. Other portfolios mainly represent money-market exposures to financial institutions and government bonds.

i. Individual calculation:

The individual basis for calculating ECL is used for individually assessed exposures in Stage 3:

The ECL calculation is generally based on three scenarios (or at least two scenarios), and each scenario is given a certain probability:

- **Contractual scenario** - scenario based on the expectation of maturity of all contractual cash flows on time and in full amount
- **Going concern** - scenario based on the expectation of both contractual cash flows and cash flows from collateral recovery
- **Gone concern** - the worst scenario based on the expectation of both contractual cash flows and cash flow from collateral recovery. Compared to the Going concern scenario, the Group expects lower cash flow values

The ECL is subsequently calculated as the probability-weighted amount of expected cash flows from each scenario discounted by the original EIR.

ii. Portfolio calculation:

Portfolio ECL calculation is used for all other cases. Portfolio ECL is calculated using the following formula $ECL = PD \times EAD \times LGD$, where:

- PD: The probability of default. It is the probability that the borrower will not fulfil its financial liabilities.

PD depends on the rating and the following rules apply:

- Stage 1: uses a 12-month PD, i.e. probability of default over the next 12 months;
- Stage 2: the PD is used over the lifetime, i.e. probability of default over the entire lifetime of the exposure;
- Stage 3: the PD is equal to 1 because the exposure is already defaulted.
- EAD: Unsecured Exposure at default.
- LGD: Loss given default means the ratio of credit loss in case of default to EAD.

The Group calculates the ECL on an individual or portfolio basis. An individual basis represents an individual estimate.

ECL sensitivity analysis

The Group prepares ECL scenarios when changing parameters for retail loan portfolio. One of the recalculation scenarios is the assessment of ECL in case of deteriorated or improved credit quality of clients, which the Group implements through the adjustment of client ratings. The second scenario is the ECL assessment when at PD and the third scenario represents a change in LGD parameter.

Changes in the credit quality of clients

Scenario of deterioration of the client's rating by 1 rating for retail loans under the following assumptions:

- PD values are allocated according to PD values ratings calculated as at the end of the period;
- for defaulted exposures and exposures where the rating level could not be assessed, the ECL conversion remains the same as calculated as at the end of the period;
- the deterioration of the client's rating is realised by 1 rating level lower, while clients from the worst rating level remain at the same rating level;
- for clients who, after a deterioration in their rating level, move from Stage 1 to Stage 2, the ECL is calculated in Stage 2.

Scenario of improving the client's rating by 1 level for retail loans under the following assumptions:

- PD values are allocated according to ratings from PD values calculated as at the end of the period;
- for defaulted exposures and exposures where the rating level could not be assessed, the ECL conversion remains the same as calculated as at the end of the period;
- the improvement of the client's rating is realised by 1 rating level higher, while clients from the worst rating level remain at the same rating level;
- for clients who, after an improvement in their rating level, move from Stage 2 to Stage 1, the ECL is calculated in Stage 1.

ECL scenarios impact compared to the actual ECL value:

31.12.2024	Value of ECL	Deterioration		Improvement	
		by one rating grade EUR'000	in %	by one rating grade EUR'000	in %
Consumer credit	80,912	7,178	8.87%	(4,242)	-5.24%
Mortgage loans	439	107	24.31%	(53)	-12.18%
Corporate exposures	14,840	2,105	14.18%	(1,076)	-7.25%
Total	96,191	9,390	9.76%	(5,371)	-5.58%

31.12.2023	Value of ECL	Deterioration		Improvement	
		by one rating grade EUR'000	in %	by one rating grade EUR'000	in %
Consumer credit	78,565	5,265	6.70%	(2,891)	-3.68%
Mortgage loans	317	56	17.59%	(27)	-8.40%
Corporate exposures	40,116	5,001	12.47%	(2,218)	-5.53%
Total	118,998	10,322	8.67%	(5,136)	-4.32%

The corporate portfolio is regularly monitored and assessed on a regular basis. The classification into the relevant rating is also performed on an individual basis according to the specific situation of the clients. The corporate portfolio does not show signs of a homogeneous portfolio. Therefore, a sensitivity analysis through change does not provide additional relevant information. In corporate portfolios, the Group assesses the sensitivity to changes in PD, which can be seen below.

PD changes

When changing the PD, the Group tests the ECL sensitivity to PD changes in 10% movements upwards and downwards. This analysis does not change the Stage assignment.

The effects of stressing PD parameters are as follows:

PD change	31 December 2024					31 December 2023				
	Value of ECL	Increase by 10.00%		Decrease by 10.00%		Value of ECL	Increase by 10.00%		Decrease by 10.00%	
		EUR'000	in %	EUR'000	in %		EUR'000	in %	EUR'000	in %
Consumer credit	80,912	1,708	2.11%	(1,708)	-2.11%	78,565	1,250	1.59%	(1,250)	-1.59%
Mortgage loans	439	14	3.24%	(14)	-3.24%	317	8	2.59%	(8)	-2.59%
Corporate loans	14,840	486	3.28%	(486)	-3.28%	40,116	832	2.07%	(832)	-2.07%
Other	1,669	31	1.85%	(31)	-1.85%	1,894	30	1.58%	(30)	-1.58%
Total	97,860	2,239	2.29%	(2,239)	-2.29%	120,892	2,120	1.75%	(2,120)	-1.75%

