



VUB BANKA

Intesa Sanpaolo Group

Annual Report 2025

Consolidated



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ANNUAL FINANCIAL REPORT 2025

VUB, a.s., as an issuer of debt securities that have been admitted to trading on a regulated market and in accordance with Article 34 of Act No. 429/2002 Coll. on the Stock Exchange, as amended, and Article 77 of Act No. 566/2001 Coll. on Securities and Investment Services and on changes and amendments to some acts, as amended, prepared the following annual financial report, which includes the annual report.

The annual report is an integral part of the annual financial report and is prepared in accordance with Act no. 431/2002 Coll. on Accounting, as amended, Act no. 423/2015 Coll. on Statutory Audit as amended by Act No. 566/2001 Coll. on Securities and Investment Services and on changes and amendments to some acts, as amended and Article 34(5) of the Act on the Stock Exchange and Article 77(2) of Act No. 566/2001 Coll. on Securities and Investment Services, as amended, including individual and consolidated financial statements certified by the auditor Ernst & Young Slovakia, spol. s r.o., Žižkova 9, 811 02 Bratislava, licence SKAU No. 257.

The annual financial statements of the parent company Intesa Sanpaolo S.p.A., Torino, Italy, are fully available on the website of the parent company: www.intesasanpaolo.com.

Method of publication of the annual report

The annual report are published in the following ways:

- Register of Financial Statements, <https://www.registeruz.sk/>;
- the Bank's website www.vub.sk.

Statement of Responsible Persons

I hereby declare that, to the best of my knowledge, the financial statements prepared in accordance with specific regulations provide a true and fair view of the assets, liabilities, financial position, and financial performance of the Bank and the companies included in the overall consolidation. Furthermore, the annual report provides a true and fair overview of the development and results of the business activities and position of the Bank and the companies included in the overall consolidation, along with a description of the main risks and uncertainties they face, and it is prepared in accordance with the standards for sustainability reporting.



Jozef Kausich
Chief Executive Officer
and Chairman of the Management Board



Darina Kmeťová
Chief Financial Officer
and Member of the Management Board

ANNUAL REPORT 2025

General information about the Bank

Business name:	Všeobecná úverová banka, a.s.
Registered office:	Mlynské nivy 1, 829 90 Bratislava
Company ID:	31 320 155
Date of establishment:	April 1, 1992
Founder:	National Property Fund of the Slovak Republic, Bratislava
Capital in EUR:	EUR 510 819 063.81
Contact person:	Ing. Milan Danči
Phone no.:	+421 904 755 502
E-mail:	mdanci@vub.sk
Website:	www.vub.sk
Scope of business:	bank services, see Annex Scope of business

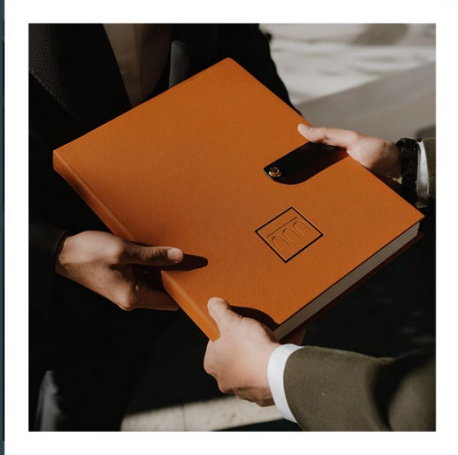
The branch of the parent company included in the separate financial statements:

Business name				
Company reg. no.	Address	Country	Legal form of entity	Main activity
Všeobecná úverová banka, a.s., Prague Branch				
48550019	Purkyňova 2121/3, 110 00 Praha 1	CZ	Branch of the parent company abroad	Commercial and investment banking services in the Czech Republic

The entities included in the consolidated financial statements:

Business name				
Company reg. number	Address	Share	Consolidation method	Main activity
Subsidiaries				
VUB Operating Leasing, a.s.				
54108128	Mlynské nivy 1 820 05 Bratislava	100.00%	Full method	Operating leasing
VUB Generali dôchodková správcovská spoločnosť, a.s.				
35903058	Mlynské nivy 1 820 04 Bratislava	55.26%	Full method	Pension fund administration
Joint ventures				
Monilogi s.r.o.				
54508673	Mlynské Nivy 1 821 09 Bratislava	33.00%	Net equity method	Cash processing
Associates				
Slovak Banking Credit Bureau, s.r.o.				
35869810	Mlynské nivy 14 821 09 Bratislava	33.33%	Net equity method	Credit database administration

OPERATING PROFIT EUR 505.3 MILLION



Net profit EUR 270.1 million

VOLUME OF LOANS EUR 21.8 BILLION

+6.7%
compared to 2024

VOLUME OF FUNDING SOURCES EUR 18.1 BILLION

+5.4%
compared to 2024

SELECTION OF COMMERCIAL ACHIEVEMENTS



CREDIT CARDS
Year on year increase
+7%

INVESTMENT SALES
YEAR ON YEAR INCREASE
+9.1%

CORPORATE ESG LOANS
YEAR ON YEAR INCREASE
+14%

VUB FOUNDATION IN 2025



We supported 141 projects
with funding exceeding
EUR 1 590 000

€ '000	Separate financial statements prepared in accordance with IFRS as adopted by the EU			Consolidated financial statements prepared in accordance with IFRS as adopted by the EU		
	2025	2024	2023	2025	2024	2023
Loans and advances to customers	21 828 029	20 458 105	18 471 650	21 827 322	20 455 952	18 464 494
Mortgage loans (gross amount)	10 405 109	9 906 364	9 311 918	10 405 109	9 906 364	9 311 918
Consumer loans (gross amount)	1 552 489	1 507 892	1 605 652	1 552 489	1 507 892	1 605 652
Due to customers (including lease liabilities)	18 089 599	17 168 518	16 039 273	18 089 503	17 167 594	16 038 978
Equity	2 402 157	2 239 271	2 118 416	2 428 880	2 264 507	2 144 524
Balance sheet total	26 253 295	25 196 730	24 326 231	26 320 181	25 254 317	24 386 101
Profit before provisions, impairment and tax	504 904	462 359	404 295	505 332	462 931	411 934
Profit before tax	429 175	422 802	341 620	436 392	426 498	342 480
Income tax expense	(160 599)	(170 871)	(77 426)	(166 271)	(172 941)	(78 735)
Net profit for the year	268 576	251 931	264 194	270 121	253 557	263 745
Commercial indicators	2025	2024	2023			
ATMs	556	550	554			
EFT POS Terminals	14 875	14 944	14 524			
Payment cards	1 072 087	1 041 820	1 015 464			
<i>of which credit cards</i>	<i>102 203</i>	<i>99 330</i>	<i>97 770</i>			
Number of employees	3 187	3 331	3 312			
Number of branches in Slovakia	163	165	167			
Key ratios of VUB Group				2025	2024	2023
Return on assets				1.03 %	1.00 %	1.08 %
Cost-Income Ratio (without bank levy)				37.2 %	39.4 %	39.5 %
Tier 1 capital ratio				20.14 %	17.66 %	17.25 %
Total capital ratio				21.92 %	19.65 %	19.79 %
Rating (status as at 31 December 2025)						
Moody's						
Long-term deposits		A2				
Short-term deposits		P-1				
Baseline credit assessment		baa2				
Positive outlook						

The shares issued by VUB

Security name	Shares of VUB, a. s., 1
Total issue amount	EUR 135 393 185.60
Type, form of security	Ordinary registered shares in book-entry form
Number and nominal value per share	4 078 108 shares at EUR 33.20 each
ISIN	SK1110001437 series 01, 02, 03, 04, 05, 06
Share in capital%	26.51%
Admitted/not admitted for trading	Not admitted for trading

Security name	Shares of VUB, a. s., 2
Total issue amount	EUR 295 425 878.21
Type, form of security	Ordinary registered shares in book-entry form
Number and nominal value per share	89 shares at EUR 3 319 391.89 each
ISIN	SK1110003573 series 01
Share in capital%	57.83%
Admitted / not admitted for trading	Not admitted for trading

Security name	Shares of VUB, a.s., 3
Total issue amount	EUR 80 000 000.00
Type, form of security	Ordinary registered shares in book-entry form
Number and nominal value per share	80 shares per EUR 1000 000.00
ISIN	SK1000026403
Share in capital%	15.66%
Admitted / not admitted for trading	Not admitted for trading

Other information

During the accounting year 2025, VUB Group held in its assets the shares of the parent company (Art. 22, Sec. 3 of the Act no. 431/2002 Coll. on Accounting, as amended) Intesa Sanpaolo S.p.A. (ISP), with its registered office at Piazza San Carlo 156, Turin, Italy, ISIN IT0000072618, in particular book-entered registered ordinary shares, with a market value of EUR 5 4088 each, in a total number of 110 019 shares. These shares have been acquired by the Bank in order to adopt and implement ISP Group Remuneration Policies in line with the Capital Directive 'CRD V' (i.e. Directive 2019/878/EU, amending the Capital Requirements Directives). In 2025, the Bank transferred 59 285 shares in accordance with ISP Group Remuneration Policies.

There is no known information about agreements between the owners of securities that may lead to restrictions on the transferability of securities and limitations on voting rights.

For the year 2025, the bank records operating costs related to research and development activities in the amount of approximately EUR 2.0 mil (2024: EUR 2.0 mil).

There were no subsidies from public sources.

Events of special importance according to Article 20(1) letter b) of Act no. 431/2002 Coll. on accounting are presented in the financial statements.

The Bank is not subject to the special regulations in accordance with Article 20(1) letter g) of Act no. 431/2002 Coll. on Accounting.

Address by the Chairman of the VUB Supervisory Board

Dear Shareholder, Clients and Business Partners, Employees,

The year 2025 was a very successful one for VUB. In the commercial area, it achieved growth in deposit and loan volumes despite the uncertain macroeconomic situation. Importantly, VUB's business growth was accompanied by a continued prudent approach to risk and further improvements in operational efficiency. VUB's cost-to-income ratio is 37.2%, enabling the group to achieve satisfactory results in the financial area, both in terms of operating profit and net profit.

Beyond commercial and financial performance, I would also like to highlight VUB's results in the area of ESG. Sustainability has truly become an integral part of the Bank's operations. VUB not only significantly increased its sustainable finance targets year-on-year, but also exceeded its ambitions through the continued expansion of its sustainable and social solutions offering. These efforts were further supported by the ongoing issuance of social and sustainable bonds by the parent company, Intesa Sanpaolo, enabling VUB to offer more favourable conditions to its clients. In 2025, VUB also maintained its leading position in the sale of ESG funds.



VUB's outstanding performance was recognised through several prestigious awards. Global Finance magazine once again named VUB the Best Bank in Slovakia, marking the fifth consecutive year of this recognition. VUB also received the Global Finance Sustainable Finance Award for the third time. The prestigious Euromoney magazine awarded VUB its Award for Excellence as the Best Bank in Slovakia. At the domestic level, VUB was named Bank of the Year 2025 by the weekly Trend. These awards underline VUB's leading position in the Slovak market from both quantitative and qualitative perspectives, as well as in terms of sustainability. On behalf of the Supervisory Board, I would like to express our sincere appreciation to the Bank's management and employees for these exceptional achievements.

Looking ahead to 2026, it is clear that the environment in which the Bank operates remains highly challenging and will require an even greater degree of prudence than in previous years. Continued slow economic growth in the euro area, persistent geopolitical uncertainty, and the ongoing tightening of fiscal policy in Slovakia will continue to weigh on the confidence of households and businesses alike. At the same time, I believe that this combination of external pressures will further highlight the importance of a strong capital position, sound risk management, and the Bank's ability to provide long-term, stable financing to its clients. The year 2026 will therefore not only be about managing challenges, but also about the ability to seize new opportunities and strengthen the Bank's role as a trusted partner during a period of heightened economic volatility.

In conclusion, I would like to reaffirm the continued support of our parent company, Intesa Sanpaolo, for VUB in all respects. I remain confident that, with the ongoing trust of our clients and business partners, VUB will continue to deliver stable results and remain a key pillar of stability and support for the Slovak economy and society as a whole.

A handwritten signature in black ink, reading "Massimo Enrico Proverbio".

Massimo Enrico Proverbio

Chairman of the VUB Supervisory Board

Address by the Chairman of the VUB Management Board

Dear shareholder, clients and business partners,

In a complex macroeconomic environment marked by a high degree of uncertainty and ongoing changes in the domestic business environment, stability was our primary goal. I am pleased to say that we achieved this while also recording significant growth in terms of volume, revenue and profitability. I therefore consider 2025 to be a successful year. At the same time, it was a year that brought one significant change to our brand: a new visual identity.

I will begin my assessment with a brief analysis of the macroeconomic environment. Slovakia's economic development was uneven during 2025. The beginning of the year was marked by a high degree of external uncertainty driven by the threat of a tariff war by the new U.S. administration, as well as uncertainty arising, for example, from the introduction of a new financial transaction tax. Although sentiment improved slightly in the second half of the year, overall economic growth remained relatively weak. GDP growth for the year as a whole is unlikely to have exceeded 1%, which is significantly lower than in 2024 and also represents a noticeably weaker performance compared with neighbouring countries.

A key domestic problem was the increase in the tax burden on households and rising prices, mainly as a result of higher VAT. Inflation rose again to 4%, leading to a weakening of real incomes and households' ability to save. In addition, the labour market cooled noticeably during the year, with employment falling and unemployment rising across several sectors of the economy. This further undermined consumer confidence and spending.



Despite these unfavourable macroeconomic fundamentals, the banking sector demonstrated a high degree of resilience. The mortgage market recovered fully thanks to falling interest rates, and corporate lending also resumed growth in the second half of the year. However, deposits in the banking sector grew more slowly than loans, further exacerbating the already tense liquidity situation in the market. In addition, part of households' free resources was absorbed by a completely new government issue of so-called bonds for the people. The sector's profitability remained positive, although the pace of net profit growth gradually slowed compared to the previous year.

The challenging business and competitive environment was reflected in VUB's commercial results. In the important mortgage market, we managed to increase volumes by 5.3% year-on-year, only slightly below the previous year's growth of 6.4%. As a result, our market share reached 21.6%.

We also grew year-on-year in consumer loans, albeit more slowly than in the previous year, by 3.7% compared to 5.5% in December 2024. VUB's market share here reached 21.2%.

In the segment of sole traders and small businesses, I am pleased to report that, following stagnation in lending in the previous year, we managed to boost volumes again in 2025 and strengthen our position by a strong 8.6%. Our share of all loans provided to sole traders in Slovakia thus represented an impressive 36.2%.

Overall, we grew by 5.1% year-on-year in the retail loans segment, with our share reaching 20.8%.

As regards corporate loans, volume growth was significantly affected by companies' reduced appetite for investment amid growing uncertainty and the slowing economy. The total volume provided by our VUB Group to the corporate sector decreased by 1% year-on-year. The decline was driven primarily by large multinational companies that were reassessing their involvement in the Slovak economy, including the footwear, textile, and automotive industries. Our overall position in the Slovak corporate loan market declined to 19.7% after last year's improvement, which effectively returning to the 2023 level. However, it should be noted that the VUB Group is also active in the Czech corporate market, where we recorded significant loan growth of 6.5% year-on-year. This presence allows us, to some extent, to pursue sources of growth beyond Slovakia's borders.

It is important to note that despite the complex macroeconomic circumstances facing companies in Slovakia, we managed to overcome stagnation in the small and medium-sized enterprise (SME) sector, increasing the volume of lending to these companies by 1.4% in 2025. We also support our SME clients in ways other than bank loans, such as, using leasing and factoring services. In the area of financial leasing, we maintained the volume of financing for

vehicles up to 3.5 tonnes at the previous year's level in 2025, despite a weaker start due to legislative changes. Overall, we achieved total financial leasing volume of EUR 157.3 million with growth in key segments including machinery and industrial equipment and office equipment. In operational leasing, we focused primarily on stabilising and renewing our portfolio, directing new contracts to our partner company. VUB has long been one of the largest companies in the factoring sector. It confirmed its dominant position again in 2025, recording a 13% year-on-year increase in assigned receivables. VUB holds a market share of approximately 30% among banks and factoring companies within the Association of Factoring Companies.

Turning to the other side of the balance sheet, deposits, I am pleased to report that we have managed exceeded our expectations. The year-on-year increase in primary deposits reached 5.3%, which was double the growth rate of gross loans. This development has significantly simplified our liquidity management, which has been marked by a structurally higher volume of loans than deposits – not only within our Group but in the entire banking sector over the past decade. In this context, I would like to appreciate the efforts and continued success of our treasury team in financing the Group beyond the domestic market, particularly through the issuance of covered bonds. Indeed, VUB successfully issued another covered bond worth EUR 500 million with a seven-year maturity. This was the longest covered bond issue in the Central and Eastern European region in 2025. VUB remains the largest issuer of covered bonds among banks in Central and Eastern Europe, supported by a strong and diversified investor base.

We managed to increase the volume of household deposits by 4.7% and maintain our share of this important market at 17.2%. I would argue that this represents a solid result, given the declining household savings rate and intense competition for these savings – not only from other banks and management companies, but also, for the first time, from the state, which began competing for household funds in 2025 through so-called bonds for the people.

We also managed to increase the volume of corporate deposits by 7%. However, it must be acknowledged that this strong growth was driven primarily by increases in deposits at our Czech subsidiary, VUB Praha. On the domestic Slovak market, we only managed to increase corporate client deposits in the SME segment. Our share of total corporate deposits in Slovakia reached 20.7%.

Before moving on to the financial results, I would also like to review the commercial performance of the VUB Group in the mutual fund and pension markets in which we operate. Both markets had a very strong year, thanks to constructive conditions in the financial markets and, importantly, to growth in the number of clients and their new assets under management. In mutual fund asset management, we collaborate with Eurizon Capital ('Eurizon'), a leading European management company within the Intesa Sanpaolo Group. During 2025, we continued to focus on expanding our product portfolio of local and Luxembourg funds to cover the full range of investment strategies suitable for our clients. Total net inflows of new investments exceeded EUR 300 million. Assets under management reached EUR 3.5 billion and our client base grew to 207 000 clients up from 185 000 a year ago. In 2025, we continued to focus on ESG issues and supported investment savings programmes as a key factor in building a long-term capital base in financial markets. Our market share increased year-on-year to 22.2%, once again confirming Eurizon's leading position among management companies on the Slovak market.

VUB also operates in the pension market through VUB Generali, our joint venture with Generali Slovensko, in which we hold a majority stake of 55.26%. In 2025, VUB Generali accumulated a total volume of assets under management of EUR 3.94 billion, representing growth of almost 15%. The company's market share thus increased by 0.34 percentage points, reaching 20.49%. We also continued to grow our client base very successfully. The number of clients in our pension savings systems increased by more than 28 000, reaching a total of almost 423 000 clients by the end of 2025, securing third place in the market in terms of client numbers. VUB Generali was also the leader in pension fund performance and managed the most profitable index fund in the entire second pension pillar sector, confirming our commitment and ability to deliver the highest possible returns on our clients' savings.

In terms of financial results, I am pleased to report year-on-year improvements in all key indicators. The Group's operating income increased by 5.4% to EUR 805.3 million. All three main income categories recorded positive growth. Net interest income rose by 2.6%, mainly driven by growth in interest-bearing assets, while net fee and commission income grew by a significant 14.7% thanks to growth in assets under management, current accounts, loans and payment card fees. Trading also made a positive contribution, with net income from these activities increasing by 15.4% year-on-year. We managed to keep operating costs at EUR 300 million. As a result, our cost-to-income ratio on a consolidated basis thus improved further, to 37.2%. The net financial result was helped by the planned reduction in the special banking tax and, conversely, worsened by the increase in loan loss provisions – a prudent decision in response to the economic slowdown. After adjustments for provisions, reserves and taxes, the Group reported a net profit of EUR 270.1 million compared to EUR 253.6 million in 2024, an increase of 6.5%.

When reflecting about the successes of 2025, I would also like to highlight the results of the work of our VUB Foundation. Its DNA, based on supporting art and cultural heritage, has been defined for the second consecutive year running by a strategic partnership with the Gothic Route civic association. As part of this partnership, we have committed to donating a total of EUR 500 000 over five years to restore medieval monuments in the Gemer and

Malohont regions. In 2025, we added another EUR 100 000 euros from our foundation and more than 30 000 euros from our own art auction. As part of our partnership with the Gothic Route civic association, we celebrated the opening of another restored sacral building in 2025, this time in the village of Rákoš.

The 20th edition of the Mal'ba – VUB Foundation Award competition for young artists was also a special chapter for us in 2025. Over two decades, Mal'ba has become a respected event and an integral part of the development of the artistic and cultural environment in Slovakia. Throughout its history, it has given emerging young painters a chance to shine. The international jury has recognised a total of 51 talented artists to date and has supported them with a total of EUR 430 000.

Thanks to the resources provided by our VUB Foundation, we were involved in 141 projects in 2025, which received EUR 1.6 million in total support. We continued to strengthen and expand partnerships and grant assistance in our long-term domains. A total of 22 projects were dedicated to nature and environmental protection. In the area of arts and cultural heritage preservation, we devoted our resources to 9 projects. We also made a significant impact in the charitable and social assistance, where our grants contributed to 50 projects. Last but not least, we also supported 60 additional initiatives aimed at community development, education and leisure activities for children.

A special event for us was the presentation of an exceptional gift to the Clinic of Paediatric Neurology of the Faculty of Medicine of Comenius University and the National Institute of Child Health. Thanks to our grant, children with neuromotor disorders in Slovakia received, a unique device that improves treatment prospects. This, along with all the other stories we have supported, shows us that our mission to improve people's lives and to promote and preserve cultural and natural values is very meaningful. Encouraged by these results and feedback received, we are committed to continue this work persistently.

Let me now turn to the outlook for 2026. I expect the banking environment to remain very challenging. Economic growth is likely to remain fragile. The economy should stay out of recession, but below its potential. Domestic demand will remain subdued due to ongoing fiscal consolidation and cautious behaviour by households and businesses, which will be reflected in moderate growth in credit demand. The external environment will remain challenging, primarily due to ongoing tensions in global trade, which will continue to affect export-oriented sectors that form the backbone of the Slovak economy.

We see potential for more favourable developments primarily through a faster drawdown of European Union funds and a possible revival of demand from major trading partners in the euro area, which could support investment activity and improve the quality of the loan portfolio. On the other hand, the risks remain significant, particularly the possibility of a deeper slowdown in the external environment, a deterioration in public sector financing conditions in the event of non-compliance with fiscal targets, and the continuing fragility of private investment.

In this context, it will be crucial for the bank to maintain a prudent approach to risk management, ensure an adequate capital and liquidity position, and focus on sustainable growth that is consistent with the macroeconomic environment and long-term financial stability.

Finally, I would like to thank all employees for their commitment over the past year. I would also like to thank our clients and business partners for the trust they have placed in the bank, and our parent company Intesa Sanpaolo for its continued support. I wish everyone a successful 2026.



Jozef Kausich

CEO and Chairman of the VUB Management Board

VUB Management Board Report on the Business Activities of the Company

Changes in the External Environment

External Environment

In 2025, major central banks confirmed a turnaround in the monetary policy as inflation in both the U.S. and the Eurozone continued to decline towards target. Inflation in the Eurozone was just above 2%, in the US at 2.7%, which allowed for further rate cuts – in the Eurozone to 2%, in the US to 3.75% and in the Czech Republic to 3.5%. Although rates in the U.S. remained above neutral, global financial conditions eased.

The world economy grew by around 3.3% in 2025, similar to the previous year, despite the negative impact of U.S. trade policy. The U.S. maintained growth at around 2.1%, the Eurozone at around 1.4%. Financial markets reacted positively to the policy easing – stock indices grew by double digits and bonds benefited from stabilising yields. The strongest asset was gold, which rose sharply due to geopolitical uncertainty and fiscal risks in the U.S.

Despite tensions in international trade and ongoing conflicts, global recession scenarios did not materialize. At the turn of 2025/2026, the IMF raised its global growth forecasts back to their original levels.

The Slovak economy grew only moderately in 2025, by approximately 0.8%. Development was dampened by the consolidation of public finances, the U.S. trade war, strong competition from China and weaker real household incomes. Domestic consumption remain subdued, while investments was low due to increased uncertainty. The labour market remained tight, but wage growth gradually slowed and unemployment began to increase from historical lows. Inflation moved up towards 4% driven by tax changes and increasing prices of services. Household savings remained low and bank deposits were also affected by absorption of new retail government bonds in the amount of EUR 500 million.

Budget consolidation and weaker growth did not bring a significant reduction in the deficit – the shortfall probably reached around 5% of GDP. Nevertheless, the risk premium of Slovak government bonds fell to 70 basis points and rating agencies confirmed the Slovak Republic's ratings.

Financial Sector

The decline in both short-term and long-term rates was reflected in credit conditions in 2025. New mortgage rates fell closer to the euro area average, below 3.5% from the peak of 4.6% in 2024, which significantly revived household demand. Housing loans grew by 7.4% year-on-year, consumer loans by 7.2%. Strong credit demand was also reflected in a sharp increase in real estate prices – by approximately 12% according to the National bank of Slovakia.

Corporate loans grew slower (5.5%), while investment loans virtually stagnated. Household deposit growth (6.2%) slowed closer to the level of nominal economic growth, partly also due to the retail government bonds. For companies, deposit growth was dampened by stagnant profitability.

The (gross) loan-to-deposit ratio (LTD) increased from 107.3% to 108.6%, forcing banks to rely more on market financing, mainly through covered bonds. Banks' net interest income increased by 6.9% and total operating revenues by 4.9%, but costs grew almost as fast. Provisioning nearly tripled, although the share of non-performing loans remained low (2.0%). The bank levy became a slightly smaller burden after the rate was reduced to 25%, but the sector as a whole saw a modest decrease in net profitability (-1.9%).

Outlook for 2026

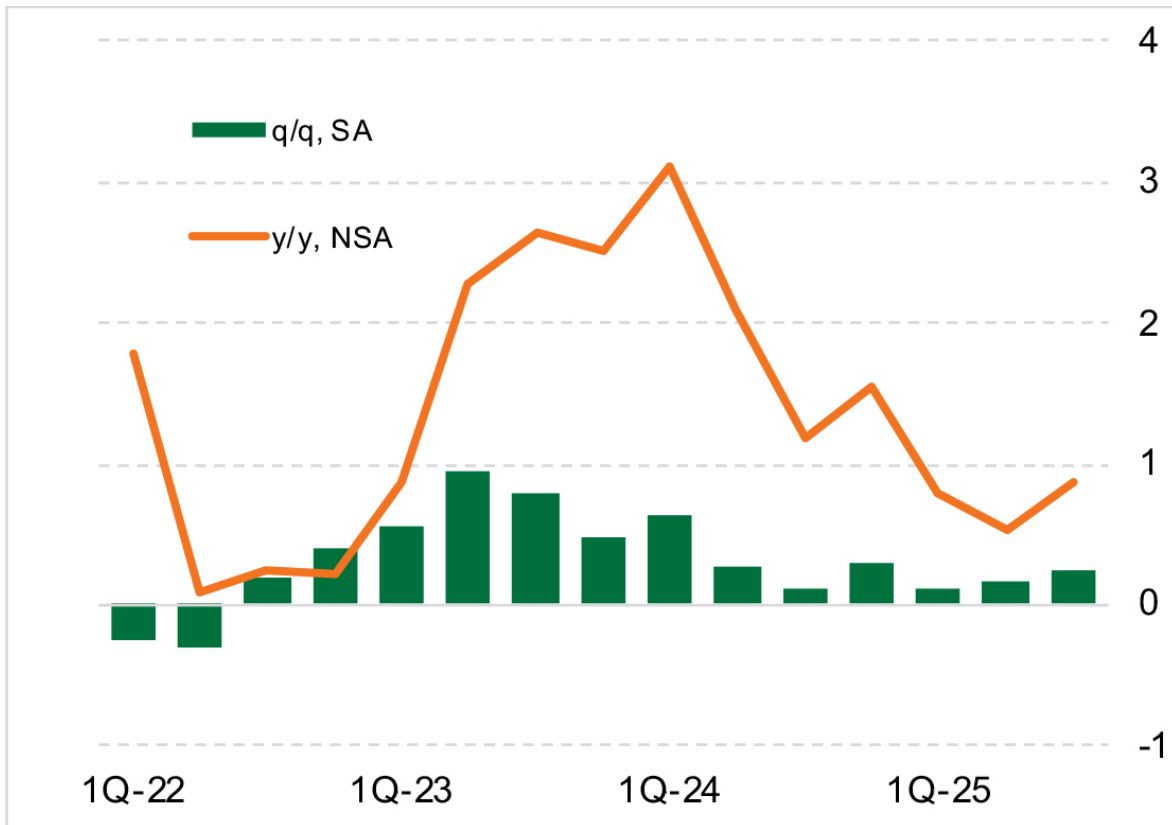
A more stable global environment is expected, and the world economy is expected to continue growing moderately at around 3.1%. Inflation is expected to remain low – below 2% in the Eurozone, slightly higher at around 2.8% in the US. The ECB is unlikely to cut rates any further, but the Fed could continue its gradual easing after the nomination of a new chairman in May, with a possible drop in the key rate to a range of 3.0–3.25%.

Eurozone growth is expected to slow slightly (1.1%), while in the U.S. it will remain at around 2.1%. Financial markets will operate in an environment of stabilizing inflation and lower rates, but with persistent geopolitical, fiscal and political risks that may rather slightly widen risk premiums.

The Slovak economy is expected to accelerate to around 1.3% in 2026, with growth supported by the completion of the Recovery Plan and the growth recovery in Germany. Real wages will increase only slightly, the household

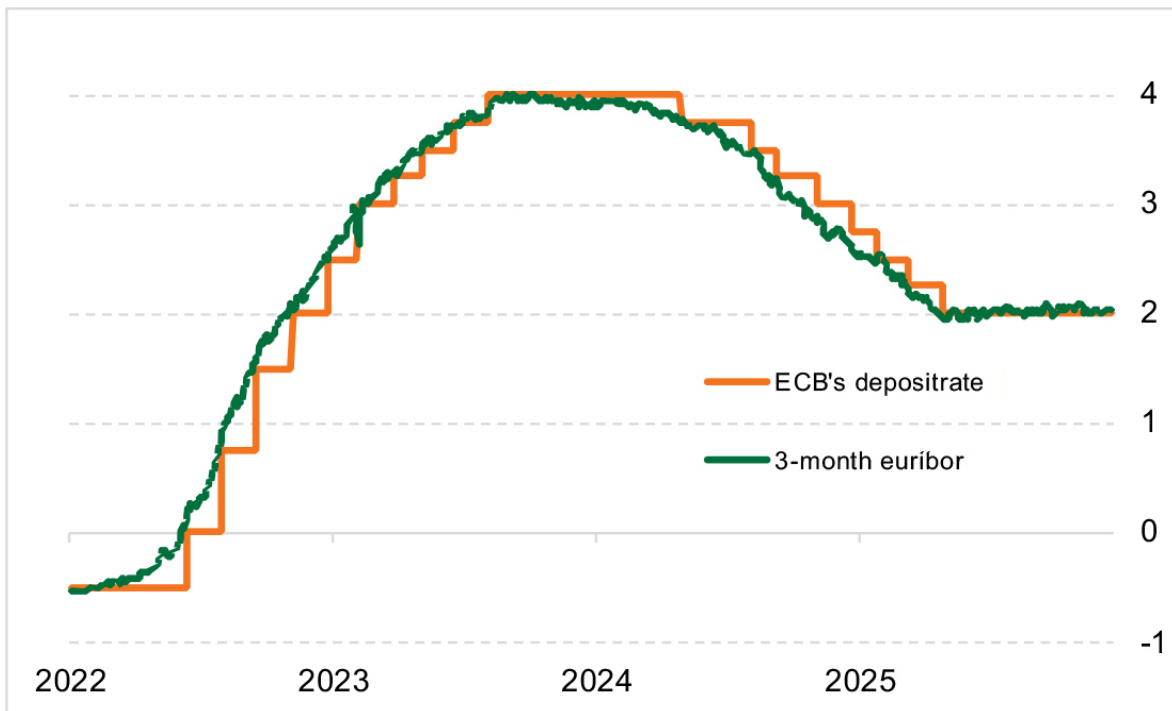
savings rate could remain low, and slightly higher unemployment rate, together with ongoing fiscal consolidation, will reduce household disposable income compared to 2025.

Real GDP growth in y/y and q/q terms



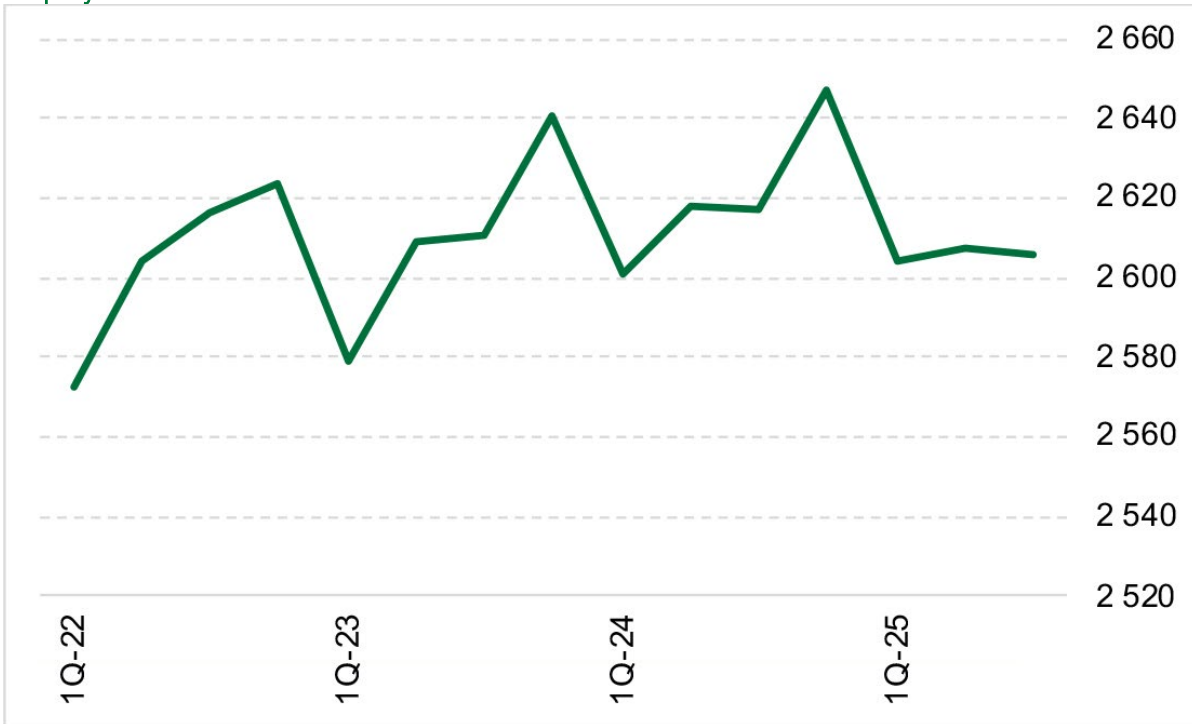
Source: Eurostat, VUB

3M Euribor and ECB's Refi Rate



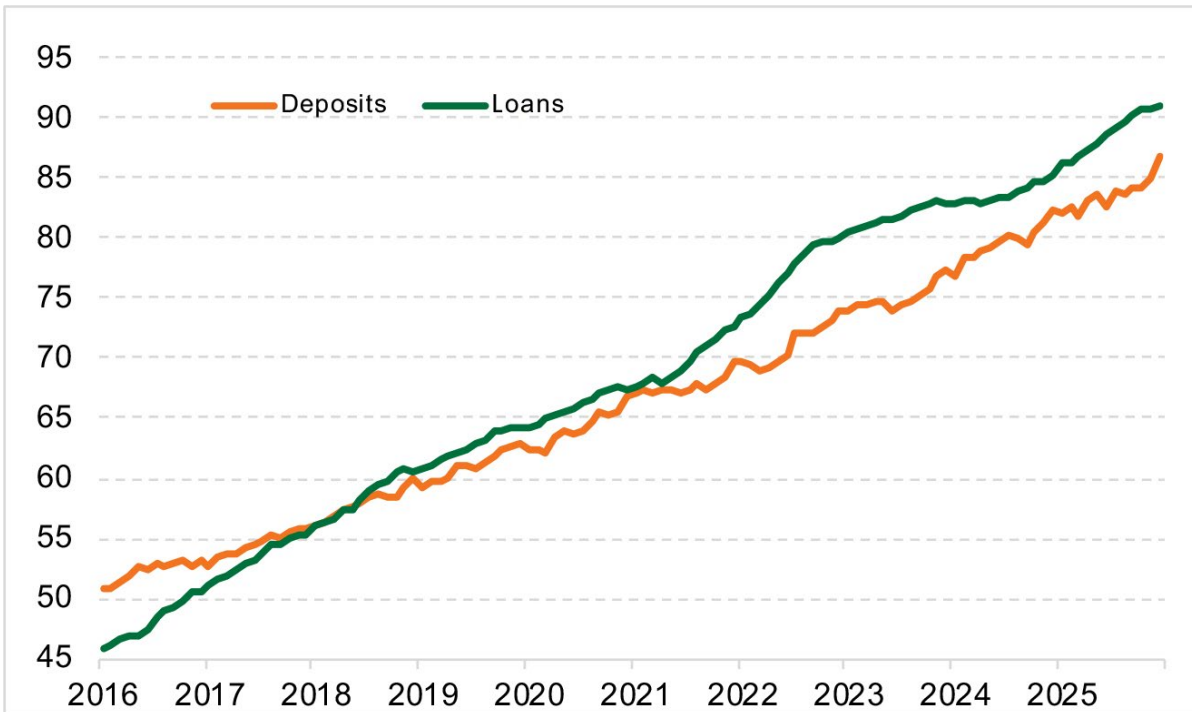
Source: Bloomberg, VUB

Employment: number of workers in thousands



Source: SO SR, Macrobond, VUB

Development of bank volumes (EUR bn)



Source: NBS, VUB

Slovak government's 10Y bond yield, generic index



Source: Bloomberg, VUB

VUB's 2025 commercial performance

The beginning of 2025 was marked by heightened uncertainty stemming from potential U.S. trade tariffs and newly introduced domestic taxes. Although conditions improved slightly later in the year, overall economic activity remained subdued, with GDP growth projected to stay below 1%.

Higher taxation and sustained price pressures lifted inflation to around 4%, eroding households' real incomes. Labour-market conditions softened as employment declined and unemployment rose, weighing on consumer sentiment and moderating spending.

Despite challenging macroeconomic environment VUB has not only achieved a very satisfactory performance in the commercial area, but also has laid a great emphasis on sustainability, environmental and social responsibility. Throughout the year, the interest rates have been relatively stable. In retail lending, we managed to keep our market share on very satisfactory level (20.84%). Also, in corporate lending, our market position remained high at 19.72% in December 2025. As far as deposits are concerned, our initiatives to strengthen the deposit base for further growth were successful in retail segment (including Eurizon funds), where we managed to keep stable market position over the year.

Deposits

The volume of bank deposits in VUB amounted to almost EUR 18.1 billion at the end of 2025, 5.4% up against the previous year due to both retail and corporate deposits. In the retail market, we managed to increase the amount of deposits this year, both current accounts and term deposits. Customers' assets under management benefited from both net sales and market value development and posted substantial year-over-year increase of 16.4%, significantly above the market increase (7.7%). Market share in mutual funds thus increased by 47 bps in 2025. The market share of total deposits received from clients incl. mutual funds amounted to 19.2%. In the corporate segment, VUB recorded significant year-over-year growth, although still below the whole market, which resulted into decrease in the market share by 146 bps.

Electronic Banking

Throughout 2025, VUB Bank focused on the implementation of a new solution for internet and mobile banking. By the end of the year, more than 600 000 clients had been successfully migrated to the new platforms. At the same time, we introduced a range of improvements and innovations driven by client satisfaction, user feedback, and emerging market trends, including biometric online onboarding.

Bank Cards

In 2025, card payments accounted for 58.5% of the total card transaction volume. Compared to 2024, card payments increased year over year by 6% in number of transactions and by 7.5% in volume. Cash withdrawal transactions continued to decline, with the number of withdrawals decreasing by 9% and the volume by 3% compared to 2024.

VUB clients continued using electronic wallets (such as Apple Pay and Google Pay) for card payments in 2025. During the year, we introduced new payment methods using wearables, including rings and bracelets. In 2025, 33.7% of all card payments were made through electronic wallets, representing a 28.3% share of transaction volume. Two out of three mobile payments were executed using Apple Pay.

In 2025, we also continued our support for the Dobrý Anjel (Good Angel) charity through our co-branded Mastercard Good Angel card. By the end of the year, almost 75 000 of these cards had been issued. The total amount of support provided in 2025 via POS transactions made with Good Angel cards amounted to EUR 350 000.

ATMs and EFT POS

With 556 ATMs, VUB held 2nd place on the market in terms of ATM presence in 2025 as well. The cash volume withdrawn from ATMs decreased year over year by 8% (while the number of transactions decreased by 7%). This is a consequence of clients' long-term preference for making purchases by card rather than using physical cash.

In 2025, we focused on expanding the network of ATMs with cash deposit functionality. By the end of the year, we had 148 such ATMs in operation, representing a year-over-year increase of 4 units. The number of ATM cash deposit transactions increased by more than 4%. Throughout the year, almost 77% of all clients' cash deposit transactions were carried out via ATMs.

Before the end of the year, we began replacing of 60 obsolete ATMs. These new ATMs support visually impaired clients through a special software application that provides audio guidance throughout the transaction process.

In 2025, we installed nearly 1 800 new POS terminals, including self-service terminals for parking and gas stations, as well as payment gateways for e shops. In September 2025, we launched a new product – a POS terminal in a mobile phone or tablet (softpos). This product is suitable for small business clients, such as those with seasonal payments, food trucks, or newly established companies. We have installed approximately 400 new POS terminals on mobile phones.

Digital Branch 2024

Throughout 2025, our focus was the migration of clients to the new VUB Online Banking application, which significantly influenced our operational results.

During the year, we handled 656 000 incoming calls, representing a 22% increase compared to 2024. The volume of emails also rose by 7%, reaching 145 000. On the other hand, we recorded a slight decline in chat interactions and outbound calls, primarily because our resources were redirected toward managing the growing number of incoming requests. To ensure we could assist as many clients as possible, we also utilized the services of an external call center.

2025 was a demanding year, as change naturally brings challenges, which was also reflected in client reactions. Nevertheless, our aim throughout the entire period was to remain fully available for our clients and support them to the best of our abilities.

Despite these challenges, we succeeded in improving our sales performance and exceeded the results achieved in 2024. As in previous years, our campaign and outbound activities continued to focus mainly on Digital Lovers client segments. Outcoming calls we also directed mainly toward Digital lovers clients, as in previous year.

Loans

Individuals – Mortgage and Consumer Loans

In 2025, VUB recorded substantial demand for mortgage loans, which resulted into growth of mortgages by over 5.3% year-over-year. Thanks to these efforts, VUB maintained strong market position at 21.6%. In terms of Consumer Loans, VUB recorded significant increase over the year, yet below the market growth. Thus, our market position has decreased slightly to still sound at 21.5%.

Corporate Financing

VUB bank was outperformed by the rest of the market in the corporate loans segment. While the volume of corporate loans in the market increased by 6.4%, in the case of VUB it increased by 3.1% at the bank level (without the Prague Branch). Thus, VUB's market share in these loans went down to 19.7%.

Real estate financing deteriorated, while the volume of project and trade financing loans increased substantially. Leasing, previously a subsidiary of VUB Leasing, recorded slight decrease of 3%.

Review of VUB's Economic and Financial Position

The year 2025 began with high uncertainty due to potential U.S. trade tariffs and new domestic taxes. Despite a slight improvement later, growth remained weak, with GDP likely below 1%.

Higher taxes and rising prices pushed inflation to about 4%, reducing real incomes and savings. The labour market cooled as employment fell and unemployment rose, weakening consumer confidence and spending.

However, even in this challenging environment, VUB generated operating revenues of EUR 805.3 million on consolidated basis. Compared to the previous year, the results improved by over 5% mainly due to great performance in terms of fee-based business, mainly our customer proposition in terms of wealth management, but also due to year-over-year increase of interest income. Operating costs have decreased marginally reaching the amount of EUR 299.9 million at the end of 2025.

VUB Group recorded operating profit of EUR 505.3 million and kept its profit before tax on the more than satisfactory level of EUR 436.4 million, which represent an increase by 2.3%. Net profit of the Group, also, has increased by 6.5% and reached EUR 270.1 million. Cost-income ratio of VUB Group amounted to 37.25%, representing an improvement compared to last year.

Regarding business development, VUB delivered a very good strong performance in its net loan portfolio, which grew by 6.7%, resulting in a strong market share exceeding 20%. Total assets of the whole VUB Group increased by 4.2% and reached the level of EUR 26.32 billion.

Our portfolio quality remained strong and NPL ratio remained at very prudent levels. In addition, VUB also outperformed the market in terms of loan quality, when non-performing loans from banking operations at the Group level reached only 1.84% of the total gross volume of loans in VUB at the end of 2025, compared to the market level of 2.0% (market data is based on individual statements from NBS).