A change of the LGD parameter

A change of the LGD parameter would result in a change in the impairment allowances as follows:

31.12.2024	ECL	LGD +5.00%		LGD -5.00%		LGD +10.00%		LGD -10.00%	
		EUR'000	in %	EUR'000	in %	EUR'000	in %	EUR'000	in %
Consumer credit	80,912	5,054	6.25%	(5,049)	-6.24%	10,106	12.49%	(10,100)	-12.48%
Mortgage loans	439	27	6.22%	(27)	-6.21%	55	12.44%	(55)	-12.43%
Corporate exposures	14,840	447	3.01%	(445)	-3.00%	893	6.02%	(891)	-6.01%
Other	1,669	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	97,860	5,528	5.65%	(5,521)	-5.64%	11,054	11.29%	(11,046)	-11.29%

31.12.2023	ECL	LGD +5.00%		LGD -5.00%		LGD +10.00%		LGD -10.00%	
		EUR'000	in %	EUR'000	in %	EUR'000	in %	EUR'000	in %
Consumer credit	78,565	5,253	6.69%	(5,253)	-6.69%	10,507	13.37%	(10,507)	-13.37%
Mortgage loans	317	25	7.98%	(25)	-7.98%	51	15.95%	(51)	-15.95%
Corporate exposures	40,116	2,046	5.10%	(2,046)	-5.10%	4,093	10.20%	(4,093)	-10.20%
Other	1,894	6	0.30%	(6)	-0.30%	11	0.61%	(11)	-0.61%
Total	120,892	7,330	6.06%	(7,330)	-6.06%	14,662	12.13%	(14,662)	-12.13%

PD and LGD values are estimated by statistical models. PD values are recalculated and recalibrated on a monthly basis, reflecting the changes to ECL in individual portfolios. LGD values are recalculated and recalibrated at least once a year. Back testing of PD and LGD is performed on an annual basis.

The tables below summarise the classification of financial assets and off-balance sheet exposures (gross) by credit risk ratings:

EUR'000	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets at AC - Debt securities										
Low credit risk	704,118	701,354	-	-	-	-	-	-	704,118	701,354
Moderate credit risk	-	-	-	-	-	-	-	-	-	-
High credit risk	-	-	-	43,709	-	-	-	-	-	43,709
Default	-	-	-	-	-	-	-	-	-	-
Not rated	2,109	-	-	-	-	-	-	-	2,109	-
Gross amount	706,227	701,354	-	43,709	-	-	-	-	706,227	745,063
Impairment allowance	(211)	(216)	-	(7,485)	-	-	-	-	(211)	(7,701)
Carrying amount	706,016	701,138	-	36,224	-	-	-	-	706,016	737,362

EUR'000	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets at AC - Loans and advances										
Low credit risk	1,438,297	1,317,218	10,361	1,987	2,743	775	-	-	1,451,401	1,319,980
Moderate credit risk	1,202,368	1,140,952	44,809	27,691	19,695	17,773	458	-	1,267,330	1,186,416
High credit risk	97,515	211,218	168,246	133,882	6,294	6,200	11,548	11,760	283,603	363,060
Default	-	-	-	-	129,412	154,218	6,387	2,219	135,799	156,437
Not rated	2,171	384	3,912	4,275	668	624	-	-	6,751	5,283
Gross amount	2,740,351	2,669,772	227,328	167,835	158,812	179,590	18,393	13,979	3,144,884	3,031,176
Impairment allowance	(13,782)	(9,917)	(11,671)	(17,227)	(101,221)	(113,210)	(7,276)	(3,382)	(133,950)	(143,736)
Carrying amount	2,726,569	2,659,855	215,657	150,608	57,591	66,380	11,117	10,597	3,010,934	2,887,440

EUR'000	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets at FVOCI - Debt securities										
Low credit risk	102,747	138,307	-	-	-	-	-	-	102,747	138,307
Moderate credit risk	10,043	46,586	-	-	-	-	-	-	10,043	46,586
High credit risk	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-
Not rated	-	-	-	-	-	-	-	-	-	-
Gross amount	112,790	184,893	-	-	-	-	-	-	112,790	184,893
Impairment allowance in OCI	(60)	(764)	-	-	-	-	-	-	(60)	(764)

EUR'000	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Loan and other commitments given										
Low credit risk	78,152	83,329	-	-	-	-	-	-	78,152	83,329
Moderate credit risk	25,980	16,901	16	-	-	-	-	-	25,996	16,901
High credit risk	7,178	3,168	452	157	-	-	-	-	7,630	3,325
Default	-	-	-	71	2	-	-	-	2	71
Not rated	2,793	3,000	375	441	-	-	-	-	3,168	3,441
Gross amount	114,103	106,398	843	669	2	-	-	-	114,948	107,067
Provision	162	106	61	35	-	-	-	-	223	141

EUR'000	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial guarantees given										
Low credit risk	1,423	-	-	-	-	-	-	-	1,423	-
Moderate credit risk	53	7,943	-	-	-	-	-	-	53	7,943
High credit risk	272	-	-	-	-	-	-	-	272	-
Default	-	-	-	-	51	851	-	-	51	851
Not rated	-	-	-	-	-	-	-	-	-	-
Gross amount	1,748	7,943	-	-	51	851	-	-	1,799	8,794
Provision	12	1	-	-	23	175	-	-	35	176

Collateral

The Group generally requires collateral in order to mitigate its credit risk from exposures on financial assets. The following collateral types are accepted:

- cash;
- guarantees issued by banks, governments or reputable third parties;
- securities;
- receivables;
- commercial and residential real estate;
- tangible assets.