At the same time, the bank was able to increase its primary deposits by 5.4%, while keeping a sound liquidity position which is represented by the rather prudent loan-to-deposit ratio (including debt securities in issue) of 98.9%.

Information on the Expected Economic and Financial Situation for 2026

Looking ahead to 2026, the operating environment for the banking sector is expected to remain demanding. Economic growth will likely stay fragile—avoiding recession, while continuing below its potential. Domestic demand is set to remain subdued, reflecting ongoing fiscal consolidation and cautious behaviour of households and businesses, which will translate into moderate loan demand. External conditions will also remain challenging, as persistent global trade tensions continue to weigh on export-oriented industries that are central to the Slovak economy.

Our long-term strategic vision at VUB Bank remains unchanged: to be a modern, agile leader in the banking sector and a pioneer of sustainability within the industry. We aim to deliver efficient, customer-centric financial advisory and services across diversified channels, while strengthening our leading position in the advisory domain.

To unlock a step-change in performance, we will further promote an innovation-driven mindset across the organisation, embed structured change-management practices into our culture, and ensure dual-track IT delivery. This includes both the development of local IT capabilities through convergence initiatives and the successful implementation of Group-driven projects. In the area of customer experience, we will continue to focus on service improvements and the rollout of an omnichannel approach, supported by network optimisation and channel expansion.

We will continue enhancing value creation in corporate banking through product and process innovation and through a disciplined repricing strategy, with the ambition to outperform the market, particularly in segments with strong growth potential.

Continuously optimize the bank's liquidity structure and funding sources into a sustainable profile, prioritizing cost-efficient funding—especially for any asset growth—and effective risk/return through strategic asset allocation.

Finally, as a responsible corporate citizen, VUB Bank will continue to generate value beyond its core business. We remain committed to supporting our employees in their community engagement and environmental initiatives, while advancing meaningful projects through the VUB Foundation and our 'Green Bank' activities, including the ATLAS environmental award and programmes promoting financial and environmental education among young people.

Corporate Governance Statement

The Bank manages the company in compliance with all the principles of the Corporate Governance Code in Slovakia (hereinafter referred to as the 'Code').

The Management Board and the Supervisory Board undertook to enhance corporate governance and adopted the Corporate Governance Code in Slovakia within the following specific scope:

- Company organisation – Rules of Functioning of VUB, a.s., Rules of Competence of VUB, a.s., Rules of Signing in VUB, a.s.
- Relationship between the company and its shareholder – Statutes of VUB, a.s.
- Company's approach to shareholders – Statutes of VUB, a.s.
- Disclosure of information and transparency
- Audit Committee, Remuneration Committee, Nomination Committee and Risk and Sustainability Committee

The aim of the Bank's managing bodies is to take measures in order to ensure full implementation of the Code principles.

The Corporate Governance Code in Slovakia is available on the website of the Slovak Association of Corporate Governance – SACG) (Central European Corporate Governance Association – CECGA), <https://sacg.sk/>

Methods of Management

The Bank's management system and methods are governed by the Rules of the Intesa Sanpaolo Group, unless they are contrary to the legal regulations and provisions of the Articles of Association of the Bank. These rules define the procedures and methods of application of the instructions issued by the Intesa Sanpaolo Group in connection with the performance, management and coordination of Intesa Sanpaolo Group's activities.

The structure of the Bank's executive management is managed by the Management Board as the statutory body of the Bank, through the Chief Executive Officer, Deputy Chief Executive Officer, and Heads of Divisions who are directly accountable to the Management Board.

To maintain a clear separation of risk management from other banking functions, the Bank has created independent units dedicated mainly to market and credit risk management.

Activities related to the execution of investment transactions are separate from activities related to the execution of credit transactions. The organisational structure identifies the units that carry out investment transactions as well as those that carry out credit transactions. The organisational units that carry out investment transactions are not allowed to carry out credit transactions and vice versa. The scope of activities of these units is defined in detail in the Company's internal regulations.

The monitoring of risks during the performance of banking activities for persons with a special relationship to the Bank is ensured by an autonomous unit which is separate from the banking activities unit.

Protection against money laundering falls within the competence of the Management Board, which performs this task through an autonomous Bank unit.

To ensure a functional information system, the Bank uses the support of the autonomous Information Technology and Operations Division, thus creating the conditions for a fast and secure information system of the Bank.

The Internal Control System

The Bank's internal control system consists of three integral levels:

The statutory level is ensured by means of:

The Supervisory Board

- As the main control body of the Bank. The advisory body of the Supervisory Board is the Audit Committee whose competences are defined in the Audit Committee Charter and, in the financial reporting area, are as follows:
- To review the most important accounting issues, also in relation to complex and/or extraordinary operations;
- To analyse the annual financial statements and quarterly financial reports;
- To oversee that the establishment of accounting policies by the Bank is in line with the ISP Group standards;
- To monitor the financial reporting process and submit recommendations or proposal to ensure its reliability and integrity;
- To monitor the adequacy and functionality of the administrative-accounting system (including the related IT systems) as well as its reliability in correctly representing the management facts;
- To monitor the effectiveness of the internal quality control, risk management system and internal audit regarding the financial reporting;
- To examine the periodic reports on the administrative-financial governance activities carried out by the Financial Statements & Regulatory Reporting Office, the flaws of the accounting processes and the status of the related corrective actions;
- To examine the periodic reporting on the results achieved in the application of the criteria and procedures aimed at the classification, assessment and management of impaired loans and to assess the need to define measures to improve such criteria and procedures.

The Management Board

- The main executive body of the Bank, responsible for the set-up, monitoring and implementation of an appropriate and effective system of internal controls and internal regulations, principles and procedures, as well as for compliance with external requirements.

The executive level is ensured by the managing staff in line with the Rules of Functioning of VUB, a.s. This level consists of two levels:

- Chief Executive Officer, Deputy Chief Executive Officer, Heads of Divisions – within the business, support and control units in line with the Bank's Rules of Functioning;
- Managing Directors – each manager is responsible for adherence to the internal and generally binding legal regulations, guidelines, principles and procedures applied in the Bank.

The control level is ensured by the appointed independent Internal Audit Department of the Bank.

Risk Management

The objective of the company is to bring its risks in compliance with the limits set by the regulatory authority, the parent company and as determined internally. The credit risk is measured by means of interest gaps and interest sensitivity for each currency. The purpose of the hedging derivatives is to reduce interest rate exposure to a level that adheres to the set limits. The company carries out both micro- and macro-hedging transactions.

The purpose of the Bank's risk management principles is to identify and analyse existing risks, set the respective risk limits, and monitor risks and compliance with the limits. Along with the risk management systems, these principles are described in the following documents: Risk Management Strategy, in particular risk management charters, and Guideline for the Internal Capital Adequacy Assessment System and individual policies and relevant risk management charters describing risk management and measurement in VUB Bank (Credit Risk, Market Risk, Operational Risk Charter, Liquidity Policy, etc.).

The use of financial instruments suggests the Bank's exposure to the following risks:

Credit risk

The credit risk represents the risk that the client or the counterparty of a financial instrument fails to comply with its contractual obligations, resulting in the risk of financial losses for the Bank. The credit risk arises mainly from loans provided to clients, receivables from banks and financial investments. The Bank considers the current credit risk related to financial derivatives considerably lower than the exposure calculated according to loan equivalents. The credit risk arising from trading in securities is managed separately but is reported as part of exposure to the market risk. (See more in 'Consolidate financial statements' Chapter '[4.1. Credit risk](#)'.)

Market risk

Market risk is the risk of change in market prices arising, for example, from interest rates, stock prices, exchange rates and the impacts of such change on the Bank's revenues and/or on the value of the financial instruments held by the Bank. Value-at-Risk ('VaR') is the main instrument used for the measurement and control of exposure to market risk under the Bank's business portfolio. (See more in 'Consolidate financial statements' Chapter '[4.2. Market risk](#)'.)

Operational risk

The definition of operational risk according to Basel II excludes strategic and reputational risk, however, it includes legal risk. Legal risk means the risk of losses resulting from the breach of laws and legal regulations, contractual obligations or obligations outside contractual terms and conditions, or from other disputes. The internal model of Intesa Sanpaolo Bank combines all principal quantitative (data on losses from previous periods) and qualitative information sources (scenario analysis). The Bank uses the traditional model for the transfer of operational risks (insurance) with the aim to mitigate the impacts of any unexpected losses. (See more in 'Consolidate financial statements' Chapter '[4.4. Operational risk](#)'.)

Liquidity risk

Liquidity risk indicates the amount of funds that will have to be obtained to meet the obligations related to financial instruments. The Bank complies with the set amount in accordance with the measures of the National Bank of Slovakia. All principles and procedures related to liquidity are subject to assessment and approval by ALCO and the parent company. The key indicators the Bank uses in the management of medium-term and long-term liquidity are based on the rules defined in the laws and the applicable European and local regulations that the Bank is required to adhere to (Single Rule Book). (See more in 'Consolidate financial statements' chapter '[4.3. Liquidity risk](#)'.)

The risk management system consists of the following parts:

- *Supervisory Board* as the shareholders' representative. The Supervisory Board is the principal control body that supervises the Management Board and the performance of the Group's business activities.
- *Management Board* which, as a statutory body, sets the executive management of the VUB Group. It is also responsible for the creation of sound business practices and strategic plans, which implies collective understanding of the nature of the business environment and related risks.

The members of the Management Board have sufficient knowledge of the areas in which the Bank carries out its activities and for which they are not necessarily responsible. All members of the Bank's Management Board are expected to have practical experience in the field of financial markets or sufficient professional experience in the banking sector, acquired from their previous business/working activities.

The Management Board defines the structure of the VUB Group's executive management.

The executive function consists of all managerial staff within the Group, whereas each manager is responsible for compliance with the internal and external guidelines, policies, procedures and laws governing the operations of banks and/or the Group.

The most important managing committees of the Bank that supervise risks are:

- Credit Risk Governance Committee
- Assets and Liabilities Management Committee
- Operational Risk Committee
- Internal Control Coordination Committee
- Credit Committee
- Problem Assets Committee
- ESG Committee
- Change Management Committee.

The Bank established a hierarchy of documents that define risk management. The Bank's Management Board approves the Risk Management Strategy. In line with this basic document, the Management Board prepared statutory documents, which describe the principles and procedures applied to individual risks, including the managing bodies to which the implementation and enforcement of these principles and procedures are delegated. Each division, when created, defines a series of procedures that describe in detail the process of implementation of functional tasks.

The Management Board has defined a management strategy covering all basic types of risks that the Bank faces in its operations.

Risk management, which is separate from banking activities, is ensured within the Bank's organisational structure through the creation of independent units focused mainly on the area of credit, market and operational risk management, with the following responsibilities:

- Independent definition and implementation of standards and criteria concerning credit transactions, investment transactions and trading of the Bank on its own account;
- Independent monitoring and recording of risks to which the Bank is exposed during the execution of credit transactions, investment transactions and trading on own account;
- Independent representation of the execution of the risk management function in the committees dealing with credit transactions, investment transactions and trading on own account.

Structure of the Company

The structure of VUB, a.s. bodies:

- The General Meeting;
- The Supervisory Board;
- The Management Board.

General Meeting

The General Meeting is the main decision-making body of VUB, a.s. The General Meeting has the power to decide on issues that are in line with the mandatory provisions of legal regulations and VUB Articles of Association.

The decision of the sole shareholder of the company exercising the powers of the General Meeting in 2025 was made on April 15 2025, when the sole shareholder approved the Regular Individual Financial Statements of VUB, a.s., for the year 2024 and the Consolidated Financial Statements of VUB, a.s., for the year 2024, both financial statements were compiled according to International Financial Reporting Standards as adopted by the EU and were presented by the bank's Board of Directors. The sole shareholder approved the Annual Report of VUB, a.s., for the year 2024.

The sole shareholder of the company approved Erns & Young Slovakia, spol. s r.o., as the external auditor of VUB, a.s. for the year 2026, as well as the external auditor of VUB, a.s. for the purposes of the sustainability reporting for the years 2024, 2025 and 2026.

On 29 January 2025, the sole shareholder adopted a resolution on the allocation of profit for the year 2024, and on 18 February 2025, adopted a resolution on the amendment of the Articles of Association of VUB, a.s.

On 17 November 2025, the sole shareholder of the company adopted a resolution approving the collective suitability of the supervisory board of the company for the year 2024, the individual suitability of candidates for and members of the supervisory board, the collective suitability of the supervisory board for the term of office 2025–2028, the training plan for the members of the supervisory board for the term of office 2025–2028, personnel changes in the supervisory board, and the remuneration of the members of the supervisory board for the term of office 2025–2028.

On 19 December 2025, the Sole Shareholder adopted a resolution on personnel changes in the Supervisory Board.

The activities of the General Meeting of the Company are governed by the Articles of Association, approved by the General Meeting, and by the applicable provisions of the Commercial Code. Its competencies include:

- Decisions on amendments to the Articles of Association of VUB, a.s.;
- Decision on the increase and decrease of the subscribed capital and decision on authorising the Management Board to increase the subscribed capital pursuant to Article 210 of the Commercial Code;
- Decision on the issuance of preference bonds or convertible bonds;
- Decision on liquidation of the Bank;
- Decision on the change of rights associated with any type of the Bank's shares and on restriction of the transferability of the Bank's shares;
- Election and removal of members of the Supervisory Board, except for the members of the Supervisory Board elected and removed by the Bank's employees;
- Approval of regular and/or extraordinary individual and/or consolidated financial statements, decision on profit distribution or settlement of losses and determination of the amount of royalties;
- Decision on the distribution of retained earnings from previous years and/or reimbursement of unpaid losses from previous years;
- Decision to use the reserve fund,
- Decision on the amount, method and place of payment and the setting of the reference date for determining the persons entitled to exercise the right to dividends,
- Appointment and removal of members of the Audit Committee, except for the members of the Audit Committee who are appointed by the Supervisory Board;
- Decision on other issues that fall within the competencies of the General Meeting under the mandatory provisions of legal regulations and the Articles of Association of VUB, a.s.;
- Adjustments to the powers of the Management Board and the Supervisory Board in relation to remuneration at VUB, a.s.;
- Approval of remuneration for members of the Supervisory Board.

Decisions on the matters referred to in first four points above must be adopted by a two-thirds majority of the votes of the shareholders present at the General Meeting and a notarial record must be drawn up. Decisions of the General Meeting changing the rights attached to certain types of shares and/or limiting the transferability of registered shares also the consent of a two-thirds majority of the votes of the shareholders holding such shares.

Decisions of the General Meeting on other matters falling within the decision-making power of the General Meeting require a majority of votes of the shareholders present, unless the Commercial Code or the Articles of Association of VUB, a.s. provide otherwise.

The shareholders' rights and related procedures are set out in the legal regulations and the Articles of Association of the Bank:

- Each shareholder is entitled to attend the General Meeting, vote, request information and seek explanations concerning the matters of the Company or matters of persons or entities controlled by the Company which relate to the agenda of the General Meeting, and to submit proposals.
- The exercise of a shareholder's voting rights may only be restricted or suspended exclusively by Act No. 513/1991 Coll. Commercial Code, as amended, or under a special legal regulation.
- A shareholder may exercise the shareholder rights attached to book-entered shares at the General Meeting if the shareholder is entitled to exercise these rights as of the reference date specified in the invitation to the General Meeting. The reference date shall be the day set in accordance with the legal regulations.
- A shareholder has the right to attend the General Meetings in person or through a proxy, by the authority of a written power of attorney. As long as VUB, a.s. is a public joint stock company, the power of attorney may be issued to a member of the Supervisory Board in accordance with the provisions specified in the Commercial Code. If the shareholder issues a power of attorney for the exercise of voting rights related to the same shares to more than one proxy at one General Meeting, the Company shall permit that the proxy who has signed the list of attending shareholders votes first. Shareholders shall comply with the reasonable formal requirements imposed by the Management Board in respect of powers of attorney and electronic means via which the Company receives notifications on appointment of a proxy, amendment to the power of attorney and dismissal of a proxy, as notified to the shareholders together with the invitation to the General Meeting and on the website of the Company.
- The Management Board shall provide each shareholder, upon request, with complete and true information and explanations regarding the items on the agenda of the General Meeting. If the Management Board is not able to provide a shareholder with complete information at the General Meeting, or if a shareholder requests so at the General Meeting, the Management Board shall provide such information to the shareholder in writing within 15 (fifteen) days from the date when the General Meeting was held. The Management Board is obliged, upon the request made by the shareholder, to send forthwith the written information to the address given by that shareholder; otherwise, it shall make such information available at the registered office of the Company. The Management Board may refer the shareholder to the website of the Company in its written information or directly during its reply at the General Meeting. If the website does not include the requested information or includes incomplete information, the court, upon the shareholder's proposal, shall decide on the Company's obligation to provide the requested information. This right of the shareholder shall cease to exist in case the said right has not been exercised within one month from the date in which the General Meeting was held, during which the shareholder requested the Management Board or the Supervisory Board to provide this information. The shareholder's request of information may only be refused in case the disclosure of the requested information would: constitute a breach of the law; or, following a diligent consideration of the content of such information, adversely affect the Company or an entity controlled by the Company; or if the information is considered to be a part of the Company's business secrets. Requests for information regarding the Company's economic management and the status of its assets cannot be refused. The Management Board shall decide on the acceptance or refusal of a request for information during the General Meeting. If the Management Board decides to refuse the request for information, then the Supervisory Board, following a request by the shareholder, shall decide on the duty of the Management Board to disclose the requested information. Upon his own initiative or following a request by the Supervisory Board, the chairman of the General Meeting may adjourn the General Meeting for the time necessary for the Supervisory Board to make a decision. If the Supervisory Board refuses to provide the requested information, the shareholder may file a proposal to the competent court entitled to decide whether the Company is obliged to provide the requested information. This right of the shareholder shall cease to exist in case said right has not been exercised within 1 (one) month from the date on which the General Meeting was held, during which the shareholder requested the Management Board or the Supervisory Board to provide information.
- The shareholder is entitled to a share in the Bank's profits (dividend). The General Meeting shall decide on the reference date in order to determine which persons are entitled to exercise the right to dividend(s), which shall be no earlier than 5 (five) and no later than 30 (thirty) days following the General Meeting, whereas the dividend is payable within 60 (sixty) days of the reference date.
- The Bank shall bear the expenses and risks of payment of the dividend to the shareholders. A shareholder is not obliged to return to the Bank a dividend which has been accepted in good faith.
- A shareholder is not entitled to demand the return of its contribution during the term of the Bank's existence, nor upon its winding-up. The shareholder has, however, the right to a share in the liquidation balance in the event of the Bank's liquidation.

Information about the Bank's shareholders is published quarterly, within 30 (thirty) days of the end of the given quarter. The given data are as of December 31 2025. The structure of shareholders is as follows:

€ '000	2025	2024
Intesa Sanpaolo Holding International S. A.	100.00%	100.00%

The qualifying holdings is at least 5% of the share capital of the Company. The shareholders disposing of qualifying holdings have the right to request the Management Board to include the matter they wish to raise in the agenda of the General Meeting. Furthermore, the shareholders with qualifying holdings have the right to request the convocation of the Extraordinary General Meeting in accordance with the Articles of Association of the Bank. Except for the sole shareholder – Intesa Sanpaolo Holding International S.A. Luxemburg, with its Registered Office at Luxembourg L-1821, 28 Boulevard de Kockelscheuer that holds a 100.00% stake in the registered capital, no other shareholder has qualifying holdings of the Company's share capital.

The VUB Group did not enter into any significant agreements as a contractual party that would come into effect, be modified, or become invalid due to changes in control circumstances resulting from a takeover offer, as no such circumstances arose.

VUB Supervisory Board and Management Board in general

- Supervisory Board members are elected by the General Meeting. Management Board are elected by the Supervisory Board.
- All members of the Management Board and Supervisory Board have timely access to all relevant information. During the 2025 financial year, the Management Board held 25 meetings, 15 of which were via per rollam, while the Supervisory Board held 11 meetings. Documents with detailed information are distributed well in advance – in the case of the Management Board no less than 3 working days, in the case of the Supervisory Board no less than 10 days prior to the meeting, thus ensuring all the members are able to make qualified decisions on individual matters.
- None of the Supervisory Board members is a member of the VUB, a.s. Management Board nor holds any other top managerial position in the Bank. With the exception the Supervisory Board members elected by VUB employees, a Supervisory Board member may not be an employee of VUB.

The rules governing appointment and removal of members of the Bank's Management Board and amendments to the Articles of Association of the Bank are laid down in the Articles of Association of the Bank in compliance with the Commercial Code, as amended, Act No. 483/2001 Coll. on Banks, as amended, and Rules of the Intesa Sanpaolo Group. The members of the Management Board are elected and dismissed by the Supervisory Board. The Supervisory Board also appoints the Chairman from among the members of the Management Board as well as the Vice-Chair(s) in case a Vice-Chair position is set up.

Under Article 10.8 of the Articles of Association, the number of members of the Management Board of VUB, a.s. determined and approved by the Supervisory Board is 7 (seven), with effect from 1 January 2025 (till 30 November 2025). As of 1 December 2025, the Management Board of VUB, a.s. has 6 (six) members.

Any decisions on amendments to the Articles of Association pursuant to paragraph 6.1(a) of the Articles of Association of VUB, a.s. fall within the competence of the General Meeting. Decisions on amendments to the Articles of Association pursuant to paragraph 6.1(a) of the Articles of Association of the Bank shall be made by a two-third majority of the rights of the shareholders present at the General Meeting, and notarial record of the meeting must be drawn up.

The powers of the statutory body comply with the Articles of Association of the Bank and with the Commercial Code. The Management Board is the statutory body managing the activities of VUB, a.s. It is competent to act on behalf of VUB, a.s. in all matters and represent VUB, a.s. with respect to third parties, before court and other authorities. The Management Board manages the activities of VUB, a.s. and decides on all matters concerning VUB, a.s., unless the legal regulations and/or the Articles of Association confer these powers to other bodies of VUB, a.s. The statutory body of the Bank has no powers to decide on the issue or repurchase of shares. Decisions on the issue or repurchase of shares are made by the General Meeting upon the proposal of the statutory body.

No agreements are concluded with the members of the Company's bodies or employees based on which compensation is to be provided to them, if their office or employment terminates as a result of an offer for takeover. The conditions for exercising the duties of the members of the Management Board are laid down in the Agreement on Exercising the Duties of the Member of the Management Board in compliance with the relevant provisions of the Commercial Code, Act No. 483/2001 Coll. on Banks, the Principles of Remuneration and other applicable legal regulations. The conditions of cooperation between the Bank's employees and the Company are defined in the employment contracts concluded in accordance with the labour Code and the Collective Agreement of the Company.

Supervisory Board

Members of the Supervisory Board in 2025

Ignacio Jaquotot	Chairman of the Supervisory Board – till 19 November 2025
Massimo Enrico Proverbio	Chairman of the Supervisory Board – from 20 November 2025
Elena Kohútiková	Vice Chairwoman of the Supervisory Board
Marco Fabris	Member of the Supervisory Board
Luca Leoncini Bartoli	Member of the Supervisory Board – till 19 December 2025
Laura Asperti	Member of the Supervisory Board – from 20 December 2025
Christian Schaack	Member of the Supervisory Board – till 19 November 2025
Raymond Edmond Schadeck	Member of the Supervisory Board – from 20 November 2025
Draginja Djurić	Member of the Supervisory Board
Peter Gutten	Member of the Supervisory Board, employee representative
Dana Kondrátová	Member of the Supervisory Board, employee representative
Andrea Fumačová	Member of the Supervisory Board, employee representative

Upon the Management Board's proposal, the Supervisory Board:

- Reviews the annual report, the ordinary, extraordinary, individual and consolidated accounts and recommends the annual report, the ordinary, extraordinary, individual and consolidated accounts to the General Meeting for approval;
- Approves the proposed distribution of current and/or past profits;
- Approves rules for the creation and use of other funds created by VUB, a.s.;
- Approves the draft plan for the settlement of unsettled loss and/or unsettled losses from past years;
- Approves proposed changes to the internal audit and internal control system;
- Approves the charter, annual audit plan of control activities and the annual report on the results of the activities of the Internal Audit Department;
- Reviews and approves the following matters before their submission to the General Meeting by the Management Board:
 - Proposals for changes to the Articles of Association; and
 - Proposals for an increase or decrease in the registered share capital of VUB, a.s. and/or for the issue of preference or convertible bonds, according to the relevant provisions of the Commercial Code;
- Elects members of VUB, a.s., Management Board and approves the Management Board Agreement;
- Approves any proposal for an increase or decrease in the registered capital of VUB, a.s.;
- Approves any substantial change in the nature of the business of VUB, a.s. or the way in which the business of VUB, a.s. is carried out, unless already approved in the printed business and financial conditions forecasts for any relevant year;
- Approves remuneration policies for rewarding the managers who report directly to the Management Board and the Supervisory Board;
- Decides on other issues falling within the authority of the Supervisory Board under the cogent provisions of legal regulations and the Articles of Association;
- Approves the Bank Remuneration Policies;
- Approves major business transactions pursuant to Article 220ga of the Commercial Code.

The Supervisory Board is authorized to review the following:

- A Management Board proposal regarding the termination of trading in company's securities on the stock exchange, and a decision on whether the company should cease to operate as a public joint-stock company;
- Information provided by the Management Board on the major business-related objectives for the upcoming period, and expected development in VUB assets, liabilities and revenues;
- The report by the Management Board on the business activities and assets of the company along with the expected development.

Committees of the Supervisory Board:

Audit Committee

The Audit Committee comprised of three members (including the Chairwoman) as of 31 December 2025. The Audit Committee held seven meetings (of which three per rollam) during the 2025 financial year. The issues discussed at the meetings mainly related to: preparation of the financial statements and observation of the special regulations; efficiency of internal control and risk management system at the Bank; compliance with regulatory requirements; the audit of the individual financial statements; the audit of the consolidated financial statements and monitoring of the results in the area of sustainability information reporting. Furthermore, the Audit Committee examines and monitors the independence of the auditor, especially services provided by the auditor according to a special regulation, recommends the appointment of an auditor for carrying out the audit of the Bank, and sets a date for an auditor to submit a statutory declaration about his independence. The Audit Committee regularly invited an external auditor to attend its meetings.

The Internal Audit Department, the rights and duties of which are defined by the Supervisory Board, excluding those defined by law, is in charge of the oversight. The Head of the Internal Audit Department may be appointed to/removed from the position upon a recommendation and prior consent issued by the Supervisory Board. Furthermore, the Supervisory Board also defines the remuneration and compensation scheme for this position. In 2025, the Chairwoman of the Audit Committee (being also the Vice Chairwoman of the Supervisory Board) and the Head of the Internal Audit and Control Department participated in the meetings of the Supervisory Board. The Chairwoman of the Audit Committee regularly informed the Supervisory Board of the most important issues discussed at the Audit Committee Meetings.

Members of the Audit Committee in 2025:

Elena Kohútiková	Chairwoman of the Audit Committee – until 19 November 2025
Elena Kohútiková	Member of the Audit Committee – from 20 November 2025
Raymond Edmond Schadeck	Chairman of the Audit Committee – from 20 November 2025
Christian Schaack	Member of the Audit Committee – until 19 November 2025
Marco Fabris	Member of the Audit Committee

Remuneration Committee

Remuneration Committee as a body was established in VUB a.s. by the decision of the Supervisory Board of VUB, a.s. in July 2012, (hereinafter as 'VUB' or 'Bank') in accordance with the Act on Banks and related legislation, the Bank's Articles of association and the Parent Company's Guidelines on Remuneration. Committee has 3 (three) members appointed and recalled by the VUB Supervisory Board. All of them must be Members of the Supervisory Board of the Bank. One Member of the Committee must be appointed as the Chairman of the Committee. The Committee meets at least once a year. It holds a fundamental position in preparation, adoption, changes and oversight of implementation of the Remuneration Policies across selected positions (according to the Act on Banks). It also provides support to the Supervisory Board and Management Board concerning the adoption and regular review of the general principles of VUB, a.s.' policies. The Remuneration Committee shall be constituted in such a way that it can competently and independently assess remuneration policies and procedures and the impact of remuneration on risk, capital and liquidity management.

Risk and Sustainability Committee

The Risk and Sustainability Committee was established by a decision of the Supervisory Board of VUB in September 2015. It has 3 members who are also members of the Supervisory Board. The Committee meets at least twice a year. The Risk and Sustainability Committee is part of the risk management scheme and performs supervisory, advisory and supportive functions primarily in the area of risk management system and strategy and its implementation monitoring.

Nomination Committee

The Nomination Committee was established by decision of the Supervisory Board in April 2024. It has 3 members who are members of the Supervisory Board. The Committee meets at least once a year. The Nomination Committee has a decisive role in identifying and recommending candidates for appointment to managerial/executive positions by the Supervisory Board or the General Meeting.

Management Board

Management Board Members in 2025

Jozef Kausich	Chairman of the Management Board and Chief Executive Officer
Gabriele Pace	Member of the Management Board and Deputy Chief Executive Officer
Andrej Vicenik	Member of the Management Board and Head of Corporate and SME Division
Peter Magala	Member of the Management Board and Chief Operating Officer – till 30 November 2025
Martin Techman	Member of the Management Board and Head of Retail Division
Branislav Kováčik	Member of the Management Board and Chief Risk Officer
Darina Kmeťová	Member of the Management Board and Chief Financial Officer

Jozef Kausich – Chairman of the Management Board and CEO of VUB bank



Jozef Kausich has been the CEO and Chairman of the Management Board of VUB Bank since 1 March 2023.

Prior to that, he served for five years as Chairman of the Management Board at Banka Intesa Sanpaolo in Slovenia. Before his tenure in Slovenia, he spent 12 years at VUB Bank as a member of the Board of Directors and Director of Corporate Banking. Additionally, he served as a member of the Supervisory Board of VUB Bank's subsidiaries, including VUB Leasing and VUB Factoring.

Jozef Kausich graduated from the University of Economics in Bratislava and subsequently gained experience in several financial institutions. At Bank Austria – Creditanstalt Slovakia a.s., he served as Deputy Head of the Large Clients Department, where he began to focus on corporate banking. He later joined HVB Bank Slovakia a.s., where he became the Director of the Corporate Clients Department.

Gabriele Pace – Member of the Management Board and Deputy CEO of VUB Bank



Gabriele Pace has been a member of the Management Board since 2023 also serves as Deputy CEO of VUB Bank. In this position, he is primarily responsible for the Bank's control and support departments.

Before coming to Slovakia, he led ISP International Value Services in Croatia, an innovative international IT service provider supporting the digital transformation of banking. He previously served as DCEO at Banca Intesa Beograd in Serbia. From 2004, he worked at Privredna banka Zagreb in Croatia, where he served as a member of the bank's Board of Directors and later also DCEO. He has been working in the Intesa Sanpaolo banking group since 1987, where he started as an IT analyst in New York.

Andrej Viceník – Member of the Management Board and Head of Corporate and SME Division



Andrej Viceník is a member of the Management Board and Head of Corporate and SME Division and Chairman of the Supervisory Board of VUB Operating Leasing a.s. He has been working in VUB since 2006. He held the position of Director of Corporate Clients until 2010 and subsequently led the Small and Medium Enterprises Division until November 2017.

Since December 2017, he has been serving at his current role. Previously, he held the leading positions at Česká pojišťovna, Zurich Insurance Company, and HVB Bank Slovakia. He graduated from the University of Economics in Bratislava and also obtained the Executive MBA degree at Webster University during his career.

Martin Techman Member of the Management Board and Head of Retail Division



Martin Techman has been a member of the Management Board of VUB Bank and the Head of the Retail Division since March 2015. He joined VUB Bank from Česká spořitelna, where he served as Director of the Distribution Network.

Martin Techman is responsible for branch offices and customer relationship management, banking products for natural persons and small businesses, payment cards, and private banking.

He has been working in financial services and banking since 1994. He started his career at Multiservis, which was later acquired by GE Capital. Over the years, he held several key positions, including Consumer Finance Manager, Product Development Manager, Third Party Product Manager, and Mortgage Credit Manager. Between 2004 and 2005, he held the position of Director of Product Development and Management at VUB Bank, where he was responsible for managing retail products, the network of mortgage centres, and external sales. Since 2005, he has been Director of Business Development at Česká spořitelna, and since 2011 has managed the network of branches in the Czech Republic.

Martin Techman holds an MBA degree in Managerial Studies and "Senior Executive" Management from Nottingham Trent University.

Darina Kmetová – Member of the Management Board and Chief Financial Officer



Darina Kmetová is a member of the Management Board of VUB Bank and serves as Chief Financial Officer (CFO).

She joined VUB Bank in October 2019 as the Director of the Planning and Control Department. Prior to that, she served as a Finance and Controlling Leader across various sectors (automotive, media, marketing and banking) of foreign companies. She has many years of experience in senior financial, controlling and in managerial positions with international coverage. She studied at the University of Economics in Bratislava.

Branislav Kováčik – Member of the Management Board and Chief Risk Officer



Branislav Kováčik became a member of the Management Board of VUB Bank and Chief Risk Officer on 22 November 2024.

Mr. Kováčik headed the subsidiary VUB Leasing for over 8 years, which was gradually integrated into the Bank's structures. Later on 2021, he moved to IVS (International Value Services) within the banking group.

He has extensive experience in the financial sector, banking and leasing. He studied at the University of Economics in Bratislava.

Competencies of the Management Board

The Management Board is authorized to manage the activities of VUB, a.s. and to take decisions on any matters related to VUB which, under legal regulations or the Articles of Association, have not been reserved to the authority of other VUB bodies. The Management Board is primarily responsible for the following matters:

- manages VUB, a.s. and exercises employer rights;
- implements decisions taken by the General Meeting and the Supervisory Board;
- ensures the accuracy of the books and other accounting-related records, trade books and other documentation of VUB, a.s.;
- after prior approval and on the recommendation of the Supervisory Board, submits the following matters to the General Meeting for approval:
 - amendments to the Articles of Association of the Bank;
 - proposals for increasing/decreasing registered capital and bond issues;
 - proposals for issuing shares or redemption of shares;
 - ordinary, extraordinary, individual or consolidated financial statements;
 - proposals for distribution of current or retained profits and/or proposals for settlement of outstanding losses from the current and/or previous years;
 - the annual report;
 - a proposal for approval or withdrawal of the auditor of VUB, a.s. for the relevant accounting period;
- approves and regularly examines Remuneration Policies.

The conditions for the performance of the position of a Management Board Member are defined in the Management Board Agreement in line with the relevant provisions of the Commercial Code, Act No. 483/2001 Coll. on Banks, Remuneration Policies and other relevant legislation.

Committees of the Management Board

The Credit Committee

The Credit Committee is the highest permanent decision-making committee of the Bank regarding counterparties. Its main responsibility is to adopt credit decisions in line with the issued strategic guidelines and credit policies while acting within the credit prerogatives of the Bank and in compliance with the applicable laws and Group regulations.

The Credit Risk Governance Committee

The Credit Risk Governance Committee is a permanent decision-making and advisory committee tasked with ensuring a qualified and coordinated management of credit risk and compliance with the applicable laws, ISP Group regulations and Parent Company's strategic decisions. The Committee's main responsibility is to define and update credit risk strategic guidelines and credit management policies based on the results of credit portfolio monitoring. With regard to Product Governance, the Committee analyses and assesses the issues related to the launch and monitoring of the products that imply credit risk.

The Assets and Liabilities Management Committee

The Asset and Liabilities Committee is a permanent decision-making and consultative committee focused on financial risks governance, the active value management issues, the strategic and operative management of assets and liabilities and on financial products governance. The main objective of ALCO is to protect the Bank's equity and supervise its allocation, to harmonize the assets and liabilities of the Bank taking into consideration pricing structures and maturity profiles in compliance with Parent Company guidelines, Bank's internal regulations, laws, rules, and regulations set by the competent Authorities.

The Operational Risk Committee

The Operational Risk Committee is a permanent decision-making and advisory committee whose mission is to ensure a qualified and competent management of operational risk issues (ICT/cyber risk inclusive), in compliance with the applicable laws, Group regulations and internal procedures.

Change Management Committee

The Committee represents a platform that links the business and IT strategies (and their priorities) with the operational management of business priorities in the context of IT resources and capacity planning. In urgent cases, the Committee acts as the superior and decision-making body with respect to problems and conflicts in business priorities, and it resolves conflicts concerning the allocation of resources based on business requirements.

Internal Control Coordination Committee

The aim of the Internal Control Coordination Committee is to strengthen coordination and the tools for cooperation among the various Bank's control departments and to enable the integration of the risk management process.

The Problem Asset Committee

The Problem Asset Committee is the supreme permanent decision-making committee of the Bank in terms of risky and non-performing counterparties. Its main responsibility is to take the necessary measures in order to prevent and mitigate credit losses connected with risky and deteriorated assets, while acting within the credit prerogatives of the Bank and in compliance with the applicable laws and ISP Group regulations.

The Crisis Committee

The Crisis Committee is management and coordination body that issues orders for key bank areas with the aim to prevent, mitigate and remove the impact of extraordinary events or crisis situations on business activity and the goodwill of the Bank. Crisis Committee has a right to be informed about BIA results, as well as about creation, implementation and testing of Business Continuity Plan for system and critical processes.

The members of the relevant committees established by the Bank's bodies are designated members of the Management Board and designated employees of the Bank.

The Environmental Social and Governance Committee

The Environmental Social and Governance Committee is a permanent consultative and decision-making committee of the Bank with the main goal to coordinate and steer ESG related matters and to ensure the correct implementation of the ISBD ESG strategy and respective ISP Group guidelines within the Bank.

Relations between the Company and its shareholders

The Bank observes the provisions of the Commercial Code and other relevant valid legislation applicable to the protection of shareholders' rights, as well as the regulation on the timely provision of all relevant information on the Company and provisions on convening and conducting its General Meetings.

The Company follows the principle of shareholders' rights, equal access to information for all shareholders and other relevant principles pursuant to the Corporate Governance Code for Slovakia.

The Company's approach to shareholders

The Bank's corporate governance principles ensure, facilitate and protect the exercise of shareholders' rights. The Company duly and timely performs all its duties and obligations towards shareholders in compliance with relevant legislation and the Corporate Governance Code for Slovakia. The Company enables shareholders to duly and transparently exercise their rights in compliance with relevant valid legislation.

Disclosure of information and transparency

- The Bank enforces strict rules in the area of insider dealing, and continually maintains and updates a list of insiders.
- Information about corporate governance is published on the VUB's web site www.vub.sk in the section 'About the Bank'. Information for shareholders is available on the VUB's web site www.vub.sk in the 'Information for VUB shareholders' section.
- Members of the Management Board and Supervisory Board do not have any personal interest in the business activities of the Bank. The Bank strictly observes the provisions of the Banking Act No. 483/2001 Coll. (hereinafter the 'Banking Act') as amended, applicable to the provision of deals to the Bank's related parties. Under the Banking Act, the closing of such a deal requires the unanimous consent of all the Management Board members once they have been acquainted with a written analysis of the deal concerned; a person with a personal interest in the given deal is excluded from decision making. With regard to the persons who have a special relationship with the Bank, the Bank does enter into deals, which owing to their nature, purpose or risk entailed, would not be entered into with other clients under the same circumstances.
- The Bank abides by the Corporate Governance Code for Slovakia, the rules of the Bratislava Stock Exchange and Luxemburg Stock Exchange governing disclosure of all substantial information. The fact that the Company observes the mentioned regulations ensures that all the bondholders and potential bondholders have access to information on the financial standing, performance, ownership and management of the company, enabling them to take competent investment decisions. The Corporate Governance Code for Slovakia is available on The Slovak Association Corporate Governance web site: http://www.bsse.sk/Portals/2/Issuers%20Guide/2018/kodex_ENG_akt.pdf. The Bratislava Stock Exchange Rules are available on the Bratislava Stock Exchange web site www.bsse.sk and Luxemburg Stock Exchange Rules on web site www.luxse.com. The Bank is not aware of any deviations from the Corporate Governance Code.
- The Company actively supports a constructive dialogue with institutional investors.
- The Bank enforces changes arising from Act No. 566/2001 Coll. on Securities and Investment Services, as amended (hereinafter the 'Securities Act'), at a European level, and the MiFID Directive (Markets in Financial Instruments Directive), and undertakes activities directed at investor protection and strengthening client trust in the provision of investment services. The main objective of the MiFID Directive is to enhance financial consumer protection in the field of investment services. The essence of the MiFID Directive lies in the new categorization of clients according to their knowledge and experience in investing to provide clients with an adequate level of protection, in the Bank's obligation to act in the best interests of the client in carrying out their orders in relation to their financial instruments (best execution), in higher requirements as regards market transparency, and management of the Bank as a securities trader, to be ensured by internal control systems and the prevention of conflict of interests. Information related to investment services is published on the VUB web site www.vub.sk in the section 'Mission and values/Investor protection'.
- The Bank continues to provide payment services according to the Act on Payment services No. 492/2009 Coll, as well as EU Directive 2015/2366 of the European Parliament and of the Council of 25 November 2015, on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No. 1093/2010, and repealing Directive 2007/64/EC. The aim of this law is to ensure that consumers receive clear, high-quality information about payment services, enabling them to make informed decisions and compare options when shopping within the EU. In the interests of transparency, the harmonized requirements are laid down in order to ensure the necessary and sufficient information to payment service users with regard to the payment service contract and payment transactions.

Consolidated Financial Statements

Consolidated financial statements drawn up in accordance with International Financial Reporting Standards ('IFRS®') as adopted by the European Union ('EU') for the year ended 31 December 2025

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Independent Auditor's Report

To the Shareholder, Supervisory Board, Board of Directors and to the Audit Committee of Všeobecná úverová banka, a.s.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Všeobecná úverová banka, a.s. ("the Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the Slovak Chamber of Auditors ("Code of Ethics for Auditors") within the scope applicable to audits of financial statements of public interest entities, including the ethical requirements of the Regulation of the European Parliament and of the Council (EU) No 537/2014 from 16 April 2014 on specific requirements, as applicable to audits of the financial statements of public interest entities ("Regulation No 537/2014") and Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended ("Act on Statutory Audit"), that are relevant to audits of the financial statements of public interest entities in the Slovak Republic. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors, the ethical requirements of the Regulation No 537/2014 and the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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



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Impairment allowances for loans and advances to customers

Due from customers valued at amortized cost less impairment as at 31 December 2025 amount to EUR 21 827 322 thousand and represent a significant portion of the Group's total assets. As disclosed in Note 11.2 (Due from customers) to the consolidated financial statements, it included the gross book value of due from customers valued at amortized cost of EUR 22 187 041 thousand and impairment allowance of EUR 359 719 thousand.

Determining the amount and the moment of recognizing impairment allowances for expected credit losses requires significant judgments and complex estimates of the management disclosed in Note 4.1.2 (Impairment losses) to the separate financial statements. For performing exposures and non-performing exposures below EUR 500 thousand individually, it comprises assumptions built into statistical credit loss models, such as assessment of significant increase in credit risk, definition of default, incorporation of forward-looking information, calculation of the loss given default parameter and recovery rates. For exposures above EUR 500 thousand individually, the Group performs an individual assessment based on the detailed review and analysis of the borrower's situation and for non-performing exposures, the judgments include identification of loss events other than overdue payments and estimation of timing and amount of expected cash flows from repayments and realization of collaterals.

The individual basis for calculating expected credit losses ("ECL"), based on probability-weighted scenarios, is then used for individually assessed exposures in Stage 3. Portfolio ECL calculation is used for all other instances.

Due to the significance of loans and advances in relation to the total assets and significance of the management's judgments and estimates and their complexity regarding the expected credit losses described above, we evaluated impairment allowances for loans and advances as a key audit matter.

As part of our audit procedures, we documented our understanding of the Group's credit risk management policies. We obtained an understanding, evaluated the design and tested the operating effectiveness of the internal controls over the approval, recording and monitoring of the loans, identification of loss events and impairment triggers and the process of calculating impairment allowances for due from customers.

We reconciled a register of due from customers with accounting records to assess completeness of the recognition of due from customers, which create the basis for the calculation of impairment allowances for expected credit losses.

We involved credit risk specialists to assist us with assessment of the impairment allowances methodology, methods, results of the Bank's tests of credit risk parameters (so called "back-testing"), credit rating models and credit risk parameter models, their assumptions and implementation in the system in accordance with the IFRS 9 requirements.

We evaluated post-model adjustments for expected credit losses (so called "overlays") that were recorded to address the back-testing results and management's expectations of additional credit losses in the retail and corporate segment in the light of economic volatility.

On a selected sample, we analyzed loan exposures assessed individually by the Group. For selected performing exposures, we analyzed the economic and financial situation of borrowers and fulfillment of the terms of loan agreements to evaluate appropriateness of the classification into risk categories, so-called "staging". In case of selected non-performing exposures, we assessed the reasonableness of the expected cash flows from repayments and recoverable amounts of collateral based on available financial and market data and we recalculated the individual impairment allowance.

We performed analytical procedures on disaggregated data on the quarterly development of the impairment allowance per portfolios, products and stages related to the development of the structure and characteristics of the credit portfolio including the impairment allowances, reflecting the quality of the loan portfolio in the light of the impairment allowances for expected credit losses for loans to customers aimed at identifying portfolios of loans to customers with understated impairment provisions.



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We involved specialists in the field of IT systems to assist us with the testing of effectiveness of the control mechanisms of IT systems, in which the Group calculates the credit risk parameters and the impairment allowances for expected credit losses.

We also assessed the disclosures in Note 4.1.2 (Impairment losses) and Note 11.2 (Due from customers) regarding expected credit losses for due from customers included in the consolidated financial statements in terms of their completeness and compliance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

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

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Consolidated Annual Report

Management is responsible for the information disclosed in the consolidated annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the consolidated financial statements expressed above does not apply to other information contained in the consolidated annual report.

In connection with audit of the consolidated financial statements it is our responsibility to understand the information disclosed in the consolidated annual report and to consider whether such information is not materially inconsistent with audited consolidated financial statements or our knowledge about the Group



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and its situation obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

We considered whether the Group's consolidated annual report (except for the requirements related to sustainability reporting) contains information, disclosure of which is required by the Act on Accounting.

Based on procedures performed during the audit of consolidated financial statements, in our opinion:

- Information disclosed in the consolidated annual report prepared for 2025 is consistent with the consolidated financial statements for the relevant year,
- The consolidated annual report (except for the requirements related to sustainability reporting) contains information based on the Act on Accounting.

Additionally, based on our understanding of the Group and its situation, obtained in the audit of the consolidated financial statements, we are required to disclose whether material misstatements were identified in the consolidated annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

Independent assurance report on the compliance of the presentation of the Consolidated Financial Statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Bank to conduct a reasonable assurance engagement to verify the compliance of the presentation of the consolidated financial statements of the Group for the year ended 31 December 2025 included in the Annual Financial Report ("the Presentation of the Consolidated Financial Statements") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation").

Description of subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the management to comply with the requirements of the ESEF Regulation. The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding paragraph with respect to the Presentation of the Consolidated Financial Statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes:

- preparation of the consolidated financial statements in XHTML format;
- selection and application of appropriate markups in iXBRL using ESEF taxonomy; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.



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Those charged with governance are responsible for overseeing the Group's financial reporting process, which also includes the preparation of the consolidated financial statements that also comply with the requirements of the ESEF Regulation.

Auditor's responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits and Reviews of Historical Financial Information, ("the ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board ("the IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Auditor's quality control and independence requirements

We apply the provisions of International Standard on Quality Management (ISQM) 1 (issued by the IAASB) and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was properly applied;
- evaluating the completeness of marking up the consolidated financial statements using the XBRL markup language according to the requirements of the implementation of the electronic format, as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF core taxonomy has been identified; and



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- evaluating the appropriateness of the anchoring of the extension elements to the ESEF core taxonomy.

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

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of Auditor

We were appointed as the statutory auditor by statutory body of the Bank on 24 April 2025 based on our approval by the General Meeting of Shareholder of the Bank on 18 March 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 5 years.

Consistence with Additional Report to the Audit Committee

Our audit opinion expressed herein is consistent with the additional report to the audit committee of the Bank, which we issued on 23 February 2026.

Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remain independent from the Group in conducting the audit.

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

26 February 2026, except for the section of our report "Independent assurance report on the compliance of the presentation of the Consolidated Financial Statements with the requirements of the European Single Electronic Format ("ESEF")", for which the date of our report is 8 April 2026.

Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Dalimil Draganovský, statutory auditor
SKAU Licence No. 893

Consolidated statement of financial position as at 31 December 2025

€ '000	Note	2025	2024
Assets			
Cash and cash equivalents	7	2 149 318	2 272 663
Financial assets at fair value through profit or loss	8		
Financial assets held for trading		164 248	188 305
Non-trading financial assets at fair value through profit or loss		1 541	3 410
Derivatives – Hedge accounting	9	89 038	75 566
Financial assets at fair value through other comprehensive income	10	1 440 284	1 489 654
<i>of which pledged as collateral</i>		<i>53 807</i>	<i>548 012</i>
Financial assets at amortized cost	11		
Due from banks		213 075	317 938
Due from customers		21 827 322	20 455 952
<i>of which pledged as collateral</i>		<i>612 239</i>	<i>178 495</i>
Fair value changes of the hedged items in portfolio hedge of interest rate risk	12	1 262	775
Investments in joint ventures and associates	13	1 507	1 197
Property and equipment	14	111 147	119 156
Intangible assets	15	171 311	173 749
Goodwill	16	29 305	29 305
Current income tax assets		5 155	-
Deferred income tax assets	17	61 396	68 406
Other assets	18	54 272	58 241
		<u>26 320 181</u>	<u>25 254 317</u>
Liabilities			
Financial liabilities at fair value through profit or loss	8		
Financial liabilities held for trading		51 033	69 941
Derivatives – Hedge accounting	9	100 343	173 282
Financial liabilities at amortized cost	11		
Due to banks		1 154 208	831 368
Due to customers		18 067 421	17 146 438
Lease liabilities		22 082	21 156
Subordinated debt		300 386	300 401
Debt securities in issue		4 007 222	4 203 983
Fair value changes of the hedged items in portfolio hedge of interest rate risk	12	(5 770)	(8 193)
Current income tax liabilities		-	44 016
Provisions	19	27 482	30 309
Other liabilities	20	166 894	177 109
		<u>23 891 301</u>	<u>22 989 810</u>
Equity			
Share capital	22	510 819	510 819
Share premium		13 719	13 719
Legal reserve fund		102 454	102 454
Other capital funds		8 464	8 464
Retained earnings		1 768 450	1 624 197
Equity reserves		24 974	4 854
		<u>2 428 880</u>	<u>2 264 507</u>
		<u>26 320 181</u>	<u>25 254 317</u>

The accompanying notes on pages 48 to 133 form an integral part of these financial statements.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

€ '000	Note	2025	2024
Interest income calculated using the effective interest method		927 622	1 011 972
Other interest income		11 654	3 768
Interest and similar expense		(350 565)	(441 853)
Net interest income	24	588 711	573 887
Fee and commission income		256 123	230 092
Fee and commission expense		(38 938)	(40 698)
Net fee and commission income	25	217 185	189 394
Net trading result	26	19 542	16 931
Other operating income	27	3 552	5 130
Other operating expenses	28	(23 716)	(21 618)
Salaries and employee benefits	29	(164 236)	(162 047)
Other administrative expenses	30	(96 264)	(92 429)
Amortisation	15	(27 134)	(33 401)
Depreciation	14	(12 308)	(12 916)
Profit before provisions, impairment and tax		505 332	462 931
Net modification (loss)/gain		(19 944)	158
Provisions	19	55	(67)
Impairment losses and provisions for loan commitments and financial guarantees	21	(56 604)	(36 824)
Net gain/(loss) arising from the derecognition of financial assets at amortised cost		7 245	(21)
Share of the profit of investments in joint ventures and associates accounted for using the equity method		308	321
Profit before tax		436 392	426 498
Income tax expense	31	(166 271)	(172 941)
NET PROFIT FOR THE YEAR		270 121	253 557

(Table continues on the next page)

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

(continued)

€ '000	Note	2025	2024
Other comprehensive income for the year, after tax			
<i>Items that shall not be reclassified to profit or loss in the future</i>			
Change in value of financial assets at fair value through other comprehensive income (equity instruments)			
Revaluation gain arising during the year		313	(67)
Reclassification adjustment for profit on sale of FVOCI equities within equity		(95)	60
Total items that shall not be reclassified to profit or loss in the future, before tax		218	(7)
Income tax relating to components of other comprehensive income		(29)	(668)
Total items that shall not be reclassified to profit or loss in the future, after tax		189	(675)
<i>Items that may be reclassified to profit or loss in the future</i>			
Change in value of financial assets at fair value through other comprehensive income (debt instruments)			
Revaluation gain/(loss) arising during the year		21 242	(4 015)
Reclassification adjustment for profit on sale of FVOCI bonds included in the profit or loss		6 124	3 843
Exchange difference on translation of foreign operations		587	850
Change in value of cash flow hedges		(342)	(182)
Total items that may be reclassified to profit or loss in the future, before tax		27 611	496
Income tax relating to components of other comprehensive income		(7 584)	1 042
Total items that may be reclassified to profit or loss in the future, after tax		20 027	1 538
Other comprehensive income for the year, after tax		20 216	863
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		290 337	254 420

In 2025, the presentation of other comprehensive income was revised. Items related to other comprehensive income that were presented in separate notes in the previous year have been clearly integrated directly into the statement 'Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025'. This change represents only a reclassification of information and does not affect the reported amounts of total comprehensive income or the comparability of the data.

The accompanying notes on pages 48 to 133 form an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2025

€ '000	Share capital	Share premium	Other capital funds	Legal reserve fund	Retained earnings	Revaluation surplus of buildings and land	Financial assets at FVOCI	Cash flow hedges	Translation of foreign operation	Total
1 January 2025	510 819	13 719	8 464	102 454	1 624 197	16 595	(11 485)	(164)	(92)	2 264 507
Total comprehensive income for the year, after tax	-	-	-	-	270 121	-	19 889	(260)	587	290 337
Transfers	-	-	-	-	-	-	-	-	-	-
Losses on the sale of shares at FVOCI	-	-	-	-	95	-	(95)	-	-	-
Gain on disposal of property and equipment	-	-	-	-	1	(1)	-	-	-	-
Exchange difference	-	-	-	-	2	-	-	-	-	2
Transactions with owners, recorded directly in equity										
Dividends to shareholders	-	-	-	-	(125 966)	-	-	-	-	(125 966)
Reversal of dividends distributed but not collected	-	-	-	-	-	-	-	-	-	-
31 December 2025	<u>510 819</u>	<u>13 719</u>	<u>8 464</u>	<u>102 454</u>	<u>1 768 450</u>	<u>16 594</u>	<u>8 309</u>	<u>(424)</u>	<u>495</u>	<u>2 428 880</u>

€ '000	Share capital	Share premium	Other capital funds	Legal reserve fund	Retained earnings	Revaluation surplus of buildings and land	Financial assets at FVOCI	Cash flow hedges	Translation of foreign operation	Total
At 1 January 2024	510 819	13 719	8 464	87 783	1 519 808	17 250	(12 350)	(27)	(942)	2 144 524
Total comprehensive income for the year, after tax	-	-	-	-	253 557	(655)	805	(137)	850	254 420
Transfers	-	-	-	14 671	(14 671)	-	-	-	-	-
Losses on the sale of shares at FVOCI	-	-	-	-	(60)	-	60	-	-	-
Gain on disposal of property and equipment	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	(3)	-	-	-	-	(3)
Transactions with owners, recorded directly in equity										
Dividends to shareholders	-	-	-	-	(134 783)	-	-	-	-	(134 783)
Reversal of dividends distributed but not collected	-	-	-	-	349	-	-	-	-	349
At 31 December 2024	<u>510 819</u>	<u>13 719</u>	<u>8 464</u>	<u>102 454</u>	<u>1 624 197</u>	<u>16 595</u>	<u>(11 485)</u>	<u>(164)</u>	<u>(92)</u>	<u>2 264 507</u>

The accompanying notes on pages 48 to 133 form an integral part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2025

€ '000	Note	2025	2024
Cash flows from operating activities			
Profit before tax		436 392	426 498
Adjustments for			
Interest income	24	(939 276)	(1 015 740)
Interest expense	24	350 565	441 853
Gain from sale/revaluation of financial assets at fair value through other comprehensive income	26	(10 052)	(28 618)
Gain on sale of intangible assets and property and equipment	27	(492)	(1 581)
Loss from revaluation of financial liabilities at amortized cost	26	11 952	45 478
Amortisation	15	27 134	33 401
Depreciation	14	12 308	12 916
Impairment losses and similar charges	21	73 335	70 172
Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method and related items		(310)	(316)
Exchange difference on translation of foreign operations		589	847
Interest received		938 156	1 012 094
Interest paid		(353 088)	(429 453)
Tax paid		(208 432)	(182 114)
Decrease/(increase) in financial assets at fair value through profit or loss		23 477	(127 649)
(Increase)/decrease in derivatives – hedge accounting (assets)		(13 472)	108 111
Financial assets at amortized cost			
Decrease/(increase) in due from banks		102 044	(83 253)
Increase in due from customers		(1 451 982)	(2 066 257)
Increase in fair value changes of the hedged items in portfolio hedge of interest rate risk (assets)		(487)	(58 180)
Decrease/(increase) in other assets		3 969	(18 358)
(Decrease)/increase in financial liabilities at fair value through profit or loss		(18 908)	33 491
Decrease in derivatives – hedge accounting (liabilities)		(72 939)	(72 378)
Financial liabilities measured at amortized cost			
Decrease in due to banks		(11 966)	(123 822)
Increase in due to customers		931 121	1 121 183
Increase in fair value changes of the hedged items in portfolio hedge of interest rate risk (liabilities)		2 423	3 725
Increase in provisions		1 814	1 466
(Decrease)/increase in other liabilities		(10 215)	17 297
Net cash used in operating activities		(176 340)	(879 187)
Cash flows from investing activities			
Purchase of financial assets at fair value through other comprehensive income		(694 551)	(450 564)
Disposal of financial assets at fair value through other comprehensive income		777 604	207 488
Repayments of financial assets at fair value through other comprehensive income		-	52 400
Purchase of intangible assets and property and equipment		(19 298)	(23 914)
Disposal of intangible assets and property and equipment		3 593	2 806
Investments in Monilogi, s.r.o.		-	(162)
Net cash from/(used in) investing activities		67 348	(211 946)

(Table continues on the next page)

Consolidated statement of cash flows for the year ended 31 December 2025

(continued)

€ '000	Note	2025	2024
Cash flows from financing activities			
Proceeds from issue of debt securities		500 000	500 000
Repayments of debt securities in issue		(716 597)	(788 000)
Proceeds from loans received from other banks		595 000	100 000
Repayments of loans received from other banks		(260 200)	(107 304)
Repayments of lease liabilities		(6 590)	(8 641)
Dividends paid		(125 966)	(134 783)
<i>Net cash used in financing activities</i>		(14 353)	(438 728)
Net change in cash and cash equivalents		(123 345)	(1 529 861)
Cash and cash equivalents at the beginning of the year	7	2 272 663	3 802 524
Cash and cash equivalents at 31 December	7	2 149 318	2 272 663

The accompanying notes on pages 48 to 133 form an integral part of these financial statements.

1. Basis of preparation

1.1. Reporting entity – general information

Všeobecná úverová banka, a.s. ('the Bank' or 'VUB') provides retail and commercial banking services. The Bank is domiciled in the Slovak Republic with its registered office at Mlynské nivy 1, 829 90 Bratislava 25, with the identification number (IČO) 313 20 155 and the tax identification number (DIČ) 2020411811.

The VUB Group is part of the Intesa Sanpaolo Group ('ISP Group'), which is one of the leading banking groups in Europe (103.1 billion euros market capitalization), with a significant ESG commitment, including on climate, and a world-class position in social impact. The ISP Group is a leader in Italy in all business areas (retail, corporate, wealth management) and has a strategic international presence, including subsidiaries operating in commercial banking in 12 countries in Central and Eastern Europe and in the Middle East and North Africa regions, and an international network of specialists supporting corporate customers in 24 countries, particularly in the Middle East and North Africa and in those areas where Italian companies are most active.

The VUB Group's ultimate parent company is Intesa Sanpaolo S.p.A. ('ISP' or 'the Parent Company'), which is a joint-stock company incorporated and domiciled in Italy. The consolidated financial statements of the Company are available at the address of its registered office at Piazza San Carlo 156, 10121 Torino, Italy.

At 31 December 2025, the VUB Group operated a network of 163 points of sale (including retail branches, corporate branches, and mortgage centres) throughout Slovakia (31 December 2024: 165). The VUB Group also operated one branch in the Czech Republic (31 December 2024: 1).

At 31 December 2025, the members of the Management Board are Jozef Kausich (Chairman), Gabriele Pace, Andrej Viceník, Martin Techman, Darina Kmetová and Branislav Kováčik.

At 31 December 2025, the members of the Supervisory Board are Massimo Enrico Proverbio (Chairman), Elena Kohútiková (Vice Chairwoman), Marco Fabris, Laura Asperti, Raymond Edmond Schadeck, Draginja Djuric, Peter Gutten, Dana Kondrótová and Andrea Fumačová.

At 31 December 2025, the total number of employees of the VUB Group was 3 215 (31 December 2024: 3 364). The average number of employees of the VUB Group during the year ended as at 31 December 2025 was 3 286 (31 December 2024: 3 354).

1.2. The VUB Group

The consolidated financial statements comprise the Bank and its subsidiaries (jointly referred to as 'the VUB Group' or 'the Group') and the Group's interest in associates and joint ventures. All entities are incorporated in the Slovak Republic.

	Share December 2025	Share December 2024	Main activity
Subsidiaries			
VUB Operating Leasing, a.s. ('VUB Operating Leasing')	100.00%	100.00%	Operating leasing
VUB Generali d. s. s., a.s. ('VUB Generali')	55.26%	55.26%	Pension fund administration
Joint ventures			
Monilogi, s.r.o. ('Monilogi')	33.00%	33.00%	Cash processing
Associates			
Slovak Banking Credit Bureau, s. r. o. ('SBCB')	33.33%	33.33%	Credit database administration

1.3. Basis of accounting

The consolidated financial statements of the VUB Group ('the financial statements') have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and with interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ('IFRIC') as approved by the European Union Commission in accordance with the Regulation of European Parliament and the Council of European Union and in accordance with the Act No. 431/2002.

The financial statements have been prepared under historical prices adjusted by the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivatives – hedge accounting, buildings and land in falling under the property and equipment under revaluation model to fair value and in the case of the financial assets or financial liabilities designated as hedged items in qualifying fair value hedge relationships modified by the changes in fair value attributable to the risk being hedged.

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

1.4. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Bank. Control is established when the Bank has power over the investee, is exposed to or has rights to variable returns from its involvement with the investee, and can use its power to influence those returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date at which effective control commences until the date at which control ceases.

The financial statements of the Bank and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, income and expenses. Intra-group balances, transactions and resulting profits are eliminated in full.

The purchase acquisition of accounting is used to account for the acquisition of subsidiaries by the VUB Group. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of the acquisition over the fair value of the VUB Group's share of the identifiable net assets acquired is recognized as goodwill.

Associates

Associates are entities in which the VUB Group has significant influence, but not control, over the financial and operating policies. The financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounted basis from the date when significant influence commences until the date that significant influence ceases.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The financial statements include the VUB Group's share of the total recognized gains and losses of joint ventures on an equity accounted basis, from the date that joint control commences until the date that joint control ceases.

To determine the nature of interest in another entity an assessment of the control indicators described above is performed by the management of the VUB Group, applying certain level of judgement.

1.5. Functional and presentation currency

EUR is the functional and presentation currency of the VUB Group. The financial statements are presented in thousands of EUR ('€' or 'EUR'), unless indicated otherwise. Negative balances are presented in brackets.

1.6. Use of judgements and estimates

In preparing the financial statements, the management made judgements, estimates and assumptions that affect the application of the VUB Group's 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 estimates are recognized prospectively.

1.6.1. Judgements

Information about judgements of the accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes. The most significant judgements relate to the classification of financial instruments.

- Classification of financial instruments: assessment of the business model under which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding (note 3.4.2).
- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss ('ECL') and selection and approval of models used to measure ECL (note 4.1.2).
- Valuation of lease liabilities and right-of-use assets (note 14).

The use of International Financial Reporting Standard 16 Leases ('IFRS 16') requires the VUB Group to make judgments that affect valuation of not only the lease liabilities but also the right-of-use assets. These include: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease term determined by the VUB Group generally comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the VUB Group is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the VUB Group is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets.

For contracts relating to branch and office premises, the VUB Group has concluded that there are a number of scenarios where the VUB Group might elect not to exercise the extension options. Therefore, the IFRS 16 criterion of being reasonably certain to exercise the extension options is not fulfilled. The periods covered by a potential use of an option to extend the lease were excluded from the lease term.

For leases of branch and office premises concluded for an indefinite term, the VUB Group generally estimates the length of the contract to be five years. The VUB Group monitors these assumptions, reviews the industry practices and the latest accounting interpretations in relation to the estimation of the lease terms among peer financial entities. The Bank is prepared to make adjustments, if necessary.

The present value of the lease payment is determined using the discount rate representing the rate of interest rate swap applicable for currency of the lease contract and for similar tenor, corrected by the average credit spread of entities with rating similar to the VUB Group's rating, observed in the period when the lease contract commences or is modified.

1.6.2. Assumptions and estimation uncertainties

Estimates are used for (include but not limited to): fair values of financial instruments, fair value of buildings and land under the revaluation model, impairment losses on due from banks and due from customers and impairment losses related to financial assets at fair value through other comprehensive income, provisions for loan commitments and financial guarantees, useful lives and residual values of tangible and intangible assets, impairment losses on tangible and intangible assets, valuation of lease liabilities and right-of-use assets, liabilities from employee benefits, provisions for legal claims and deferred tax assets.

Information about assumptions and estimation uncertainties that run a risk of causing a material adjustment is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs (note 5). Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques which include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated financial instruments.
- Impairment of financial instruments: determining inputs into the expected credit losses (ECL) model, including incorporation of forward-looking information. (note 4.1.2)

The VUB Group reviews its loans and advances at each reporting date to assess whether any individually assessed impairment loss should be recorded in the statement of profit or loss. Management judgment is particularly necessary when estimating the amount and timing of future cash flows to determine the required impairment loss. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the individually assessed impairment losses.

- Recognition and measurement of legal claims: key assumptions about the likelihood and magnitude of an outflow of resources.
- Recognition of deferred tax assets: availability of future taxable profit against which deferred tax assets can be used.
- Impairment testing for cash generating units containing goodwill: key assumptions underlying recoverable amounts.

2. Changes in accounting policies

A few of the new standards and amendments to standards became effective for annual periods beginning after 1 January 2025. These, however, have no material effect on the financial statements.

Except for the changes below, the VUB Group has consistently applied the accounting policies as set out in note 3 to all periods presented in the financial statements.

2.1. Standards and interpretations relevant to the VUB Group's operations issued that are effective for the current year and have been endorsed by the European Union

Lack of exchangeability (Amendments to IAS 21)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how the VUB Group should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of the VUB Group's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the VUB Group's financial performance, financial position and cash flows.

This amendment did not have a material impact on the VUB Group's financial statements.

2.2. Standards and interpretations issued but not yet effective or not early adopted by the VUB Group

A few new standards and amendments to standards are not yet effective or not yet adopted by the European Union. Early adoption is permitted; however, the VUB Group has not adopted the new and amended standards in preparing these consolidated financial statements. The VUB Group intends to adopt these standards when they become effective.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

- Settling financial liabilities using electronic payments system; and
- Assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The VUB Group has performed an assessment of all material electronic payment systems used. Most of the electronic settlement systems used by the VUB Group result in real-time settlement.

There is a number of electronic settlement systems used by the VUB Group that do not result in real-time settlement. The VUB Group derecognises the financial liability and the associated cash when the payment has reached the beneficiary, which is when the obligation is discharged. The amendments are not expected to have a material impact.

In addition, the VUB Group has assessed the impact of the Amendments on its financial assets with sustainability-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the assessments, the amendments in these areas are not expected to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027.

The new standard introduces the following key new requirements:

- The VUB Group is required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. The VUB Group is also required to present a newly defined operating profit subtotal. The VUB Group's net profit will not change.
- Management-defined performance measures ('MPMs') are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The VUB Group is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The VUB Group considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with IFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.

The initial expected impacts of IFRS 18 on the VUB Group's financial statements are, as follows:

- Income and expenses from the following will be classified in the operating category within the statement of profit or loss: cash and cash equivalents; liabilities from transactions that involve only the raising of finance; generally, assets invested in as part of the VUB Group's main business activity of investing in financial assets that generate a return individually and largely independently of the VUB Group's other resources;
- Foreign exchange differences will be classified in the same category as the related income and expense giving rise to the foreign exchange difference, with some exceptions;
- Gains and losses on hedging instruments, including those not designated as such, but used to manage exposure to identified risks, will be classified in the same category as the income and expenses relating to the risk being covered, with some exceptions;
- For the statement of cash flows, the 'operating profit' subtotal will be used as the starting point for determining cash flows from operating activities. Furthermore, the classification of the total cash flows from all dividends received, all interest paid and all interest received will each, respectively, be classified in a single category in the statement of cash flows following the classification of the related income and expenses in the statement of profit or loss;
- New disclosures will be added for management-defined performance measures;
- A reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18, and the amounts previously presented applying IAS 1.

The VUB Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

The following new and amended standards are not expected to have a significant impact on the financial statements:

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting Standards (Volume 11);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment in IFRS 10 and IAS 28).

3. Material accounting policies

3.1. Foreign currency transactions

Transactions in foreign currencies are translated into the EUR at the official European Central Bank ('ECB') spot exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the official ECB spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into EUR at the official ECB spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the official ECB spot exchange rate at the date of the transaction.

The foreign currency gain or loss is the difference between the contractual exchange rate of a transaction and the official ECB exchange rate at the date of the transaction. Foreign currency gain or loss is included in 'Net trading result', as well as gains or losses arising from movements in exchange rates after the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income ('OCI'):

- Qualifying cash flow hedges to the extent that the hedge is effective; and
- Equity instruments in respect of which an election has been made to present subsequent changes in fair value in OCI.

3.2. Foreign operations

The financial statements include foreign operations in the Czech Republic. The assets and liabilities of foreign operations are translated into EUR at the spot exchange rate at the reporting date. The income and expenses of foreign operations are translated to EUR at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences arising on these translations are recognized in OCI and accumulated in the foreign currency translation reserve ('Translation of foreign operation' reserve).

3.3. Cash and cash equivalents

'Cash and cash equivalents' include notes and coins on hand, balances held with central banks, including compulsory minimum reserves, and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the VUB Group in the management of its short-term commitments.

'Cash and cash equivalents' are carried at amortized cost in the statement of financial position (note 7).

3.4. Financial assets and financial liabilities

3.4.1. Recognition and initial measurement

The VUB Group initially recognises loans and advances (e.g. 'Due from banks', 'Due from customers'), deposits (e.g. 'Due to banks', 'Due to customers'), debt securities issued and subordinated debt on the date on which they originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the VUB Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. For items not classified at fair value through profit or loss, the initial measurement also includes transaction costs directly attributable to their acquisition or issuance.

3.4.2. Classification

On initial recognition, a financial asset is classified as measured at:

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

A financial asset is measured at AC, if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the VUB Group may irrevocably elect to present subsequent changes in fair value in OCI (note 3.6.2). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the VUB Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (note 3.4.7).

Business model assessment

The VUB Group uses the following business models:

- Held to collect,
- Held to collect and sell,
- Held for trading/Other.

The VUB Group assesses of the objective of a business model in which an asset is held at a portfolio level, as this best reflects how the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a specific interest rate profile, aligning the duration of financial assets with that of the corresponding liabilities, or realizing cash flows through asset sales;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its risk management strategy;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and future sales activity expectations. However, information about sales activity is not considered in isolation but rather as part of an overall assessment of how the VUB Group states objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading, managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the VUB Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows, preventing it from meeting this condition. In making the assessment, the VUB Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the VUB Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The VUB Group holds a portfolio of long-term fixed-rate loans for which the VUB Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The VUB Group has determined that the contractual cash flows of these loans meet the SPPI criterion, because the option modifies the interest rate in a way that takes into account the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

The VUB Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period following a change in the VUB Group's business model for managing financial assets. Financial liabilities are never reclassified.

3.4.3. Subsequent measurement

After initial recognition, the VUB Group measures financial assets and financial liabilities in accordance with the classification at fair value through profit or loss (note 3.5), fair value through other comprehensive income (note 3.6) and at amortized cost (note 3.7).

3.4.4. Derecognition

Derecognition due to substantial modification of terms and conditions

The VUB Group derecognises a financial asset, such as a loan provided to a customer, when the terms and conditions have been renegotiated to the extent that the loan becomes a new loan. In such a case, the difference is recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. When assessing whether to derecognise a loan to a customer, the VUB Group considers the factors such as a change in currency of the loan, the introduction of an equity feature, a change in counterparty, and whether the modification would cause the instrument to no longer meet the SPPI criterion.

Where an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

Derecognition other than due to substantial modification

The VUB Group derecognises a financial asset when the contractual rights to its cash flows expire or when it transfers the rights to receive those cash flows in a transaction where substantially all the risks and rewards of ownership are transferred. Additionally, derecognition occurs if the VUB Group neither transfers nor retains substantially all of the risks and rewards of ownership, and does not maintain control over the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed), and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain or loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities, as explained above. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the VUB Group is recognized as a separate asset or liability.

The VUB Group enters into transactions in which it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of thereof. In such cases, the transferred assets are not derecognized. Examples of such transactions are securities lending and sale-and-repurchase transactions. (note 3.8)

In transactions in which the VUB Group neither retains nor transfers all of the risks and rewards of ownership of a financial asset but retains control over the asset instead, the VUB Group continues to recognise the asset to the extent of its continuing involvement, which is determined by the extent to which it is exposed to changes in the value of the transferred asset.

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

3.4.5. Modifications

If the terms of a financial asset are modified, then the VUB Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized (see above under Derecognition other than due to substantial modification) and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset;
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to create a new asset with substantially different terms. If the VUB Group plans to modify a financial asset in a way that would result in release of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy, note 4.1.5). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the VUB Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate as well as fixed-rate financial assets where reset to market is expected, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. The effective interest rate is therefore altered. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (note 4.1.2), then the gain or loss is presented together with impairment losses.

3.4.6. Offsetting

Financial assets and financial liabilities are offset, with the net amount presented in the statement of financial position only when the VUB Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

3.4.7. Fair value measurement

'Fair value' is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date in the principal or the main market, or if such a market does not exist, the most advantageous market to which the VUB Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the VUB Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the VUB Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The hierarchy of valuation techniques is explained in note 5.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received.

If the VUB Group determines that the fair value on initial recognition differs from the transaction price, and the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability, nor based on a valuation technique for which any unobservable inputs are judged insignificant for measurement, then the financial instrument is initially measured at fair value according to the model, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is fully supported by observable market data or when the transaction is closed out.

3.5. Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss comprise financial assets held for trading, including derivative financial instruments and financial assets at fair value through profit or loss.

3.5.1. Financial assets and financial liabilities held for trading

The VUB Group classifies trading portfolio as financial assets or financial liabilities measured at fair value through profit or loss when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a financial instruments portfolio that is managed together to achieve short-term profit. Financial assets and financial liabilities held for trading are recorded and measured in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss except for movements in fair value of liabilities designated at FVTPL due to changes in the VUB Group's own credit risk. Such changes in fair value are recorded in the 'Fair value gains and losses arising from the VUB Group's own credit risk related to derivative liabilities' and are not reflected in the profit or loss. Interest earned or incurred on instruments designated at FVTPL is presented in 'Other interest income'. Dividend income from equity instruments measured at FVTPL is considered to be incidental to the VUB Group's trading operations and is recorded in profit or loss as 'Net trading result' when the right to the payment has been established.

Included in this classification are debt securities, equities, short positions and customer loans that were acquired principally for the purpose of their sale in the near term.

The VUB Group monitors changes in fair values daily and recognises unrealised gains and losses in the profit or loss statement in 'Net trading result'.

Derivative financial instruments

In the normal course of business, the VUB Group is a party to contracts with derivative financial instruments, which require a very low initial investment compared to the notional value of the contract. The derivative financial instruments used include forward rate agreements, foreign exchange and commodity forwards, interest rate, foreign exchange and commodity swaps, interest rate, foreign exchange, equity options, cross currency swaps and futures. The VUB Group also uses financial instruments to hedge interest rate risk and currency exposures associated with its transactions in the financial markets. They are accounted for as trading derivatives if they do not fully comply with the definition of a hedging derivative as prescribed by IFRS. The VUB Group also acts as an intermediary provider of these instruments to certain customers.

Derivative financial instruments not used for hedge accounting purposes are initially recognized and subsequently re-measured in the statement of financial position at fair value as part of 'Financial assets held for trading'.

All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives are included in 'Net trading result'.

Fair values are obtained from quoted market prices. If such values are not available, discounted cash flow models and option pricing models are used instead. The fair values of derivative positions are calculated using standard formulas and prevailing interest rates applicable for respective currencies available on the market at reporting dates.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, causing some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative alters some or all of the cash flows that would otherwise be required by the contract, adjusting them based on a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or credit index, or another variable. In the case of a non-financial variable, the modification applies only if it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

The VUB Group assesses whether any embedded derivatives contained in a contract are required to be separated from the host contract and accounted for as derivatives.

Derivatives may be embedded in another contractual arrangement (a host contract). The VUB Group accounts for an embedded derivative separately from the host contract when:

- The host contract is not an asset in the scope of International Financial Reporting Standard 9 Financial Instruments ('IFRS 9');
- The host contract is not itself held at FVTPL;
- The terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognized in profit or loss in net trading result unless they form part of a qualifying cash flow hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with other derivatives.

3.5.2. Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and are required to be measured at fair value under IFRS 9, as they do not meet the requirements of the SPPI test.

Financial assets at fair value also comprise equity instruments not held for trading where the Bank did not choose to classify investments at FVOCI. Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recognized in 'Net trading result'. Interest income is recorded in 'Other interest income' and dividend income in 'Net trading result' according to the terms of the contract, or the moment the right to payment has been established.

3.6. Financial assets at fair value through other comprehensive income

3.6.1. Debt instruments measured at fair value through other comprehensive income

The VUB Group classifies debt instruments as measured at FVOCI under IFRS 9 if both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the requirements of the SPPI test.

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in equity. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets at amortized cost. The VUB Group applies the impairment requirements to recognize and measure a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Where the VUB Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. On derecognition, cumulative gains or losses previously recognized in equity are reclassified from equity to profit or loss.

The fair value of debt instruments, for which an active market exists, and provided a market value can be estimated reliably, is measured at quoted market prices. In circumstances where the quoted market prices are not readily available, the fair value is estimated using the present value of future cash flows.

In the case of debt instruments measured at fair value through other comprehensive income, impairment is assessed based on the same criteria as financial assets carried at amortized cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event taking place after the impairment loss was recognized in 'Impairment losses' in the statement of profit or loss and other comprehensive income, the impairment loss is reversed through the statement of profit or loss.

3.6.2. Equity instruments measured at fair value through other comprehensive income

Upon initial recognition, the VUB Group occasionally elects to irrevocably classify some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized in profit or loss as 'Net trading result' when the right to the payment has been established, except when the VUB Group benefits from such proceeds as a recovery of part of the cost of the instrument. In such a case, these gains are recorded in OCI. Equity instruments at FVOCI are not subject to any impairment assessment.

3.7. Financial assets and financial liabilities at amortized costs

Financial assets at amortized costs comprise balances due from banks and due from customers including debt securities. Financial liabilities at amortized costs comprise balances due to banks, due to customers, subordinated debt and debt securities in issue.

3.7.1. Financial assets at amortized costs: Due from banks and Due from customers

The VUB Group only measures 'Due from banks' and 'Due from customers' at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model to collect contractual cash flows;
- The contractual terms of the financial asset give rise to cash flows that represent payments of principal and interest on the principal amount outstanding on specified dates.

Due from banks

Due from banks include receivables from central banks with a maturity over 90 days, receivables from current accounts in other than central banks, term deposits, loans provided and securities purchased from commercial banks. Balances are presented at amortized cost including interest accruals less any impairment losses.

Due from customers

Due from customers balances comprise loans and advances and securities with fixed or determinable payments and fixed maturities. These receivables are recorded at amortized cost less any impairment losses (note 11.2).

Impairment

The detailed description of policy is in the note 4.1.2.

The VUB Group writes off 'Due from banks' and 'Due from customers' when it determines that the loans and advances are uncollectible. Loans and advances are written off against the impairment losses on financial assets measured at amortized cost with the remaining part being written off against profit or loss reported under 'Net gain/(loss) arising from the derecognition of financial assets at amortized cost'. Any recoveries of loans written off are credited to the same line in the statement of profit or loss upon receipt.

3.7.2. Financial liabilities at amortized costs: Due to banks, Due to customers, Subordinated debt and Debt securities in issue

Deposits, debt securities issued and subordinated liabilities are the VUB Group's sources of debt funding.

The VUB Group classifies capital instruments as financial liabilities or equity instruments in accordance with the contractual terms of the instruments.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest rate method.

Due to customers covers also lease liabilities.

3.8. Repurchase and reverse repurchase agreements

Securities sold under sale and repurchase agreements ('repo transactions') remain as assets in the statement of financial position under the original caption while liabilities from received loans are included in 'Financial assets at amortized cost: Due to banks' or 'Financial assets at amortized cost: Due to customers'.

Securities purchased under agreements to purchase and resell ('reverse repo transactions') are recorded only in the off-balance sheet and loans provided are reported in the statement of financial position in 'Cash, cash balances at central banks', 'Financial assets at amortized cost: Due from banks' or 'Financial assets at amortized cost: Due from customers', as appropriate.

The difference between the purchase and sale price of securities fall under the category interest income or expense and is deferred over the life of the agreement.

3.9. Derivatives – Hedge accounting

When introducing IFRS 9, the VUB Group has elected to continue applying the requirements of IAS 39 instead of those of IFRS 9.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position in 'Derivatives – Hedge accounting'.

The VUB Group makes use of derivative instruments to manage exposures to interest rate risks, foreign currency risk, inflation risk and credit risk including exposures arising from highly probable transactions. In order to manage individual risks, the VUB Group uses hedge accounting for transactions which meet the specified criteria.

At the inception of the hedge relationship, the VUB Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

When a hedging relationship is established, a formal assessment is carried out to ensure that the hedging instrument will be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed each month. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated reach 80% to 125% offset.

In situations where the hedged item is treated as an expected transaction, the VUB Group assesses whether the transaction is highly probable and whether it represents an exposure to variability in cash flows that will affect the profit and loss statement.

Cash flow hedges

For designated and qualifying cash flow hedges, the gain or loss on the effective portion of the hedging instrument is initially recognized in other comprehensive income as 'Cash flow hedges'. The gain or loss on the ineffective portion of the hedging instrument is immediately recognised as gain or loss in the statement of profit or loss in 'Net trading result'.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument is reclassified from other comprehensive income to profit or loss as a reclassification adjustment in 'Net trading result'. When a hedging instrument expires, or is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting while the hedged cash flows are still probable, any cumulative gain or loss that has been recognized in other comprehensive income remains in equity separately and is reclassified from other comprehensive income to statement of profit or loss as a reclassification adjustment at the moment the hedged expected transaction is ultimately recognized. When an expected transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified from other comprehensive income to statement of profit or loss as a reclassification adjustment.

Fair value hedges

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognized in the profit or loss statement in 'Net trading result'. Meanwhile, the change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss under 'Net trading result'.

In case of macro hedge, the change in the fair value of the hedged items attributable to the risk hedged is presented separately as 'Fair value changes of the hedged items in portfolio hedge of interest rate risk.'

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the effective interest rate ('EIR'). If the hedged item is derecognized, the unamortised fair value adjustment is recognized immediately in profit or loss when the item is derecognized.

Specific policies for hedges affected by IBOR reform

The Phase 1 amendments

If a hedging relationship is directly affected by IBOR reform, then certain exceptions can apply (referred to as 'the Phase 1 amendments') to the general hedge accounting policy.

All hedges affected by IBOR reform either matured or were discontinued. Therefore, the VUB Group ceased to apply the respective Phase 1 amendments.

The Phase 2 amendments

Policies specific to non-contractually specified risk portions:

When the VUB Group designates an alternative benchmark rate as a hedged risk, and the alternative benchmark rate is a non-contractually specified risk portion that is not separately identifiable at the time of designation, the VUB Group deems that the rate meets the separately identifiable criterion if it reasonably expects that the alternative benchmark rate will be separately identifiable within a 24-month period. The 24-month period applies on a rate-by-rate basis and starts on the date when the VUB Group first designates the alternative benchmark rate as a hedged risk.

If the VUB Group subsequently expects that a non-contractually specified alternative benchmark rate risk component will not be separately identifiable within the 24-month period, it discontinues the prospective hedge accounting from the date of that reassessment for all hedging relationships in which the alternative benchmark rate is designated as a non-contractually specified risk portion.

Policies specific to cash flow hedges:

When the interest rate benchmark on which the hedged future cash flows had been based is changed to meet requirements posed by the IBOR reform (in order to determine whether the hedged future cash flows are expected to occur), the VUB Group deems that the hedging reserve recognized in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be determined.

3.10. Property and equipment

Land and buildings are recognized at fair value based on regular, at least annual, valuations by external independent specialized companies, reduced by building subsequent depreciation.

For buildings and land, the VUB Group uses the revaluation model for subsequent measurement. Management determined that these constitute one class of asset based on the nature, characteristics and risks. The VUB Group uses the income method, using market rents and yields as key inputs. Fair values are based on valuations performed by an accredited independent valuer. The revaluation model aligned the book value to the current market value. Level 3 revaluation was recognized due to significant unobservable estimated valuation inputs.

The recoverable amount is determined with reference to the fair value less costs to sell or the value in use, if determinable and if it is higher than fair value. For property and equipment other than buildings and land is assumed that the carrying amount normally corresponds to the value in use, since it is determined by a depreciation process estimated on the basis of the effective contribution of the asset to the production process and since the determination of fair value is extremely subjective. The two values diverge and lead to impairment in case of damages, exit from the production process or other similar non-recurring circumstances. The VUB Group measures buildings and land according to the revaluation model. In this case, any impairment loss on a revalued asset must be treated as a decrease in the revaluation up to the relevant amount after which any difference is taken to the income statement.

If the new fair value is higher than the carrying amount, the value of the asset on the balance sheet is increased through other components of comprehensive income and accumulated in equity under the heading 'Revaluation surplus of buildings and land'. In case that an impairment loss was previously recorded in the income statement, the reversal of this impairment is recorded in the income statement up to the amount previously recognized in the income statement. If the new fair value is lower than the carrying amount, the decrease is recognized in profit or loss statement. The ISP Group chose to apply the elimination approach, which means that the accumulated depreciation is eliminated against the gross carrying amount of the asset at revaluation date. The assets subject to the revaluation model are depreciated based on their revalued value.

Significant part of branch premises that the VUB Group uses is a result of sale and leaseback transactions. These leasebacks are recognized as rights of use assets and lease liabilities. Average lease term of these premises was estimated to four years.

All other property and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Acquisition cost includes the purchase price plus other costs related to acquisition such as freight, duties or commissions. The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency are capitalised. Repairs and renovations are charged to the profit or loss statement when the expenditure is incurred.

Depreciation charge is calculated on a straight-line basis to allocate the cost of each asset to its residual value over its estimated useful economic life as follows:

	Years
Buildings	10 – 33
Equipment	4 – 12
Other tangibles	4 – 12

Land, assets under construction and art collections are not depreciated. The depreciation of the assets under construction begins when the related assets are put into use.

The VUB Group checks its assets for impairment on annual basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to this recoverable value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Property and equipment contain also right-of-use assets.

3.11. Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and impairment losses. Amortisation is calculated on a straight-line basis in order to amortise the cost of each asset to its residual value over its estimated useful economic life as follows:

	Years
Software and Other intangible assets	7 – 10

Amortisation methods, useful lives and residual values are reassessed at the reporting date.

Assets under development are not amortised. The amortization of the assets under development begins when the related assets are put into use.

3.12. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the VUB Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition.

Goodwill is measured at cost less impairment, if any. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

The VUB Group uses Capital Asset Pricing Model ('CAPM') for impairment testing, using cash flow projections based on the most recent financial budgets approved by senior management covering a budgeted five-year period. The discount rates applied to future cash flow projections beyond the five-year period are adjusted by the projected growth rate. Both discount rates and growth rates are determined on ISP Group level specifically for the Slovak market.

The calculation of the recoverable amount considers the following key assumptions:

- Interest margins – the development of margins and volumes by product line,
- Discount rates – based on CAPM,
- Market share during the budget period,
- Projected growth rates used to extrapolate cash flows beyond the budget period,
- Current local GDP,
- Local inflation rates.

The following rates are used by the VUB Group:

€ '000	2025	2024
Pre-tax discount rate – cash flows	15.87%	14.71%
Pre-tax discount rate – terminal value	16.23%	15.70%
Projected growth rate	4.33%	4.44%

3.13. Leasing

Leases in which the VUB Group is a lessor

In case of lease contracts based on which the VUB Group is acting as a lessor, each of its leases is classified as either operating or finance lease. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards associated with ownership to the lessee. Examples of situations where the risks and rewards of ownership are considered as having been transferred to the lessee are as follows:

- The lease transfers ownership of the asset to the lessee by the end of the lease term,
- The lessee has the option to purchase the asset at a price that is expected to be substantially lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised,
- The lease term is for at least 3/4 of the economic life of the asset even if title is not transferred,
- At the inception of the lease the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset, or
- The leased assets are of such a specialized nature that only the lessee can use them without major modifications.

Lease classification is made at the inception date and is reassessed only if there is a lease modification.

At the commencement date, receivable from finance leasing equal to the net investment in the lease is recognized in the statement of financial position in 'Due from customers'.