Estimates of fair value are based on the value of collateral assessed at the time before executing the deal and are reassessed on a regular basis. Generally, collateral is not held on exposures against credit institutions, except when securities are held as part of reverse repurchase and securities lending activity.

An estimate of the fair value of received collateral is shown in the following table (including received collateral from reverse repurchase agreements). Received collateral value is disclosed up to the gross carrying amount of the asset (so called claimable value).

EUR'000	31.12.2024	31.12.2023
Real-estates	1,762,956	1,553,882
Securities	154,768	190,690
Other	7,989	29,342
Total	1,925,713	1,773,914

Collateral in default loans and advances at amortised cost:

EUR'000	31.12.2024	31.12.2023
Gross amount	136,703	157,094
Impairment allowances	(84,025)	(94,265)
Carrying amount	52,678	62,829
Collateral	18,326	28,768

The Group's assessment of the net realisable value of the collateral is based on independent expert appraisals, which are reviewed by the Group's specialists, or internal evaluations prepared by the Group. The realisable value of collateral is derived from this value using a correction coefficient, that is the result of the current market situation, and reflects the Group's ability to realise the collateral in case of involuntary sale, for a price that is possibly lower than the market price.

The Group, at least annually, updates the values of the collateral and the correction coefficient.

Mortgage classification by LTV categories is shown in the following table:

EUR'000	31.12.2024	31.12.2023
LTV < 50%	410,952	363,509
LTV 50 - 60%	316,723	271,778
LTV 60 - 70%	417,420	411,913
LTV 70 - 80%	383,304	326,413
LTV 80 - 90%	148,740	66,795
LTV 90 - 100%	15,463	11,692
LTV > 100%	12,197	10,999
Total	1,704,799	1,463,099

Net value of assets acquired by ownership of the collateral as at 31 December 2024 is EUR 0 (as at 31 December 2023: EUR 0).

Recovery of receivables

The Group takes the necessary steps in judicial and non-judicial processes to obtain the maximum recovery from defaulted receivables. In case of default receivables, the activities of taking possession of collateral, representing the Group in bankruptcy, and restructuring proceedings are realised separately.

In the retail segment, the recovery process for overdue receivables is defined and centrally operated by a workflow system. The system provides complex evidence of problematic receivables, uses a segmented strategy of recovery, and it also processes numerous task flows, automated collection tasks, etc. The Group also uses outsourced services of collection companies.

Forbearance

The following tables show the gross amount and the amount of the impairment allowance for the financial assets to which the concession was applied:

31.12.2024	Grace period	Interest rate reduction	Extension of maturity	Rescheduled payments	Other measures
Gross amount					
Households	11,872	8,925	37,525	-	3,959
Non-financial corporations	4,714	3,929	4,015	4,936	4,181
Total	16,586	12,854	41,540	4,936	8,140
Impairment allowances					
Households	(1,809)	(3,773)	(9,118)	-	(1,074)
Non-financial corporations	(962)	(64)	(151)	(238)	(2,280)
Total	(2,771)	(3,837)	(9,269)	(238)	(3,354)

31.12.2023	Grace period	Interest rate reduction	Extension of maturity	Rescheduled payments	Other measures
Gross amount					
Households	15,525	8,470	35,328	-	3,451
Non-financial corporations	3,530	4,221	23,118	-	-
Total	19,055	12,691	58,446	-	3,451
Impairment allowances					
Households	(5,623)	(3,657)	(6,999)	-	(920)
Non-financial corporations	(792)	(77)	(3,799)	-	-
Total	(6,415)	(3,734)	(10,798)	-	(920)

35. Liquidity risk

Liquidity risk arises from financing of the Group's activities and management of its positions. It includes financing the Group's assets with instruments of appropriate maturity, and the Group's ability to dispose of its assets for acceptable prices within acceptable time periods. The Group promotes a conservative and prudent approach to liquidity risk management.

The Group has a system of limits and indicators consisting of the following elements:

- short-term liquidity management - performed by monitoring the liabilities and receivables due, and fulfilling the compulsory minimum reserves;
- long-term liquidity management – performed by using the method of liquidity gap analysis (the classification of assets and liabilities based on their maturity into different maturity ranges). Liquidity gap analysis uses the Liquidity at Risk deposit stability model, as well as other behavioural assumptions.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, where possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group finances its assets mostly from primary sources. In addition to this, the Group has open credit lines from several financial institutions and is also able to finance its assets from interbank deposits. Due to its structure of assets, the Group has at its disposal sufficient amount of bonds which are, if necessary, acceptable for acquiring additional resources through refinancing operations organised by the European Central Bank.