Initial measurement of the lease payments included in the net investment in the lease:

- Fixed payments, less any lease incentives payable;
- Any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

Interest income is recognized in profit or loss statement in 'Other interest income' over the lease term using rate implicit in the lease, which represents the discount rate that, at the inception of the lease, causes the aggregate present value of the minimum lease payments and the unguaranteed residual value to be equal to the sum of the fair value of the leased asset and any initial direct costs of the lessor.

The lease payments are applied against the gross investment in the lease and reduce both the principal and the unearned finance income.

The detailed description of impairment of the net investment in the lease is described in the note 4.1.2.

Unguaranteed residual values are reviewed and estimated regularly in order to calculate the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognized immediately.

Operating leases

Recognition and measurement:

Lease payments from operating leases are recognized as income on a straight-line basis in profit or loss in 'Other operating income'.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and this asset is being depreciated over the lease term on a straight-line basis.

Lease modifications:

In case of modification to an operating lease a new lease is booked from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3.14. Provisions

Provisions comprise litigations and claims, financial guarantees and loan commitments.

Provisions for litigations and claims are recognized when the VUB Group has a present obligation (legal or constructive) resulting from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Financial guarantees are contracts that require the VUB Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when it falls due, in accordance with the terms of a debt instrument consisting of letters of credit, guarantees and acceptances.

Provisions for financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of profit or loss in 'Fee and commission income' on a straight-line basis over the lifetime of the guarantee, and an ECL allowance.

ECL allowances for financial guarantees are recognized based on the stage of financial instrument (three-stage approach) which affects expected loss calculation for the financial guarantee. Any increase or decrease in the provision deriving from changes in ECL allowances relating to financial guarantees is recorded in the statement of profit or loss under 'Impairment losses'.

In the event the VUB Group is called to fulfil a guarantee, and the guarantee is paid to the holder of the guarantee, the guarantee ceases to exist. Instead, a receivable against the counterparty for which the VUB Group issued the guarantee is created and the former provision for financial guarantees is converted into impairment losses allowance on such receivable along with the record, if any, under 'Impairment losses'.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. For loan commitments the VUB Group also recognises Provisions based on stage of financial instrument. Any increase or decrease in the provision for loan commitments is recognized in profit or loss under 'Impairment losses'.

3.15. Liabilities for employee benefits

The VUB Group's obligation in respect of retirement and jubilee employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Employee benefit reserves are disclosed in the statement of financial position in 'Other liabilities'. All gains or losses in relation to the employee benefits are recognized in 'Salaries and employee benefits'.

'Severance and Jubilee benefits' are discounted to determine their present value. The discount rate is determined with reference to yield curve of Slovak government bonds with a fifteen-year duration, which represents the period which is closest to the average benefit duration. The calculation is performed using the Projected Unit Credit Method. For the calculation, the VUB Group used an average turnover rate which is based on historical data on employees' turnover at the VUB Group for the last three years. The average age-specific turnover rate is calculated as the ratio of number of terminations and the average number of employees. All employees are covered by the retirement and jubilee employee benefits program.

3.16. Equity reserves

The reserves recorded in equity that are disclosed in the statement of financial position include:

- 'Revaluation surplus of buildings and land' reserve which consists of the revaluation surplus of buildings and land measured at fair value using a revaluation model.
- 'Cash flow hedges' reserve which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.
- 'Financial assets at fair value through other comprehensive income' reserve which comprises changes in the fair value of financial assets at FVOCI.
- 'Translation of foreign operation' reserve which is used to record exchange differences arising from the translation of the net investment in foreign operations.

3.17. Net interest income

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

Interest income and expense are recognized in the statement of profit or loss on an accrual basis using the effective interest rate method (EIR) for all financial instruments measured at amortized cost (note 3.7.1. and 3.7.2).

In case of a hedging relationship (as defined in note 3.9), interest from interest rate swap effectively replaces the contractual interest rate of the hedged item and such interest is disclosed under in 'Interest income calculated using the effective interest method'.

The IBOR reform Phase 2 amendments permit a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. One of the conditions is that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

Other interest income includes interest received on financial assets at fair value through profit or loss other than interest on derivatives using the contractual interest rate and finance leases where the rate implicit in the lease is being used.

Interest income/expense on all derivatives is recognized as a part of the fair value change in 'Net trading result'.

Negative interest arising from financial assets is presented in interest expense and negative interest arising from financial liabilities is presented in interest income.

According to the VUB Group's accounting policy, the revision of the conditions of the instrument by the ECB is considered as a change to a floating rate pursuant to par. B5.4.5 of IFRS 9, with a forward-looking adjustment to the interest rate, considering the fact that the ECB has the option to change interest rates at its discretion in defining monetary policy rates. The interest is therefore recognised periodically based on the interest rate of the instrument for each period as required by paragraph B5.4.5 of IFRS 9.

3.18. Net fee and commission income

The VUB Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

Fee and commission income and expense such as up-front and commitment fees that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate (see note 3.17).

Other fee and commission income arises on financial services provided by the VUB Group including account maintenance, cash management services, brokerage services, administrative services regarding loans, investment advice and financial planning, investment banking services, project finance transactions, asset management services, factoring services, operating leasing and other. Fee and commission income and expense are recognized when the corresponding service is provided. If a loan commitment is not expected to result in the drawdown of a loan, then the related loan commitment fee is recognized on a straight-line basis over the commitment period.

The performance obligations, as well as the timing of their satisfaction, are identified and determined, at the inception of the contract. The VUB Group's revenue contracts do not contain multiple performance obligations.

The Bank has generally determined that it acts as the principal in its revenue arrangements, as it typically controls the services before transferring them to the customer.

When the VUB Group provides a service to its customers, consideration is invoiced and is generally due immediately upon satisfaction of a service provided at a point in time, or at the end of the contract period for a service provided over time.

Nature and timing of the satisfaction of performance obligations, including key payment terms:

Current accounts	Fees for ongoing account management are charged to the customer's account on a monthly basis. The VUB Group sets the rates separately for retail and corporate banking customers in each jurisdiction on an annual basis.
Cards	Credit card and debit card fees relate to both fees for issuance of credit card for the period of card's validity as well as fees for specific transactions.
Payments and cash management	Transaction-based fees for interchange and foreign currency transactions are charged to the customer's account when the transaction takes place.
Loans	Loan-related services comprise mainly fees for overdrafts, which are recognized on a straight-line basis over the overdraft duration. They also include other servicing fees, including finance leases, which are charged on a monthly basis, and are based on fixed rates reviewed annually by the VUB Group.
Indirect deposits	These fees mainly relate to provision of the Bank's retail network for the mediation of investments into funds. These fees are paid to the VUB Group by Eurizon Asset Management Slovakia, správ. spol., a.s. Since the Bank does not have any ongoing performance obligation related to these fees, they are recognized in full when charged.
Insurance	The VUB Group provides insurance mediation along with selling its products. Except for life insurance mediation, only an aliquot part of commission is sent by the insurance company on a monthly basis. Therefore, the VUB Group only recognises an aliquot part of commission as income with the passage of time. In case the client cancels insurance contract with the insurance company, the insurance company stops paying the aliquot part of the commission, and the VUB Group therefore stops recognising these fees. The VUB Group is not liable to return this aliquot part of commissions recognized in fees to the insurance company. Regarding life insurance mediation the VUB Group is exposed to clawbacks if a client cancels the insurance contract within certain periods. The VUB Group calculated effect of IFRS 15 impact and evaluated this impact as non-material and continues to recognise income on these fees as the related mediation service is provided.
Trade finance, Structured finance	Fees for loan commitments which are not expected to result in the draw-down of a loan are recognized on a straight-line basis over the commitment period. Administration of a loan syndication, execution of client transactions with ex-changes and securities underwriting, charges for premature termination of loans and other are charged when a transaction takes place.
Factoring	Services related to factoring include: <ul style="list-style-type: none"> - Facility commitment, where fee is recognized on a straight-line basis over the commitment period; - Invoice processing fee, where fixed amount for each processed invoice is charged; - Factoring fee, where fee represent a percentage on a total receivable amount factored.

Revenue recognition under IFRS 15:

Current accounts	Revenue from account service and servicing fees is recognized over time as the services are provided.
Cards	Revenue from card issuance is recognized over time as the services are provided. Revenue related to transactions is recognized at the point in time when the transaction takes place.
Payments and cash management	Revenue related to transactions is recognized at the point in time when the transaction takes place.
Loans	Overdraft fee is recognized on a straight-line basis over the overdraft duration. Revenue related to transactions, including finance leases, is recognized at the point in time when the transaction takes place.
Indirect deposits	Revenue related to transactions is recognized at the point in time when the transaction takes place.
Insurance	Revenue from insurance mediation services is recognized over time for the duration of contract, except for life insurance mediation where service fee is recognized when service is provided and clawbacks are recognized when they occur.
Trade finance, Structured finance	Loan commitment fee is recognized on a straight-line basis over the commitment period. Revenue related to transactions is recognized at the point in time when the transaction takes place.
Factoring	Facility fee is recognized on a straight-line basis over the commitment period. Revenues related to invoice processing and factoring fee are recognized at the point in time when the transaction takes place.

3.19. Net trading result

'Net trading result' includes gains and losses arising from purchases, disposals and changes in the fair value of financial assets and financial liabilities including securities and derivative instruments. It also includes the result of all foreign currency transactions.

3.20. Current and deferred income tax, special levy and other taxes

Income tax is calculated in accordance with the regulations of the Slovak Republic and other jurisdictions in which the VUB Group operates.

Income tax expense is recognized at each time interval during the accounting year based on the best estimate of the weighted average annual income tax rate expected for the entire accounting year. In the event of a change in the estimate of the annual income tax rate, the accrued amount of income tax costs for one of the periods during the accounting year may be adjusted in the subsequent period of that accounting year.

With effect from January 2024, a new type of special levy for the banking sector came into force in Slovakia. For the year 2025, the amount of the special levy is set at 24.96% of the profit before tax, and in the following years, it will gradually decrease to 15% in 2027. From 2028, banks will be subject to the standard rate of the special levy on business in regulated sectors. The special levy for regulated entities is a tax-deductible expense.

Deferred income tax assets and liabilities are recognized, using the balance sheet method, for all temporary differences arising between the carrying amounts of assets and liabilities and their tax bases. Expected tax rates, applicable for the periods when assets and liabilities are realised, are used to determine deferred tax.

The VUB Group is also subject to various indirect operating taxes, which are included in 'Other operating expenses'.

4. Financial and operational risk management

This note presents information about the VUB Group's exposure to each of the above risks, the VUB Group's objectives, policies and processes for measuring and managing risk.

The Management Board is the statutory body governing the executive management of the VUB Group, and has absolute authority over all matters concerning risk. The Management Board has primary responsibility for the creation and dissolution of risk related governance bodies. The primary governance bodies overseeing risk issues are:

- Assets and Liabilities Management Committee ('ALCO'),
- Credit Risk Governance Committee ('CRGC'),
- Operational Risk Committee ('ORC').

The Management Board delegates its risk authority to these governance bodies through statutes identifying members of the governance bodies, competencies and responsibilities of the members. The competency of each governance body is established in relevant Charters.

The VUB Group's risk management policies were established to identify and analyse the risks faced by the VUB Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The VUB 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 Internal Audit Department of VUB Group is responsible for monitoring compliance with VUB Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework to which VUB Group is exposed. Internal audit performs both regular and ad-hoc reviews of control mechanisms and processes in the area of risk management.

4.1. Credit risk

Credit risk refers to the potential financial loss to the VUB Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk primarily stems from the Group's loans and advances to customers and banks, as well as its investment securities. For risk management reporting purposes, the VUB Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk). For risk management purposes, the credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

The Credit Risk Charter ('CRC') establishes the guidelines for measurement, control and management of credit risk by defining the legal framework, main responsibilities, policies and methodologies that support the credit risk management process of VUB.

More specifically, CRC defines both the general and specific (retail, corporate) credit risk requirements for applied methodologies and procedures, and includes, as separate sections, the policies governing the key aspects of the VUB Group's credit risk management process:

- Authorised Approval Authority,
- Collateral Management Policy,
- Provisioning Policy,
- Credit Concentration Limits,
- Default Definition,
- Risk Management Client Segmentation Policy,
- Corporate Credit Policy, Retail Credit Policy,
- Retail and Corporate Remedial Management and Collections.

4.1.1. Management of credit risk

The Risk Management Division was established within the VUB Group as a Control Unit managed by the Chief Risk Officer, who is a member of the VUB Group's Management Board. The Risk Management Division is organisationally structured to provide support to the Business Units, as well as to report on credit, market and operational risks to the Supervisory Board and Management Board. The Risk Management Division is responsible for overseeing VUB Group's credit risk including:

- The development of credit risk strategies, policies, processes and procedures covering rules for credit assessment, collateral requirements, risk grading and reporting;
- Setting limits for the concentration of exposure to counterparties, related parties, countries and total assets and monitoring compliance with those limits;
- Establishment of the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are set in the CRC;
- Credit risk assessment according to defined policy;
- Monitoring of quality portfolio performance and its compliance with set limits (regulatory, internal). Regular reports are provided to the Management Board and the CRC on the credit quality of the VUB Group's portfolios;
- Development, maintenance and validation of scoring and rating models – both application and behavioural;
- Development, maintenance and back-testing of impairment loss models.

4.1.2. Impairment losses

The VUB Group establishes an allowance for impairment losses, which represents its ECL in its loan portfolio.

If there is evidence of impairment for any individually significant client of the VUB Group, such as a breach of contract, problems with repayments or collateral, the VUB Group transfers such a client to management of the Recovery Department for collection activities. Clients exceeding materiality thresholds (EUR 500 thousand, and EUR 100 thousand for clients of VUB and VUB Operating Leasing, respectively) are considered to be individually impaired. For collective impairment (other than individually significant client), the VUB Group uses historical evidence of impairment and forward-looking information on a portfolio basis, primarily based on the payment discipline of the clients.

Rules for identification of significant clients and methodology for calculation are set in the Credit Risk Charter or stated in the Provisioning Policy procedure.

The individual assessment of exposures is based on the detailed review and analysis of the borrower's situation.

The individual assessment, formulated analytically for each exposure, shall be based on the detailed and comprehensive review of all elements that are available.

Inputs, assumptions and techniques used for estimating impairment

The calculation of ECL on a collective basis is based on particular regulatory segment, exposure at default ('EAD'), probability of default ('PD'), loss given default ('LGD'), credit conversion factor ('CCF'). For each segment were developed models for such risk parameters. These models are regularly reviewed by the team responsible for credit risk model development, office Internal Validation and Department Internal Audit.

The methodology of risk parameters used by ECL calculation is compliant with the ISP Group methodology provided by the Parent Company.

For PD models of the portfolios where the Bank uses internal models, the advanced approach is used.

For the portfolios where it is unable to follow this approach (unavailability of internal model, low number of observations, low number of defaults, unavailability of macroeconomic model for the portfolio), the Bank follows a simplified approach, e.g. final values provided from the Parent Company, notching criteria, using the country rating and LGD, etc.

The counterparties with low number of observations and a low number of observed defaults, for which the Bank was unable to create reliable migration matrices or develop the macroeconomic satellite models for predicting default rates, are defined as the Low Default Portfolio. The parameters for these portfolios are obtained from the Parent Company.

EAD is calculated separately for amortizing and non-amortizing products. EAD for amortizing products is based on the repayment plans, while EAD for non-amortizing products is calculated using Credit Conversion Factor (CCF). Currently, the Bank uses CCF models only for Retail Credit Cards, Retail Overdrafts and Corporate. For all other segments, regulatory CCF values are used.

Financial assets exposed to credit risk, broken down by institutional sector based on the ESA 2010 methodology:

€ '000	2025			2024		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	219 786	(6 711)	213 075	323 807	(5 869)	317 938
Due from customers						
Financial corporations	1 141 417	(3 143)	1 138 274	1 319 636	(488)	1 319 148
Non-financial corporations	6 925 253	(147 064)	6 778 189	6 907 617	(139 343)	6 768 274
Retail	12 127 781	(207 747)	11 920 034	11 587 892	(198 957)	11 388 935
Public administration	1 992 590	(1 765)	1 990 825	981 052	(1 457)	979 595
Total due from customers	22 187 041	(359 719)	21 827 322	20 796 197	(340 245)	20 455 952
Total financial assets at AC	22 406 827	(366 430)	22 040 397	21 120 004	(346 114)	20 773 890
Financial assets at FVOCI – debt securities	1 440 267	(270)	1 439 997	1 489 641	(212)	1 489 429
Loan commitments and financial guarantees	5 825 301	(19 997)	5 805 304	5 682 652	(23 169)	5 659 483

Staging methodology

The three-stage approach is based on changes in credit quality following the initial recognition:

- Stage 1 includes financial instruments that have not experienced a significant deterioration in credit quality since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes financial instruments that have experienced a significant deterioration in credit quality since initial recognition but that do not have objective evidence of a credit loss event.
- Stage 3 includes financial assets for which there is objective evidence of impairment at the reporting date.

The VUB Group implemented internal rules using significant days past due, significant increase of PD, forbearance measures, early warning system, proactive credit management ('PCM') process, non-performing categories to assess correct stage for expected loss calculation. These indicators are described in more detail below.

The VUB Group's classification of exposures into the stages is based on the following criteria:

STAGE 1	STAGE 2	STAGE 3
Performing exposures with DPD less than 30	Performing non-defaulted contracts with more than 30 days past due	Non-performing Past Due
	Forborne performing exposures	Non-performing Unlikely to Pay
	Performing exposures under PCM	Non-performing Doubtful
	Performing exposures with significant increase in PD	

In general, the following rules apply:

- At origination financial instruments are classified in Stage 1, except instruments which are credit-impaired at the date of acquisition, which are classified in the relevant stage;
- If there is not enough information to determine if credit has deteriorated significantly since origination, a financial instrument is classified into Stage 2.

As of 31 December 2025, the Bank did not classify any financial assets as Purchased or Originated Credit Impaired ('POCI').

Stage 2 criterion: Performing exposures with more than 30 past due days

There is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Stage 2 criterion: Forborne performing exposures

Forborne status for performing exposures is identified as another criterion of credit deterioration since it represents concessions towards a client facing, or about to face, difficulties in meeting its financial commitments. Forborne performing exposures represent Forborne (originally) performing and Forborne performing stemming from Non-performing. The minimum probation period for these contracts is 24 months. After this period, the contract might migrate to Stage 1 if it meets exit criteria from Forborne classification (for example there is not more than 30 DPD, contract is Performing or counterparty has repaid more than significant amount of its debt since entering to Forborne).

Stage 2 criterion: Performing exposures under proactive credit management

Exposures under PCM are classified in Stage 2 since they can be considered as exposures that have deteriorated significantly in credit quality since their recognition.

Stage 2 criterion: Performing exposures with significant increase in PD

A significant increase of PD between origination (or initial recognition) and reporting date is used as indicator of credit quality deterioration: 'At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of a default occurring over the expected life of the financial instrument.' PD at origination is used solely for the purposes of staging.

This criterion is applied to all the portfolios. The thresholds for each portfolio can vary. In order to assess whether credit risk has increased significantly since the origination, it is necessary to compare Lifetime PD between origination and reporting date.

This criterion is set individually for each portfolio; however, the main features of the methodology are consistent across portfolios.

The proper setting of PD threshold is the core of this criterion. The Group methodology states the PD threshold could be different based on portfolio/model, residual maturity, rating class or other potential drivers. Indeed, the cumulative PDs and their relative differences (between some two rating grades) are changing very swiftly with increasing residual maturity. That's why the one common threshold for all maturities would not lead to proper staging. The differentiation of thresholds between rating classes is important; generally, a lower rating corresponds to a lower threshold.

Stage 3 criterion

Stage 3 financial assets are considered credit impaired. This happens when one or more events that have a detrimental impact on the estimated future cash flows have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the VUB Group on terms that the VUB Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or another form of financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired, unless there is evidence that the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Staging criteria for debt securities

Staging process for bonds is performed in parallel with the staging of loans. The criterion used to assess whether the credit quality of a bond has deteriorated significantly since origination is the comparison of Lifetime PDs.

The following criteria are approved for each stage for debt securities:

STAGE 1	STAGE 2	STAGE 3
Bonds with no significant credit quality deterioration	Bonds with significant increase in PD since origination	Defaulted bonds
Investment grade bonds (Low Credit Risk Exemption rule valid only for FVOCI Bonds for First Time Adoption of IFRS 9 ('FTA'))		

In addition to the above-mentioned criteria, the following rules should be followed for Stage Assignment:

- At origination financial instruments are classified in Stage 1;
- If there is not enough information to determine whether credit has deteriorated significantly since origination, a financial instrument is classified into Stage 2.

Staging criteria for Low Default Portfolio and Intragroup exposures

Low Default Portfolio consists of exposures with the following parties:

- Sovereign (Central Banks, Governments, Municipalities, Public Sector Entities);
- Institutions (Banks, and Other Non-banking Financial Institutions);
- Large Corporate (Corporate with turnover more than EUR 500 million).

Intragroup exposures are exposures with the following parties:

- Parent Company;
- Bank's own subsidiaries;
- Other ISP Group subsidiaries.

Given their particular nature (exposures are within the Bank's own group and have a low risk profile), intragroup transactions are always classified as Stage 1 with a 12-month ECL.

Since the models for Low Default Portfolio were developed by the Parent Company, the staging rules for Low Default Portfolio and Intragroup exposures are set by the Parent Company for loans and bonds and valid at ISP Group level. Exposures are classified to Stage 2 based on the significant increase of the credit risk criterion measured by Lifetime PD comparison. This criterion for Low Default Portfolio is defined based on the specific rating and residual maturity of exposure. Thresholds are provided by the Parent Company. The thresholds are applied in the same way as described above in Stage 2 criterion: Performing exposures with significant increase in PD.

Expected credit loss calculation

Stage 1

The Expected Loss for exposures in Stage 1 is calculated based on 1-year risk parameters (i.e., PD, LGD and EAD). In the calculation for positions expiring during the first year, in order to avoid the counting of an entire PD on yearly basis, and to consider the real expiration date, PD can be adjusted appropriately. For the transactions without a maturity date, it is conservatively assumed that they are subjected to annual review, and their maturity is assumed to be equal to one year.

Stage 2

The Expected Loss for exposures in Stage 2 is based on a lifetime approach considering the residual maturity with respect to the reporting date using appropriate cumulative values of risk parameters. In the calculation of Expected Credit Loss for position expiring during the first year in order to avoid the counting of an entire PD on yearly basis and to consider the real expiration date, PD should be adjusted. For the transactions without a maturity date, it is assumed that they are subjected to an annual review and their maturity is assumed to be equal to one year.

Stage 3

The VUB Group decided to determine the provision for Non Performing exposures (transactions in Stage 3) as IAS 39 provision including an Add-on, which estimation is based on forward looking elements, increasing the current level of coverage on NPLs.

Incorporation of forward-looking information

In order to incorporate forward-looking information, the VUB Group follows the methodology provided by the Parent Company by both PD and LGD models. The predicted values of macro variables used in the models are delivered by Parent Company.

PD models incorporate forward-looking information by using the Base scenario from the internal satellite models. Other scenarios are incorporated in the form of "add-on". Add-on is calculated as a combination of final PD values calculated for all three scenarios for 3 upcoming years.

The VUB Group uses internally developed satellite models for the prediction of default rate for various segments. These models are based on relevant macroeconomic variables. The output of these models includes the base scenario model along with other scenarios that are used to calculate the add-on.

For LGD models, the Bank uses internally developed macroeconomic satellite models for inclusion of forward-looking information into LGD parameter. The outputs of those models are the predicted values of loss given default for base scenario increased by add-on, which incorporates the other scenarios. For NPL positions, the add-on is derived only from the baseline and worst scenario and applied on TTC LGD value.

The VUB Group carries out recalibration or update of scenarios of satellite models on a regular basis.

4.1.3. Non-performing loan classification

The VUB Group considers a financial asset to be in non-performing status in compliance with the Commission's Implementing Regulation (EU) No 680/2014 and its further amendments (Implementing Technical Standards, 'ITS') when:

- The borrower is unlikely to pay its credit obligations to the VUB Group in full, without recourse by the VUB Group to actions such as realising security (if any is held); or
- The borrower is more than 90 days past due on any material credit obligations to the VUB Group.

The VUB Group uses the definitions of non-performing loans derived from the Harmonisation project. The Harmonisation project was driven by Intesa Sanpaolo in order to unify the definitions and categories of non-performing loans across the foreign subsidiaries of the ISP Group. The definition of non-performing loans, which comprise three classification categories (past due, unlikely to pay, doubtful), is based on delinquency (days past due) and judgmental criteria for the doubtful and unlikely to pay categories. In case of the past due category, DPD and materiality thresholds of borrower are taken into account.

The description of the classification categories of loans is as follows:

Classification category	Description
Doubtful	Exposures to borrowers being in a state of insolvency (although not yet legally), or in a de facto equivalent status, regardless of any loss forecasts made by the Bank.
Unlikely to pay	Exposures to borrowers assessed as improbable to thoroughly meet their credit obligations without recourse to actions such as the enforcement of guarantees/collateral.
Past due	Exposures other than those classified as doubtful or unlikely to pay that, as at the reporting date, are past due (DPD methodology above) for over 90 days.
Performing	All exposures that are not classified as doubtful, unlikely to pay or past due.

For the category Unlikely to pay following qualitative indicators are taken into account:

- Borrowers facing difficulties in meeting payment obligations in a timely manner (thus exposed to their creditors' tolerance), despite the confident expectation of positive future operating cash flows;
- Borrowers under negotiations with the Bank for defining an out of Court restructuring/settlement agreement;
- Borrowers which signed out of Court restructuring/settlement agreements and that are regularly servicing their financial obligations
- Borrowers whose credit quality indicators significantly worsened and where future cash flows are not expected to fully service the debt toward the Bank;
- Serious difficulties in borrower's business (additional equity required, liquidity seriously stretched).

For category Doubtful following qualitative indicators are taken into account:

- If the borrower is under voluntary dissolution or under any legally binding liquidation, without possibility to operate on 'going concern basis';
- If the Court already ordered the legal liquidation, even if the borrower's operations are not suspended under the legal procedures;
- If according to any public Registry or by Court order the borrower ceases to exist as legal entity;
- If the borrower has been registered (has to be registered) on the Fraud/Black List;
- Borrowers from whom expected cash flows will not be generated from through operations, but rather through the enforcement of collateral/guarantees ('gone concern' approach);
- Borrowers (typically, Individuals) against whom the Bank initiates receivership or enforcement proceedings.

Non-performing status is carried out at borrower level following the united rules of the Parent Company.

The following table describes the VUB Group's credit portfolio in terms of classification categories:

2025 € '000	Performing	Past due	Unlikely to pay	Doubtful	Total
Financial assets at AC					
Due from banks	182 675	-	37 111	-	219 786
Due from customers					
Financial corporations	1 138 868	-	2 530	19	1 141 417
Non-financial corporations	6 785 363	10 744	67 730	61 416	6 925 253
Retail	11 861 601	50 164	69 434	146 582	12 127 781
Public administration	1 992 590	-	-	-	1 992 590
Total due from customers	21 778 422	60 908	139 694	208 017	22 187 041
Gross amount	21 961 097	60 908	176 805	208 017	22 406 827
Impairment losses	(130 330)	(25 274)	(67 244)	(143 582)	(366 430)
Net amount	21 830 767	35 634	109 561	64 435	22 040 397
Financial assets at FVOCI – debt securities					
	1 440 267	-	-	-	1 440 267
Loan commitments and financial guarantees					
	5 801 588	1 669	18 099	3 945	5 825 301
2024					
€ '000	Performing	Past due	Unlikely to pay	Doubtful	Total
Financial assets at AC					
Due from banks	268 086	-	55 721	-	323 807
Due from customers					
Financial corporations	1 319 618	-	-	18	1 319 636
Non-financial corporations	6 760 670	9 600	88 891	48 456	6 907 617
Retail	11 367 917	41 397	51 325	127 253	11 587 892
Public administration	981 052	-	-	-	981 052
Total due from customers	20 429 257	50 997	140 216	175 727	20 796 197
Gross amount	20 697 343	50 997	195 937	175 727	21 120 004
Impairment losses	(142 194)	(23 382)	(62 868)	(117 670)	(346 114)
Net amount	20 555 149	27 615	133 069	58 057	20 773 890
Financial assets at FVOCI – debt securities					
	1 489 641	-	-	-	1 489 641
Loan commitments and financial guarantees					
	5 665 118	1 335	12 918	3 281	5 682 652

The table below shows the three-stage approach based on changes in credit quality by days past due for all financial assets exposed to credit risk.

2025 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
No delinquency	182 675	-	-	-	-	-	182 675
Over 181 days	-	-	37 111	-	-	(6 711)	30 400
	182 675	-	37 111	-	-	(6 711)	213 075
Due from customers							
Financial corporations							
No delinquency	1 078 462	58 735	-	(475)	(351)	-	1 136 371
1 – 30 days	1 671	-	-	(3)	-	-	1 668
91 – 180 days	-	-	2 530	-	-	(2 307)	223
Over 181 days	-	-	19	-	-	(7)	12
	1 080 133	58 735	2 549	(478)	(351)	(2 314)	1 138 274
Non-financial corporations							
No delinquency	5 906 110	814 682	64 285	(15 276)	(51 461)	(26 724)	6 691 616
1 – 30 days	30 895	26 626	11 111	(447)	(1 997)	(7 530)	58 658
31 – 60 days	803	4 315	1 636	(15)	(494)	(371)	5 874
61 – 90 days	-	1 541	995	-	(136)	(240)	2 160
91 – 180 days	-	303	7 299	-	(8)	(3 654)	3 940
Over 181 days	-	88	54 564	-	(14)	(38 697)	15 941
	5 937 808	847 555	139 890	(15 738)	(54 110)	(77 216)	6 778 189
Retail							
No delinquency	11 031 355	597 834	48 523	(8 702)	(31 185)	(16 242)	11 621 583
1 – 30 days	67 579	126 469	22 283	(745)	(11 599)	(6 858)	197 129
31 – 60 days	2 287	23 122	18 779	(20)	(3 349)	(5 998)	34 821
61 – 90 days	294	9 261	17 164	(2)	(1 794)	(5 788)	19 135
91 – 180 days	7	2 901	38 751	(1)	(422)	(17 715)	23 521
Over 181 days	24	468	120 680	(1)	(68)	(97 258)	23 845
	11 101 546	760 055	266 180	(9 471)	(48 417)	(149 859)	11 920 034
Public administration							
No delinquency	1 961 304	28 753	-	(1 259)	(504)	-	1 988 294
1 – 30 days	2 477	13	-	(1)	(1)	-	2 488
31 – 60 days	-	-	-	-	-	-	-
61 – 90 days	-	43	-	-	-	-	43
	1 963 781	28 809	-	(1 260)	(505)	-	1 990 825
Total due from customers	20 083 268	1 695 154	408 619	(26 947)	(103 383)	(229 389)	21 827 322
Total financial assets at AC	20 265 943	1 695 154	445 730	(26 947)	(103 383)	(236 100)	22 040 397
Financial assets at FVOCI – debt securities							
No delinquency	1 440 267	-	-	(270)	-	-	1 439 997
Loan commitments and financial guarantees							
No delinquency	5 150 440	651 148	23 713	(3 650)	(6 010)	(10 337)	5 805 304

2024 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
No delinquency	268 086	-	-	(3)	-	-	268 083
Over 181 days	-	-	55 721	-	-	(5 866)	49 855
	268 086	-	55 721	(3)	-	(5 866)	317 938
Due from customers							
Financial corporations							
No delinquency	1 319 532	86	-	(481)	-	-	1 319 137
1 – 30 days	-	-	-	-	-	-	-
91 – 180 days	-	-	-	-	-	-	-
Over 181 days	-	-	18	-	-	(7)	11
	1 319 532	86	18	(481)	-	(7)	1 319 148
Non-financial corporations							
No delinquency	5 527 675	1 166 648	73 841	(16 707)	(51 072)	(27 119)	6 673 266
1 – 30 days	36 800	22 587	3 557	(478)	(1 330)	(1 054)	60 082
31 – 60 days	537	3 882	2 835	(10)	(181)	(1 043)	6 020
61 – 90 days	45	2 287	2 658	(1)	(187)	(518)	4 284
91 – 180 days	26	94	7 455	(1)	(11)	(2 551)	5 012
Over 181 days	-	89	56 601	-	(14)	(37 066)	19 610
	5 565 083	1 195 587	146 947	(17 197)	(52 795)	(69 351)	6 768 274
Retail							
No delinquency	10 575 409	596 505	44 116	(10 133)	(39 533)	(17 469)	11 148 895
1 – 30 days	57 560	100 925	20 586	(977)	(12 689)	(8 182)	157 223
31 – 60 days	2 506	21 816	15 839	(59)	(4 017)	(6 189)	29 896
61 – 90 days	408	9 520	13 718	(8)	(2 325)	(4 981)	16 332
91 – 180 days	12	2 696	27 908	(1)	(445)	(14 709)	15 461
Over 181 days	181	379	97 808	(2)	(72)	(77 166)	21 128
	10 636 076	731 841	219 975	(11 180)	(59 081)	(128 696)	11 388 935
Public administration							
No delinquency	961 878	15 385	-	(948)	(399)	-	975 916
1 – 30 days	958	2 590	-	(3)	(107)	-	3 438
31 – 60 days	241	-	-	-	-	-	241
61 – 90 days	-	-	-	-	-	-	-
	963 077	17 975	-	(951)	(506)	-	979 595
Total due from customers	18 483 768	1 945 489	366 940	(29 809)	(112 382)	(198 054)	20 455 952
Total financial assets at AC	18 751 854	1 945 489	422 661	(29 812)	(112 382)	(203 920)	20 773 890
Financial assets at FVOCI – debt securities							
No delinquency	1 489 641	-	-	(212)	-	-	1 489 429
Loan commitments and financial guarantees							
No delinquency	4 780 731	884 387	17 534	(3 282)	(15 548)	(4 339)	5 659 483

The reconciliation from the opening balance to the closing balance of the impairment losses to explain the changes in the impairment losses and the reasons for those changes:

€ '000	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets at AC						
1 January	29 812	112 382	203 920	42 603	123 781	211 034
Origination	21 931	-	-	27 898	-	-
Derecognition	(9 355)	(15 402)	(4 367)	(9 323)	(5 000)	(1)
Changes in credit risk (net)	(95 833)	6 403	81 440	(31 366)	(6 399)	55 032
Assets written off/sold	-	-	(44 893)	-	-	(62 145)
31 December	(53 445)	103 383	236 100	29 812	112 382	203 920
Financial assets at FVOCI						
1 January	212	-	-	232	-	-
Origination	57	-	-	25	-	-
Derecognition	-	-	-	(13)	-	-
Changes in credit risk (net)	49	-	-	(32)	-	-
Assets written off/sold	(48)	-	-	-	-	-
31 December	270	-	-	212	-	-
Loan commitments and financial guarantees						
1 January	3 282	15 548	4 339	4 722	7 776	4 390
Origination	9 902	-	-	17 252	-	-
Derecognition	(2 553)	(3 375)	(2 240)	(2 458)	(1 781)	(2 834)
Changes in credit risk (net)	(6 981)	(6 163)	8 238	(16 234)	9 553	2 783
31 December	3 650	6 010	10 337	3 282	15 548	4 339

When there is a transfer between stages, the original amount of the provision is transferred first and then the change in credit risk is reflected in the new stage.

The changes due to modifications that does not result in derecognition of the financial assets were immaterial.

The changes in the gross carrying amount of financial instruments during the year contributed to changes in the impairment losses:

€ '000	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets at AC						
1 January	18 751 854	1 945 489	422 661	16 890 933	1 771 647	414 729
Origination	22 701 944	-	615 881	21 832 163	-	-
Derecognition	(20 447 139)	(815 785)	(101 153)	(19 229 943)	(389 936)	(96 151)
Changes in credit risk (net)	(883 036)	707 770	175 266	(741 299)	563 778	177 521
Assets written-off/sold	-	-	(51 044)	-	-	(73 438)
31 December	20 123 623	1 837 474	1 061 611	18 751 854	1 945 489	422 661
Financial assets at FVOCI						
1 January	1 489 641	-	-	1 259 458	-	-
Origination	721 833	-	-	486 135	-	-
Derecognition	-	-	-	(52 412)	-	-
Assets written-off/sold	(771 207)	-	-	(203 540)	-	-
31 December	1 440 267	-	-	1 489 641	-	-
Loan commitments and financial guarantees						
1 January	4 780 731	884 387	17 534	4 630 725	683 854	16 240
Origination	4 594 036	-	-	3 855 280	-	-
Derecognition	(4 390 126)	(54 003)	(7 258)	(3 418 754)	(69 455)	(15 238)
Changes in credit risk (net)	148 688	(162 125)	13 437	(286 520)	269 988	16 532
31 December	5 133 329	668 259	23 713	4 780 731	884 387	17 534

In 2025, the presentation of the tables showing movements in impairment losses and in the gross carrying amounts of financial instruments was revised. Transfers between individual stages, which were presented in separate columns in the previous year, are included in the current year within the 'Changes in credit risk (net)' line item. This modification represents a presentation change only, has no impact on the total amount of impairment losses or gross carrying amounts, and enhances the clarity of the information disclosed.

4.1.4. Loans with renegotiated terms and forbearance policy

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position, where the VUB Group has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the VUB Group had provided initially. The revised terms usually include extending maturity, changing timing of interest payments and amendments to the terms of loan covenants. The VUB Group implements a forbearance policy in order to maximise collection opportunities and minimise the risk of default. Under the VUB Group's forbearance policy, an exposure is identified as forborne if both of these two conditions are satisfied:

- The VUB Group has identified financial difficulties that the debtor is facing or is about to face;
- The exposure has been subject to renegotiation or refinancing, granted in relation to the borrower's current financial difficulties or financial difficulties that would have occurred in the absence of the renegotiation or refinancing measures.

The VUB Group follows rules in ECB Guidance to VUB Groups on non-performing loans issued in March 2017.

Forborne exposures are those falling into the 'Non-performing exposures with forbearance measures' and 'Performing Forborne exposures' categories.

Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ('financial difficulties').

Forbearance measures entail:

- Favourable contractual modifications granted to the debtor solely in consideration of its financial difficulties (modification);
- The granting of a new loan to a debtor in financial difficulties to enable them to fulfil a pre-existing obligation (refinancing);
- Contractual modifications which may be requested by a debtor within the scope of a contract already subscribed and granted by the VUB Group in the knowledge that the debtor is in financial difficulties (so-called 'embedded forbearance clauses').

Therefore, the definition of forborne exposure excludes the renegotiations made for commercial reasons/practices. The qualification of 'Forborne Exposure' refers to the individual transactions subject to renegotiation and/or refinancing and should not be extended to the entire counterparty. The financial difficulty, however, shall be assessed at a debtor level.

The financial distress is always assumed if the counterparty is classified as non-performing (absolute presumption).

The aim of forborne exposures is to prevent potential financial difficulties of the debtor or to allow the return of the exposure to a situation of sustainable repayment. In case of performing borrowers, such a measure should not be used to delay the reclassification to non-performing statuses of a borrower whose financial conditions already justify a downgrade of their risk classification.

The extension of Forbearance Measures does not automatically lead to the classification of the forborne exposures as Non-Performing. Instead, a net present value (NPV) test is performed by Finevare to identify whether a forbearance measure leads to a diminished financial obligation according to:

$$DO = \frac{NPV_0 - NPV_1}{NPV_0}$$

where:

- DO is diminished financial obligation;
- NPV0 is net present value of cash flows (including unpaid interest and fees) expected under contractual obligations before the changes in terms and conditions of the contract discounted using the customer's original effective interest rate;
- NPV1 is net present value of the cash flows expected based on the new arrangement discounted using the customer's original effective interest rate.

Then, if the diminished financial obligation is higher than the threshold of 1%, the exposure is classified as Non-performing, otherwise it is Performing.

In order to identify forborne exposures, the European regulation envisages a distinction between absolute presumptions and relative presumptions (rebuttable). Absolute presumptions refer to circumstances which always fall within the concept of forborne, and don't admit contrary evidence. Relative presumptions refer to circumstances that fall within the concept of forborne until proven otherwise. On the basis of specific analyses, the VUB Group can prove that certain circumstances do not give rise to a forbearance measure.

Listed below are some examples of the most common forms of contractual modifications which may be qualified as forbearance measures, when referred to counterparties in 'financial difficulties' (the list is not exhaustive):

- Short term credit facilities subject to debt consolidation/debt rescheduling plan;
- Medium/long-term loans subject to:
 - Restructuring of the amortization plan with reductions or temporary suspensions of the instalments;
 - Extension of the maturity;
 - Extension of the pre-amortization period;
 - Conversion of the repayment terms from instalments into bullet repayment at maturity;
 - Consolidation.
- Contractual modification/renegotiation resulting from the breach of financial covenants (waiver, amendment, cancellation) refinancing;
- Restructuring of performing exposures or past due exposures not yet classified as non-performing, involving a pool of VUB Groups;
- Contractual modification of the economic conditions i.e. granting a borrower a new, more favourable interest rate ('off-market conditions');
- Refinancing of exposure, even short-term, with new financing that allow the debtor to postpone repayment to the VUB Group;
- Conversion of Debt to Equity;
- In case of the Sale and Repurchase Agreements (REPOs), the capitalization of outflows when mark to market is negative.

Furthermore, according to the European regulation, the following cases have to be recognized as forborne exposures (they therefore represent 'absolute' presumptions):

- Contractual modifications that imply partial or total write-off of exposure;
- The exercise of clauses which, when enforced at the discretion of the debtor, enable him to change the terms of the contract ('embedded forbearance clauses');
- Providing new financing to the debtor simultaneously (or almost) to the payment of principal and/or interest on another exposure.

Both retail and corporate customers are subject to the forbearance policy:

2025 € '000	Performing forborne			Non-performing forborne		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	-	-	-	37 111	(6 711)	30 400
Due from customers						
Non-financial corporations	83 663	(3 697)	79 966	67 766	(34 542)	33 224
Retail	70 349	(3 885)	66 464	42 438	(23 396)	19 042
Public administration	-	-	-	-	-	-
	<u>154 012</u>	<u>(7 582)</u>	<u>146 430</u>	<u>147 315</u>	<u>(64 649)</u>	<u>82 666</u>
Loan commitments and financial guarantees						
	15 727	(11)	15 716	1 491	(871)	620

2024 € '000	Performing forborne			Non-performing forborne		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	-	-	-	55 721	(5 866)	49 855
Due from customers						
Non-financial corporations	64 496	(1 780)	62 716	68 018	(39 762)	28 256
Retail	71 973	(5 056)	66 917	37 268	(22 328)	14 940
Public administration	6	-	6	-	-	-
	<u>136 475</u>	<u>(6 836)</u>	<u>129 639</u>	<u>161 007</u>	<u>(67 956)</u>	<u>93 051</u>
Loan commitments and financial guarantees	5 018	(7)	5 011	2 915	(530)	2 385

4.1.5. Write-off Policy

The VUB Group writes off a loan or security balance when it determines that the loans or securities are uncollectible. In principle, the VUB Group considers the credit balances to be uncollectible based on the past due days (1 080 days past due). Credit balances may be written off only if the collateral has already been realized. Receivables subject to write-off are being collected by external collection agencies until they qualify for write-off.

The credit balance can be written off earlier than defined in the conditions described above if there is evidence that the receivable cannot be collected. The write-off of such receivables is subject to the approval of the Credit Risk Officer.

Financial assets that are written-off are subject of continuous enforcement process. The majority of such assets are subject of sale to third parties for the best offered prices.

The amount of loans written-off during the year that are still subject to enforcement activity is EUR 16 731 thousand (31 December 2024: EUR 33 348 thousand).

4.1.6. Collateral Policy

The VUB Group's collateral policy is an integral and indispensable part of the credit risk management and credit risk mitigation for VUB. Collateral is used primarily to provide the VUB Group with the means for repayment of an exposure in the event of the default of the borrower. The principal objective of the policy is to clearly set up rules for a common and standard set of collateral types used by the VUB Group in its lending activities. The rules, as the minimum, describe and state:

- Conditions for legal enforceability;
- Conditions for the process of valuation and the maximum values accepted by the VUB Group at the origination for specific types of collaterals; and
- Conditions for the process of revaluation.

However, collateral management has a wider meaning than the simple taking of collateral in order to secure the repayment of the VUB Group's exposures. This includes the following:

- The establishment and maintenance of a collateral policy defining the types of collateral taken by the VUB Group, the legal documentation used by the VUB Group to secure its right to this collateral in the event of default and the valuation of this collateral at origination. These aspects of collateral management are addressed in the internal policy document;
- The relevant and proper implementation and registration of collateral to secure the VUB Group's right to collateral in the event of default by the borrower;
- The regular monitoring and revaluation of collateral held by the VUB Group during the life of the exposure;
- The analysis, monitoring and review of realization rates achieved by Recovery Department activities in order to assess the effectiveness of the collateral policy as a risk mitigant.

The VUB Group's decisions on the enforcement of collateral is individual and depends on factors such as the actual amount of the receivable, the current condition and value of the collateral, the length of the collateral realization period or collection related costs. The relevant competent body of the VUB Group decides which collateral instrument will be used.