The Group monitors the liquidity profile of its financial assets and liabilities, and details about other projected cash flows arising from projected future business. Based on such information, the Group maintains a portfolio of short-term liquid assets, made up of loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

The liquidity position is monitored daily and the liquidity stress testing is conducted monthly, under a variety of scenarios covering both normal and more severe market conditions. The Group also has a contingency plan and communication crisis plan, which describes the principles and procedures of management in extraordinary conditions and secures the availability of financial back-up sources. All liquidity policies and procedures are subject to review and approval by the Assets and Liabilities Committee ("ALCO"). Reports on the liquidity position, including any exceptions and remedial action taken, is submitted to ALCO at least once a month.

Exposure to liquidity risk

The key measures used by the Group for managing liquidity risk are:

- *primary liquidity ratio and Liquidity coverage ratio* - tracking short-term liquidity under stress scenarios;
- *net stable funding ratio* - structural funding monitoring;
- *analysis of survival time in stress conditions*.

Cash flows expected by the Group for certain assets and liabilities may differ significantly from their contractual flows. For example, for on hand deposits from clients (current accounts, term deposits without notice period) the Group expects that they will remain in the Group over a longer period, or more precisely, their value will increase over time as a result of receiving new funds. Receivables from clients may also be prematurely repaid or prolonged.

The liquidity coverage ratio is defined by Regulation of the European Parliament and of the Council no. 575/2013, as the ratio of the sum of the liquid assets to the sum of the net cash outflows. The ratio must not fall below 1.

The value of ratio was as follows:

	31.12.2024	31.12.2023
End of the period	3.36	4.67
Average for the period	3.42	3.92
Maximum for the period	5.25	4.96
Minimum for the period	2.51	3.02

The Net Stable Funding Ratio requirement stipulated in Article 413 par. 1 (EU Regulation No. 575/2013 of 26 June 2013) equals the ratio of the available stable funding of the institution to the required stable funding of the institution. The value of the indicator must not fall below 1.

The value of the indicator is as follows:

	31.12.2024	31.12.2023
End of the period	1.45	1.41

The following table provides an overview of the distribution of assets and liabilities, according to their contractual maturity as current (with a maturity up to 1 year) and non-current (with a maturity over one year):

EUR'000	31 December 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
Assets						
Cash, cash balances at central banks and other demand deposits	528,100	-	528,100	438,490	-	438,490
Financial assets held for trading	17	-	17	178	-	178
Non-trading financial assets mandatorily at fair value through profit or loss	335	141,925	142,260	379	192,505	192,884
Financial assets at fair value through other comprehensive income	17,609	95,181	112,790	37,432	147,461	184,893
Financial assets at amortised cost	459,107	3,280,436	3,739,543	466,758	3,189,056	3,655,814
<i>Debt securities</i>	66,459	639,557	706,016	41,857	695,505	737,362
<i>Loans and advances</i>	370,055	2,640,879	3,010,934	393,889	2,493,551	2,887,440
<i>Other financial assets</i>	22,593	-	22,593	31,012	-	31,012
Derivatives – Hedge accounting	149	4,784	4,933	1,074	5,884	6,958
Investments in subsidiaries, joint ventures and associates	-	900	900	-	1,019	1,019
Tangible assets	-	44,222	44,222	-	52,142	52,142
Intangible assets	-	49,060	49,060	-	60,483	60,483
Current tax assets	6,194	-	6,194	1,529	-	1,529
Deferred tax assets	-	29,223	29,223	-	28,616	28,616
Other assets	23,769	-	23,769	15,811	-	15,811
Total assets	1,035,280	3,645,731	4,681,011	961,651	3,677,166	4,638,817
Liabilities						
Financial liabilities held for trading	50	-	50	85	-	85
Financial liabilities measured at amortised cost	3,507,061	587,079	4,094,140	3,216,779	698,281	3,915,060
<i>Deposits</i>	3,360,326	403,598	3,763,924	3,200,486	530,468	3,730,954
<i>Debt securities issued</i>	138,688	156,449	295,137	-	139,709	139,709
<i>Other financial liabilities</i>	8,047	27,032	35,079	16,293	28,104	44,397
<i>thereof: lease liabilities</i>	4,451	25,700	30,151	5,070	27,527	32,597
Derivatives – Hedge accounting	49	5,808	5,857	-	4,654	4,654
Provisions	371	-	371	393	-	393
Current tax liabilities	3,995	-	3,995	35	-	35
Other liabilities	26,027	-	26,027	29,604	-	29,604
Total liabilities	3,537,553	592,887	4,130,440	3,246,896	702,935	3,949,831

The Group monitors residual maturity based on expected recovery or expected maturity of the individual assets and liabilities. Historical experience shows that short-term liabilities are usually prolonged, or their volume grows over time. The maturity of these liabilities is determined in the range of 1-10 years, based on their volatility and the use of statistical models.