The VUB Group mainly uses the following means of enforcement of collateral:

- Voluntary auction,
- Foreclosure procedure,
- Realization of the collateral for the receivable in a bankruptcy procedure,
- Sale of receivables including collateral.

The VUB Group holds collateral and other credit enhancements against certain types of its credit exposures. Collateral for loans and advances granted to customers primarily consists of pledges of property, other forms of collateral, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and the VUB Group updates the fair value on a regular basis.

The VUB Group mitigates the credit risk of derivatives, reverse sale and repurchase agreements by entering into master netting agreements and holding collateral in the form of cash and marketable securities. Derivative transactions are either transacted on an exchange or over-the-counter (OTC). The relevant contractual documentation for derivative transactions (e.g. the ISDA Master Agreement as a contractual standard published by the International Swaps and Derivatives Association) contains provisions governing netting arrangements. In general, under the ISDA Master Agreement or other similar types of master agreements for derivative transactions, in certain circumstances, for example in the event of default, all or only some of the active transactions may be terminated, a final value determined and the net value used to settle the relevant affected transactions.

The value of collateral accepted by the VUB Group (fair value adjusted by internal haircuts limited to outstanding amount of credit exposure) and other security enhancements held against financial assets is shown below:

€ '000	2025		2024	
	Total	Stage 3	Total	Stage 3
Property	11 190 436	93 243	10 855 118	143 088
<i>of which LTV* higher than 60% and lower than 80%</i>	4 915 773	39 763	3 159 036	12 586
<i>of which LTV higher than 80% and lower than 100%</i>	1 739 577	11 628	1 500 481	6 912
<i>of which LTV higher than 100%</i>	244 091	5 869	227 166	1 901
Debt securities	899 053	8	54 499	515
Other	893 583	15 390	612 622	71 830
	<u>12 983 072</u>	<u>108 641</u>	<u>11 522 239</u>	<u>215 433</u>

* LTV (loan to value) is the ratio of the current balance sheet balance of a loan to the currently allocated value of collateral for a given contract.

4.1.7. Offsetting financial assets and financial liabilities

Offsetting financial assets and financial liabilities relates to financial assets and financial liabilities that are:

- Offset in the statement of financial position; or
- Subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

In general, the similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the statement of financial position.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the VUB Group or the counterparties or following other predetermined events. In addition, the VUB Group and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The VUB Group receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:

- Derivatives,
- Security financing transaction instruments.

Such collateral is subject to standard industry terms including, when appropriate, an ISDA/Credit Support Annex (CSA) and Global Master Repurchase Agreement ('GMRA'). This means that securities received or given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

The following tables show the financial assets and financial liabilities that are subject to enforceable master netting arrangements and similar agreements in the statement of financial position ('SOPF'):

2025 € '000	Note	Gross amount	Gross amount offset in SOPF	Net amount presented in SOPF	Related amounts not offset in SOPF		
					Financial instrument and non-cash collateral	Cash collateral received	Net amount
Types of financial assets							
Reverse repo transactions	7	825 233	-	825 233	(825 233)	-	-
Derivative financial instruments	8, 9	136 259	-	136 259	-	(23 772)	112 487
Types of financial liabilities							
Derivative financial instruments	8, 9	150 779	-	150 779	-	(182 411)	(31 632)

2024 € '000	Note	Gross amount	Gross amount offset in SOPF	Net amount presented in SOPF	Related amounts not offset in SOPF		
					Financial instrument and non-cash collateral	Cash collateral received	Net amount
Types of financial assets							
Reverse repo transactions	7	990 078	-	990 078	(990 078)	-	-
Derivative financial instruments	8, 9	123 545	-	123 545	-	(660)	122 885
Types of financial liabilities							
Derivative financial instruments	8, 9	247 868	-	247 868	-	(211 302)	36 566

4.1.8. Concentrations of credit risk

The VUB Group monitors concentrations of credit risk by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below.

2025 € '000	Slovakia	The Czech Republic	Other European countries	America	Asia	Rest of the World	Total
Financial assets at AC							
Due from banks	86	-	182 411	37 111	178	-	219 786
Due from customers							
Financial corporations	239 896	499 737	401 784	-	-	-	1 141 417
Non-financial corporations	4 343 697	733 080	1 591 393	-	257 083	-	6 925 253
Retail	11 924 232	19 129	158 116	5 154	16 000	5 150	12 127 781
Public administration	1 784 843	-	207 747	-	-	-	1 992 590
Total due from customers	18 292 668	1 251 946	2 359 040	5 154	273 083	5 150	22 187 041
Gross amount	18 292 754	1 251 946	2 541 451	42 265	273 261	5 150	22 406 827
Impairment losses	(349 043)	(1 549)	(8 739)	(6 718)	(329)	(52)	(366 430)
Net amount	17 943 711	1 250 397	2 532 712	35 547	272 932	5 098	22 040 397
Financial assets at FVOCI – debt securities							
	478 890	378 033	546 669	36 675	-	-	1 440 267
Loan commitments and financial guarantees							
	3 519 187	1 393 819	816 405	389	95 275	226	5 825 301

2024 € '000	Slovakia	The Czech Republic	Other European countries	America	Asia	Rest of the World	Total
Financial assets at AC							
Due from banks	5 577	-	262 385	55 721	124	-	323 807
Due from customers							
Financial corporations	196 283	420 826	702 527	-	-	-	1 319 636
Non-financial corporations	4 321 448	861 727	1 377 978	-	345 745	719	6 907 617
Retail	11 355 804	19 258	183 024	5 239	18 855	5 712	11 587 892
Public administration	981 052	-	-	-	-	-	981 052
Total due from customers	<u>16 854 587</u>	<u>1 301 811</u>	<u>2 263 529</u>	<u>5 239</u>	<u>364 600</u>	<u>6 431</u>	<u>20 796 197</u>
Gross amount	16 860 164	1 301 811	2 525 914	60 960	364 724	6 431	21 120 004
Impairment losses	<u>(315 461)</u>	<u>(2 136)</u>	<u>(22 335)</u>	<u>(5 885)</u>	<u>(243)</u>	<u>(54)</u>	<u>(346 114)</u>
Net amount	<u>16 544 703</u>	<u>1 299 675</u>	<u>2 503 579</u>	<u>55 075</u>	<u>364 481</u>	<u>6 377</u>	<u>20 773 890</u>
Financial assets at FVOCI – debt securities	785 190	31 446	589 974	83 031	-	-	1 489 641
Loan commitments and financial guarantees	3 778 160	1 154 198	640 886	312	108 761	335	5 682 652

An analysis of exposures based on the carrying amounts for the non-financial sector is shown in the table below.

€ '000	2025	2024
Non-financial corporations		
Agriculture, forestry and fishing	298 929	314 119
Mining and quarrying	119 771	139 794
Manufacturing	1 033 383	1 184 300
Electricity, gas, steam and air conditioning supply	642 186	569 325
Water supply	43 951	54 467
Construction	474 127	467 524
Wholesale and retail trade	1 135 830	1 119 433
Transport and storage	608 535	679 689
Accommodation and food service activities	74 259	71 146
Information and communication	98 565	78 100
Financial and insurance activities*	40 422	36 642
Real estate activities	715 409	749 833
Professional, scientific and technical activities	504 899	504 932
Administrative and support service	609 658	366 518
Public administration and defense, compulsory social security	109	209
Education	21 471	16 820
Human health services and social work activities	70 838	79 351
Arts, entertainment and recreation	14 259	13 119
Other services	418 652	462 296
Gross amount	<u>6 925 253</u>	<u>6 907 617</u>
Impairment losses	<u>(147 064)</u>	<u>(139 343)</u>
Net amount	<u>6 778 189</u>	<u>6 768 274</u>

* 'Financial and insurance activities' involves financial services, leasing and insurance.

4.1.9. Internal and external ratings

The overview of the internal rating scales according to the risk profile applicable for the corporate exposures and the retail exposures from small business, flat owners' associations and public administrations shown below.

Risk Profile	Description
Very Low	Good quality of assets, strong market penetration, steady activity, proven distinctive managerial skills, broad debt coverage capacity.
Low	Satisfactory quality and chargeability of assets, market penetration and managerial quality on the average; well-set solvency, capital structure and debt composition; above average debt coverage capacity.
Lower–Intermediate	Acceptable quality and chargeability of available assets, even if with a not negligible degree of risk; well-balanced solvency, capital structure and debt composition with slight liquidity surplus and weaker debt coverage capacity.
Intermediate	Acceptable quality and chargeability of available assets even if with a significant degree of risk; vulnerable margin at times, capital structure and debt composition that show worsening signals; low level of liquidity and short debt coverage margin.
Upper–Intermediate	Still acceptable asset quality even if with possible liquidity stress; high level of gearing; managerial weakness, little market penetration and positioning; margins and competitiveness under pressure.
High	In addition to riskiness features for Upper–Intermediate profile, there are evident difficulties as well as problematic debt management.
Very high	Highly vulnerable to non-payment, dependent on favourable conditions, likely to default
Default	A default is considered to have occurred with regard to a particular obligor when one or both of the following two events have taken place: <ul style="list-style-type: none"> – The obligor is past due more than 90 days (Days past due methodology) on any material credit obligation to the Bank, the Parent Company undertaking or any of its subsidiaries; – The Bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the Bank to actions such as realizing security (if held).

Specialized Lending comprises of rating segment SPV. For Specialized Lending the Slotting approach is used by the VUB Group. Clients are categorized into five slotting categories based on a qualitative valuation and information about the risk of default. Risk weights and expected loss used for the capital requirement calculation are also defined for each category. Categories are predefined by the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms ('CRR') and internally, the categories used are as follows:

Specialized Lending – SPV

- Strong
- Good
- Satisfactory
- Weak
- Default

For mortgages and unsecured retail, the retail segment incorporates many individually insignificant exposures with various characteristics, therefore the description of ratings correlates with these risk profiles.

Risk Profile	Description
Very Low	High level of client's socio-demographic information and financial discipline.
Low	Above average level of client's socio-demographic information and financial discipline.
Lower–Intermediate	Acceptable level of client's socio-demographic information and financial discipline.
Intermediate	Acceptable level of client's socio-demographic information and financial discipline, but there are some signals of worsening credit quality.
Upper–Intermediate	Acceptable level of client's socio-demographic information and financial discipline, but there is worsening credit quality.
High	Acceptable level of client's socio-demographic information and financial discipline, but there is negative credit behaviour.
Default	A default is considered to have occurred with regard to a particular mortgage or obligor when one or both of the following two events have taken place: <ul style="list-style-type: none"> – The obligor is past due more than 90 days (Days past due methodology) on any material credit obligation to the Bank (absolute threshold is set according to NBS directive); – The Bank considers that the obligor is unlikely to pay its credit obligations to the Banking group in full, without recourse by the Bank to actions such as realizing security (if held).

In the segments of the public sector entities, factoring and leasing, the VUB Group does not assign an internal rating to the client.

Capital requirement calculation

The Bank generally employs the standardized approach for the calculation of the capital requirements. However, for the calculation of the credit and counterparty risk capital requirements, the Bank, having received authorisation from the Supervisory Authority National Bank of Slovakia ('NBS'), uses the Advanced IRB approach for its portfolio of residential mortgages from July 2012 and for the Corporate segment, Small and Medium size enterprises (SME) and for Retail Small Business from June 2014. In December 2022, the VUB Group received authorisation to use IRB approach also for Unsecured retail segment. Slotting approach is employed for portfolio of Specialised lending exposures. After CCR III implementation Foundation IRB approach is used for Large Corporate segment, and in November 2025 Foundation IRB approach has been approved also for Institutions exposure class. The Bank is also proceeding with the development of IRB models in accordance with the gradual rollout plan for the advanced approaches presented to the Supervisory Authority.

The following table shows the quality of the VUB Group's credit portfolio in terms of internal ratings:

2025 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
Very Low	12 258	-	-	-	-	-	12 258
Low	-	-	-	-	-	-	-
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	-	-	-	-	-	-	-
Upper-Intermediate	-	-	-	-	-	-	-
High	170 331	-	-	-	-	-	170 331
Default	-	-	37 111	-	-	(6 711)	30 400
Unrated	86	-	-	-	-	-	86
	<u>182 675</u>	<u>-</u>	<u>37 111</u>	<u>-</u>	<u>-</u>	<u>(6 711)</u>	<u>213 075</u>
Due from customers							
Financial corporations							
Very Low	490 734	58 631	-	(37)	(6)	-	549 322
Low	245 882	-	-	(131)	-	-	245 751
Lower-Intermediate	52 887	-	-	(156)	-	-	52 731
Intermediate	290 057	44	-	(153)	(339)	-	289 609
Upper-Intermediate	19	60	-	-	(6)	-	73
High	-	-	-	-	-	-	-
Default	-	-	2 549	-	-	(2 314)	235
Unrated	554	-	-	(1)	-	-	553
	<u>1 080 133</u>	<u>58 735</u>	<u>2 549</u>	<u>(478)</u>	<u>(351)</u>	<u>(2 314)</u>	<u>1 138 274</u>
Non-financial corporations							
Very Low	1 679 887	31 997	-	(854)	(169)	-	1 710 861
Low	1 540 240	1 700	-	(458)	-	-	1 541 482
Lower-Intermediate	1 465 975	243 935	-	(4 303)	(1 908)	-	1 703 699
Intermediate	326 586	107 934	-	(1 265)	(1 896)	-	431 359
Upper-Intermediate	232 607	412 615	-	(7 441)	(48 677)	-	589 104
High	-	-	-	-	-	-	-
Very high	45	1	-	-	-	-	46
Default	(5)	-	134 713	-	-	(73 340)	61 368
Unrated	769	20	-	-	-	-	789
	<u>5 246 104</u>	<u>798 202</u>	<u>134 713</u>	<u>(14 321)</u>	<u>(52 650)</u>	<u>(73 340)</u>	<u>6 038 708</u>
Non-financial corporations – specialised lending							
Strong	269 732	4 656	-	(162)	(118)	-	274 108
Good	376 140	23 561	-	(574)	(367)	-	398 760
Satisfactory	36 362	18 668	-	(316)	(782)	-	53 932
Weak	9 470	2 468	-	(365)	(193)	-	11 380
Default	-	-	5 177	-	-	(3 876)	1 301
Unrated	-	-	-	-	-	-	-
	<u>691 704</u>	<u>49 353</u>	<u>5 177</u>	<u>(1 417)</u>	<u>(1 460)</u>	<u>(3 876)</u>	<u>739 481</u>
Retail							
Very Low	7 063 631	31 908	-	(594)	(317)	-	7 094 628
Low	1 579 134	19 878	-	(278)	(161)	-	1 598 573
Lower-Intermediate	2 101 480	247 195	-	(2 483)	(4 757)	-	2 341 435
Intermediate	226 587	194 553	-	(1 922)	(6 709)	-	412 509
Upper-Intermediate	103 405	148 332	-	(3 310)	(14 422)	-	234 005
High	9 662	117 983	-	(884)	(22 051)	-	104 710
Default	-	-	266 180	-	-	(149 859)	116 321
Unrated	17 647	206	-	-	-	-	17 853
	<u>11 101 546</u>	<u>760 055</u>	<u>266 180</u>	<u>(9 471)</u>	<u>(48 417)</u>	<u>(149 859)</u>	<u>11 920 034</u>

(Table continues on the next page)

2025 € '000	Gross amount			Impairment losses/Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from customers							
Public administration							
Very Low	115 988	3 262	-	(108)	(4)	-	119 138
Low	51 700	2 182	-	(22)	(4)	-	53 856
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	11 498	2 794	-	(8)	(27)	-	14 257
Upper-Intermediate	93 853	20 150	-	(273)	(437)	-	113 293
High	442	328	-	(17)	(27)	-	726
Default	-	-	-	-	-	-	-
Unrated	1 690 300	93	-	(832)	(6)	-	1 689 555
	<u>1 963 781</u>	<u>28 809</u>	<u>-</u>	<u>(1 260)</u>	<u>(505)</u>	<u>-</u>	<u>1 990 825</u>
Total due from customers	<u>20 083 268</u>	<u>1 695 154</u>	<u>408 619</u>	<u>(26 947)</u>	<u>(103 383)</u>	<u>(229 389)</u>	<u>21 827 322</u>
Total financial assets at AC	<u>20 265 943</u>	<u>1 695 154</u>	<u>445 730</u>	<u>(26 947)</u>	<u>(103 383)</u>	<u>(236 100)</u>	<u>22 040 397</u>
Financial assets at FVOCI							
- debt securities							
Unrated	1 440 267	-	-	(270)	-	-	1 439 997
Loan commitments and financial guarantees							
Due from banks							
Very Low	10 987	-	-	(1)	-	-	10 986
Low	-	-	-	-	-	-	-
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	185	-	-	-	-	-	185
Upper-Intermediate	-	-	-	-	-	-	-
High	207 275	-	-	(7)	-	-	207 268
Default	-	-	-	-	-	-	-
Unrated	1 909	5	-	-	-	-	1 914
	<u>220 356</u>	<u>5</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>220 353</u>
Due from customers							
Financial corporations							
Very Low	130 143	6 003	-	(19)	-	-	136 127
Low	73 710	-	-	(27)	-	-	73 683
Lower-Intermediate	6 092	-	-	(25)	-	-	6 067
Intermediate	28 588	505	-	-	(27)	-	29 066
Upper-Intermediate	-	3	-	-	-	-	3
High	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	167	-	-	-	-	-	167
	<u>238 700</u>	<u>6 511</u>	<u>-</u>	<u>(71)</u>	<u>(27)</u>	<u>-</u>	<u>245 113</u>
Non-financial corporations							
Very Low	1 626 744	144 342	-	(605)	(25)	-	1 770 456
Low	986 407	70 936	-	(264)	(4)	-	1 057 075
Lower-Intermediate	706 992	120 044	-	(737)	(391)	-	825 908
Intermediate	176 654	83 401	-	(298)	(651)	-	259 106
Upper-Intermediate	45 070	120 314	-	(1 129)	(4 395)	-	159 860
High	-	-	-	-	-	-	-
Very high	9	-	-	-	-	-	9
Default	-	-	20 299	-	-	(10 152)	10 147
Unrated	2 489	400	-	-	-	-	2 889
	<u>3 544 365</u>	<u>539 437</u>	<u>20 299</u>	<u>(3 033)</u>	<u>(5 466)</u>	<u>(10 152)</u>	<u>4 085 450</u>

(Table continues on the next page)

2025 € '000	Gross amount			Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loan commitments and financial guarantees							
Due from customers							
Non-financial corporations – specialised lending							
Strong	160 977	3 669	-	(38)	-	-	164 608
Good	150 071	18 033	-	(94)	(58)	-	167 952
Satisfactory	606	-	-	(2)	-	-	604
Weak	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-
	<u>311 654</u>	<u>21 702</u>	<u>-</u>	<u>(134)</u>	<u>(58)</u>	<u>-</u>	<u>333 164</u>
Retail							
Very Low	285 037	6 152	-	(15)	(18)	-	291 156
Low	100 455	5 196	-	(8)	(3)	-	105 640
Lower–Intermediate	202 106	55 175	-	(61)	(103)	-	257 117
Intermediate	25 623	3 313	-	(35)	(39)	-	28 862
Upper–Intermediate	6 668	4 925	-	(28)	(246)	-	11 319
High	1 096	674	-	(11)	(42)	-	1 717
Default	-	-	3 414	-	-	(185)	3 229
Unrated	211	58	-	-	-	-	269
	<u>621 196</u>	<u>75 493</u>	<u>3 414</u>	<u>(158)</u>	<u>(451)</u>	<u>(185)</u>	<u>699 309</u>
Public administration							
Very Low	101 795	1 981	-	(28)	-	-	103 748
Low	36 756	2 800	-	(7)	-	-	39 549
Lower–Intermediate	-	-	-	-	-	-	-
Intermediate	8 587	110	-	(3)	-	-	8 694
Upper–Intermediate	20 006	3 067	-	(30)	(8)	-	23 035
High	-	22	-	-	-	-	22
Default	-	-	-	-	-	-	-
Unrated	47 025	20	-	(178)	-	-	46 867
	<u>214 169</u>	<u>8 000</u>	<u>-</u>	<u>(246)</u>	<u>(8)</u>	<u>-</u>	<u>221 915</u>
Total due from customers	<u>4 930 084</u>	<u>651 143</u>	<u>23 713</u>	<u>(3 642)</u>	<u>(6 010)</u>	<u>(10 337)</u>	<u>5 584 951</u>
Total financial assets at AC	<u>5 150 440</u>	<u>651 148</u>	<u>23 713</u>	<u>(3 650)</u>	<u>(6 010)</u>	<u>(10 337)</u>	<u>5 805 304</u>

2024 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
Very Low	85 685	-	-	(3)	-	-	85 682
Low	182 323	-	-	-	-	-	182 323
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	-	-	-	-	-	-	-
Upper-Intermediate	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-
Default	-	-	55 721	-	-	(5 866)	49 855
Unrated	78	-	-	-	-	-	78
	268 086	-	55 721	(3)	-	(5 866)	317 938
Due from customers							
Financial corporations							
Very Low	994 490	-	-	(114)	-	-	994 376
Low	254 535	-	-	(93)	-	-	254 442
Lower-Intermediate	42 067	17	-	(204)	-	-	41 880
Intermediate	27 262	69	-	(70)	-	-	27 261
Upper-Intermediate	13	-	-	-	-	-	13
High	-	-	-	-	-	-	-
Default	-	-	18	-	-	(7)	11
Unrated	1 165	-	-	-	-	-	1 165
	1 319 532	86	18	(481)	-	(7)	1 319 148
Non-financial corporations							
Very Low	1 407 649	127 956	-	(619)	(174)	-	1 534 812
Low	1 660 321	522	-	(621)	-	-	1 660 222
Lower-Intermediate	1 289 182	352 038	-	(3 387)	(2 047)	-	1 635 786
Intermediate	304 415	135 601	-	(1 402)	(1 998)	-	436 616
Upper-Intermediate	215 367	398 789	-	(3 460)	(19 339)	-	591 357
High	793	90 141	-	(14)	(16 560)	-	74 360
Very high	-	-	-	-	-	-	-
Default	-	-	121 130	-	-	(56 784)	64 346
Unrated	1 767	27	-	-	-	-	1 794
	4 879 494	1 105 074	121 130	(9 503)	(40 118)	(56 784)	5 999 293
Non-financial corporations – specialised lending							
Strong	156 818	2 509	-	(786)	(100)	-	158 441
Good	452 152	19 662	-	(4 081)	(667)	-	467 066
Satisfactory	69 646	27 504	-	(2 148)	(2 253)	-	92 749
Weak	6 973	40 838	-	(679)	(9 657)	-	37 475
Default	-	-	25 817	-	-	(12 567)	13 250
Unrated	-	-	-	-	-	-	-
	685 589	90 513	25 817	(7 694)	(12 677)	(12 567)	768 981
Retail							
Very Low	6 529 601	61 336	-	(887)	(1 323)	-	6 588 727
Low	1 573 227	33 355	-	(413)	(744)	-	1 605 425
Lower-Intermediate	2 151 716	190 993	-	(3 513)	(5 000)	-	2 334 196
Intermediate	237 602	164 779	-	(2 298)	(10 603)	-	389 480
Upper-Intermediate	92 607	159 434	-	(2 662)	(14 875)	-	234 504
High	14 391	121 386	-	(1 399)	(26 536)	-	107 842
Default	-	-	219 975	-	-	(128 696)	91 279
Unrated	36 932	558	-	(8)	-	-	37 482
	10 636 076	731 841	219 975	(11 180)	(59 081)	(128 696)	11 388 935

(Table continues on the next page.)

€ '000	2024	Gross amount			Impairment losses/Provisions			Net amount
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC								
Due from customers								
Public administration								
Very Low	36 606	2 196	-	(18)	(2)	-	38 782	
Low	30 551	2 611	-	(14)	(9)	-	33 139	
Lower-Intermediate	-	-	-	-	-	-	-	
Intermediate	8 015	2 248	-	(6)	(9)	-	10 248	
Upper-Intermediate	83 525	9 872	-	(231)	(401)	-	92 765	
High	245	901	-	(9)	(77)	-	1 060	
Default	-	-	-	-	-	-	-	
Unrated	804 135	147	-	(673)	(8)	-	803 601	
	963 077	17 975	-	(951)	(506)	-	979 595	
Total due from customers	18 483 768	1 945 489	366 940	(29 809)	(112 382)	(198 054)	20 455 952	
Total financial assets at AC	18 751 854	1 945 489	422 661	(29 812)	(112 382)	(203 920)	20 773 890	
Financial assets at FVOCI								
- debt securities								
Unrated	1 489 641	-	-	(212)	-	-	1 489 429	
Loan commitments and financial guarantees								
Due from banks								
Very Low	11 954	-	-	(1)	-	-	11 953	
Low	-	-	-	-	-	-	-	
Lower-Intermediate	209 532	-	-	(5)	-	-	209 527	
Intermediate	1 129	-	-	-	-	-	1 129	
Upper-Intermediate	-	-	-	-	-	-	-	
High	-	-	-	-	-	-	-	
Default	-	-	-	-	-	-	-	
Unrated	1 612	10	-	-	-	-	1 622	
	224 227	10	-	(6)	-	-	224 231	
Due from customers								
Financial corporations								
Very Low	64 545	24 391	-	(2)	(27)	-	88 907	
Low	39 875	-	-	1	-	-	39 876	
Lower-Intermediate	8 728	1	-	(2)	-	-	8 727	
Intermediate	24 269	5	-	(11)	-	-	24 263	
Upper-Intermediate	-	-	-	-	-	-	-	
High	-	-	-	-	-	-	-	
Default	-	-	-	-	-	-	-	
Unrated	-	-	-	-	-	-	-	
	137 417	24 397	-	(14)	(27)	-	161 773	
Non-financial corporations								
Very Low	1 517 600	296 533	-	(174)	(2 664)	-	1 811 295	
Low	1 344 403	56 344	-	(220)	(35)	-	1 400 492	
Lower-Intermediate	585 227	170 673	-	(573)	(3 236)	-	752 091	
Intermediate	156 934	108 164	-	(462)	(2 002)	-	262 634	
Upper-Intermediate	33 330	102 399	-	(249)	(5 844)	-	129 636	
High	9	7 492	-	-	(216)	-	7 285	
Very high	-	-	-	-	-	-	-	
Default	-	-	14 251	-	-	(4 327)	9 924	
Unrated	2 046	400	-	(1)	-	-	2 445	
	3 639 549	742 005	14 251	(1 679)	(13 997)	(4 327)	4 375 802	

(Table continues on the next page)

2024 € '000	Gross amount			Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loan commitments and financial guarantees							
Due from customers							
Non-financial corporations – specialised lending							
Strong	25 493	12	-	(92)	-	-	25 413
Good	123 886	23 609	-	(904)	(375)	-	146 216
Satisfactory	4 100	2 091	-	(107)	(116)	-	5 968
Weak	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-
	<u>153 479</u>	<u>25 712</u>	<u>-</u>	<u>(1 103)</u>	<u>(491)</u>	<u>-</u>	<u>177 597</u>
Retail							
Very Low	220 363	6 805	-	(21)	(69)	-	227 078
Low	76 139	3 345	-	(13)	(21)	-	79 450
Lower–Intermediate	184 930	52 962	-	(105)	(244)	-	237 543
Intermediate	29 969	3 504	-	(119)	(186)	-	33 168
Upper–Intermediate	6 392	4 946	-	(84)	(439)	-	10 815
High	1 893	504	-	(78)	(74)	-	2 245
Default	-	-	3 283	-	-	(12)	3 271
Unrated	238	-	-	(7)	-	-	231
	<u>519 924</u>	<u>72 066</u>	<u>3 283</u>	<u>(427)</u>	<u>(1 033)</u>	<u>(12)</u>	<u>593 801</u>
Public administration							
Very Low	5 162	20 048	-	-	-	-	25 210
Low	32 625	-	-	(6)	-	-	32 619
Lower–Intermediate	-	-	-	-	-	-	-
Intermediate	2 373	-	-	(1)	-	-	2 372
Upper–Intermediate	3 629	129	-	(9)	-	-	3 749
High	-	20	-	-	-	-	20
Default	-	-	-	-	-	-	-
Unrated	62 346	-	-	(37)	-	-	62 309
	<u>106 135</u>	<u>20 197</u>	<u>-</u>	<u>(53)</u>	<u>-</u>	<u>-</u>	<u>126 279</u>
Total due from customers	<u>4 556 504</u>	<u>884 377</u>	<u>17 534</u>	<u>(3 276)</u>	<u>(15 548)</u>	<u>(4 339)</u>	<u>5 435 252</u>
Total financial assets at AC	<u>4 780 731</u>	<u>884 387</u>	<u>17 534</u>	<u>(3 282)</u>	<u>(15 548)</u>	<u>(4 339)</u>	<u>5 659 483</u>

For some portfolios, information from external credit reference agencies is also used. The credit quality for financial assets at amortized cost: due from banks is in the rating scale from Aa1 to Ba3 (31 December 2024: Aaa to B1). Two banking counterparties did not have an external credit rating assigned as of the reporting date.

The following table sets out the credit quality of FVOCI debt securities. The analysis is based on Moody's ratings.

€ '000	2025	2024
Financial assets at FVOCI – debt securities		
Aaa	222 151	562 291
Aa1	34 298	8 065
Aa2	-	31 446
Aa3	346 667	20 938
A3	530 939	106 826
Baa1	5 233	5 272
Baa2	300 979	108 445
Baa3	-	646 358
Gross amount	<u>1 440 267</u>	<u>1 489 641</u>
Impairment losses	<u>(270)</u>	<u>(212)</u>
Net amount	<u>1 439 997</u>	<u>1 489 429</u>

During the preparation of the consolidated financial statements for 2025, the VUB Group identified that the presentation of the credit quality of debt securities measured at FVOCI for 2024 was based on data corresponding to individual-level inputs. Consequently, the comparative information for 2024 was restated for the rating classes A3, Baa1 and Baa2.

4.1.10. Sensitivity analysis of impairment losses

In the tables below the VUB Group shows the sensitivity of ECL calculation to a decrease or increase of PD parameter by 10%:

2025 € '000	Basic scenario	Decrease PD by 10%			Increase PD by 10%		
	Impairment losses (note 11.1, 11.2)	Impairment losses	Absolute change	Relative change	Impairment losses	Absolute change	Relative change
Financial assets at AC							
Due from banks	6 711	6 711	-	-	6 711	-	-
Due from customers							
Financial corporations							
Loans	3 013	3 083	70	2.32%	2 943	(70)	(2.32)%
Overdrafts	2	3	1	50.00%	2	-	-
Factoring	5	5	-	-	5	-	-
Debt securities	123	136	13	10.57%	111	(12)	(9.76)%
	3 143	3 227	84	2.67%	3 061	(82)	(2.61)%
Non-financial corporations							
Loans	96 290	101 678	5 388	5.60%	90 903	(5 387)	(5.59)%
Mortgages	216	218	2	0.93%	213	(3)	(1.39)%
Overdrafts	40 602	41 682	1 080	2.66%	39 522	(1 080)	(2.66)%
Credit cards	362	375	13	3.59%	349	(13)	(3.59)%
Factoring	1 431	1 525	94	6.57%	1 338	(93)	(6.50)%
Debt securities	843	927	84	9.96%	759	(84)	(9.96)%
Other	7 320	7 610	290	3.96%	7 032	(288)	(3.93)%
	147 064	154 015	6 951	4.73%	140 116	(6 948)	(4.72)%
Retail							
Loans	136 083	139 017	2 934	2.16%	133 149	(2 934)	(2.16)%
Mortgages	65 064	67 754	2 690	4.13%	62 374	(2 690)	(4.13)%
Overdrafts	4 139	4 213	74	1.79%	4 065	(74)	(1.79)%
Credit cards	1 927	2 011	84	4.36%	1 844	(83)	(4.31)%
Other	534	542	8	1.50%	526	(8)	(1.50)%
	207 747	213 537	5 790	2.79%	201 958	(5 789)	(2.79)%
Public administration							
Loans	1 498	1 648	150	10.01%	1 349	(149)	(9.95)%
Overdrafts	3	3	-	-	3	-	-
Debt securities	263	290	27	10.27%	237	(26)	(9.89)%
Other	1	1	-	-	-	(1)	(100.00)%
	1 765	1 942	177	10.03%	1 589	(176)	(9.97)%
Total due from customers	359 719	372 721	13 002	3.61%	346 724	(12 995)	(3.61)%
Total financial assets at AC	366 430	379 432	13 002	3.55%	353 435	(12 995)	(3.55)%
Financial assets at FVOCI – debt securities							
	270	297	27	10.00%	243	(27)	(10.00)%

2024 € '000	Basic scenario Impairment losses (note 11.1, 11.2)	Decrease PD by 10%			Increase PD by 10%		
		Impairment losses	Absolute change	Relative change	Impairment losses	Absolute change	Relative change
Financial assets at AC							
Due from banks	5 869	5 869	-	-	5 870	1	0.02%
Due from customers							
Financial corporations							
Loans	392	354	(38)	(9.69)%	431	39	9.95%
Overdrafts	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-
Debt securities	96	86	(10)	(10.42)%	105	9	9.38%
	<u>488</u>	<u>440</u>	<u>(48)</u>	<u>(20.11)%</u>	<u>536</u>	<u>48</u>	<u>9.84%</u>
Non-financial corporations							
Loans	102 961	96 732	(6 229)	(6.05)%	109 189	6 228	6.05%
Mortgages	203	199	(4)	(1.97)%	207	4	1.97%
Overdrafts	28 645	28 196	(449)	(1.57)%	29 095	450	1.57%
Credit cards	198	191	(7)	(3.54)%	204	6	3.03%
Factoring	1 315	1 205	(110)	(8.37)%	1 426	111	8.44%
Debt securities	165	149	(16)	(9.70)%	182	17	10.30%
Other	5 856	5 672	(184)	(3.14)%	6 039	183	3.13%
	<u>139 343</u>	<u>132 344</u>	<u>(6 999)</u>	<u>(5.02)%</u>	<u>146 342</u>	<u>6 999</u>	<u>5.02%</u>
Retail							
Loans	118 807	115 193	(3 614)	(3.04)%	122 421	3 614	3.04%
Mortgages	73 185	69 905	(3 280)	(4.48)%	76 464	3 279	4.48%
Overdrafts	4 279	4 223	(56)	(1.31)%	4 334	55	1.29%
Credit cards	2 065	2 001	(64)	(3.10)%	2 129	64	3.10%
Other	621	608	(13)	(2.09)%	634	13	2.09%
	<u>198 957</u>	<u>191 930</u>	<u>(7 027)</u>	<u>(3.53)%</u>	<u>205 982</u>	<u>7 025</u>	<u>3.53%</u>
Public administration							
Loans	1 351	1 216	(135)	(9.99)%	1 486	135	9.99%
Overdrafts	2	2	-	-	2	-	-
Debt securities	94	84	(10)	(10.64)%	104	10	10.64%
Other	10	9	(1)	(10.00)%	11	1	10.00%
	<u>1 457</u>	<u>1 311</u>	<u>(146)</u>	<u>(10.02)%</u>	<u>1 603</u>	<u>146</u>	<u>10.02%</u>
Total due from customers	<u>340 245</u>	<u>326 025</u>	<u>(14 220)</u>	<u>(4.18)%</u>	<u>354 463</u>	<u>14 218</u>	<u>4.18%</u>
Total financial assets at AC	<u>346 114</u>	<u>331 894</u>	<u>(14 220)</u>	<u>(4.11)%</u>	<u>360 333</u>	<u>14 219</u>	<u>4.11%</u>
Financial assets at FVOCI – debt securities							
	212	191	(21)	(9.91)%	233	21	9.91%

4.1.11. Impact of the possible scenarios on the impairment losses and provisions

The behavior of the macroeconomic model is described by two possible scenarios simulating a worsening of the macroeconomic situation. The scenarios resulted in the increase of expected loss. The simulation was run on the VUB Group level covering the whole Retail segment – mortgages, consumer loans, credit cards, overdrafts, car purchase financing and former CFH products (Quatro, Slovenská požičovňa, HRL).

For the purposes of the simulation, the VUB Group formulates three scenarios:

- BASE – the scenario without stressing macroeconomic inputs. The predictions of the macroeconomic variables are inputted into the macroeconomic model without any adjustments. Please note that the provisioning values for December 2025 are not aligned with the figures used in BASE scenario, as managerial overlay amounts – ordinarily included in the year-end totals – were removed solely for the purpose of this analysis;
- STRESS 10% – the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 10%;
- STRESS 30% – the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 30%.

The expected loss for BASE scenario is at the level of EUR 175 925 ths and the proportion of assets in Stage 2 is at the level of 6.07%. If the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 10%, the expected loss would increase to EUR 175 953 ths and the proportion of assets in Stage 2 would stay at the level of 6.07% (negligible increase is not visible due to rounding). A more severe scenario (STRESS 30%) would increase the expected loss to EUR 176 055 ths and the proportion of assets in Stage 2 would increase to 6.08%.

Scenarios and their impact:

€ '000	2025			2024		
	BASE	STRESS 10 %	STRESS 30 %	BASE	STRESS 10 %	STRESS 30 %
Gross exposure						
Retail	12 429 757	12 429 757	12 429 757	11 778 469	11 778 469	11 778 469
Expected loss						
Retail	175 925	175 953	176 055	178 008	178 592	180 089
Proportion of assets in Stage 2 (in terms of gross exposure)						
Retail	6.07%	6.07%	6.08%	5.67%	5.71%	5.89%

4.1.12. Credit risk of financial derivatives

Credit exposure (or the replacement cost) of derivative financial instruments represents the VUB Group's credit exposure from contracts with a positive fair value, that is, it indicates the estimated maximum potential losses in the event that counterparties fail to perform their obligations. It is usually a small proportion of the notional amounts of the contracts. The credit exposure of each contract is indicated by the credit equivalent calculated pursuant to the generally applicable methodology using the current exposure method and involves the market value of the contract (only if positive, otherwise a zero value is taken into account) and a portion of the nominal value, which indicates the potential change in market value over the term of the contract. The credit equivalent is established depending on the type of contract and its maturity. The VUB Group assesses the credit risk of all financial instruments on a daily basis.

With regard to IFRS 13 (which contains a clarification in reference to non-performance risk in determining the fair value of over-the-counter derivatives), the VUB Group uses the bilateral Credit Value Adjustment model ('bCVA'). It takes into account the effects of changes in counterparty credit ratings as well as the changes in own credit rating. The bCVA has two addends, calculated by considering the possibility that both counterparties go bankrupt, known as the Credit Value Adjustment ('CVA') and Debit Value Adjustment ('DVA'):

- The CVA (negative) takes into account scenarios where the counterparty fails before the VUB Group which has a positive exposure to the counterparty. In these scenarios, the VUB Group suffers a loss equal to the cost of replacing/closing the derivative contract,
- The DVA (positive) takes into account scenarios where the VUB Group fails before the counterparty and has a negative exposure to the counterparty. In these scenarios, the VUB Group achieves a gain equal to the cost of replacing/closing the derivative contract.

The bCVA depends on the exposure, probability of default and the loss given default of the counterparties. The VUB Group is selective in its choice of counterparties and sets limits for transactions with customers. The VUB Group takes its own and its counterparties' credit risk into consideration to the extent as it expects from other market participants.

4.2. Market risk

Market risk refers to the potential impact of fluctuations in market prices—such as interest rates, stock prices, and exchange rates—on the VUB Group's returns or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

4.2.1. Management of market risk

The VUB Group separates its exposures to market risk between trading ('trading book') and non-trading portfolios ('banking book'). Trading portfolios are held by the Trading sub-department and Sales sub-department and include positions arising from market-making and proprietary position taking. All foreign exchange risk within the VUB Group is transferred each day to the Trading sub-department and forms part of the trading portfolio for risk management purposes. The non-trading portfolios are managed by the sub-department Asset Liability Management ('ALM'), and include all positions which are not intended for trading.

Trading portfolios includes derivative financial instruments used for both trading and hedging and debt securities classified as financial assets held for trading. Financial instruments with non-trading purpose are part of the banking book.

Overall authority for market risk is vested in ALCO. The Risk Management Department is responsible for the development of detailed risk management policies and for their implementation and day-to-day risk monitoring and reporting.

In the normal course of business, the VUB Group enters into derivative financial instrument transactions to hedge its liquidity, foreign exchange and interest rate risks. The VUB Group also enters into proprietary derivative financial transactions for the purpose of generating profits from short-term fluctuations in market prices. The VUB Group operates a system of market risk and counterparty limits, which are designed to restrict exposure to movements in market prices and counterparty concentrations. The VUB Group also monitors adherence to these limits on a daily basis.

4.2.2. Exposure to market risk – trading portfolios

The principal tool used to measure and control market risk exposures within the VUB Group's trading portfolio is Value at Risk ('VaR'). A derivation of VaR is the stress VaR ('sVaR') which represents maximal VaR of a selected one-year period generating the highest value of VaR during a period of at least the last ten years. The VaR of a trading portfolio represents the estimated loss expected over a given holding period due to adverse market movements, calculated with a predetermined confidence level. The VaR model used by the VUB Group is based upon a 99% confidence level and assumes a one-day holding period.

The VaR and sVaR models used are based on historical simulations. Taking into account market data from the previous year and in case of sVaR a one-year scenario from at least the last ten years of history and observed relationships between different markets and prices, the models generate a wide range of plausible future scenarios for market price movements evaluated in the model. The VaR model was approved by the NBS as a basis for the calculation of the capital charge for market risk of the trading book.

The VUB Group uses VaR limits for total market risk in the trading book, foreign exchange risk and interest rate risk. The overall structure of VaR and sVaR limits is subject to review and approval by ALCO and Intesa Sanpaolo. VaR is measured on a daily basis. Daily reports of utilisation of VaR and sVaR limits are submitted to the trading unit, the head of the Division Risk Management and the head of the Treasury and ALM Department. Regular summaries are submitted to Intesa Sanpaolo and ALCO.

A summary of the VaR and sVaR position of the VUB Group's trading portfolios:

€ '000	2025				2024			
	Balance	Avg	Max	Min	Balance	Avg	Max	Min
Foreign currency risk	36	36	98	8	56	58	140	13
Interest rate risk	70	166	358	70	113	200	419	61
Total VaR	75	172	385	70	114	222	458	64
Total sVaR	1 053	1 394	2 292	956	1 240	1 259	1 698	236

4.2.3. Exposure to interest rate risk in the banking book

Interest rate risk comprises of the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and the risk that the maturities of interest-earning assets differ from the maturities of interest-bearing liabilities used to fund those assets. The period for which the interest rate is fixed for a financial instrument therefore indicates the extent to which it is exposed to interest rate risk.

The main risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows and fair values of financial instruments due to a change in market interest rates. Interest rate risk in the banking book is managed mainly through the monitoring of interest rate gaps. Financial instruments are mapped to repricing time buckets either by maturity for fixed-rate instruments, or by next repricing date for floating rate instruments. Assets and liabilities that do not have a contractual maturity date are mapped according to internal models based on behavioural assumptions.

The Risk Management Department is responsible for monitoring and reporting of interest rate gaps at least on monthly basis. Interest rate risk in the banking book is measured using the shift sensitivity of fair value (change in present value) and in terms of net interest income sensitivity. These metrics are utilized for baseline, internal stress and regulatory scenarios.

Baseline scenarios for the shift sensitivity of fair value are defined as the parallel and instantaneous shift of +/- 100 basis points of the yield curve and four non-parallel shifts of the yield curve. Internal stress scenarios measure the shift sensitivity of fair value through the parallel and instantaneous shift of +/- 200 basis points. Six regulatory scenarios include parallel up, parallel down, steepening, flattening, short rates up and short rates down scenarios. For the net interest income sensitivity, the baseline scenario is represented by parallel and instantaneous +/- 50 basis points shock in the yield curve, in a period of the following 12 months. Internal stress scenarios include +/- 100, +/- 200 basis points shocks and six regulatory scenarios, mentioned above, are applied as well.

Overall interest rate risk positions in the banking book are managed by the Treasury and ALM Department, which uses different on-balance and off-balance sheet instruments to manage the positions arising from the banking book activities.

Models applied for the interest rate risk in the banking book calculation

Each financial instrument is allocated to the time bucket based on its contractual or behavioural repricing date.

Contractual

This category includes instruments for which the VUB Group knows exactly when the maturity or next repricing takes place. This approach is applied mainly to purchased and issued securities, received loans and term deposits.

Behavioural

These are items for which it is not exactly known when the maturity or next repricing will take place (e.g. current accounts). There are also items where the maturity or repricing period is known but it can be assumed that they will behave differently (e.g. prepayments can occur for mortgages and consumer loans). In this case, it is necessary to make certain assumptions to reflect the behavioural characteristics of such items. The assumptions are based on the detailed analysis of the VUB Group's historical time series data and statistical models.

At 31 December 2025, the interest margin sensitivity of the banking book on profit or loss in a one-year time frame, in the event of a 100 basis points rise in interest rates, was EUR 27 456 thousand (31 December 2024: EUR 30 334 thousand).

At 31 December 2025, the interest margin sensitivity of the banking book on profit or loss in a one-year time frame, in the event of a 100 basis points decline in interest rates, was EUR 31 877 thousand (31 December 2024: EUR 35 027 thousand).

At 31 December 2025, the interest rate risk generated by the banking book, measured through shift sensitivity analysis of plus 100 basis points, reached the value of EUR 34 795 thousand (31 December 2024: EUR 24 942 thousand).

At 31 December 2025, the interest rate risk generated by the banking book, measured through shift sensitivity analysis of minus 100 basis points, reached the value of EUR 32 171 thousand (31 December 2024: EUR 22 505 thousand).

At 31 December 2025, the sensitivity of the FVOCI reserve in equity related to the non-hedged part of the portfolio to 100 basis points rise in interest rates was EUR 322 thousand (31 December 2024: EUR 331 thousand).

4.2.4. Currency denominations of assets and liabilities

Foreign exchange rate risk comprises the risk that the value of financial assets and financial liabilities will fluctuate due to changes in foreign exchange rates. It is the policy of the VUB Group to manage its exposure to fluctuations in exchange rates through regular monitoring and reporting of open foreign exchange positions and the application of position exposure in single currencies and overall position limit.

4.3. Liquidity risk

Liquidity risk is defined as the risk that the VUB Group will not be able to meet its payment obligations due to its inability to obtain funds on the market (funding liquidity risk) or liquidate its assets (market liquidity risk). Normally, the VUB Group can cover cash outflows with cash inflows, high-quality liquid assets and its ability to obtain credit.

The Liquidity Risk Management Policy adopted by the VUB Group outlines the tasks and responsibilities of the various corporate functions, as well as the control and management processes to ensure a prudent governance of liquidity risk, preventing crisis situations. It also includes assumptions, measurement metrics and limits related to liquidity risk.

The internal liquidity risk control and management system is based on the following principles.

- The existence of an operating structure that works within set limits and early warning thresholds and of a control structure that is independent from the operating structure.
- A prudential approach in cash inflow and outflow projections for all the balance sheet and off-balance sheet items, especially those without a contractual maturity.
- Impact assessment of different scenarios, including stress testing scenarios, on cash inflows and outflows over time and on the adequacy of the liquidity reserve.
- Constant availability of adequate liquidity reserves in relation to the chosen liquidity risk tolerance threshold.

The VUB Group regularly performs stress testing to evaluate the impact of adverse events on its liquidity position and on the adequacy of liquidity reserves. The unencumbered high-quality liquid assets are maintained at levels to support the liquidity position even in case of extraordinary events. The VUB Group can also obtain short-term funding from the Parent Company or interbank market to maintain its liquidity position.

The Treasury and ALM Department is responsible for ensuring adherence to the Liquidity Risk Management Policy in terms of liquidity risk management whereas the Risk Management Department is responsible for reporting and monitoring of liquidity risk indicators. The Liquidity Risk Management Policy consists of three main areas – Short-Term Liquidity Risk Management, Structural Liquidity Risk Management and Contingency Liquidity Plan that are essential components of the Internal Liquidity Adequacy Assessment Process.

The Short-Term Liquidity Risk Management includes a set of parameters, limits and thresholds that enable the measurement, both under normal and stressed market conditions, of liquidity risk exposure over the short-term horizon. The main regulatory indicator in this area is the Liquidity Coverage Ratio that enables to monitor that the VUB Group maintains an adequate stock of unencumbered high-quality liquid assets to cover its short-term net cash outflows under stressed conditions lasting 30 calendar days.

The Structural Liquidity Risk Management of the VUB Group incorporates a set of measures and limits designed to control and manage the risks deriving from the mismatch of the medium to long-term maturities of the assets and liabilities. The main regulatory indicator used in this area is the Net Stable Funding Ratio (NSFR) that represents the ratio of the available stable funding to the required stable funding.

The goal of the Contingency Liquidity Plan is to protect the VUB Group's liquidity position, verifying compliance on an ongoing basis with the risk tolerance, through the identification and monitoring of the early warning signals and the definition of strategies and intervention tools to be implemented in situations of liquidity stress.

The liquidity position of the VUB Group is presented by the Risk Management Department during the ALCO meetings on monthly basis.

The table below shows an analysis of assets and liabilities (discounted cash flow basis) according to when they are expected to be recovered or settled:

€ '000	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and cash equivalents	2 149 318	-	2 149 318	2 272 663	-	2 272 663
Financial assets at FVTPL	34 652	131 137	165 789	16 134	175 581	191 715
Derivatives – Hedge accounting	3 407	85 631	89 038	1 583	73 983	75 566
Financial assets at FVOCI	46 648	1 393 636	1 440 284	124 097	1 365 557	1 489 654
Financial assets at AC						
Due from banks	340	212 735	213 075	263 986	53 952	317 938
Due from customers	3 856 883	17 970 439	21 827 322	3 871 559	16 584 393	20 455 952
Fair value changes of the hedged items in portfolio hedge of IRR	-	1 262	1 262	-	775	775
Investments in joint ventures and associates	-	1 507	1 507	-	1 197	1 197
Property and equipment	-	111 147	111 147	-	119 156	119 156
Intangible assets	-	171 311	171 311	-	173 749	173 749
Goodwill	-	29 305	29 305	-	29 305	29 305
Current income tax assets	5 155	-	5 155	-	-	-
Deferred income tax assets	-	61 396	61 396	-	68 406	68 406
Other assets	54 272	-	54 272	58 241	-	58 241
	<u>6 150 675</u>	<u>20 169 506</u>	<u>26 320 181</u>	<u>6 608 263</u>	<u>18 646 054</u>	<u>25 254 317</u>
Liabilities						
Financial liabilities at FVTPL	(6 737)	(44 296)	(51 033)	(13 239)	(56 702)	(69 941)
Derivatives – Hedge accounting	(15 305)	(85 038)	(100 343)	(14 782)	(158 500)	(173 282)
Financial liabilities measured at AC						
Due to banks	(46 101)	(1 108 107)	(1 154 208)	(58 709)	(772 659)	(831 368)
Due to customers	(2 150 178)	(15 917 243)	(18 067 421)	(2 205 892)	(14 940 546)	(17 146 438)
Lease liabilities	(6 478)	(15 604)	(22 082)	(6 137)	(15 019)	(21 156)
Subordinated debt	(200 386)	(100 000)	(300 386)	(401)	(300 000)	(300 401)
Debt securities in issue	(1 036 776)	(2 970 446)	(4 007 222)	(751 420)	(3 452 563)	(4 203 983)
Fair value changes of the hedged items in portfolio hedge of IRR	-	5 770	5 770	-	8 193	8 193
Current income tax liabilities	-	-	-	(44 016)	-	(44 016)
Provisions	-	(27 482)	(27 482)	-	(30 309)	(30 309)
Other liabilities	(166 894)	-	(166 894)	(172 696)	(4 413)	(177 109)
	<u>(3 628 855)</u>	<u>(20 262 446)</u>	<u>(23 891 301)</u>	<u>(3 267 292)</u>	<u>(19 722 518)</u>	<u>(22 989 810)</u>
Net position	<u>2 521 820</u>	<u>(92 940)</u>	<u>2 428 880</u>	<u>3 340 971</u>	<u>(1 076 464)</u>	<u>2 264 507</u>

The remaining maturities of assets and liabilities based on contractual undiscounted cash-flows were as follows:

2025 € '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not specified	Total
Financial assets						
Cash and cash equivalents	2 149 318	-	-	-	2	2 149 320
Financial assets at FVTPL (excl. Trading derivatives)	80	30 000	82 204	-	-	112 284
Financial assets at FVOCI	4 429	28 942	888 759	532 542	287	1 454 959
Financial assets at AC						
Due from banks	-	-	-	190 230	-	190 230
Due from customers	2 404 721	1 390 776	6 140 882	9 410 191	83 602	19 430 172
	4 558 548	1 449 718	7 111 845	10 132 963	83 891	23 336 965
Financial liabilities						
Financial liabilities at AC						
Due to banks	(24 246)	(350)	(302 271)	(750 000)	-	(1 076 867)
Due to customers	(16 739 000)	(1 286 073)	(166 852)	(25 143)	(169)	(18 217 237)
Lease liabilities	(1 231)	(5 314)	(14 634)	(2 125)	-	(23 304)
Subordinated debt	(364)	(200 000)	-	(50 000)	-	(250 364)
Debt securities in issue	(467 965)	(525 132)	(1 995 279)	(1 058 419)	-	(4 046 795)
	(17 232 806)	(2 016 869)	(2 479 036)	(1 885 687)	(169)	(23 614 567)
Net position of financial instruments*	(12 674 258)	(567 151)	4 632 809	8 247 276	83 722	(277 602)
Cash inflows from derivatives						
	405 695	123 244	77 770	-	-	606 709
Cash outflows from derivatives						
	(405 942)	(123 026)	(78 163)	-	-	(607 131)
Net position from derivatives	(247)	218	(393)	-	-	(422)
Net position from loan commitments and financial guarantees						
	(5 830 124)	-	-	-	-	(5 830 124)

* The high negative liquidity gap in the first bucket is caused by a huge volume of deposits on demand (without contractual maturity) which are presented under 'Due to customers'. For the purpose of internal liquidity management monitoring, the behavioural profile of on-demand deposits is taken into account based on a statistical model using internal historical data. Such deposits are then placed into later buckets (see the previous table) according to when they are expected to be settled.

2024 € '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not specified	Total
Financial assets						
Cash and cash equivalents	2 272 663	-	-	-	-	2 272 663
Financial assets at FVTPL (excl. Trading derivatives)	6 947	-	106 670	22 190	3 378	139 185
Financial assets at FVOCI	17 090	132 608	733 058	789 853	225	1 672 834
Financial assets at AC						
Due from banks	215 896	50 301	-	49 030	-	315 227
Due from customers	<u>2 423 381</u>	<u>2 035 649</u>	<u>8 088 227</u>	<u>11 882 565</u>	<u>75 583</u>	<u>24 505 405</u>
	<u>4 935 977</u>	<u>2 218 558</u>	<u>8 927 955</u>	<u>12 743 638</u>	<u>79 186</u>	<u>28 905 314</u>
Financial liabilities						
Financial liabilities at AC						
Due to banks	(61 952)	(11 826)	(572 376)	(222 887)	-	(869 041)
Due to customers	(15 818 025)	(1 316 576)	(181 923)	(16 305)	(327)	(17 333 156)
Lease liabilities	(1 772)	(4 409)	(13 707)	(2 167)	-	(22 055)
Subordinated debt	(4 267)	(13 843)	(220 674)	(53 403)	-	(292 187)
Debt securities in issue	11 972	(786 459)	(3 076 264)	(720 173)	-	(4 570 924)
	<u>(15 874 044)</u>	<u>(2 133 113)</u>	<u>(4 064 944)</u>	<u>(1 014 935)</u>	<u>(327)</u>	<u>(23 087 363)</u>
Net position of financial instruments*	<u>(10 938 067)</u>	<u>85 445</u>	<u>4 863 011</u>	<u>11 728 703</u>	<u>78 859</u>	<u>5 817 951</u>
Cash inflows from derivatives	400 008	158 379	127 891	-	-	686 278
Cash outflows from derivatives	<u>(401 170)</u>	<u>(157 327)</u>	<u>(127 584)</u>	<u>-</u>	<u>-</u>	<u>(686 081)</u>
Net position from derivatives	(1 162)	1 052	307	-	-	197
Net position from loan commitments and financial guarantees	(5 682 652)	-	-	-	-	(5 682 652)

* The high negative liquidity gap in the first bucket is caused by a huge volume of deposits on demand (without contractual maturity) which are presented under 'Due to customers'. For the purpose of internal liquidity management monitoring, the behavioural profile of on-demand deposits is taken into account based on a statistical model using internal historical data. Such deposits are then placed into later buckets (see the previous table) according to when they are expected to be settled.

4.4. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk and compliance risk, model risk, information and communication technology risk and financial reporting risk; strategic and reputational risks are not included. Operational risk can arise from legal and regulatory requirements, non-compliance with generally accepted standards of corporate behaviour and from all of the VUB Group's operations.

4.4.1. Operational risk management strategies and processes

The VUB Group, in coordination with Intesa Sanpaolo, defined the overall operational risk management framework by setting up a VUB Group policy and organisational process for measuring, managing and controlling operational risk.

The control of operational risk was attributed to the Operational Risk Committee, which identifies risk management policies. The Supervisory and Management Boards of the VUB Group ensure the functionality, efficiency and effectiveness of the risk management and controls system.

The Operational Risk Committee (composed of the heads of the areas of the governance centre (Chief Executive Officer, Deputy Chief Executive Officer) and of the business areas more involved in operational risk management (voting members: CRO, CFO, COO, Head of Compliance and AML Department; permanent invitees without voting rights: Head of Corporate & SME Division, Head of Retail Division, Head of Risk Management Department, Head of Legal Department, Head of Human Resources & Organization Department, Head of Information Security sub-department) is tasked with periodically reviewing the VUB Group's overall operational risk profile, authorising any corrective actions, coordinating and monitoring the effectiveness of the main mitigation activities and approving the operational risk transfer strategies. The VUB Group, in coordination with its parent company, uses a traditional tool for transferring operational risk through insurance contracts (bank insurance), with the main objective being to mitigate the impact of unexpected operational losses arising from the risks covered by this insurance.

4.4.2. Organisational structure of the associated risk management function

For some time, the VUB Group has had a centralised function within the Risk Management Division for the management of the VUB Group's operational risks. This function is responsible, in coordination with the Parent Company, for the definition, implementation and monitoring of the methodological and organisational framework, as well as for the measurement of the risk profile, the verification of mitigation effectiveness and reporting to senior Management. In compliance with current requirements, the individual organisational units participate in the process and each of them is responsible for the identification, assessment, management and mitigation of its operational risks. Specific offices and departments have been identified within these organisational units to be responsible for Operational Risk Management. These functions are responsible for the collection and structured census of information relating to operational events, scenario analyses and evaluation of the level of risk associated with the business environment, including information and communication technology risk. The Risk Management Division carries out second level monitoring of these activities.

4.4.3. Scope of application and characteristics of the risk measurement and reporting system

Based on the implementation of Basel IV ('CRR 3') effective from 1 January 2025, VUB Group began using a new standardized approach to operational risk, known as the Business Indicator Component (BIC) approach, to calculate its own funds requirements for operational risk ('Standardized approach based on the Business Indicator Component BIC'). At the same time, all previously used approaches, including internal models, have been eliminated.

Operational risks are monitored using an integrated reporting system that provides management with the information necessary to manage and/or mitigate operational risk. In addition to the management system required by regulatory requirements, the VUB Group has an operational risk management system in place, which is certified annually as part of a self-assessment process. The results of this process are submitted to the Operational Risk Committee for annual verification.

5. Estimated fair value of financial assets and financial liabilities

See accounting policy in note 3.4.7.

The VUB Group applies the following fair value hierarchy, which categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: inputs represented by quoted prices (unadjusted) in active markets for identical assets or liabilities accessible by the VUB Group as at the measurement date;

Level 2: inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the assets or liabilities to be measured; and

Level 3: inputs unobservable for the asset or liability.

The highest priority is given to effective market quotes (level 1) for the valuation of assets and liabilities or for similar assets and liabilities measured using valuation techniques based on market-observable parameters other than financial instruments quotes (level 2) and the lowest priority to unobservable inputs (level 3). Following this hierarchy, where available, fair value estimates made by the VUB Group are based on quoted market prices. However, no readily available market prices exist for a significant portion of the VUB Group's financial instruments. In circumstances where the quoted market prices are not readily available, fair value is estimated using discounted cash flow models or other pricing models as appropriate.

Under level 2, the principal valuation technique used by the VUB Group for debt instruments involves the method of discounting future cash flows. The calculation takes into account the time value of money (risk free rate of interest) and the credit risk expressed in the form of credit spreads applied to the bonds' yield and representing the risk premium the investor claims against a risk-free investment. In the case of derivative financial instruments, the VUB Group uses standard fair value calculation models based on the principal net present value using the yield curve to discount all future cash flows from derivatives for all relevant currencies. The principal input parameters used by the models comprise interest rate curves, volatility curves, spot and forward prices and the correlation between underlying assets. Changes in underlying assumptions, including discount rates and estimated future cash flows, affect the estimates significantly. The VUB Group also considers its own and counterparty's credit risk.

The valuation technique defined for a financial instrument is adopted over time and is modified only following significant changes in market conditions or the subjective conditions related to the issuer of the financial instrument. The VUB Group monitors the occurrence of these changes and accordingly reassesses the classification into the fair value hierarchy. For determining the timing of the transfers between the levels, the VUB Group uses the end of the reporting period as the day when the transfer is deemed to have occurred.

In estimating the fair value of the VUB Group's financial instruments, the following methods and assumptions were used:

Cash and cash equivalents

The carrying values of cash and cash equivalents are deemed to approximate their fair value.

Due from banks

The fair value of due from banks balances with maturities more than one year is estimated using discounted cash flow analyses, based upon the risk-free interest rate curve. For maturities up to one year and not significant balances, the carrying amounts of amounts due from banks approximate their fair value.

Due from customers

The fair value of loans and advances to customers is estimated using discounted cash flow analyses, based on the risk-free interest rate curve and risk reflecting creditworthiness of the counterparty. Impairment losses are taken into consideration when calculating fair values.

Purchased debt securities

The carrying values of cash and cash equivalents are deemed to approximate their fair value.

Due to banks

The carrying amounts of due to banks approximate their fair value. The fair value of due to banks is estimated by discounting their future expected cash flows using relevant discount interest rate curve.

Debt securities in issue

The fair value of debt securities issued by the VUB Group is based on quoted market prices. Where no market prices are available, the fair value was calculated by discounting future cash flows using the risk-free interest rate curve adjusted by credit spreads reflecting the credit quality of VUB as the issuer.

2025 € '000	Note	Carrying amount			Fair value			
		At amortised cost	At fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets								
Cash and cash equivalents	7	2 149 318	-	2 149 318	-	2 149 165	-	2 149 165
Financial assets at FVTPL	8	-	165 789	165 789	114 169	51 620	-	165 789
Derivatives – Hedge accounting	9	-	89 038	89 038	-	89 038	-	89 038
Financial assets at FVOCI	10	-	1 440 284	1 440 284	1 419 148	21 136	-	1 440 284
Financial assets at AC	11							
Due from banks		213 075	-	213 075	-	212 249	-	212 249
Due from customers		21 827 322	-	21 827 322	1 677 807	764 371	21 246 996	23 689 174
		<u>24 189 715</u>	<u>1 695 111</u>	<u>25 884 826</u>	<u>3 211 124</u>	<u>3 287 579</u>	<u>21 246 996</u>	<u>27 745 699</u>
Financial liabilities								
Financial liabilities at FVTPL	8	-	51 033	51 033	-	51 033	-	51 033
Derivatives – Hedge accounting	9	-	100 343	100 343	-	100 343	-	100 343
Financial liabilities at AC	11							
Due to banks		1 154 208	-	1 154 208	-	1 159 692	-	1 159 692
Due to customers		18 067 421	-	18 067 421	-	18 062 535	-	18 062 535
Lease liabilities		22 082	-	22 082	-	22 082	-	22 082
Subordinated debt		300 386	-	300 386	-	310 655	-	310 655
Debt securities in issue		4 007 222	-	4 007 222	-	4 074 558	-	4 074 558
		<u>23 551 319</u>	<u>151 376</u>	<u>23 702 695</u>	<u>-</u>	<u>23 780 898</u>	<u>-</u>	<u>23 780 898</u>

2024 € '000	Note	Carrying amount			Fair value			
		At amortised cost	At fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets								
Cash and cash equivalents	7	2 272 663	-	2 272 663	-	2 272 379	-	2 272 379
Financial assets at FVTPL	8	-	191 715	191 715	122 784	68 931	-	191 715
Derivatives – Hedge accounting	9	-	75 566	75 566	-	75 566	-	75 566
Financial assets at FVOCI	10	-	1 489 654	1 489 654	1 476 561	13 093	-	1 489 654
Financial assets at AC	11							
Due from banks		317 938	-	317 938	-	317 198	-	317 198
Due from customers		20 455 952	-	20 455 952	777 210	618 820	20 823 300	22 219 330
		<u>23 046 553</u>	<u>1 756 935</u>	<u>24 803 488</u>	<u>2 376 555</u>	<u>3 365 987</u>	<u>20 823 300</u>	<u>26 565 842</u>
Financial liabilities								
Financial liabilities at FVTPL	8	-	69 941	69 941	-	69 941	-	69 941
Derivatives – Hedge accounting	9	-	173 282	173 282	-	173 282	-	173 282
Financial liabilities at AC	11							
Due to banks		831 368	-	831 368	-	825 127	-	825 127
Due to customers		17 146 438	-	17 146 438	-	17 138 502	-	17 138 502
Lease liabilities		21 156	-	21 156	-	21 156	-	21 156
Subordinated debt		300 401	-	300 401	-	323 560	-	323 560
Debt securities in issue		4 203 983	-	4 203 983	-	4 244 278	-	4 244 278
		<u>22 503 346</u>	<u>243 223</u>	<u>22 746 569</u>	<u>-</u>	<u>22 795 846</u>	<u>-</u>	<u>22 795 846</u>

There were no transfers of financial instruments among the levels during 2025 and 2024.

6. Segment reporting

The VUB Group reports financial and descriptive information about its operating segments in the financial statements. An operating segment is a component of the VUB Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the VUB Group), whose operating results are regularly reviewed by the VUB Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and for which separate financial information is available.

The VUB Group operates in three operating segments: Retail Banking, Corporate Banking and Central Treasury. Each segment is exposed to different risks and differs in the nature of its services, business processes and types of customers for its products and services.

For all segments the VUB Group reports a measure of segment assets along with liabilities and income and expense items, a reconciliation of total reportable segment revenues, total profit or loss, total assets, liabilities and other amounts disclosed for reportable segments to corresponding amounts in the VUB Group's financial statements.

Most of the transactions of the VUB Group are related to the Slovak market. However, the group operates also on the Czech market via a foreign subsidiary in Prague performing activities especially in corporate banking and Central Treasury.

Operating segments pay and receive interest to and from the Central Treasury on an arm's length basis in order to reflect the costs of funding.

Retail Banking includes loans, deposits and other transactions and balances with households, sole traders and small business segment.

Corporate Banking comprises SME, the Corporate Customer Desk ('CCD'), Municipalities and Public Sector Entities. SME includes complex loan structures, deposits and other transactions and balances with SME (company revenue up to EUR 50 million; if revenue information is not available, bank account turnover is used). The CCD includes complex loan structures, deposits and other transactions and balances with large corporate customers (company revenue over EUR 50 million).

Central Treasury ensures the VUB Group's funding, the issuance of debt securities as well as transactions related to the trading book.

The VUB Group reported in the column Other a Central Governance Centre that manages the VUB Group's premises, equity investments and own equity funds as well as Risk Management that operates the workout loan portfolio. Unclassified items are also reported within this column.

2025 € '000	Retail banking	Corporate banking	Central Treasury	Total reportable segments	Other	Total
External revenue						
Interest and similar income	475 387	321 513	136 290	933 190	6 086	939 276
Interest and similar expense	(56 447)	(120 687)	(155 942)	(333 076)	(17 489)	(350 565)
Inter-segment revenue	(111 151)	(45 945)	108 500	(48 596)	48 596	-
Net interest income	307 789	154 881	88 848	551 518	37 193	588 711
Net fee and commission income (note 25)	161 382	45 131	1 266	207 779	9 406	217 185
Net trading result	6 165	7 949	10 633	24 747	(5 205)	19 542
Other operating income	59	2 887	(1 205)	1 741	1 811	3 552
Other operating expense	(12 308)	(3 577)	-	(15 885)	(7 831)	(23 716)
Salaries and employee benefit	(65 768)	(14 968)	(898)	(81 634)	(82 602)	(164 236)
Other administrative expenses*	-	-	-	-	(96 264)	(96 264)
Amortisation	(4 425)	(335)	(14)	(4 774)	(22 360)	(27 134)
Depreciation	(1 869)	(976)	8	(2 837)	(9 471)	(12 308)
Profit before provisions, impairment and tax	391 025	190 992	98 638	680 655	(175 323)	505 332
Net modification gain/(loss)	(20 000)	-	-	(20 000)	56	(19 944)
Provisions*	-	-	-	-	55	55
Impairment losses	(46 275)	(14 645)	(901)	(61 821)	5 217	(56 604)
Net gain/(loss) arising from the derecognition of financial assets at amortised cost	1 348	5 898	-	7 246	(1)	7 245
Profit before tax	326 098	182 245	97 737	606 080	(169 996)	436 084
Segment assets	12 362 355	7 891 597	5 370 643	25 624 595	695 586	26 320 181
Segment liabilities	11 242 709	7 276 603	4 964 661	23 483 973	407 328	23 891 301

* The VUB Group does not allocate these items to the individual segments.

2024 € '000	Retail banking	Corporate banking	Central Treasury	Total reportable segments	Other	Total
External revenue						
Interest and similar income	390 344	378 509	246 316	1 015 169	571	1 015 740
Interest and similar expense	(60 261)	(182 470)	(177 182)	(419 913)	(21 940)	(441 853)
Inter-segment revenue	30 257	(25 826)	(78 790)	(74 359)	74 359	-
Net interest income	360 340	170 213	(9 656)	520 897	52 990	573 887
Net fee and commission income (note 25)	137 520	40 566	966	179 052	10 342	189 394
Net trading result	6 233	7 987	3 411	17 631	(700)	16 931
Other operating income	83	4 049	(1 185)	2 947	2 183	5 130
Other operating expense	(10 334)	(3 310)	19	(13 625)	(7 993)	(21 618)
Salaries and employee benefit	(63 224)	(13 585)	(850)	(77 659)	(84 388)	(162 047)
Other administrative expenses*	-	380	218	598	(93 027)	(92 429)
Amortisation	(9 492)	(1 114)	(10)	(10 616)	(22 785)	(33 401)
Depreciation	(2 172)	(1 071)	5	(3 238)	(9 678)	(12 916)
Profit before provisions, impairment and tax	418 954	204 115	(7 082)	615 987	(153 056)	462 931
Net modification gain/(loss)	-	-	-	-	158	158
Provisions*	-	-	-	-	(67)	(67)
Impairment losses	(21 351)	(15 579)	(700)	(37 630)	806	(36 824)
Net gain/(loss) arising from the derecognition of financial assets at amortised cost	692	(661)	-	31	(52)	(21)
Profit before tax	398 295	187 875	(7 782)	578 388	(152 211)	426 177
Segment assets	11 777 391	8 031 608	4 754 377	24 563 376	690 940	25 254 316
Segment liabilities	10 740 460	7 423 716	4 346 117	22 510 293	479 517	22 989 810

* The VUB Group does not allocate these items to the individual segments.

7. Cash and cash equivalents

Cash and cash equivalents comprise the following balances:

€ '000	2025	2024
Cash in hand	287 607	257 321
Balances at central banks		
Compulsory minimum reserves	163 204	154 506
Term deposits	831 407	841 791
Loans and advances	825 233	990 078
Impairment losses	(8)	(10)
	<u>1 819 836</u>	<u>1 986 365</u>
Due from other banks		
Current accounts	41 875	28 977
Total cash and cash equivalents	<u><u>2 149 318</u></u>	<u><u>2 272 663</u></u>

8. Financial assets and financial liabilities at fair value through profit or loss

€ '000	2025	2024
Financial assets held for trading		
Trading derivatives	50 612	66 101
Government debt securities of European Union countries	113 636	122 204
	<u>164 248</u>	<u>188 305</u>
Non-trading financial assets at fair value through profit or loss		
Equity instruments	1 541	3 410
Financial liabilities held for trading		
Trading derivatives	51 033	69 941

Equity instruments classified as 'Non-trading financial assets at fair value through profit or loss' comprise shares of Intesa Sanpaolo S.p.A. in the amount of EUR 533 thousand (31 December 2024: EUR 580 thousand) and form part of the Group's incentive plan introduced by the Parent Company in line with the applicable EU capital remuneration rules (CRD V and, from 2026, CRD VI). The VUB Group did not elect the option to present these instruments at 'Financial assets at fair value through other comprehensive income'.

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives – Fair values				
Interest rate instruments				
Forwards and swaps	45 417	45 285	55 656	59 461
Options	52	50	127	118
	<u>45 469</u>	<u>45 335</u>	<u>55 783</u>	<u>59 579</u>
Foreign currency instruments				
Forwards and swaps	3 763	4 318	9 271	9 298
Options	571	574	1 044	1 061
	<u>4 334</u>	<u>4 892</u>	<u>10 315</u>	<u>10 359</u>
Equity and commodity instruments				
Equity options	456	459	-	-
Commodity forwards and swaps	353	347	3	3
	<u>809</u>	<u>806</u>	<u>3</u>	<u>3</u>
Total trading derivatives – fair values	<u><u>50 612</u></u>	<u><u>51 033</u></u>	<u><u>66 101</u></u>	<u><u>69 941</u></u>

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives – Notional values				
Interest rate instruments				
Forwards and swaps	2 020 453	2 020 453	3 580 043	3 580 043
Options	292 080	292 080	209 281	209 281
	<u>2 312 533</u>	<u>2 312 533</u>	<u>3 789 324</u>	<u>3 789 324</u>
Foreign currency instruments				
Forwards and swaps	468 485	469 191	589 378	588 697
Options	80 634	80 634	67 543	67 543
	<u>549 119</u>	<u>549 825</u>	<u>656 921</u>	<u>656 240</u>
Equity and commodity instruments				
Equity options	718	718	-	-
Commodity forwards and swaps	3 840	3 840	296	296
	<u>4 558</u>	<u>4 558</u>	<u>296</u>	<u>296</u>
Total trading derivatives – notional values	<u>2 866 210</u>	<u>2 866 916</u>	<u>4 446 541</u>	<u>4 445 860</u>

9. Derivatives – Hedge accounting

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges of interest rate risk	-	557	-	216
Fair value hedges of interest rate, foreign currency and inflation risk	89 038	99 786	75 566	173 066
	<u>89 038</u>	<u>100 343</u>	<u>75 566</u>	<u>173 282</u>

9.1. Cash flow hedge related to foreign currency risk

At 31 December 2025 the VUB Group used three currency forwards to hedge the currency risk of an expected future transaction when transferring the economic result of branch Prague in the amount of CZK 527 439 thousand (31 December 2024: CZK 541 886 thousand). The maturity of this hedging instrument is 14 January 2026. Due to the nature of the business, hedging inefficiency is not expected.

2025 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Foreign currency instruments						
Forwards and swaps						
Cash flow hedge in foreign currency	-	557	21 200	21 762	(594)	-

2024 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Foreign currency instruments						
Forwards and swaps						
Cash flow hedge in foreign currency	-	216	21 300	21 516	-	-

9.2. Fair value hedges of interest rate, foreign currency and inflation risk as of date of preparation of the financial statements

2025 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI	40 899	34 247	1 596 011	1 596 011	(2 133)	-
Hedge of corporate loans	-	2 006	143 707	143 707	(3 363)	34
Hedge of loans received from other banks	-	1 203	50 000	50 000	1 252	16
Hedge of covered bonds	10 791	15 984	3 718 094	3 718 094	(3 301)	-
Hedge of debt securities at AC	20 656	6 428	1 681 670	1 681 670	43 800	-
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans	7 998	-	166 070	157 277	(1 056)	-
Hedge of debt securities at AC	7 801	9 781	438 384	436 974	1 431	-
Macro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of mortgage loans	880	29 102	2 083 000	2 083 000	13 228	329
Hedge of current accounts	13	1 035	111 000	111 000	1 098	(98)
2024 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI	49 745	37 729	1 645 800	1 645 800	(29 418)	-
Hedge of corporate loans	5 008	2 051	303 604	303 604	(5 631)	4
Hedge of loans received from other banks	-	2 587	50 000	50 000	1 661	15
Hedge of covered bonds	20 493	49 944	3 594 900	3 594 900	36 874	-
Hedge of debt securities at AC	320	21 561	787 600	787 600	(13 154)	1
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans	-	9 379	166 248	176 765	(1 362)	-
Hedge of debt securities at AC	-	15 391	297 248	308 215	(629)	(7)
Macro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of mortgage loans	-	32 004	964 000	964 000	(21 475)	(427)
Hedge of current accounts	-	2 420	112 500	112 500	3 189	(2)

The amounts relating to items designated as hedged items were as follows:

2025 € '000	Line item in SOFP	Carrying amount	Accumulated amount of fair value adjustments included in carrying amount	Change in fair value used for calculating hedge ineffectiveness	Fair value adjustment after termination of hedging relationship
Micro hedges					
	Financial assets at FVOCI				
Debt securities at FVOCI		1 336 364	-	2 133	144
	Financial assets at AC				
Loans and advances from other banks	Due from banks	-	-	-	-
Corporate loans	Due from customers	309 778	2	4 453	(240)
Debt securities at AC	Due from customers	2 194 013	(23 716)	(45 231)	-
	Financial liabilities at AC				
Loans received from other banks	Due to banks	50 000	(887)	1 236	-
Covered bonds*	Debt securities in issue	3 696 372	(16 796)	(3 301)	(47 887)
Macro hedges					
	Financial assets at AC				
Mortgage loans	Due from customers	2 083 000	4 504	(12 899)	(3 242)
	Financial liabilities at AC				
Current accounts	Due to customers	111 000	(1 387)	1 196	(4 383)

* Interest rate risk hedging of covered bonds is sometimes closed before the original maturity of the interest rate swap. This is due to the fact that the interest rate risk position of the VUB Group changed in a way that required more fixed-rate liabilities. Since the originally fixed-rate covered bonds were in the past swapped into floating rate, these swaps were early terminated in order to achieve the required interest risk position of the VUB Group.

2024 € '000	Line item in SOFP	Carrying amount	Accumulated amount of fair value adjustments included in carrying amount	Change in fair value used for calculating hedge ineffectiveness	Fair value adjustment after termination of hedging relationship
Micro hedges					
	Financial assets at FVOCI				
Debt securities at FVOCI		1 351 153	-	29 418	155
	Financial assets at AC				
Loans and advances from other banks	Due from banks	-	-	-	71
Corporate loans	Due from customers	480 369	(10 787)	6 997	(287)
Debt securities at AC	Due from customers	1 095 369	21 837	13 777	-
	Financial liabilities at AC				
Loans received from other banks	Due to banks	50 000	(2 123)	1 646	-
Covered bonds*	Debt securities in issue	3 364 009	(75 660)	36 874	-
Macro hedges					
	Financial assets at AC				
Mortgage loans	Due from customers	964 000	17 944	21 048	(17 169)
	Financial liabilities at AC				
Current accounts	Due to customers	112 500	(2 582)	3 191	(5 611)

* Interest rate risk hedging of covered bonds is sometimes closed before the original maturity of the interest rate swap. This is due to the fact that the interest rate risk position of the VUB Group changed in a way, which required more fixed-rate liabilities. Since the originally fixed-rate covered bonds were in the past swapped into floating rate, these swaps were early terminated in order to achieve the required interest risk position of the VUB Group.

Maturity of notional values of hedging instruments designated as fair value hedges and their average interest rates:

€ '000	2025			2024		
	Less than 1 year	1 to 5 years	More than 5 years	Less than 1 year	1 to 5 years	More than 5 years
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI	20 630	1 059 681	515 700	8 000	647 500	734 300
	3.29%	1.62%	2.29%	(0.47)%	0.79%	1.82%
Hedge of corporate loans	47 448	96 259	-	71 471	232 133	-
	3.66%	3.16%	-	3.71%	2.61%	-
Hedge of debt securities at AC	31 770	50 000	1 599 900	-	50 000	737 600
	0.98%	2.16%	2.61%	-	2.16%	2.67%
Hedge of mortgage loans	-	2 083 000	-	-	964 000	-
	-	2.59%	-	-	2.71%	-
Hedge of loans received from other banks	50 000	-	-	-	50 000	-
	(0.26)%	-	-	-	(0.26)%	-
Hedge of current accounts	49 500	31 500	30 000	27 000	85 500	-
	0.64%	0.72%	2.32%	0.56%	0.68%	-
Hedge of covered bonds	1 600 000	1 065 000	1 053 094	2 160 000	600 000	634 900
	0.87%	1.41%	1.89%	2.98%	(0.28)%	1.06%
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans	-	166 070	-	95 140	81 625	-
	-	3.85%	-	0.00%	0.00%	-
Hedge of debt securities at AC	76 456	361 928	-	44 211	264 005	-
	5.60%	4.78%	-	2.63%	0.00%	-

10. Financial assets at fair value through other comprehensive income

€ '000	2025	2024
Government debt securities of European Union countries	1 304 164	1 086 730
<i>of which Italian government debt securities</i>	164 140	101 279
Bank debt securities	135 833	402 699
Equity instruments		
Intesa Sanpaolo S.p.A.	109	72
S.W.I.F.T.	178	153
Total equity instruments	287	225
Total financial assets at fair value through other comprehensive income	1 440 284	1 489 654

At 31 December 2025, the debt securities in the total nominal amount of EUR 60 000 thousand were pledged by the VUB Group to secure collateralized transactions (31 December 2024: EUR 592 100 thousand). These debt securities were pledged in favour of the ECB within the pool of assets which can be immediately used as collateral for received funds needed for liquidity management purposes.

11. Financial assets and financial liabilities at amortized cost

11.1. Due from banks

€ '000	Note	2025	2024
Term deposits			
with contractual maturity over 90 days			
to other banks		-	5 500
Loans and advances			
with contractual maturity over 90 days			
to central banks		86	78
to other banks		37 289	108 092
		37 375	108 170
Cash collateral		182 411	210 137
Impairment losses	21	(6 711)	(5 869)
		213 075	317 938

11.2. Due from customers

€ '000	2025			2024		
	Gross amount	Impairment losses (note 21)	Carrying amount	Gross amount	Impairment losses (note 21)	Carrying amount
Financial corporations						
Loans	923 539	(3 013)	920 526	924 770	(392)	924 378
Overdrafts	46	(2)	44	55	-	55
Credit cards	24	-	24	18	-	18
Factoring	10 082	(5)	10 077	-	-	-
Debt securities	207 695	(123)	207 572	393 568	(96)	393 472
Other	-	-	-	1 165	-	1 165
Leasing	31	-	31	60	-	60
	1 141 417	(3 143)	1 138 274	1 319 636	(488)	1 319 148
Non-financial corporations						
Loans	5 138 484	(96 290)	5 042 194	5 436 735	(102 961)	5 333 774
Mortgages	5 397	(216)	5 181	7 645	(203)	7 442
Overdrafts	939 015	(40 602)	898 413	898 495	(28 645)	869 850
Credit cards	5 551	(362)	5 189	2 385	(198)	2 187
Factoring	127 890	(1 431)	126 459	129 888	(1 315)	128 573
Debt securities	558 984	(843)	558 141	229 856	(165)	229 691
Other	-	-	-	-	-	-
Leasing	149 932	(7 320)	142 612	202 613	(5 856)	196 757
	6 925 253	(147 064)	6 778 189	6 907 617	(139 343)	6 768 274
Retail						
Loans	1 552 489	(136 083)	1 416 406	1 507 892	(118 807)	1 389 085
Mortgages	10 399 712	(65 064)	10 334 648	9 898 719	(73 185)	9 825 534
Overdrafts	74 596	(4 139)	70 457	75 747	(4 279)	71 468
Credit cards	94 477	(1 927)	92 550	94 722	(2 065)	92 657
Factoring	1	-	1	47	-	47
Leasing	6 506	(534)	5 972	10 765	(621)	10 144
	12 127 781	(207 747)	11 920 034	11 587 892	(198 957)	11 388 935
Public administration						
Loans	342 269	(1 498)	340 771	197 656	(1 351)	196 305
Overdrafts	2 501	(3)	2 498	1 085	(2)	1 083
Credit cards	33	-	33	26	-	26
Debt securities	1 646 957	(263)	1 646 694	781 068	(94)	780 974
Leasing	830	(1)	829	1 217	(10)	1 207
	1 992 590	(1 765)	1 990 825	981 052	(1 457)	979 595
Total due from customers	22 187 041	(359 719)	21 827 322	20 796 197	(340 245)	20 455 952

At 31 December 2025, the 20 largest corporate customers represented a total balance of EUR 1 473 838 thousand (31 December 2024: EUR 1 535 973 thousand), respectively 6.75% (31 December 2024: 7.51%) of the total loan portfolio.

At 31 December 2025, the debt securities in the total nominal amount of EUR 598 900 thousand were pledged by the VUB Group to secure collateralized transactions (31 December 2024: EUR 169 300 thousand). These debt securities were pledged in favour of the ECB within the pool of assets which can be immediately used as collateral for received funds needed for liquidity management purposes.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

€ '000	2025	2024
Up to one year	65 020	82 575
One to two years	44 022	59 231
Two to three years	28 885	41 127
Three to four years	16 211	25 266
Four to five years	8 358	13 211
Over five years	6 839	10 601
	<u>169 335</u>	<u>232 011</u>
Unearned future finance income on finance leases	(12 067)	(17 356)
Impairment losses	(7 855)	(6 487)
	<u>149 413</u>	<u>208 168</u>

11.3. Due to banks

€ '000	2025	2024
Due to central banks		
Current accounts	812	874
Due to other banks		
Current accounts	15 963	51 764
Term deposits	6 627	6 941
Loans received from other banks	1 107 896	773 234
Revaluation of fair value hedged loans received	(887)	(2 123)
Cash collateral received	23 772	660
Other deposits	25	18
	<u>1 153 396</u>	<u>830 494</u>
Total due to banks	<u>1 154 208</u>	<u>831 368</u>

'Loans received from other banks' are classified in full as long-term, with contractual maturities exceeding five years. One loan, with a nominal value of EUR 50 000 thousand, is due in 2026.

The breakdown of 'Loans received from other banks' according to the counterparty is presented below:

€ '000	2025	2024
Intesa Sanpaolo S. p. A.	951 083	651 199
European Investment Bank	156 813	121 080
European Bank for Reconstruction and Development	-	955
	<u>1 107 896</u>	<u>773 234</u>

11.4. Due to customers

€ '000	2025	2024
Current accounts	10 696 108	10 171 765
Term deposits	6 545 698	6 144 503
Government and municipal deposits	639 721	626 051
Savings accounts	80 481	95 038
Other deposits	105 413	109 081
	<u>18 067 421</u>	<u>17 146 438</u>

11.5. Subordinated debt

The balance of the subordinated debt as of 31 December 2025 consisted of two loans from INTESA SANPAOLO SPA with a total nominal value of EUR 100 000 thousand with maturities in 2033 and 2032 and interest rates of 5.298% and 5.542% (31 December 2024: 6.289% and 5.995%) and one loan from Intesa Sanpaolo Holding International in the nominal value of EUR 200 000 thousand with maturity in 2026 and an interest rate of 5.320% (31 December 2024: 6.124%).

In accordance with the loan agreement, the loan may be used as an unsecured liability to pay the VUB Group's debts and may not be repaid before all claims of the VUB Group's unsubordinated creditors have been paid.

11.6. Debt securities in issue

€ '000	2025	2024
Covered bonds	1 274 833	915 634
Covered bonds subject to fair value hedges	2 797 073	3 364 009
	<u>4 071 906</u>	<u>4 279 643</u>
Revaluation of fair value hedged covered bonds	(16 796)	(26 877)
Unamortized part of revaluation related to terminated fair value hedges	(47 888)	(48 783)
	<u>4 007 222</u>	<u>4 203 983</u>

The repayment of covered bonds is funded by the mortgage loans denominated in EUR provided to customers of the VUB Group (note 11.2.) and debt securities in FVOCI portfolio (note 10).

11.7. Changes in financial liabilities

The disclosure of changes arising from cash flows and non-cash changes in liabilities arising from financing activities:

2025 € '000	Loans received from other banks (including revaluation)	Lease liabilities	Subordinated debt	Covered bonds
1 January	771 111	21 156	300 401	4 203 983
Cash flow				
Proceeds	595 000	-	-	500 000
Repayments	(260 200)	(6 590)	-	(716 597)
Non-cash changes				
Accruals	2 334	-	(15)	30 812
Revaluation	(1 236)	-	-	(10 976)
Other	-	7 516	-	-
31 December	<u>1 107 009</u>	<u>22 082</u>	<u>300 386</u>	<u>4 007 222</u>

2024 € '000	Loans received from other banks (including revaluation)	Lease liabilities	Subordinated debt	Covered bonds
1 January	780 595	18 307	300 487	4 436 314
Cash flow				
Proceeds	100 000	-	-	500 000
Repayments	(107 304)	(8 641)	-	(788 000)
Non-cash changes				
Accruals	57	-	(86)	10 054
Revaluation	(1 646)	-	-	45 615
Other	-	11 490	-	-
31 December	<u>771 111</u>	<u>21 156</u>	<u>300 401</u>	<u>4 203 983</u>

12. Fair value changes of the hedged items in portfolio hedge of interest rate risk

€ '000	2025	2024
Financial assets at AC		
Due from customers		
Retail		
Mortgages	1 262	775
Financial liabilities at AC		
Due to customers	(5 770)	(8 193)

13. Investments in joint ventures and associates

2025 € '000	Share	Cost	Revaluation	Carrying amount
Monilogi	33.00%	2 549	(1 162)	1 387
SBCB	33.33%	3	117	120
		<u>2 552</u>	<u>(1 045)</u>	<u>1 507</u>

2024 € '000	Share	Cost	Revaluation	Carrying amount
Monilogi	33.00%	2 549	(1 459)	1 090
SBCB	33.33%	3	104	107
		<u>2 552</u>	<u>(1 355)</u>	<u>1 197</u>

Monilogi is the joint venture of the VUB Group for which equity method of consolidation is used and is incorporated in the Slovak Republic. SBCB is the associate of the VUB Group for which equity method of consolidation is used and is incorporated in the Slovak Republic.