The following tables show the residual maturity of non-derivative and off-balance sheet financial liabilities and hedging derivatives. Undiscounted cash flows in the table are presented based on their earliest contractual maturities. Expected cash flows may be different from the analysis below:

EUR'000	Less than 3 months	3 months to 1 year	1-5 years	5 years and more	Contractual cash flow total	Total carrying amount
31 December 2024	-	-	-	-	-	-
Financial liabilities measured at amortised cost	2,946,039	567,970	569,262	33,767	4,117,038	4,094,140
Deposits	2,940,633	424,671	393,759	25,587	3,784,650	3,763,924
Debt securities issued	-	138,688	156,449	-	295,137	295,137
Other financial liabilities	5,406	4,611	19,054	8,180	37,251	35,079
thereof: lease liabilities	1,407	4,124	18,613	8,180	32,324	30,151
Derivatives – Hedge accounting	-	49	5,064	744	5,857	5,857
Total	2,946,039	568,019	574,326	34,511	4,122,895	4,099,997

31 December 2023	-	-	-	-	-	-
Financial liabilities measured at amortised cost	2,695,288	533,553	684,324	40,318	3,953,483	3,915,060
Deposits	2,682,878	519,745	521,695	25,850	3,750,168	3,730,954
Debt securities issued	-	9,886	147,365	-	157,251	139,709
Other financial liabilities	12,410	3,922	15,264	14,468	46,064	44,397
thereof: lease liabilities	1,317	3,790	14,686	14,468	34,261	32,597
Derivatives – Hedge accounting	-	-	3,378	1,276	4,654	4,654
Total	2,695,288	533,553	687,702	41,594	3,958,137	3,919,714

EUR'000	Less than 3 months	3 months to 1 year	1-5 years	5 years and more	Contractual cash flow total	Total carrying amount
31 December 2024	-	-	-	-	-	-
Loan and other commitments given	114,948	-	-	-	114,948	114,948
Financial guarantees given	1	50	1,745	3	1,799	1,799
Total	114,949	50	1,745	3	116,747	116,747

31 December 2023	-	-	-	-	-	-
Loan and other commitments given	107,067	-	-	-	107,067	107,067
Financial guarantees given	-	800	7,991	3	8,794	8,794
Total	107,067	800	7,991	3	115,861	115,861

The following table presents the maturity analysis of highly liquid assets that the Group uses for liquidity management:

EUR'000	Less than 3 months	3 months to 1 year	1-5 years	5 years and more	Contractual cash flow total
31 December 2024	-	-	-	-	-
Cash on hand	24,541	-	-	-	24,541
Cash balances at central banks	404,034	-	-	-	404,034
Assets in level 1	4,487	71,349	263,232	365,980	705,048
Assets in level 2A	-	4,950	10,591	-	15,541
Total	433,062	76,299	273,823	365,980	1,149,164

The following tables show an analysis of the expected remaining maturity of non-derivative and off-balance sheet financial liabilities and hedging derivatives.

EUR'000	Less than 3 months	3 months to 1 year	1-5 years	5 years and more	Contractual cash flow total	Total carrying amount
31 December 2024	-	-	-	-	-	-
Financial liabilities measured at amortised cost	538,033	772,555	1,790,115	1,016,156	4,116,859	4,094,140
<i>Deposits</i>	532,934	629,256	1,614,484	1,007,976	3,784,650	3,763,924
<i>Debt securities issued</i>	-	138,688	156,449	-	295,137	295,137
<i>Other financial liabilities</i>	5,099	4,611	19,182	8,180	37,072	35,079
<i>thereof: lease liabilities</i>	1,407	4,124	18,741	8,180	32,452	30,151
Derivatives – Hedge accounting	-	49	5,064	744	5,857	5,857
Total	538,033	772,604	1,795,179	1,016,900	4,122,716	4,099,997

31 December 2023						
Financial liabilities measured at AC	269,725	809,920	1,874,527	999,311	3,953,483	3,915,060
<i>Deposits</i>	257,315	796,112	1,711,898	984,843	3,750,168	3,730,954
<i>Debt securities issued</i>	-	9,886	147,365	-	157,251	139,709
<i>Other financial liabilities</i>	12,410	3,922	15,264	14,468	46,064	44,397
<i>thereof: lease liabilities</i>	1,317	3,790	14,686	14,468	34,261	32,597
Derivatives – Hedge accounting	-	-	3,378	1,276	4,654	4,654
Total	269,725	809,920	1,877,905	1,000,587	3,958,137	3,919,714

EUR'000	Less than 3 months	3 months to 1 year	1-5 years	5 years and more	Contractual cash flow total	Total carrying amount
31 December 2024						
Loan and other commitments given	114,948	-	-	-	114,948	114,948
Financial guarantees given	1	50	1,745	3	1,799	1,799
Total	114,949	50	1,745	3	116,747	116,747
31 December 2023						
Loan and other commitments given	107,067	-	-	-	107,067	107,067
Financial guarantees given	-	800	7,991	3	8,794	8,794
Total	107,067	800	7,991	3	115,861	115,861

36. Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing), will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group distributes its exposure to market risk between trading and non-trading portfolios. Trading portfolios include proprietary position-taking, together with financial assets and liabilities which are managed on a fair value basis.

Overall authority for market risk is vested in the ALCO. The members of ALCO are responsible for the development of detailed market risk management policies.