14. Property and equipment and non-current assets classified as held for sale

2025 € '000	Owned and used	Owned and leased	Right-of-use assets	Total
Buildings and land	68 569	-	17 683	86 252
Equipment	4 856	2 705	-	7 561
Other tangibles	1 594	2 319	4 055	7 968
Assets under construction	9 366	-	-	9 366
	<u>84 385</u>	<u>5 024</u>	<u>21 738</u>	<u>111 147</u>

2024 € '000	Owned and used	Owned and leased	Right-of-use assets	Total
Buildings and land	71 535	-	18 690	90 225
Equipment	4 538	910	-	5 448
Other tangibles	1 171	5 113	2 149	8 433
Assets under construction	15 050	-	-	15 050
	<u>92 294</u>	<u>6 023</u>	<u>20 839</u>	<u>119 156</u>

2025 € '000	Buildings and land	Equipment	Other tangibles	Assets under construction	Total
Revaluation					
At 1 January	124 237	33 126	33 531	15 050	205 944
Transfer to other assets	(9 039)	-	-	-	(9 039)
Additions	9 173	15	4 497	7 366	21 051
Disposals	(10 298)	(3 380)	(7 922)	-	(21 600)
Transfers	8 160	4 078	812	(13 050)	-
Exchange differences	44	4	1	-	49
At 31 December	122 277	33 843	30 919	9 366	196 405
Accumulated depreciation					
At 1 January	(33 997)	(27 678)	(24 877)	-	(86 552)
Transfer to other assets	3 607	-	-	-	3 607
Depreciation for the year	(8 273)	(1 950)	(2 085)	-	(12 308)
Disposals	2 659	3 350	4 168	-	10 177
Exchange differences	(21)	(4)	(1)	-	(26)
At 31 December	(36 025)	(26 282)	(22 795)	-	(85 102)
Impairment losses (note 21)					
At 1 January	(15)	-	(221)	-	(236)
Creation	-	-	(26)	-	(26)
Release	15	-	91	-	106
At 31 December	-	-	(156)	-	(156)
Carrying amount					
At 1 January	90 225	5 448	8 433	15 050	119 156
At 31 December	86 252	7 561	7 968	9 366	111 147

2024 € '000	Buildings and land	Equipment	Other tangibles	Assets under construction	Total
Revaluation					
At 1 January	117 088	34 202	38 507	14 239	204 036
Transfer to other assets	-	-	-	-	-
Additions	9 687	48	759	5 701	16 195
Disposals	(4 011)	(2 306)	(5 788)	(2 161)	(14 266)
Transfers	1 492	1 184	53	(2 729)	-
Exchange differences	(19)	(2)	-	-	(21)
At 31 December	124 237	33 126	33 531	15 050	205 944
Accumulated depreciation					
At 1 January	(26 473)	(28 572)	(26 573)	-	(81 618)
Transfer to other assets	-	-	-	-	-
Depreciation for the year	(9 236)	(1 412)	(2 268)	-	(12 916)
Disposals	1 707	2 304	3 964	-	7 975
Exchange differences	5	2	-	-	7
At 31 December	(33 997)	(27 678)	(24 877)	-	(86 552)
Impairment losses (note 21)					
At 1 January	(94)	-	(239)	-	(333)
Creation	-	-	(6)	-	(6)
Release	79	-	24	-	103
At 31 December	(15)	-	(221)	-	(236)
Carrying amount					
At 1 January	90 521	5 630	11 695	14 239	122 085
At 31 December	90 225	5 448	8 433	15 050	119 156

Of which owned and leased property and equipment:

2025 € '000	Equipment	Other tangibles	Assets under construction	Total
Cost				
At 1 January	1 226	11 226	-	12 452
Additions	-	-	2 328	2 328
Disposals	(233)	(5 362)	-	(5 595)
Transfers	2 328	-	(2 328)	-
At 31 December	3 321	5 864	-	9 185
Accumulated depreciation				
At 1 January	(316)	(5 892)	-	(6 208)
Depreciation for the year	(531)	(672)	-	(1 203)
Disposals	231	3 175	-	3 406
At 31 December	(616)	(3 389)	-	(4 005)
Impairment losses				
At 1 January	-	(221)	-	(221)
Creation	-	(26)	-	(26)
Release	-	91	-	91
At 31 December	-	(156)	-	(156)
Carrying amount				
At 1 January	910	5 113	-	6 023
At 31 December	2 705	2 319	-	5 024

2024 € '000	Equipment	Other tangibles	Assets under construction	Total
Cost				
At 1 January	421	15 392	2 982	18 795
Additions	-	-	-	-
Disposals	(16)	(4 166)	(2 161)	(6 343)
Transfers	821	-	(821)	-
At 31 December	1 226	11 226	-	12 452
Accumulated depreciation				
At 1 January	(140)	(6 937)	-	(7 077)
Depreciation for the year	(191)	(1 322)	-	(1 513)
Disposals	15	2 367	-	2 382
At 31 December	(316)	(5 892)	-	(6 208)
Impairment losses				
At 1 January	-	(239)	-	(239)
Creation	-	(6)	-	(6)
Release	-	24	-	24
At 31 December	-	(221)	-	(221)
Carrying amount				
At 1 January	281	8 216	2 982	11 479
At 31 December	910	5 113	-	6 023

Of which right-of-use assets:

€ '000	2025			2024		
	Buildings and land	Other tangibles	Total	Buildings and land	Other tangibles	Total
Cost						
At 1 January	47 212	3 872	51 084	39 783	3 344	43 127
Additions	9 173	4 408	13 581	9 687	712	10 399
Disposals	(6 591)	(1 437)	(8 028)	(2 239)	(184)	(2 423)
Exchange differences	44	1	45	(19)	-	(19)
At 31 December	49 838	6 844	56 682	47 212	3 872	51 084
Accumulated depreciation						
At 1 January	(28 522)	(1 723)	(30 245)	(23 804)	(1 314)	(25 118)
Depreciation for the year	(6 251)	(951)	(7 202)	(6 289)	(577)	(6 866)
Disposals	2 639	(114)	2 525	1 566	168	1 734
Exchange differences	(21)	(1)	(22)	5	-	5
At 31 December	(32 155)	(2 789)	(34 944)	(28 522)	(1 723)	(30 245)
Carrying amount						
At 1 January	18 690	2 149	20 839	15 979	2 030	18 009
At 31 December	17 683	4 055	21 738	18 690	2 149	20 839

In 2025 the VUB Group reviewed the carrying amount of its property and equipment. An impairment test was carried out to determine the recoverable amount. As a result of the impairment test the VUB Group recognized release of impairment loss in the amount of EUR 80 thousand (31 December 2024: release of impairment loss in amount of EUR 97 thousand).

If 'Buildings and land' were measured using the cost model, the carrying amounts would be, as follows:

€ '000	2025	2024
Cost	101 679	96 829
Accumulated depreciation	(55 266)	(53 032)
Impairment losses	(15)	(15)
	<u>46 398</u>	<u>43 782</u>

At 31 December 2025, the gross book value of fully depreciated tangible assets that are still used by the VUB Group amounted to EUR 47 207 thousand (31 December 2024: EUR 49 536 thousand).

The VUB Group's insurance program covers all standard risks to tangible and intangible assets (theft, robbery, natural hazards, vandalism and other damages).

15. Intangible assets

2025 € '000	Software	Other intangible assets	Assets under development	Total
Cost				
At 1 January	385 821	90 513	30 435	506 769
Additions	197	-	19 280	19 477
Transfers	13 392	-	(13 392)	-
Exchange differences	37	1	-	38
At 31 December	399 447	90 514	36 323	526 284
Accumulated amortisation				
At 1 January	(311 311)	(16 492)	-	(327 803)
Depreciation for the year	(24 080)	(3 054)	-	(27 134)
Exchange differences	(35)	(1)	-	(36)
At 31 December	(335 426)	(19 547)	-	(354 973)
Impairment losses (note 21)				
At 1 January	-	(5 217)	-	(5 217)
Release	-	5 217	-	5 217
At 31 December	-	-	-	-
Carrying amount				
At 1 January	74 510	68 804	30 435	173 749
At 31 December	64 021	70 967	36 323	171 311

2024 € '000	Software	Other intangible assets	Assets under development	Total
Cost				
At 1 January	358 603	90 515	34 035	483 153
Additions	75	-	23 561	23 636
Transfers	27 161	-	(27 161)	-
Exchange differences	(18)	(2)	-	(20)
At 31 December	385 821	90 513	30 435	506 769
Accumulated amortisation				
At 1 January	(280 592)	(13 828)	-	(294 420)
Depreciation for the year	(30 736)	(2 665)	-	(33 401)
Exchange differences	17	1	-	18
At 31 December	(311 311)	(16 492)	-	(327 803)
Impairment losses (note 21)				
At 1 January	-	(5 217)	-	(5 217)
Release	-	-	-	-
At 31 December	-	(5 217)	-	(5 217)
Carrying amount				
At 1 January	78 011	71 470	34 035	183 516
At 31 December	74 510	68 804	30 435	173 749

The acquisition of assets mainly includes the development of new software applications and the costs of technical evaluation of software that have not yet been put into use.

At 31 December 2025, the gross book value of fully amortized intangible assets that are still used by the VUB Group amounted to EUR 215 542 thousand (31 December 2024: EUR 204 822 thousand).

16. Goodwill

€ '000	2025	2024
Retail Banking	18 871	18 871
Corporate Banking	10 434	10 434
	<u>29 305</u>	<u>29 305</u>

The VUB Group has identified three cash-generating units – Retail Banking, Corporate Banking and Central Treasury, which also represent operating segments used in 'Segment reporting' (note 6).

Goodwill allocated to Retail Banking in the amount of EUR 18 871 thousand arose in 2005 on the acquisition of Consumer Finance Holding, a.s. and was merged into the Bank in 2018.

Goodwill allocated to Corporate Banking related to the VUB Leasing, a.s. and includes both goodwill related to purchase of the majority (70%) shareholding in the amount of EUR 7 304 thousand in 2007 and goodwill arising from the purchase of the remaining 30% shareholding in the amount of EUR 3 130 thousand in 2010. This goodwill was merged into the Bank in 2022.

No impairment losses were created during 2025 and 2024.

17. Deferred income tax assets and liabilities

Deferred income taxes are calculated on all temporary differences using a tax rate of 24% (31 December 2024: 24%) as follows:

2025 € '000	1 January	Profit/(loss)	Equity	Exchange rate differences	31 December
Derivative financial instruments – CF Hedge	52	-	82	-	134
Financial assets at FVOCI	6 122	-	(6 629)	-	(507)
Financial assets at AC					
Due from banks	1 393	202	-	-	1 595
Due from customers	64 735	4 967	-	-	69 702
Property and equipment	(14 579)	(1 845)	-	-	(16 424)
Intangible assets	(13 070)	(3 646)	-	-	(16 716)
Other assets	7	1 784	-	-	1 791
Financial liabilities at AC					
Lease liabilities	5 052	232	-	-	5 284
Provisions	5 407	(790)	-	-	4 617
Other liabilities	17 596	(198)	-	-	17 398
Other	(4 309)	(120)	(1 066)	17	(5 478)
	<u>68 406</u>	<u>586</u>	<u>(7 613)</u>	<u>17</u>	<u>61 396</u>

2024 € '000	1 January	Profit/(loss)	Equity	Exchange rate differences	31 December
Derivative financial instruments – CF Hedge	7	-	45	-	52
Financial assets at FVOCI	5 138	-	984	-	6 122
Financial assets at AC					
Due from banks	1 072	321	-	-	1 393
Due from customers	63 173	1 562	-	-	64 735
Property and equipment	(12 206)	(1 718)	(655)	-	(14 579)
Intangible assets	(12 869)	(201)	-	-	(13 070)
Other assets	7	-	-	-	7
Financial liabilities at AC					
Lease liabilities	3 788	1 264	-	-	5 052
Provisions	3 224	2 183	-	-	5 407
Other liabilities	13 283	4 313	-	-	17 596
Other	(2 561)	(1 748)	-	-	(4 309)
	<u>62 056</u>	<u>5 976</u>	<u>374</u>	<u>-</u>	<u>68 406</u>

18. Other assets

€ '000	Note	2025	2024
Operating receivables and advances		27 400	34 991
Prepayments and accrued income		19 802	19 354
Leashold improvement		7 568	-
Settlement of operations with financial instruments		1 453	623
Other tax receivables		1 148	6 156
Inventories		427	521
Receivables from termination of leasing		208	324
Other		335	195
Impairment losses	21	(4 069)	(3 923)
		<u>54 272</u>	<u>58 241</u>

19. Provisions

€ '000	Note	2025	2024
Loan commitments and financial guarantees	21	19 997	23 169
Litigation	23.2	6 885	6 940
Restructuring provision		400	-
Other provisions		200	200
		<u>27 482</u>	<u>30 309</u>

2025 € '000	Note	1 January	Net creation/ (release)	Use	Exchange difference	31 December
Litigation	23.2	6 940	(53)	(2)	-	6 885
Restructuring provision	29	-	400	-	-	400
Other provisions		200	-	-	-	200
		<u>7 140</u>	<u>347</u>	<u>(2)</u>	<u>-</u>	<u>7 485</u>

2024 € '000	Note	1 January	Net creation/ (release)	Use	Exchange difference	31 December
Litigation	23.2	6 872	85	(18)	1	6 940
Restructuring provision	29	-	-	-	-	-
Other provisions		200	-	-	-	200
		<u>7 072</u>	<u>85</u>	<u>(18)</u>	<u>1</u>	<u>7 140</u>

20. Other liabilities

€ '000	2025	2024
Various creditors	53 298	63 456
NCI options schemes	42 569	40 408
Settlement with employees	38 137	36 701
VAT payable and other tax payables	6 491	5 759
Severance and Jubilee benefits	4 862	4 413
Accruals and deferred income	4 039	7 377
Settlement of operations with financial instruments	2 492	2 490
Investment certificates	455	466
Share remuneration scheme	533	580
Other	14 018	15 459
	<u>166 894</u>	<u>177 109</u>

At 31 December 2025 and 31 December 2024 there were no overdue balances in 'Other liabilities'.

The movements in social fund liability presented within 'Settlement with employees' were as follows:

2025 € '000	1 January	Creation (note 29)	Use	31 December
Social fund	827	2 747	(2 739)	835

2024 € '000	1 January	Creation (note 29)	Use	31 December
Social fund	797	3 219	(3 189)	827

21. Movements in impairment losses and provisions for loan commitments and financial guarantees

2025 € '000	Note	1 January	Net creation/ release	Assets Written off/ sold	Exchange difference	Other	31 December
Financial assets at FVOCI		212	106	(48)	-	-	270
Financial assets at AC	11						
Due from banks		5 869	839	-	3	-	6 711
Due from customers		340 245	65 630	(44 893)	(1 263)	-	359 719
Impairment losses according to IFRS 9		346 326	66 575	(44 941)	(1 260)	-	366 700
Loan commitments and financial guarantees	19	23 169	(4 641)	-	1 469	-	19 997
Impairment losses and provisions according to IFRS 9		369 495	61 934	(44 941)	209	-	386 697
Property and equipment and non- current assets classified as held for sale	14	5 453	(5 282)	(15)	-	-	156
Other assets	18	-	-	-	-	-	-
Total impairment losses and provisions for loan commitments and financial guarantees		374 948	56 652	(44 956)	209	-	386 853

2024 € '000	Note	1 January	Net creation/ release	Assets Written off/ sold	Exchange difference	Other	31 December
Financial assets at FVOCI		232	(20)	-	-	-	212
Financial assets at AC	11						
Due from banks		5 109	761	-	(1)	-	5 869
Due from customers		372 309	31 961	(62 145)	(1 880)	-	340 245
Impairment losses according to IFRS 9		377 650	32 702	(62 145)	(1 881)	-	346 326
Loan commitments and financial guarantees	19	16 888	4 883	-	1 398	-	23 169
Impairment losses and provisions according to IFRS 9		394 538	37 585	(62 145)	(483)	-	369 495
Property and equipment and non- current assets classified as held for sale	14	5 550	(97)	-	-	-	5 453
Other assets	18	4 142	(664)	(57)	502	-	3 923
Total impairment losses and provisions for loan commitments and financial guarantees		404 230	36 824	(62 202)	19	-	378 871

22. Equity

€ '000	2025	2024
Share capital – authorised, issued and fully paid		
80 additional ordinary shares of EUR 1 million, not traded	80 000	80 000
89 ordinary shares of EUR 3 319 391.89 each, not traded	295 426	295 426
4 078 108 ordinary shares of EUR 33.20 each, not traded	135 393	135 393
	<u>510 819</u>	<u>510 819</u>
Share premium	13 719	13 719
Reserves	127 428	107 308
Other capital funds	8 464	8 464
Retained earnings (excluding net profit for the year)	1 498 329	1 370 640
	<u>2 158 759</u>	<u>2 010 950</u>

The registered share capital of VUB, a.s. amounts to EUR 510 819 063.81 and was created by the contribution of the founder designated in the deed of foundation as of the day of its establishment.

In accordance with the law and statutes of the VUB Group, the VUB Group is obliged to contribute at least 10% of its annual net profit to the 'Legal reserve fund' until it reaches 20% of the share capital. Usage of the 'Legal reserve fund' is restricted by the law and the fund can be used for the coverage of the losses of the VUB Group.

€ '000	2025	2024
Net profit for the year attributable to shareholders	270 121	253 557

22.1. Regulatory capital management

The primary objectives of the VUB Group's capital management are to ensure that the VUB Group complies with externally imposed capital requirements and that the VUB Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The VUB Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the VUB Group may adjust the amount of dividend payment to shareholders, return capital to shareholders, issue capital securities or other capital instruments, classified as Additional Tier 1, or Tier 2. No changes have been made in the objectives, policies and processes since the previous year.

The VUB Group's regulatory capital position was determined based on the rules for capital adequacy calculation set by the CRR Regulation:

€ '000	2025	2024
Tier 1 capital		
Share capital	510 819	510 819
Share premium	13 719	13 719
Retained earnings*	1 498 329	1 370 640
Profit or loss eligible	82 118	127 594
Legal reserve fund	102 454	102 454
Other capital funds	8 464	8 464
Accumulated other comprehensive income	24 974	4 854
(-) Value adjustments due to the requirements for prudent valuation	(143)	(264)
Less goodwill and intangible assets	(158 905)	(164 491)
(-) Insufficient coverage for non-performing exposures	(4 597)	(2 454)
	<u>2 077 232</u>	<u>1 971 335</u>
Tier 2 capital		
IRB excess of provisions over expected losses eligible	44 507	42 850
Subordinated debt	139 094	179 305
	<u>183 600</u>	<u>222 155</u>
Total regulatory capital	<u>2 260 832</u>	<u>2 193 490</u>

* Excluding net profit for the period, profit in approval and other capital funds:

€ '000	2025	2024
Retained earnings	1 768 450	1 624 197
Net profit for the year	(270 121)	(253 557)
	<u>1 498 329</u>	<u>1 370 640</u>

€ '000	2025		2024	
		Required		Required
Tier 1 capital	2 077 232	825 114	1 971 335	893 211
Tier 2 capital	183 600	183 600	222 154	222 154
Total regulatory capital	2 260 832	825 114	2 193 489	893 211
Total Risk Weighted Assets	10 313 923	10 313 923	11 165 139	11 165 139
CET 1 capital ratio	20.14%	12.09%	17.66%	12.09%
Total capital ratio	21.92%	16.25%	19.65%	16.25%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings, accumulated other comprehensive income, foreign currency translation and reserves. The deducted amounts in Tier 1 capital are: goodwill, intangible assets, prudential filters, insufficient coverage for non-performing exposures and IRB shortfall, if negative. The other component of regulatory capital is Tier 2 capital, which includes subordinated long-term debt and IRB excess of provisions over expected losses.

Own Funds, risk-weighted assets and the capital ratios as of 31 December 2025 were calculated in accordance with the harmonised rules and regulations for banks and investment companies contained in Directive (EU) 2019/878 ('CRD V') and in the CRR Regulation of 31 May 2024 (EU) 2024/1623, which transpose the banking supervision standards defined by the Basel Committee (the Basel 3 Framework) to European Union laws.

Following the Supervisory Review and Evaluation Process ('SREP'), the ECB annually makes a final decision on the capital requirement that the Bank must comply with on sub-consolidated and individual level. Starting from 1 January 2025, the overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 11.09%. This is the result:

- The SREP requirement comprising a minimum Pillar 1 capital requirement of 4.5% and an additional Pillar 2 capital requirement of 0,84%, made up entirely of Common Equity Tier 1;
- Additional requirements, made up entirely of Common Equity Tier 1, relating to a Capital Conservation Buffer of 2.5%, an Other Systemically Important Institutions Buffer ('O-SII Buffer') of 1.75% and a Countercyclical buffer ('CCyB Buffer') of 1.5%.

CRD V establishes the obligation for the designated national authorities to activate an operational framework for the definition of the ratio of the countercyclical capital buffer ('CCyB'). The ratio is subject to review on a quarterly basis. Based on the analysis of the reference indicators, the National Bank of Slovakia decided to set the countercyclical buffer (relating to the exposures towards Slovak counterparties).

Countercyclical buffer, which has been increased after COVID-19 pandemic period back to 1.5%, valid from 1 August 2023 back, remains effective. P2R composition based on CRD V rules is set to 75% Tier 1, out of which 75% should represent CET 1 (56.25% of P2R). These changes represent from 1 August 2023 capital requirement (without Pillar 2 Capital Guidance) for CET 1 of 11.09% and capital requirement for Tier 1 of 12.88%.

The Overall Capital Requirement was at VUB Group level, as of 31 December 2025 set at 16.25% and consists of:

- Capital requirement for Pillar 1 (8%),
- Capital requirement for Pillar 2 (P2R 1.5% and Pillar 2 Capital Guidance 1%),
- Capital requirement for a combined buffer (5.75%), consisting of Capital Conservation Buffer of 2.5%, Other Systemically Important Institutions Buffer of 1.75% and a Countercyclical Buffer 1.5%.

ECB set the P2G to 1% since 1.1.2024, with no change in 2025, and therefore the Overall Capital Requirement in force is 16,25% (13.88% for Tier 1 capital ratio and 12.09% for CET1 capital ratio, including the Pillar 2 Guidance).

Since November 2014, the VUB Group has been under the supervision of the European Central Bank.

Internally, within its Risk Appetite framework, the VUB Group has set internal limits for both OCR and CET1, managing the regulatory capital requirements additionally with an internal management buffer.

The prudential treatment of software assets

The VUB Group has adopted prudential approach to software assets based on the Final Report 'Draft Regulatory Technical Standards on the prudential approach to software assets under Article 36 of Regulation (EU) 575/2013 (CRR)', EBA/RTS/2020/07, regarding updated version of the Capital Requirements Regulation 2019/876 and Directive 2019/878 (CRR II/CRD V) published in June 2019 concerning the modified version of article 36(1)b (CRR II) with regard to own funds requirements for institutions. The VUB Group has adopted the prudential amortization approach to software assets for the calculation of CET1 at individual and consolidated level starting from December 2020 based on EBA/RTS/2020/07 methodology, which is in line with ISP Group Approach. The prudential amortization allows the banks not to deduct from CET1 software assets that are prudentially valued (i.e. when the value of software assets is not negatively affected by status of resolution, insolvency or liquidation). The residual portion of the carrying amount of software is risk-weighted (100%), in accordance with the current CRR provisions. This approach has also been established by Commission delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items.

22.1.1. Implementation of Basel IV

Basel IV implementation relevant for VUB is executed via update of EU Capital Requirements Regulation ('CRR 3'). The key changes in CRR 3 include:

- Credit Risk: Introduction of a new standardized approach for credit risk (SA-CR), which includes changes to the treatment of almost all exposures classes, with biggest changes probably for the exposures secured by immovable property. Also, IRB approach includes some changes (notably decrease in the senior debt LGD).
- Market Risk: A revised market risk framework to better capture the risks associated with trading activities.
- Operational Risk: Implementation of a new standardized approach for operational risk, known as the Business Indicator Component (BIC) approach, and removal of all internal models.
- Credit Valuation Adjustment (CVA) Risk: Redefinition of the CVA risk charge to better reflect the risk of counterparty credit risk.
- Output Floor: Introduction of an output floor to ensure that banks' risk-weighted assets (RWAs) calculated using internal models do not fall below a certain percentage of RWAs calculated using standardized approaches.
- Environmental, Social, and Governance (ESG) Risks: Integration of ESG risks into the regulatory framework, requiring banks to manage and disclose their ESG risks.
- Disclosures: Enhanced disclosure requirements to improve transparency and market discipline.

CRR 3 was published in the Official Journal of the European Union on 19 June 2024, and entered into force 20 days later. The majority of the CRR 3 rules became applicable from 1 January 2025. However, Market Risk framework changes are postponed by two years by the Commission Delegated Regulation 2025/1496, to be applicable from 1 January 2027.

23. Off-balance sheet items

23.1. Issued guarantees and commitments and undrawn credit facilities

€ '000	2025	2024
Issued guarantees	1 184 736	1 152 905
Commitments and undrawn credit facilities	4 640 565	4 529 747
<i>of which revocable</i>	<u>1 399 123</u>	<u>1 441 389</u>
	<u>5 825 301</u>	<u>5 682 652</u>

Issued guarantees represent irrevocable assurances that the VUB Group will make payments in the event that a borrower cannot meet its obligations to third parties. These assurances carry the same credit risk as loans and therefore the VUB Group recognises provisions for these instruments (note 19).

The primary purpose of commitments to extend credit is to ensure that funds are available to the customer as required. Commitments and undrawn credit facilities represent undrawn portions of commitments, credit facilities and approved overdraft loans.

23.2. Legal proceedings

In the normal course of business, the VUB Group is subject to a variety of legal actions. The VUB Group conducted a review of legal proceedings outstanding against it as of 31 December 2025. Pursuant to this review, management has recorded total provisions of EUR 6 885 thousand (31 December 2024: EUR 6 940 thousand) in respect of such legal proceedings (note 19). The VUB Group will continue to defend its position in respect of each of these legal proceedings.

In addition to the legal proceedings covered by provisions, there are contingent liabilities arising from legal proceedings in the total amount of EUR 26 800 thousand, as at 31 December 2025 (31 December 2024: EUR 29 717 thousand). This amount represents existing legal proceedings against the VUB Group that will most probably not result in any payments due by the VUB Group.

23.3. Operating leasing

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

€ '000	2025	2024
Up to one year	265	977
One to two years	158	213
Two to three years	4	32
	<u>427</u>	<u>1 222</u>

23.4. Tax Legislation

Given that several areas of Slovak tax legislation permit more than one interpretation, there is a possibility that the tax authorities may take a different view on certain transactions carried out within the VUB Group and determine a tax treatment that differs from the approach applied by the Group.

The tax authorities have not audited the tax periods 2020 to 2024; therefore, there is a risk that additional tax liabilities may be assessed.

The management of the VUB Group is not aware of any facts or circumstances that would give rise to significant future costs. Tax periods that have not yet been subject to a tax audit may be reviewed retrospectively, up to and including the year 2020.

24. Net interest income

€ '000	2025	2024
Interest and similar income		
Financial assets at FVTPL	4 388	3 335
Financial assets at FVOCI	37 234	31 451
Financial assets at AC		
Due from banks	55 554	116 874
Due from customers	840 940	782 325
Derivatives – Hedge accounting	1 160	81 755
	<u>939 276</u>	<u>1 015 740</u>
Interest and similar expense		
Financial liabilities at AC		
Due to banks	(41 102)	(44 986)
Due to customers and Subordinated debt	(191 301)	(257 296)
Lease liabilities	(417)	(286)
Debt securities in issue	(85 650)	(74 874)
Derivatives – Hedge accounting	(32 070)	(64 368)
Interest expense on assets	(25)	(43)
	<u>(350 565)</u>	<u>(441 853)</u>
Total net interest income	<u><u>588 711</u></u>	<u><u>573 887</u></u>

€ '000	2025	2024
Interest and similar income		
Total interest income calculated using the effective interest method	927 622	1 011 972
Other interest income – interest income on finance leases	7 266	433
Other interest income – interest income on financial assets at FVTPL	4 388	3 335
	<u>939 276</u>	<u>1 015 740</u>

€ '000	2025	2024
Net interest and similar income		
Financial assets at FVOCI	37 234	31 451
Financial assets at AC	<u>889 203</u>	<u>898 723</u>
	926 437	930 174
Financial liabilities at AC	<u>(318 053)</u>	<u>(377 156)</u>

Interest income on impaired loans and advances to customers for 2025 amounted to EUR 20 159 thousand (2024: EUR 16 990 thousand).

25. Net fee and commission income

2025 € '000	Retail Banking	Corporate Banking	Central Treasury	Other	Total
Fee and commission income					
Indirect deposits	39 109	36	-	14 337	53 482
Current accounts	47 985	3 420	-	11	51 416
Cards	42 480	1 167	-	53	43 700
Insurance	25 843	649	-	1	26 493
Payments and cash management	13 692	12 266	-	1	25 959
Loans	13 393	9 282	-	38	22 713
Trade finance	25	7 035	1 775	17	8 852
Structured finance	-	5 601	-	-	5 601
Factoring	49	2 190	-	-	2 239
Other	520	6 257	1 978	-	8 755
	183 096	47 903	3 753	14 458	249 210
Fee and commission expense					
Cards	(18 352)	(35)	-	-	(18 387)
Payments and cash management	(2 567)	(9 188)	-	-	(11 755)
Current accounts	-	-	(585)	(604)	(1 189)
Insurance	(661)	-	-	-	(661)
Factoring	(6)	(576)	-	-	(582)
Trade finance	-	-	-	(193)	(193)
Loans	(51)	-	-	(49)	(100)
Structured finance	-	-	-	-	-
Other	(77)	114	(1 902)	(4 206)	(6 071)
	(21 714)	(9 685)	(2 487)	(5 052)	(38 938)
Net fee and commission income under IFRS 15					
	161 382	38 218	1 266	9 406	210 272
Income from guarantees under IFRS 9	-	6 913	-	-	6 913
Total net fee and commission income	161 382	45 131	1 266	9 406	217 185

2024 € '000	Retail Banking	Corporate Banking	Central Treasury	Other	Total
Fee and commission income					
Indirect deposits	33 902	32	-	-	33 934
Current accounts	43 777	3 361	-	11	47 149
Cards	42 357	1 012	-	40	43 409
Insurance	18 737	547	-	13 218	32 502
Payments and cash management	16 066	13 123	-	1	29 190
Loans	7 260	9 324	-	(16)	16 568
Trade finance	20	7 081	1 578	-	8 679
Structured finance	-	1 934	-	-	1 934
Factoring	-	2 018	-	-	2 018
Other	499	6 078	1 262	-	7 839
	162 618	44 510	2 840	13 254	223 222
Fee and commission expense					
Cards	(20 714)	(106)	-	-	(20 820)
Payments and cash management	(2 684)	(9 113)	-	-	(11 797)
Current accounts	-	-	(600)	(670)	(1 270)
Insurance	(570)	-	-	(1 011)	(1 581)
Factoring	-	(475)	-	-	(475)
Trade finance	-	(168)	-	-	(168)
Loans	(74)	(19)	-	-	(93)
Structured finance	-	(19)	-	-	(19)
Other	(1 056)	(914)	(1 274)	(1 231)	(4 475)
	(25 098)	(10 814)	(1 874)	(2 912)	(40 698)
Net fee and commission income under IFRS 15					
	137 520	33 696	966	10 342	182 524
Income from guarantees under IFRS 9	-	6 870	-	-	6 870
Total net fee and commission income	137 520	40 566	966	10 342	189 394

26. Net trading result

€ '000	2025	2024
Cross currency swaps	29 935	(13 750)
Customer foreign exchange margins	10 154	10 238
Interest rate derivatives	1 535	1 704
Financial assets held for trading – debt securities	1 044	1 720
Non-trading financial assets measured at FVTPL	392	780
Net result from hedging transactions	281	(416)
Dividends from equity shares held in FVTPL	43	69
Dividends from equity shares measured at FVOCI	32	19
Other derivatives	24	1
Equity derivatives	(1)	-
Financial assets measured at FVOCI	(4 606)	(364)
Foreign currency derivatives and transactions	(19 291)	16 930
	<u>19 542</u>	<u>16 931</u>

27. Other operating income

€ '000	2025	2024
Income from operating leasing	1 372	2 242
Net profit from sale of fixed assets	492	926
Financial revenues	396	226
Services	1	7
Other	1 291	1 729
	<u>3 552</u>	<u>5 130</u>

28. Other operating expenses

€ '000	2025	2024
Costs of product support – credit cards	(3 377)	(2 607)
Contribution to the Deposit Protection Fund	(1 725)	(1 614)
Depreciation of leasehold improvements	(1 172)	-
Court fees and expenses and out-of-court settlements	(488)	(496)
Net release of impairment losses to other assets	(310)	-
Other damages	(162)	(623)
Other	(16 482)	(16 278)
	<u>(23 716)</u>	<u>(21 618)</u>

29. Salaries and employee benefits

€ '000	Note	2025	2024
Remuneration		(113 711)	(114 539)
Social security costs		(46 929)	(44 289)
Social fund		(2 747)	(3 219)
Severance and Jubilee benefits		(449)	-
Termination benefit	19	(400)	-
		<u>(164 236)</u>	<u>(162 047)</u>

The VUB Group does not maintain any pension arrangements separate from the pension system established by law that would require mandatory contributions of a certain percentage of gross salaries to the state-owned social insurance and privately owned pension funds. These contributions are recognized in the period when salaries are earned by employees. No further liabilities are arising to the VUB Group from the payment of pensions to employees in the future.

30. Other administrative expenses

€ '000	2025	2024
Third parties' services	(25 345)	(24 849)
Information technologies systems maintenance	(17 878)	(17 118)
Advertising and sponsorship	(6 733)	(6 764)
Archives and documents	(5 010)	(4 888)
Maintenance and repairs	(4 813)	(4 889)
Transport	(4 746)	(4 207)
Rental of buildings and related expenses	(3 962)	(4 086)
Indirect personnel costs and compensation	(3 281)	(3 966)
Energy costs	(3 005)	(3 471)
Electronic data processing system leasing	(2 988)	(2 713)
Value added tax and other taxes	(2 752)	(627)
Telephone and telecommunication costs	(2 543)	(2 395)
Forms and office supplies	(2 440)	(2 504)
Cleaning of premises	(1 481)	(1 435)
Consultations and other fees*	(1 182)	(851)
Security	(1 095)	(1 226)
Cost of legal services	(1 094)	(575)
Other rentals	(1 019)	(1 126)
Postage costs	(892)	(504)
Insurance	(760)	(914)
Information and research	(222)	(234)
Other expenses	(5 137)	(4 786)
Reinvoicing	2 114	1 699
	<u>(96 264)</u>	<u>(92 429)</u>

* 'Consulting and other fees' include remuneration for the statutory audit and financial statements of EUR 566 thousand (2024: EUR 394 thousand). The price also includes the fee for the audit of the annual group reporting, ancillary fees, the audit of the consolidated financial statements as well as the audit of the VUB Prague branch, VUB Operating Leasing and VUB Generali. Additionally, the remuneration for the audit in sustainability reporting to EUR 118 thousand (2024: EUR 160 thousand), including ancillary fees. Other audit-related services and non-audit services performed by the statutory auditor related to limited accounting review of interim statutory financial statements and report packages, audit of prudential and business regulatory statements as required by Slovak legislation of the extended auditor's report for the National Bank of Slovakia, the recommended list in connection with the verification of profit at the end of 2024 for the ECB, the recommended list in connection with the issues of covered bonds and were amounted to EUR 174 thousand. (2024: EUR 261 thousand). All amounts shown here are without VAT.

31. Income tax expense and special levy

€ '000	Note	2025	2024
Current income tax		(96 973)	(82 100)
Special levy on business in regulated sectors		(69 884)	(96 817)
Deferred income tax	17	586	5 976
		<u>(166 271)</u>	<u>(172 941)</u>

The effective tax rate differs from the statutory tax rate in 2025 and in 2024. The reconciliation of the VUB Group's profit before tax with the actual corporate income tax is as follows:

€ '000	2025	2024
Profit before tax	436 392	426 498
Theoretical tax calculated at the tax rate 24%	(103 644)	(89 565)
Tax impact		
Non-taxable income	(128)	3 406
Impact of the special 16% CIT rate on government bond income	6 120	-
Tax non-deductible expenses	(4 550)	(2 907)
Impairment allowances and provisions, net	1 356	8 278
Additional tax of prior years	1 292	(815)
Creation of allowances for uncertain realization of deferred tax receivables	3 167	5 479
Income tax expense	(166 271)	(172 941)
<i>of which Special levy on business in regulated sectors</i>	<u>(69 884)</u>	<u>(96 817)</u>
Effective tax for the year	38.10%	40.55%
without Special levy on business in regulated sectors	<u>26.30%</u>	<u>23.09%</u>

32. Related parties

Related parties are those counterparties that represent:

- Key management personnel ('KMP'), i.e., members of the Management Board of VUB, who have the authority and responsibility for planning, directing, and controlling the activities of the VUB Group, including close family members;
- Joint ventures that are under the joint control of the VUB Group, i.e., Monilogi;
- Associates in which the VUB Group has significant influence, and which are neither subsidiaries nor joint ventures, i.e., SBCB;
- ISP, i.e., the parent company of VUB, which holds a 100% share in the equity of VUB;
- ISP Group companies, i.e., companies that are controlled by ISP directly or indirectly, ISP has significant or substantial influence over them, or they are under joint control (excluding entities under the control or significant influence of the VUB Group, which are reported separately).

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The stated transactions have been made under arms-length commercial and banking conditions.

In 2025, the remuneration and other benefits provided to members of the Management Board were EUR 2 881 thousand (2024: EUR 2 864 thousand) and to members of the Supervisory Board EUR 82 thousand (2024: EUR 83 thousand).

As at 31 December 2025, the outstanding balances with related parties comprised:

2025 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Assets					
Cash and cash equivalents	-	-	24 569	673	25 242
Financial assets at FVTPL					
Financial assets held for trading	-	-	42 409	27	42 436
Non-trading financial assets at FVTPL	-	-	533	-	533
Derivatives – Hedge accounting	-	-	70 358	-	70 358
Financial assets at FVOCI	-	-	15 835	-	15 835
Financial assets at AC					
Due from banks	-	-	170 331	-	170 331
Due from customers	1 588	-	-	86 673	88 261
Other assets	-	-	49	5 119	5 168
	<u>1 588</u>	<u>-</u>	<u>324 084</u>	<u>92 492</u>	<u>418 164</u>
Liabilities					
Financial liabilities at FVTPL					
Financial liabilities held for trading	-	-	43 869	-	43 869
Derivatives – Hedge accounting	-	-	75 619	-	75 619
Financial liabilities at AC					
Due to banks	-	-	982 091	1 845	983 936
Due to customers	987	91	-	3 626	4 704
Subordinated debt	-	-	100 090	200 296	300 386
Provisions	-	-	7	-	7
Other liabilities	533	-	2 959	924	4 416
	<u>1 520</u>	<u>91</u>	<u>1 204 635</u>	<u>206 691</u>	<u>1 412 937</u>

As at 31 December 2024, the outstanding balances with related parties comprised:

2024 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Assets					
Cash and cash equivalents	-	-	23 431	534	23 965
Financial assets at FVTPL					
Financial assets held for trading	-	-	47 651	-	47 651
Non-trading financial assets at FVTPL	-	-	580	-	580
Derivatives – Hedge accounting	-	-	75 566	-	75 566
Financial assets at FVOCI	-	-	72	-	72
Financial assets at AC					
Due from banks	-	-	188 045	-	188 045
Due from customers	2 322	-	-	86 670	88 992
Other assets	-	-	97	7 316	7 413
	<u>2 322</u>	<u>-</u>	<u>335 442</u>	<u>94 520</u>	<u>432 284</u>
Liabilities					
Financial liabilities at FVTPL					
Financial liabilities held for trading	-	-	59 452	8	59 460
Derivatives – Hedge accounting	-	-	148 296	-	148 296
Financial liabilities at AC					
Due to banks	-	-	698 492	1 710	700 202
Due to customers	1 164	90	-	6 354	7 608
Subordinated debt	-	-	100 095	200 306	300 401
Provisions	-	-	5	-	5
Other liabilities	580	-	2 871	60	3 511
	<u>1 744</u>	<u>90</u>	<u>1 009 211</u>	<u>208 438</u>	<u>1 219 483</u>

As at 31 December 2025, the outstanding off-balance sheet balances with related parties comprised:

2025 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Commitments and undrawn credit facilities	242	-	185 422	8	185 672
Issued guarantees	-	-	20 537	1 315	21 852
Received guarantees	-	-	1 600	1 000	2 600
Derivative transactions (notional amount – receivable)	-	-	11 142 968	10 549	11 153 517
Derivative transactions (notional amount – payable)	-	-	11 142 222	10 514	11 152 736

As at 31 December 2024, the outstanding off-balance sheet balances with related parties comprised:

2024 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Commitments and undrawn credit facilities	47	-	178 089	8	178 144
Issued guarantees	-	-	25 505	5 937	31 442
Received guarantees	-	-	1 600	1 000	2 600
Derivative transactions (notional amount – receivable)	-	-	10 976 570	17 370	10 993 940
Derivative transactions (notional amount – payable)	-	-	10 976 409	17 375	10 993 784

For the year ended 31 December 2025, the outstanding balances with related parties comprised:

2025 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Income and expense					
Interest and similar income	43	-	4 885	3 080	8 008
Interest and similar expense	(18)	-	(37 818)	(11 268)	(49 104)
Fee and commission income	1	2	636	33 001	33 640
Fee and commission expense	-	-	(140)	(9)	(149)
Net trading result	-	-	41 538	1 217	42 755
Other operating income	-	-	650	126	776
Other operating expenses	-	-	(60)	-	(60)
Other administrative expenses	-	-	(6 837)	(13 417)	(20 254)
Impairment losses	-	-	(5)	-	(5)
	<u>26</u>	<u>2</u>	<u>2 849</u>	<u>12 730</u>	<u>15 607</u>

For the year ended 31 December 2024, the outstanding balances with related parties comprised:

2024 € '000	KMP	Associates	Intesa Sanpaolo	ISP Group companies	Total
Income and expense					
Interest and similar income	60	-	5 591	2 456	8 107
Interest and similar expense	(31)	-	(38 361)	(13 300)	(51 692)
Fee and commission income	1	2	119	30 315	30 437
Fee and commission expense	-	-	(134)	(6)	(140)
Net trading result	-	-	(38 816)	(521)	(39 337)
Other operating income	-	-	769	125	894
Other operating expenses	-	-	-	-	-
Other administrative expenses	-	-	(6 730)	(12 992)	(19 722)
Impairment losses	-	-	1	-	1
	<u>30</u>	<u>2</u>	<u>(77 561)</u>	<u>6 077</u>	<u>(71 452)</u>

33. Events after the end of the reporting period

From 31 December 2025, up to the date when these financial statements were authorized for issue, there were no further events identified that would require adjustments to or disclosure in these financial statements.

These financial statements were authorized for issue by the Management Board on 30 March 2026. These financial statements will be published and available at the registered office of the Bank.



Jozef Kausich
Chairman of the Management Board



Darina Kmeťová
Member of the Management Board

Separate financial statements

Separate financial statements prepared in accordance with International Financial Reporting Standards ('IFRS®') as adopted by the European Union ('EU') and Independent Auditors' Report for the year ended 31 December 2025

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Independent Auditor's Report

To the Shareholder, Supervisory Board, Board of Directors and to the Audit Committee of Všeobecná úverová banka, a.s.:

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Všeobecná úverová banka, a.s. ("the Bank"), which comprise the separate statement of financial position as at 31 December 2025, separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the Slovak Chamber of Auditors ("Code of Ethics for Auditors") within the scope applicable to audits of financial statements of public interest entities, including the ethical requirements of the Regulation of the European Parliament and of the Council (EU) No 537/2014 from 16 April 2014 on specific requirements, as applicable to audits of the financial statements of public interest entities ("Regulation No 537/2014") and Act No. 423/2015 on Statutory Audit and on the amendments and supplements to the Act on Accounting No. 431/2002, as amended ("Act on Statutory Audit"), that are relevant to audits of the financial statements of public interest entities in the Slovak Republic. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Auditors, the ethical requirements of the Regulation No 537/2014 and the Act on Statutory Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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



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Impairment allowances for loans and advances to customers

Due from customers valued at amortized cost less impairment as at 31 December 2025 amount to EUR 21 828 029 thousand and represent a significant portion of the Bank's total assets. As disclosed in Note 11.2 (Due from customers) to the separate financial statements, it included the gross book value of due from customers valued at amortized cost of EUR 22 187 409 thousand and impairment allowance of EUR 359 380 thousand.