Management of market risks

Limits, indicators and methods of equity risk management are defined in accordance with the principles described in the Market Risk Management Strategy. In managing market risk, the Group uses the following limits, indicators and methods for identifying, measuring and monitoring market risk:

- open positions in individual financial instruments;
- Value at Risk;
- Expected shortfall;
- Basis point value;
- Credit spread risk in banking book - CSRBB;
- analysis of interest rate gap;
- Change of economic value of capital ΔEVE ;
- Change of net interest income ΔNII ;
- Stop loss limits for trading book;
- stress testing;
- reverse stress testing.

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is Value at Risk ('VaR'). The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period), from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based upon a 99% confidence for a one day holding period. The VaR model used is primarily based on historical simulations. Taking account of market data from previous years, and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A holding period assumes that it is possible to acquire or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99.00% confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR. To mitigate this shortage, the Group uses the ratio expected shortfall, which monitors potential loss beyond the set confidence interval.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature. To mitigate this shortage, the Group uses the stressed VaR indicator, which considers historical scenarios with the greatest negative impact.

Daily reports of utilisation of VaR limits are submitted to ALCO members, and the departments responsible for risk position management. Information on market risks development is regularly submitted to ALCO.

A summary of the VaR position of the Group:

EUR'000	31.12.2024	Average	Maximum	Minimum
VaR trading book	1	2	15	-
VaR banking book	2,696	3,143	4,152	2,478
VaR total	2,696	3,145	4,151	2,478
<i>Out of which interest rate risk</i>	1,417	1,532	2,751	726
<i>Out of which credit spread risk</i>	2,247	2,833	5,540	2,240
<i>Out of which foreign exchange risk</i>	1	2	15	-

EUR'000	31.12.2023	Average	Maximum	Minimum
VaR trading book	3	4	42	-
VaR banking book	3,734	3,247	3,734	2,776
VaR total	3,734	3,641	4,901	2,777
<i>Out of which interest rate risk</i>	2,258	1,818	2,310	956
<i>Out of which credit spread risk</i>	5,548	4,241	5,615	1,758
<i>Out of which foreign exchange risk</i>	3	4	49	-

Interest rate risk

The main source of the Group's interest rate risk is so-called revaluation risk which arises due to timing differences in maturity dates (fixed rate positions) and in revaluation (variable rate positions) assets, liabilities, and positions in commitments, contingencies and derivative financial instruments of the Group.

Other sources of interest rate risk are:

- *Yield curve risk* – risk of changes in the yield curve, due to the fact that a change in interest rates on the financial market will occur to different extents at different periods of time for interest-sensitive financial instruments,
- *Different interest base risk* - reference rates, relating to the active and passive transactions, are dissimilar and do not move simultaneously,
- *Risk from provisioning* - resulting from the decrease of interest sensitive exposure, with increasing volume of impairment loss allowances. Reducing exposure affects the Group's interest sensitivity, based on a short or long position,
- *Option risk* – arising from potential embedded options in financial instruments in the portfolio of the Group, allowing early withdrawals and repayments by counterparties, and subsequent deviation from their contractual maturities.

On the asset side of the statement of financial position, the Group manages its interest rate risk by providing a majority of corporate loans with variable rates. The Group continuously uses asset-liability management in its interest risk management. When purchasing debt securities, the current interest position of the Group is considered, which then serves as a basis for purchase of fixed or variable debt securities. The Group uses interest swaps to hedge interest rate debt securities classified within FVOCI financial assets.

The priorities of the Group for interest rate risk management of liabilities comprise:

- Stability of deposits, especially over longer time periods;
- Fast and flexible reactions to significant changes in inter-bank interest rates, through adjustments to interest rates on deposit products;
- Continuously evaluating interest rate levels offered to clients, compared to competitors, and actual or expected development of interest rates on the local market;
- Managing the structure of liabilities in compliance with the expected development of money market rates, in order to optimise interest revenues and minimise interest rate risk.

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in future cash flows, or fair values of financial instruments, because of a change in market interest rates.

The ALCO is the monitoring body for compliance with these limits and is assisted by the Risk Management Division in its day-to-day monitoring activities. Setting interest rates for banking products is under the responsibility of ALCO.

Changes in the economic value of equity (Δ EVE) calculated according to the six supervisory shock scenarios under Article 98(5) of Directive 2013/36/EU are presented in the following table:

BIS IRRBB Scenarios	31.12.2024	31.12.2023
Short rates shock up	(28,904)	(22,630)
Short rates shock down	14,238	11,415
Parallel shock up	(39,161)	(32,121)
Parallel shock down	19,320	17,102
Steeper shock	4,138	3,466
Flattener shock	(14,157)	(12,168)

Changes in net interest income (Δ NI) calculated according to the two supervisory shock scenarios under Article 98(5) of Directive 2013/36/EU are presented in the following table:

BIS IRRBB Scenarios	31.12.2024	31.12.2023
Parallel shock up	(8,276)	(20,805)
Parallel shock down	3,697	14,236

In 2024, the methodology for calculating the change in net interest income (Δ NI) was updated to align the internal IRRBB model with the standardized methodology defined by the Commission Delegated Regulation (EU) 2024/857.

The economic value of capital represents the difference discounted cash flows of interest rate sensitive assets recorded in the banking book, and the cash flows of interest sensitive liabilities recorded in the banking book. Interest rate sensitive assets and liabilities are assets and liabilities for which fair value is variable, depending on changes in market interest rates. Particular assets and liabilities are divided into re-pricing gaps, based on their contractual re-pricing period, volatility of interest margins (for selected liability products), or roll forward (for assets and liabilities where it is not possible to use statistical models). In case the asset or the liability does not bear any interest risk, it is assigned a one-day maturity.

Changes in the Bank's economic value reflect the impact of a parallel interest shock on the value of interest sensitive assets and liabilities of the Bank. It should be emphasised that this measure highlights the effect of a shift in interest curves on the present structure of assets and liabilities and excludes assumptions of future changes in the structure of the balance sheet.

Share price risk

Share price risk is a risk of movements in the prices of equity instruments held in the Group's portfolio, and financial derivatives derived from these instruments. The main source of the Group's share price risk is speculative and strategic positions held in shares and share certificates.

When investing in equity instruments, the Group:

- Follows an investment strategy which is updated on a regular basis;
- Prefers for publicly traded stocks;
- Monitors limits to minimise share price risk;
- Performs a risk analysis, which usually includes forecasts of the development of the share price, various models and scenarios for the development of external and internal factors with an impact on the statement of profit or loss, asset concentration, and the adequacy of own resources.

Share price risk is expressed above as part of the VaR ratio.

Foreign exchange risk

The Group is exposed to foreign exchange risk when trading in foreign currency on its own account, as well as on the account of its clients. The Group assumes a foreign exchange risk if the assets and liabilities denominated in foreign currencies are not in the same amount, i.e. the Group has unsecured foreign exchange positions. The Group reduces its foreign exchange risk through limits on its unsecured foreign exchange positions and keeps them at an acceptable level according to its size and business activities. The main currencies in which the Group holds significant positions are czech crowns and american dollars.

37. Operational risk

Operational risk is the risk of loss, including the damage caused to the Group (by the Group's own activities) as a result of inappropriate or incorrect internal procedures, human factor failure, failure of systems used, and by external factors other than credit, market and liquidity risks. A part of the operational risk is legal risk arising from unenforceable contracted receivables, unsuccessful legal cases, verdicts with negative impact on the Group, and compliance risk. Operational risk arises from all of the Group's operations and is faced by all business entities.

The Group continuously aims to improve the implemented process of operational risk identification, usage of key risk indicators, self-evaluation procedures, or planning for unforeseeable events, and aims to secure business continuity and manage operational risk of the Group on a consolidated basis.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management in each division. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for periodic assessment of operational risks faced, and adequacy of controls and procedures to address the risks identified;
- requirements for reporting of operational losses and proposed remedial actions;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where it is effective.

Internal audit performs audits and inspections, in accordance with the Statute of internal control and internal audit, and the plan of audit activities for the year, approved by the Supervisory Board. Results of audits and inspections performed by internal audit are discussed with management of the department to which they relate. Reports from audits and controls are then submitted to the Board of Directors and the Supervisory Board (which also carries out activities of the Audit Committee).

Legal risk

Legal risk represents a risk of loss arising mainly from unenforceable contracts, threats of unsuccessful legal cases, or verdicts with negative impact on the Group. Legal risk management is the responsibility of the Legal Services department.

Compliance risk

The Group, in the management of compliance risk, is focused mainly on:

- Managing the risk of money laundering and financing the terrorism;
- Risk of legal sanctions and penalties from regulators;
- Loss of the Group's reputation, which may be suffered as a result of a failure to comply with the requirements of generally applicable laws, legal standards, guidelines and standards related to banking activities.

Risks related to outsourcing

Outsourcing activities present a separate group of operational risks. Outsourcing involves long-term performance of activities by a third party, which support the Group's activities and are carried out on a contractual basis, in order to increase the efficiency of the Group's activities.

Risk management relating to outsourcing is a part of overall Group risk management. It is the responsibility of the Board of Directors and includes:

- Managing strategy for risks associated with outsourcing, which is approved by the Board of Directors, as well as other particular internal directives relating to outsourcing, security crisis plans for individual outsourced activities, or plans for the Group when ceasing outsourced activities;
- Examination of the quality of service providers before and during outsourcing;
- Regular inspections of performance of outsourcing companies by the Department of Internal Control and Internal Audit;
- Minimising the risk related to outsourcing when extraordinary events occur.

38. Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent, to ensure that a trade is settled only when both parties have fulfilled their contractual obligations.

Limits for settlement represent a part of the process of monitoring the limits. Acceptance of risk resulting from a free settlement trades requires transaction-specific or counterparty-specific approvals of ALCO committee.

The risk to a management company is that the issuer or counterparty fails to meet its obligation. The potential credit risk impact on asset value is moderate.

Mutual funds minimise the risk of trading with securities in particular, by the fact that trading with the mutual fund assets is performed in accordance with the law in such way that the value is transferred in favour of the mutual fund, on the principle of payment versus delivery, within normal timescales of the regulated market. Risk management involves: issuer and counterparty creditworthiness testing, establishment of limits on issuer and counterparty in terms of risk and risk delimitation rules, establishment of limits in the information system, and its subsequent conversion.

39. Regulatory requirements of the asset management company

The asset management company is obliged to comply with regulatory requirements of the National Bank of Slovakia ('NBS'), which are set out under Act No. 203/2011 on collective investment, and according to NBS Provision No. 7/2011 on capital resources of asset management companies. These include limits and restrictions on capital adequacy. These requirements apply to all asset management companies in Slovakia and their compliance is determined on the basis of reports submitted by the asset management company under statutory legal regulations. During the accounting period and as at the date of preparation of the financial statements, the Group met the aforementioned regulatory requirements.

The own funds of the management company are considered appropriate under this Act, unless they are below:

- a) EUR 125 thousand plus 0.02% of the value of the assets in funds managed by the company exceeding EUR 250,000 thousand. This amount is not further increased when it reaches EUR 10,000 thousand;
- b) EUR 125 thousand plus 0.02% of the value of the assets in alternative investment funds managed by the company exceeding EUR 250,000 thousand. This amount is not further increased when it reaches EUR 10,000 thousand;
- c) One quarter of the average general operating costs of the management company for the previous calendar year. If the management company exists for less than one year, a quarter of the amount of general operating costs according to its business plan.

40. Capital management and Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Group's objective of the capital management is to ensure healthy capital equipment in order to fulfil all regulatory requirements for capital, the amount of MREL, their ongoing maintenance and build investor confidence as well as support own business.

The amount of regulatory capital and the capital adequacy is calculated in accordance with Regulation of the EU Parliament and Council No. 575/2013 (hereinafter referred to as "CRR").

According to the CRR, the Group's own resources are created by Tier I capital (CET1), additional Tier I capital (AT1) and Tier II capital (T2). As the Group does not own AT1 capital instruments, the entire volume of Tier I capital consists of CET1 capital.

As of 31 December 2024, the minimum capital adequacy requirements, including buffers and the Tier II requirements stipulated by the regulator were fulfilled.

The Minimum Requirement for Own Funds and Eligible Liabilities (MREL) was defined by the regulator. To achieve this, the Bank has successfully issued MREL instruments over the past years. In 2024, the bank managed to place an issuance of EUR 150 million on the market.

Throughout the year ended 31 December 2024, the Bank met and exceeded all regulatory capital adequacy requirements, MREL requirements and this includes all requirements of Tier I, Tier II and the requirement for a combined capital buffer.

The dividend policy is planned so that all regulatory capital limits, including the MREL requirement, are met.

The Group's position of own funds according to the Capital Requirement Regulation is displayed in the following table:

EUR'000	31.12.2024	31.12.2023
Tier I Capital	448,989	568,544
Share capital and share premium	367,043	367,043
Reserve funds and other funds created from profit	73,261	73,261
Selected components of accumulated other comprehensive income	(10,342)	(13,121)
Profit or loss of previous years	50,508	180,316
Intangible assets	(29,764)	(37,728)
Additional valuation adjustments	(312)	(437)
Insufficient coverage for problematic exposures	(1,405)	(790)
Tier II Capital	4,797	6,401
Subordinated debt	4,797	6,401
Regulatory capital total	453,786	574,945

The table below summarises requirements on own funds in accordance with CRR:

EUR'000	31.12.2024	31.12.2023
Capital required to cover:		
Credit risk	164,951	187,196
Credit value adjustment risk	45	255
Operational risk	29,342	28,740
Total capital requirements	194,338	216,191
Capital ratios		
Total capital level as a percentage of total risk weighted assets	18.68%	21.28%
Tier I capital as a percentage of total risk weighted assets	18.48%	21.04%
Common Equity Tier I capital as a percentage of total risk weighted assets	18.48%	21.04%

Under IFRS 9 *Financial Instruments* transition, the Group has decided to apply gradual impact reflection to capital adequacy, by layering the initial impact (Article 473a of the CRR with the exception of paragraph 3), the impact of which is presented in the following table:

EUR'000	31.12.2024	31.12.2023
Available capital (amounts)		
Common Equity Tier I (CET1) capital	448,989	568,544
Common Equity Tier I (CET1) capital as if IFRS 9 transitional arrangements were not applied	448,989	568,544
Tier I capital	448,989	568,544
Tier I capital as if IFRS 9 transitional arrangements were not applied	448,989	568,544
Total capital	453,786	574,945
Total capital as if IFRS 9 transitional arrangements were not applied	453,786	574,945
Risk-weighted assets (amounts)		
Risk-weighted assets	2,429,229	2,702,387
Risk-weighted assets as if IFRS 9 transitional arrangements were not applied	2,429,229	2,702,387
Capital ratio		
Common Equity Tier I capital (as a percentage of risk exposure amount)	18.48%	21.04%
Common Equity Tier I capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements were not applied	18.48%	21.04%
Tier I capital (as a percentage of risk exposure amount)	18.48%	21.04%
Tier I capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements were not applied	18.48%	21.04%
Total capital (as a percentage of risk exposure amount)	18.68%	21.28%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements were not applied	18.68%	21.28%

41. Post balance-sheet events

After the date of preparation of the financial statements no events with a material impact which would require an adjustment or a disclosure in the financial statements occurred.