Determining the amount and the moment of recognizing impairment allowances for expected credit losses requires significant judgments and complex estimates of the management disclosed in Note 4.1.2 (Impairment losses) to the separate financial statements. For performing exposures and non-performing exposures below EUR 500 thousand individually, it comprises assumptions built into statistical credit loss models, such as assessment of significant increase in credit risk, definition of default, incorporation of forward-looking information, calculation of the loss given default parameter and the recovery rates. For exposures above EUR 500 thousand individually, the Bank performs an individual assessment based on the detailed review and analysis of the borrower's situation and for non-performing exposures, the judgments include identification of loss events other than overdue payments and estimation of timing and amount of expected cash flows from repayments and realization of collaterals.

The individual basis for calculating expected credit losses ("ECL"), based on probability-weighted scenarios, is then used for individually assessed exposures in Stage 3. Portfolio ECL calculation is used for all other instances.

Due to the significance of loans and advances in relation to the total assets and significance of the management's judgments and estimates and their complexity regarding the expected credit losses described above, we evaluated impairment allowances for loans and advances as a key audit matter.

As part of our audit procedures, we documented our understanding of the Bank's credit risk management policies. We obtained an understanding, evaluated the design and tested the operating effectiveness of the internal controls over the approval, recording and monitoring of the loans, identification of loss events and impairment triggers and the process of calculating impairment allowances for due from customers.

We reconciled a register of due from customers with accounting records to assess completeness of the recognition of due from customers, which creates the basis for the calculation of impairment allowances for expected credit losses.

We involved credit risk specialists to assist us with assessment of the impairment allowances methodology, methods, results of the Bank's tests of credit risk parameters (so called "back-testing"), credit rating models and credit risk parameter models, their assumptions and implementation in the system in accordance with the IFRS 9 requirements.

We evaluated post-model adjustments for expected credit losses (so called "overlays") that were recorded to address the back-testing results and management's expectations of additional credit losses in the retail and corporate segment in the light of economic volatility.

On a selected sample, we analyzed loan exposures assessed individually by the Bank. For selected performing exposures, we analyzed the economic and financial situation of borrowers and fulfillment of the terms of loan agreements to evaluate appropriateness of the classification into risk categories, so-called "staging". In case of selected non-performing exposures, we assessed the reasonableness of the expected cash flows from repayments and recoverable amounts of collateral based on available financial and market data and we recalculated the individual impairment allowance.

We performed analytical procedures on disaggregated data on the quarterly development of the impairment allowance per portfolios, products and stages related to the development of the structure and characteristics of the credit portfolio including the impairment allowances, reflecting the quality of the loan portfolio in the light of the impairment allowances for expected credit losses for loans to customers aimed at identifying portfolios of loans to customers with understated impairment provisions.



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We involved specialists in the field of IT systems to assist us with the testing of effectiveness of the control mechanisms of IT systems, in which the Bank calculates the credit risk parameters and the impairment allowances for expected credit losses.

We also assessed the disclosures in Note 4.1.2 (Impairment losses) and Note 11.2 (Due from customers) regarding expected credit losses for due from customers included in the separate financial statements in terms of their completeness and compliance with IFRS accounting standards (International Financial Reporting Standards) as adopted by the European union.

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

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

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

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements including the presented information as well as whether the separate financial statements capture the underlying transactions and events in a manner that leads to their fair presentation.

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

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

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

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Consolidated Annual Report

Management is responsible for the information disclosed in the consolidated annual report, prepared based on requirements of the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting"). Our opinion on the separate financial statements expressed above does not apply to other information contained in the consolidated annual report.

In connection with audit of the separate financial statements it is our responsibility to understand the information disclosed in the consolidated annual report and to consider whether such information is not materially inconsistent with audited separate financial statements or our knowledge about the Bank and its situation obtained in the audit of the separate financial statements, or otherwise appears to be materially misstated.

We considered whether the Bank's consolidated annual report (except for the requirements related to sustainability reporting) contains information, disclosure of which is required by the Act on Accounting.



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Based on procedures performed during the audit of separate financial statements, in our opinion:

- Information disclosed in the consolidated annual report prepared for 2025 is consistent with the separate financial statements for the relevant year,
- The consolidated annual report (except for the requirements related to sustainability reporting) contains information based on the Act on Accounting.

Additionally, based on our understanding of the Bank and its situation, obtained in the audit of the separate financial statements, we are required to disclose whether material misstatements were identified in the consolidated annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

Independent assurance report on the compliance of the presentation of the Separate Financial Statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Bank to conduct a reasonable assurance engagement to verify the compliance of the presentation of the separate financial statements of the Bank for the year ended 31 December 2025 included in the Annual Financial Report ("the Presentation of the Separate Financial Statements") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation").

Description of subject matter and applicable criteria

The Presentation of the Separate Financial Statements has been applied by the management to comply with the requirements of the ESEF Regulation. The applicable requirements regarding the Presentation of the Separate Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding paragraph with respect to the Presentation of the Separate Financial Statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management is responsible for the Presentation of the Separate Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes:

- preparation of the separate financial statements in XHTML format; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Separate Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Bank's financial reporting process, which also includes the preparation of the separate financial statements that also comply with the requirements of the ESEF Regulation.



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Auditor's responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits and Reviews of Historical Financial Information, ("the ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board ("the IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Auditor's quality control and independence requirements

We apply the provisions of International Standard on Quality Management (ISQM) 1 (issued by the IAASB) and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the separate financial statements, including the preparation of the XHTML format; and
- verification whether the XHTML format was properly applied.

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

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.



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Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of Auditor

We were appointed as the statutory auditor by statutory body of the Bank on 24 April 2025 based on our approval by the General Meeting of Shareholder of the Bank on 18 March 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 5 years.

Consistence with Additional Report to the Audit Committee

Our audit opinion expressed herein is consistent with the additional report to the audit committee of the Bank, which we issued on 23 February 2026.

Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remain independent from the Bank in conducting the audit.

In addition to statutory audit services and services disclosed in the consolidated annual report and in the separate financial statements, no other services were provided by us to the Bank and its controlled undertakings.

26 February 2026, except for the section of our report "Independent assurance report on the compliance of the presentation of the Separate Financial Statements with the requirements of the European Single Electronic Format ("ESEF")", for which the date of our report is 8 April 2026.

Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Dalimil Draganovský, statutory auditor
SKAU Licence No. 893

Separate statement of financial position as at 31 December 2025

€ '000	Note	2025	2024
Assets			
Cash and cash equivalents	7	2 144 599	2 272 661
Financial assets at fair value through profit or loss	8		
Financial assets held for trading		164 248	188 305
Non-trading financial assets at fair value through profit or loss		1 541	3 410
Derivatives – Hedge accounting	9	89 038	75 566
Financial assets at fair value through other comprehensive income	10	1 419 326	1 476 714
<i>of which pledged as collateral</i>		<i>53 807</i>	<i>548 012</i>
Financial assets at amortized cost	11		
Due from banks		213 075	312 438
Due from customers		21 828 029	20 458 105
<i>of which pledged as collateral</i>		<i>612 239</i>	<i>178 495</i>
Fair value changes of the hedged items in portfolio hedge of interest rate risk	12	1 262	775
Investments in subsidiaries, joint ventures and associates	13	26 980	28 314
Property and equipment	14	105 988	113 844
Intangible assets	15	100 352	105 077
Goodwill	16	29 305	29 305
Current income tax assets		5 894	-
Deferred income tax assets	17	78 860	83 024
Other assets	18	44 798	49 192
		<u>26 253 295</u>	<u>25 196 730</u>
Liabilities			
Financial liabilities at fair value through profit or loss	8		
Financial liabilities held for trading		54 233	78 343
Derivatives – Hedge accounting	9	100 343	173 282
Financial liabilities at amortized cost	11		
Due to banks		1 154 208	831 368
Due to customers		18 067 452	17 146 472
Lease liabilities		22 147	22 046
Subordinated debt		300 386	300 401
Debt securities in issue		4 007 222	4 203 983
Fair value changes of the hedged items in portfolio hedge of interest rate risk	12	(5 770)	(8 193)
Current income tax liabilities		-	43 773
Provisions	19	27 282	30 110
Other liabilities	20	123 635	135 874
		<u>23 851 138</u>	<u>22 957 459</u>
Equity			
Share capital	22	510 819	510 819
Share premium		13 719	13 719
Legal reserve fund		102 164	102 164
Other capital funds		8 464	8 464
Retained earnings		1 741 864	1 599 158
Equity reserves		25 127	4 947
		<u>2 402 157</u>	<u>2 239 271</u>
		<u>26 253 295</u>	<u>25 196 730</u>

The accompanying notes on pages 149 to 234 form an integral part of these financial statements.

Separate statement of profit or loss and other comprehensive income for the year ended 31 December 2025

€ '000	Note	2025	2024
Interest income calculated using the effective interest method		927 308	1 012 214
Other interest income		11 296	3 335
Interest and similar expense		(350 569)	(441 885)
Net interest income	24	<u>588 035</u>	<u>573 664</u>
Fee and commission income		241 646	216 686
Fee and commission expense		(37 778)	(39 688)
Net fee and commission income	25	<u>203 868</u>	<u>176 998</u>
Dividend income		-	3 318
Net trading result	26	24 747	17 631
Other operating income	27	1 847	2 134
Other operating expenses	28	(20 330)	(17 303)
Salaries and employee benefits	29	(162 362)	(160 072)
Other administrative expenses	30	(95 658)	(91 597)
Amortisation	15	(24 007)	(30 650)
Depreciation	14	(11 236)	(11 764)
Profit before provisions, impairment and tax		<u>504 904</u>	<u>462 359</u>
Net modification (loss)/gain		(19 944)	158
Provisions	19	55	(67)
Impairment losses and provisions for loan commitments and financial guarantees	21	(63 088)	(39 701)
Net gain arising from the derecognition of financial assets at amortised cost		7 248	53
Profit before tax		<u>429 175</u>	<u>422 802</u>
Income tax expense	31	(160 599)	(170 871)
NET PROFIT FOR THE YEAR		<u>268 576</u>	<u>251 931</u>

(Table continues on the next page)

Separate statement of profit or loss and other comprehensive income for the year ended 31 December 2025

(continued)

€ '000	Note	2025	2024
Other comprehensive income for the year, after tax			
<i>Items that shall not be reclassified to profit or loss in the future</i>			
Change in value of financial assets at fair value through other comprehensive income (equity instruments)			
Revaluation gain/(loss) arising during the year		313	(67)
Reclassification adjustment for profit on sale of FVOCI equities within equity		(95)	60
<i>Total items that shall not be reclassified to profit or loss in the future, before tax</i>		218	(7)
Income tax relating to components of other comprehensive income		(29)	(668)
<i>Total items that shall not be reclassified to profit or loss in the future, after tax</i>		189	(675)
<i>Items that may be reclassified to profit or loss in the future</i>			
Change in value of financial assets at fair value through other comprehensive income (debt instruments)			
Revaluation gain/(loss) arising during the year		21 253	(4 284)
Reclassification adjustment for profit on sale of FVOCI bonds included in the profit or loss		6 124	3 843
Exchange difference on translation of foreign operations		587	850
Change in value of cash flow hedges		(342)	(182)
<i>Total items that may be reclassified to profit or loss in the future, before tax</i>		27 622	227
Income tax relating to components of other comprehensive income		(7 535)	1 119
<i>Total items that may be reclassified to profit or loss in the future, after tax</i>		20 087	1 346
Total other comprehensive income for the year, after tax		<u>20 276</u>	<u>671</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>288 852</u>	<u>252 602</u>

In 2025, the presentation of other comprehensive income was revised. Items related to other comprehensive income that were presented in separate notes in the previous year have been clearly integrated directly into the statement 'Separate statement of profit or loss and other comprehensive income for the year ended 31 December 2025'. This change represents only a reclassification of information and does not affect the reported amounts of total comprehensive income or the comparability of the data.

The accompanying notes on pages 149 to 234 form an integral part of these financial statements.

Separate statement of changes in equity for the year ended 31 December 2025

€ '000	Share capital	Share premium	Other capital funds	Legal reserve fund	Retained earnings	Revaluation surplus of buildings and land	Financial assets at FVOCI	Cash flow hedges	Translation of foreign operation	Total
1 January 2025	510 819	13 719	8 464	102 164	1 599 158	16 595	(11 392)	(164)	(92)	2 239 271
Total comprehensive income for the year, after tax	-	-	-	-	268 576	-	19 949	(260)	587	288 852
Transfers	-	-	-	-	-	-	-	-	-	-
Losses on the sale of shares at FVOCI	-	-	-	-	95	-	(95)	-	-	-
Gain on disposal of property and equipment	-	-	-	-	1	(1)	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity										
Dividends to shareholders	-	-	-	-	(125 966)	-	-	-	-	(125 966)
Reversal of dividends distributed but not collected	-	-	-	-	-	-	-	-	-	-
31 December 2025	<u>510 819</u>	<u>13 719</u>	<u>8 464</u>	<u>102 164</u>	<u>1 741 864</u>	<u>16 594</u>	<u>8 462</u>	<u>(424)</u>	<u>495</u>	<u>2 402 157</u>

€ '000	Share capital	Share premium	Other capital funds	Legal reserve fund	Retained earnings	Revaluation surplus of buildings and land	Financial assets at FVOCI	Cash flow hedges	Translation of foreign operation	Total
At 1 January 2024	510 819	13 719	8 464	87 493	1 493 705	17 250	(12 065)	(27)	(942)	2 118 416
Total comprehensive income for the year, after tax	-	-	-	-	251 931	(655)	613	(137)	850	252 602
Transfers	-	-	-	14 671	(14 671)	-	-	-	-	-
Losses on the sale of shares at FVOCI	-	-	-	-	(60)	-	60	-	-	-
Gain on disposal of property and equipment	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	1	-	-	-	-	1
Transactions with owners, recorded directly in equity										
Dividends to shareholders	-	-	-	-	(132 097)	-	-	-	-	(132 097)
Reversal of dividends distributed but not collected	-	-	-	-	349	-	-	-	-	349
At 31 December 2024	<u>510 819</u>	<u>13 719</u>	<u>8 464</u>	<u>102 164</u>	<u>1 599 158</u>	<u>16 595</u>	<u>(11 392)</u>	<u>(164)</u>	<u>(92)</u>	<u>2 239 271</u>

The accompanying notes on pages 149 to 234 form an integral part of these financial statements.

Separate statement of cash flows for the year ended 31 December 2025

€ '000	Note	2025	2024
Cash flows from operating activities			
Profit before tax		429 175	422 802
Adjustments for			
Interest income	24	(938 604)	(1 015 549)
Interest expense	24	350 569	441 885
Dividend income		-	(3 318)
Gain from sale/revaluation of financial assets at fair value through other comprehensive income	26	(9 788)	(28 422)
Gain on sale of intangible assets and property and equipment	27	(125)	(872)
Loss from revaluation of financial liabilities at amortized cost	26	12 212	45 478
Amortisation	15	24 007	30 650
Depreciation	14	11 236	11 764
Impairment losses and similar charges	21	79 754	72 927
Exchange difference on translation of foreign operations		327	851
Interest received		937 569	1 011 980
Interest paid		(353 092)	(429 485)
Tax paid		(206 102)	(180 225)
Decrease/(increase) in financial assets at fair value through profit or loss		23 477	(127 649)
(Increase)/decrease in derivatives – hedge accounting (assets)		(13 472)	108 111
Financial assets at amortized cost			
Decrease/(increase) in due from banks		96 544	(82 284)
Increase in due from customers		(1 450 335)	(2 061 122)
Increase in fair value changes of the hedged items in portfolio hedge of interest rate risk (assets)		(487)	(58 180)
Decrease/(increase) in other assets		4 394	(17 413)
(Decrease)/increase in financial liabilities at fair value through profit or loss		(24 110)	36 893
Decrease in derivatives – hedge accounting (liabilities)		(72 939)	(72 378)
Financial liabilities measured at amortized cost			
Decrease in due to banks		(11 966)	(123 822)
Increase in due to customers		931 118	1 121 192
Increase in fair value changes of the hedged items in portfolio hedge of interest rate risk (liabilities)		2 423	3 725
Increase in provisions		1 814	1 466
(Decrease)/increase in other liabilities		(12 239)	15 028
Net cash used in operating activities		(188 640)	(875 967)
Cash flows from investing activities			
Purchase of financial assets at fair value through other comprehensive income		(686 647)	(450 563)
Disposal of financial assets at fair value through other comprehensive income		777 424	207 323
Repayments of financial assets at fair value through other comprehensive income		-	52 400
Purchase of intangible assets and property and equipment		(15 524)	(28 856)
Disposal of intangible assets and property and equipment		504	2 103
Dividends received		-	3 318
Investment in Monilogij, s.r.o.		-	(162)
Investments in VUB Generali DSS, a. s.		-	(4 100)
Net cash from/(used in) investing activities		75 757	(218 537)

(Table continues on the next page)

Separate statement of cash flows for the year ended 31 December 2025

(continued)

€ '000	Note	2025	2024
Cash flows from financing activities			
Proceeds from issue of debt securities		500 000	500 000
Repayments of debt securities in issue		(716 597)	(788 000)
Proceeds from loans received from other banks		595 000	100 000
Repayments of loans received from other banks		(260 200)	(107 304)
Repayments of lease liabilities		(7 416)	(7 957)
Dividends paid		(125 966)	(132 097)
<i>Net cash used in financing activities</i>		(15 179)	(435 358)
Net change in cash and cash equivalents		(128 062)	(1 529 862)
Cash and cash equivalents at the beginning of the year	7	2 272 661	3 802 523
Cash and cash equivalents at 31 December	7	2 144 599	2 272 661

The accompanying notes on pages 149 to 234 form an integral part of these financial statements.

1. Basis of preparation

1.1. Reporting entity - general information

Všeobecná úverová banka, a.s. ('the Bank' or 'VUB') provides retail and commercial banking services. The Bank is domiciled in the Slovak Republic with its registered office at Mlynské nivy 1, 829 90 Bratislava 25, with the identification number (IČO) 313 20 155 and the tax identification number (DIČ) 2020411811.

The Bank is part of the Intesa Sanpaolo Group ('ISP Group'), which is one of the leading banking groups in Europe (103.1 billion euros market capitalization), with a significant ESG commitment, including on climate, and a world-class position in social Impact. The ISP Group is a leader in Italy in all business areas (retail, corporate, wealth management) and has a strategic international presence, including subsidiaries operating in commercial banking in 12 countries in Central and Eastern Europe and in the Middle East and North Africa regions, and an international network of specialists supporting corporate customers in 24 countries, particularly in the Middle East and North Africa and in those areas where Italian companies are most active.

The Bank's ultimate parent company is Intesa Sanpaolo S.p.A. ('ISP' or 'the Parent Company'), which is a joint-stock company and which is incorporated and domiciled in Italy. The consolidated financial statements of the company are available at the address of its registered office at Piazza San Carlo 156, 10121 Torino, Italy.

At 31 December 2025, the Bank had a network of 163 points of sale (including Retail Branches, Corporate Branches and Mortgage centres) located throughout Slovakia (31 December 2024: 165). The Bank also has one branch in the Czech Republic (31 December 2024: 1).

At 31 December 2025, the members of the Management Board are Jozef Kausich (Chairman), Gabriele Pace, Andrej Viceník, Martin Techman, Darina Kmeťová and Branislav Kováčik.

At 31 December 2025, the members of the Supervisory Board are Massimo Enrico Proverbio (Chairman), Elena Kohútiková (Vice Chairwoman), Marco Fabris, Laura Asperti, Raymond Edmond Schadeck, Draginja Duric, Peter Gutten, Dana Kondrátová and Andrea Fumačová.

At 31 December 2025, the Bank had in total 3,187 employees (31 December 2024: 3,331). The average number of employees of the Bank during the year ended 31 December 2025 was 3,256 (31 December 2024: 3,322).

1.2. Basis of accounting

The separate financial statements of the Bank ('the financial statements') have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and with interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ('IFRIC') as approved by the European Union Commission in accordance with the Regulation of the European Parliament and the Council of European Union and in accordance with the Act No. 431/2002.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivatives – hedge accounting, buildings and land in property and equipment under revaluation model to fair value and in the case of the financial assets or financial liabilities designated as hedged items in qualifying fair value hedge relationships modified by the changes in fair value attributable to the risk being hedged.

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

1.3. Functional and presentation currency

EUR is the functional and presentation currency of the Bank. The financial statements are presented in thousands of EUR ('€'), unless indicated otherwise. Negative balances are presented in brackets.

1.4. Use of judgements and estimates

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's 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 estimates are recognized prospectively.

1.4.1. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes. The most significant judgements relate to the classification of financial instruments.

- Classification of financial instruments: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding (note 3.4.2)
- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss ('ECL') and selection and approval of models used to measure ECL (note 4.1.2).
- Valuation of lease liabilities (note 11.5) and right-of-use assets (note 14).

The application of International Financial Reporting Standard 16 Leases ('IFRS 16') requires the Bank to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease term determined by the Bank generally comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Bank is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Bank is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets.

For contracts relating to branch and office premises, the Bank has concluded that there are a number of scenarios where the Bank might elect not to exercise the extension options. Therefore, the IFRS 16 criterion of being reasonably certain to exercise the extension options is not fulfilled. The periods covered by a potential use of an option to extend the lease were excluded from the lease term.

For leases of branch and office premises with indefinite term the Bank generally estimates the length of the contract to be five years. The Bank monitors these assumptions, reviews the industry practice and the evolution of the accounting interpretations in relation to the estimation of the lease terms among peer financial entities and is prepared to make adjustments, if necessary.

The present value of the lease payment is determined using the discount rate representing interest rate swap applicable for the currency of the lease contract and for similar tenor, corrected by the average credit spread of entities with rating similar to the Bank's rating, observed at the time the lease contract commences or is modified.

1.4.2. Assumptions and estimation uncertainties

Estimates are used for, but not limited to: fair values of financial instruments, fair value of buildings and land under the revaluation model, impairment losses on due from banks and due from customers and impairment losses related to financial assets at fair value through other comprehensive income, provisions for loan commitments and financial guarantees, useful lives and residual values of tangible and intangible assets, impairment losses on tangible and intangible assets, valuation of lease liabilities and right-of-use assets, liabilities from employee benefits, provisions for legal claims and deferred tax assets.

Information about assumptions and estimation uncertainties that run a significant risk of resulting in a material adjustment is included in the following notes.

- Determination of the fair value of financial instruments with significant unobservable inputs (note 5). Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques which include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated financial instruments.
- Impairment of financial instruments: determining inputs into the expected credit loss (ECL) measurement model, including incorporation of forward-looking information (note 4.1.2).

The Bank reviews its loans and advances at each reporting date to assess whether any individually assessed impairment loss should be recorded in the statement of profit or loss. In particular, management judgement is required in estimating the amount and timing of future cash flows when determining the level of impairment loss. Such estimates are based on assumptions about a number of factors, and actual results may differ, resulting in future changes to the individually assessed impairment losses.

- Recognition and measurement of legal claims: key assumptions about the likelihood and magnitude of an outflow of resources.
- Recognition of deferred tax assets: availability of future taxable profit against which deferred tax assets can be used.
- Impairment testing for cash generating units containing goodwill: key assumptions underlying recoverable amounts.

2. Changes in accounting policies

A few of the new standards and amendments to standards became effective for annual periods beginning after 1 January 2025. These, however, have no material effect on the financial statements.

Except for the changes below, the Bank has consistently applied the accounting policies as set out in note 3 to all periods presented in the financial statements.

2.1. Standards and interpretations relevant to the Bank's operations issued that are effective for the current year and have been endorsed by the European Union

Lack of exchangeability (Amendments to IAS 21)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how the Bank should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of the Bank's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the Bank's financial performance, financial position, and cash flows.

This amendment did not have a material impact on the Bank's financial statements.

2.2. Standards and interpretations issued but not yet effective or not early adopted by the Bank

A few new standards and amendments to standards are not yet effective or not yet adopted by the European Union. Early adoption is permitted; however, the Bank has not adopted the new and amended standards in preparing these consolidated financial statements. The Bank intends to adopt these standards when they become effective.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7.

The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and relate to:

- Settling financial liabilities using electronic payments system; and
- Assessing contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Bank has performed an assessment of all material electronic payment systems used. Most of the electronic settlement systems used by the Bank result in real-time settlement.

There is a number of electronic settlement systems used by the Bank that do not result in real-time settlement. The Bank derecognises the financial liability and the associated cash when the payment has reached the beneficiary, which is when the obligation is discharged. The amendments are not expected to have a material impact.

In addition, the Bank has assessed the impact of the Amendments on its financial assets that sustainability-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the assessments performed, the amendments in these areas are not expected to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027.

The new standard introduces the following key new requirements:

- The Bank is required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. The Bank is also required to present a newly defined operating profit subtotal. The Bank's net profit will not change.
- Management-defined performance measures ('MPMs') are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Bank is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The Bank considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with IFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.

The initial expected impacts of IFRS 18 on the Bank's financial statements are, as follows:

- Income and expenses from the following will be classified in the operating category within the statement of profit or loss: cash and cash equivalents; liabilities from transactions that involve only the raising of finance; generally, assets invested in as part of the Bank's main business activity of investing in financial assets that generate a return individually and largely independently of the Bank's other resources.
- Foreign exchange differences will be classified in the same category as the related income and expense giving rising to the foreign exchange difference, with some exceptions.
- Gains and losses on hedging instruments, including those not designated as such, but used to manage exposure to identified risks, will be classified in the same category as the income and expenses relating to the risk being covered, with some exceptions.
- For the statement of cash flows, the 'operating profit' subtotal will be used as the starting point for determining cash flows from operating activities. Furthermore, the classification of the total cash flows from all dividends received, all interest paid, and all interest received will each, respectively, be classified in a single category in the statement of cash flows following the classification of the related income and expenses in the statement of profit or loss.
- New disclosures will be added for management-defined performance measures;
- A reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18, and the amounts previously presented applying IAS 1.

The Bank is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

The following new and amended standards are not expected to have a significant impact on the financial statements:

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting Standards (Volume 11);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment in IFRS 10 and IAS 28).

3. Material accounting policies

3.1. Foreign currency transactions

Transactions in foreign currencies are translated into the EUR at the official European Central Bank ('ECB') spot exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the official ECB spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into EUR at the official ECB spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the official ECB spot exchange rate at the date of the transaction.

The foreign currency gain or loss is the difference between the contractual exchange rate of a transaction and the official ECB exchange rate at the date of the transaction. Foreign currency gain or loss is included in 'Net trading result', as well as gains or losses arising from movements in exchange rates after the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income ('OCI'):

- Qualifying cash flow hedges to the extent that the hedge is effective; and
- Equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI.

3.2. Foreign operations

The financial statements include foreign operations in the Czech Republic. The assets and liabilities of foreign operations are translated into EUR at the spot exchange rate at the reporting date. The income and expenses of foreign operations are translated to EUR at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences arising on these translations are recognized in OCI, and accumulated in the foreign currency translation reserve ('Translation of foreign operation' reserve).

3.3. Cash and cash equivalents

'Cash and cash equivalents' include notes and coins on hand, balances held with central banks, including compulsory minimum reserves, and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

'Cash and cash equivalents' are carried at amortized cost in the statement of financial position (note 7).

3.4. Financial assets and financial liabilities

3.4.1. Recognition and initial measurement

The Bank initially recognises loans and advances (e.g. 'Due from banks', 'Due from customers'), deposits (e.g. 'Due to banks', 'Due to customers'), debt securities issued and subordinated debt on the date on which they originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

3.4.2. Classification

On initial recognition, a financial asset is classified as measured at:

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

A financial asset is measured at AC, if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI (note 3.6.2). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (note 3.4.7).

Business model assessment

The Bank uses the following business models:

- Held to collect,
- Held to collect and sell,
- Held for trading/Other.

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, aligning the duration of financial assets with that of the corresponding liabilities, or realizing cash flows through asset sales;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales, in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but rather as part of an overall assessment of how the Bank states objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows, and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Bank holds a portfolio of long-term fixed-rate loans for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Bank has determined that the contractual cash flows of these loans are SPPI because the option adjusts the interest rate in a way that reflects the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. Financial liabilities are never reclassified.

3.4.3. Subsequent measurement

After initial recognition, the Bank measures financial assets and financial liabilities in accordance with the classification at fair value through profit or loss (note 3.5), fair value through other comprehensive income (note 3.6) or at amortized cost (note 3.7).

3.4.4. Derecognition

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. When assessing whether to derecognise a loan to a customer, the Bank considers, among other factors, such as changes in the currency of the loan, introduction of an equity feature, change in counterparty, and whether the modification is such that the instrument would no longer meet the SPPI criterion.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original financial liability and the consideration paid is recognized in profit or loss.

Derecognition other than due to substantial modification

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Bank neither transfers, nor retains substantially all of the risks and rewards of ownership, and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed), and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain or loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities, as explained above. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

The Bank enters into transactions that transfer assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognized. Examples of such transactions are securities lending and sale-and-repurchase transactions. (note 3.8)

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset, and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

3.4.5. Modifications

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized (see above under Derecognition other than due to substantial modification), and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset;
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy, note 4.1.5). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset, and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate as well as fixed-rate financial assets, where reset to market is expected, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. The effective interest rate is therefore altered. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset, and are amortized over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (note 4.1.2), then the gain or loss is presented together with impairment losses.

3.4.6. Offsetting

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

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

3.4.7. Fair value measurement

'Fair value' is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date in the principal or the main market, or if such a market does not exist, the most advantageous market to which the VUB Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The hierarchy of valuation techniques is explained in note 5.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received.

If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value according to model, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.5. Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss comprise financial assets held for trading, including derivative financial instruments and financial assets at fair value through profit or loss.

3.5.1. Financial assets and financial liabilities held for trading

The Bank classifies trading portfolio as financial assets or financial liabilities measured at fair value through profit or loss when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Financial assets and financial liabilities held for trading are recorded and measured in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the 'Fair value gains and losses arising from the Bank's own credit risk related to derivative liabilities' and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is presented in 'Other interest income'. Dividend income from equity instruments measured at FVTPL is considered to be incidental to the Bank's trading operations and is recorded in profit or loss as 'Net trading result' when the right to the payment has been established.

Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling in the near term.

The Bank monitors changes in fair values on a daily basis and recognises unrealised gains and losses in the statement of profit or loss in 'Net trading result'.

Derivative financial instruments

In the normal course of business, the Bank is a party to contracts with derivative financial instruments, which represent a very low initial investment compared to the notional value of the contract. The derivative financial instruments used include forward rate agreements, foreign exchange and commodity forwards, interest rate, foreign exchange and commodity swaps, interest rate, foreign exchange, equity options, cross currency swaps and futures. The Bank also uses financial instruments to hedge interest rate risk and currency exposures associated with its transactions in the financial markets. They are accounted for as trading derivatives if they do not fully comply with the definition of a hedging derivative as prescribed by IFRS. The Bank also acts as an intermediary provider of these instruments to certain customers.

Derivative financial instruments not used for hedge accounting purposes are initially recognized and subsequently re-measured in the statement of financial position at fair value as part of 'Financial assets held for trading'.

All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives are included in 'Net trading result'.

Fair values are obtained from quoted market prices. If such values are not available, discounted cash flow models and option pricing models are used. The fair values of derivative positions are computed using standard formulas and prevailing interest rates applicable for respective currencies available on the market at reporting dates.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

The Bank assesses whether any embedded derivatives contained in a given contract are required to be separated from the host contract and accounted for as derivatives.

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank accounts for an embedded derivative separately from the host contract when:

- The host contract is not an asset in the scope of International Financial Reporting Standard 9 Financial Instruments ('IFRS 9');
- The host contract is not itself carried at FVTPL;
- The terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognized in profit or loss in 'Net trading result' unless they form part of a qualifying cash flow hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with other derivatives.

3.5.2. Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and are required to be measured at fair value under IFRS 9, as they do not meet the requirements of the SPPI test.

Financial assets at fair value also comprises equity instruments not held for trading where the Bank did not elect the option to classify investments at FVOCI. Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recognized in 'Net trading result'. Interest income is recorded in 'Other interest income' and dividend income in 'Net trading result' according to the terms of the contract, or when the right to payment has been established.

3.6. Financial assets at fair value through other comprehensive income

3.6.1. Debt instruments measured at fair value through other comprehensive income

The Bank classifies debt instruments as measured at FVOCI under IFRS 9 if both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in equity. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as is applicable for financial assets at amortized cost. The Bank applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in equity are reclassified from equity to profit or loss.

The fair value of debt instruments, for which an active market exists, and a market value can be estimated reliably, is measured at quoted market prices. In circumstances where the quoted market prices are not readily available, the fair value is estimated using the present value of future cash flows.

In the case of debt instruments measured at fair value through other comprehensive income, impairment is assessed based on the same criteria as financial assets carried at amortized cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event taking place after the impairment loss was recognized in 'Impairment losses' in the statement of profit or loss and other comprehensive income, the impairment loss is reversed through the statement of profit or loss.

3.6.2. Equity instruments measured at fair value through other comprehensive income

Upon initial recognition, the Bank occasionally elects to irrevocably classify some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognized in profit or loss as 'Net trading result when the right to the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument. In such a case, these gains are recorded in OCI. Equity instruments at FVOCI are not subject to any impairment assessment.

3.7. Financial assets and financial liabilities at amortized costs

Financial assets at amortized costs comprise balances due from banks and due from customers including debt securities. Financial liabilities at amortized costs comprise balances due to banks, due to customers, subordinated debt and debt securities in issue.

3.7.1. Financial assets at amortized costs: Due from banks and Due from customers

The Bank only measures 'Due from banks' and 'Due from customers' at amortized cost if both of the following conditions are met:

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

Due from banks

Due from banks include receivables from central banks with a maturity over 90 days, receivables from current accounts in other than central banks, term deposits, loans provided and securities purchased from commercial banks. Balances are presented at amortized cost including interest accruals less any impairment losses.

Due from customers

Due from customers balances comprise loans and advances and securities with fixed or determinable payments and fixed maturities. These receivables are recorded at amortized cost less any impairment losses (note 11.2).

Impairment

The detailed description of policy is in the note 4.1.2.

The Bank writes off 'Due from banks' and 'Due from customers' when it determines that the loans and advances are uncollectible. Loans and advances are written off against the Impairment losses on Financial Assets in amortized cost with the remaining part being written-off against profit or loss reported under 'Net loss arising from the derecognition of financial assets at amortized cost'. Any recoveries of written off loans are credited to the same line in the statement of profit or loss on receipt.

3.7.2. Financial liabilities at amortized costs: Due to banks, Due to customers, Subordinated debt and Debt securities in issue

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of debt funding.

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs and subsequently measured at their amortized cost using the effective interest rate method.

3.8. Repurchase and reverse repurchase agreements

Securities sold under sale and repurchase agreements ('repo transactions') remain as assets in the statement of financial position under the original caption while the liability from the received loan is included in 'Financial assets at amortized cost: Due to banks' or 'Financial assets at amortized cost: Due to customers'.

Securities purchased under agreements to purchase and resell ('reverse repo transactions') are recorded only in the off-balance sheet and the loan provided is reported in the statement of financial position in 'Cash, cash balances at central banks', 'Financial assets at amortized cost: Due from banks' or 'Financial assets at amortized cost: Due from customers', as appropriate.

The price differential between the purchase and sale price of securities is treated as interest income or expense and deferred over the life of the agreement.

3.9. Derivatives – Hedge accounting

When initially applying IFRS 9, the Bank has elected to continue applying the requirements of IAS 39 instead of those of IFRS 9.

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position in 'Derivatives – Hedge accounting'.

The Bank makes use of derivative instruments to manage exposures to interest rate risks, foreign currency risk, inflation risk and credit risk including exposures arising from highly probable transactions. In order to manage individual risks, the Bank applies hedge accounting for transactions which meet the specified criteria.

At the inception of the hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

Also, at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed each month. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are expected to offset in a range of 80% to 125%.

In situations where that hedged item is treated as an expected transaction, the Bank assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of profit or loss.

Cash flow hedges

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized in other comprehensive income as 'Cash flow hedges'. The ineffective portion of the gain or loss on the hedging instrument is immediately recognised as gain or loss in the statement of profit or loss in 'Net trading result'.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument is reclassified from other comprehensive income to profit or loss as a reclassification adjustment in 'Net trading result'. When a hedging instrument expires or is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting and the hedged cash flows are still probable, any cumulative gain or loss that has been recognized in other comprehensive income remains separately in equity and is reclassified from other comprehensive income to statement of profit or loss as a reclassification adjustment when the hedged expected transaction is ultimately recognized. When an expected transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified from other comprehensive income to statement of profit or loss as a reclassification adjustment.

Fair value hedges

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognized in the statement of profit or loss in 'Net trading result'. Meanwhile, the change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss in 'Net trading result'.

In case of macro hedge, the change in the fair value of the hedged items attributable to the risk hedged is presented separately as 'Fair value changes of the hedged items in portfolio hedge of interest rate risk'.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is terminated. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the effective interest rate ('EIR'). If the hedged item is derecognized, the unamortised fair value adjustment is recognized immediately in profit or loss when the item is derecognized.

Specific policies for hedges affected by IBOR reform

The Phase 1 amendments

If a hedging relationship is directly affected by IBOR reform, then certain exceptions can be applied (referred to as 'the Phase 1 amendments') to the general hedge accounting policy.

All hedges affected by IBOR reform either matured or were discontinued. Therefore, the VUB Group ceased to follow the respective Phase 1 amendments.

The Phase 2 amendments

Policies specific to non-contractually specified risk portions

When the Bank designates an alternative benchmark rate as a hedged risk and the alternative benchmark rate is a non-contractually specified risk portion that is not separately identifiable at the date it is designated, the Bank deems that the rate meets the separately identifiable criterion if it reasonably expects that the alternative benchmark rate will be separately identifiable within a 24-month period. The 24-month period applies on a rate-by-rate basis and starts from the date when the Bank first designates the alternative benchmark rate as a hedged risk.

If the Bank subsequently expects that a non-contractually specified alternative benchmark rate risk component will not be separately identifiable within the 24-month period, then it discontinues hedge accounting prospectively from the date of that reassessment for all hedging relationships in which the alternative benchmark rate is designated as a non-contractually specified risk portion.

Policies specific to cash flow hedges

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Bank deems that the hedging reserve recognized in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows is to be based.

3.10. Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recorded at historical cost less impairment losses, if any. Investments in subsidiaries, joint ventures and associates are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

The Bank uses Capital Asset Pricing Model ('CAPM') for impairment testing, using cash flow projections based on the most recent financial budgets approved by senior management covering a budgeted five-year period. The discount rates applied to future cash flow projections beyond the five-year period are adjusted by the projected growth rate. Both discount rates and growth rates are determined on ISP Group level specifically for the Slovak market.

The calculation of the recoverable amount considers the following key assumptions:

- Interest margins – the development of margins and volumes by product line,
- Discount rates – based on CAPM,
- Market share during the budget period,
- Projected growth rates used to extrapolate cash flows beyond the budget period,
- Current local GDP,
- Local inflation rates.

The following rates are used by the VUB Group:

€ '000	2025	2024
Pre-tax discount rate – cash flows	15.87 %	14.71 %
Pre-tax discount rate – terminal value	16.23 %	15.70 %
Projected growth rate	4.33 %	4.44 %

3.11. Property and equipment

Land and buildings are recognized at fair value based on periodic, but at least annual, valuations by external independent specialized companies, less subsequent depreciation for buildings.

For buildings and land the Bank uses the revaluation model for subsequent measurement. Management determined that these constitute one class of asset, based on the nature, characteristics and risks. The Bank uses the income method, using market rents and yields as key inputs. Fair values are based on valuations performed by an accredited independent valuer. The revaluation model aligned the book value to the current market value. Level 3 revaluation was recognized due to significant unobservable estimated valuation inputs.

The recoverable amount is determined with reference to the fair value less costs to sell or the value in use, if determinable and if it is higher than fair value. For property and equipment other than buildings and land, the carrying amount is generally assumed to correspond to the value in use, as it is determined through a depreciation process based on the asset's effective contribution to the production process, given that the determination of fair value is extremely subjective. The two values diverge and lead to impairment in case of damages, exit from the production process or other similar non-recurring circumstances. The Bank measures buildings and land according to the revaluation model; in this case, any impairment loss on a revalued asset must be treated as a decrease in the revaluation up to the relevant amount, after which any difference is taken to the income statement.

If the new fair value is higher than the carrying amount, the value of the asset on the balance sheet is increased through other comprehensive income and accumulated in equity under the heading 'Revaluation surplus of buildings and land'. In case that an impairment loss was previously recorded in the income statement, the reversal of this impairment is recorded in the income statement up to the amount previously recognized in the income statement. If the new fair value is lower than the carrying amount, the decrease is recognized in profit or loss. The ISP Group chose to apply the elimination approach, which means that the accumulated depreciation is eliminated against the gross carrying amount of the asset at revaluation date. The assets subject to the revaluation model are depreciated based on their revalued value.

Significant part of branch premises that the Bank uses is a result of sale and leaseback transactions. These leasebacks are recognized as rights of use assets and lease liabilities. Average lease term of these premises was estimated to four years.

All other property and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Acquisition cost includes the purchase price plus other costs related to acquisition such as freight, duties or commissions. The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency are capitalised. Repairs and renovations are charged to the statement of profit or loss when the expenditure is incurred.

Depreciation charge is calculated on a straight-line basis in order to depreciate the cost of each asset to its residual value over its estimated useful economic life, as follows:

	Years
Buildings	10 – 33
Equipment	4 – 12
Other tangibles	4 – 12

Land, assets under construction and art collections are not depreciated. The depreciation of the assets under construction begins when the related assets are put into use.

The Bank tests its assets for impairment on annual basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to this recoverable amount.

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Property and equipment involve also right-of-use assets.

3.12. Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and impairment losses. Amortisation is calculated on a straight-line basis in order to amortise the cost of each asset to its residual value over its estimated useful economic life as follows:

	Years
Software and Other intangible assets	7 – 10

Amortisation methods, useful lives and residual values are reassessed at the reporting date.

Assets under development are not amortised. The amortization of the assets under development begins when the related assets are put into use.

3.13. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition.

Goodwill is measured at cost less impairment, if any. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

The impairment test is performed in the same way as stated in note 3.10.

3.14. Leasing

Leases in which the Bank is a lessor

In case of lease contracts under which the Bank is acting as a lessor, each of its leases is classified as either operating or finance lease. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Examples of situations where the risks and rewards of ownership are considered as having been transferred to the lessee are as follows:

- The lease transfers ownership of the asset to the lessee by the end of the lease term,
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised,
- The lease term covers at least 3/4 of the economic life of the asset even if title is not transferred,
- At the inception of the lease the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset, or
- The leased assets are of such a specialized nature that only the lessee can use them without major modifications.

Lease classification is made at the inception date and is reassessed only if there is a lease modification.

At the commencement date, receivable from finance leasing equal to the net investment in the lease is recognized in the statement of financial position in 'Due from customers'.

Initial measurement of the lease payments included in the net investment in the lease:

- Fixed payments, less any lease incentives payable;
- Any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement

Interest income is recognized in profit or loss statement in 'Other interest income' over the lease term using rate implicit in the lease, which represents the discount rate that, at the inception of the lease, causes the aggregate present value of the minimum lease payments and the unguaranteed residual value to be equal to the sum of the fair value of the leased asset and any initial direct costs of the lessor.

The lease payments are charged against the gross investment in the lease and reduce both the principal and the unearned finance income.

The detailed description of impairment of the net investment in the lease is to be found in the note 4.1.2.

Unguaranteed residual values are reviewed and estimated regularly in order to calculate the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognized immediately.

3.15. Provisions

Provisions comprise litigations and claims, financial guarantees and loan commitments.

Provisions for litigation and claims are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when it falls due, in accordance with the terms of a debt instrument consisting of letters of credit, guarantees and acceptances.

Provisions for financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the in the statement of profit or loss in 'Fee and commission income' on a straight-line basis over the lifetime of the guarantee, and an ECL allowance.

ECL allowances for financial guarantees are recognized based on stage of financial instrument (three-stage approach) which affects expected loss calculation for the financial guarantee. Any increase or decrease in the provision deriving from changes in ECL allowances relating to financial guarantees is recorded in the statement of profit or loss in 'Impairment losses'.

In case when the Bank is called to fulfil the guarantee and the guarantee is paid to the holder of the guarantee it ceases to exist. Instead, a receivable against the counterparty for which the Bank issued the guarantee is created and the former provision for financial guarantees is converted into impairment losses allowance on such receivable along with the movement, if any, within 'Impairment losses'.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. For loan commitments the VUB Group also recognises Provisions based on stage of financial instrument. Any increase or decrease in the provision relating to Loan commitments is reflected in the statement of profit or loss in 'Impairment losses'.

3.16. Liabilities for employee benefits

The Bank's obligation in respect of retirement and jubilee employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Employee benefit reserves are disclosed in the statement of financial position in 'Other liabilities'. All gains or losses in relation to the employee benefits are recognized in 'Salaries and employee benefits'.

'Severance and Jubilee benefits' are discounted to determine their present value. The discount rate is determined by reference to yield curve on Slovak government bonds with a fifteen-year term that represents the period closest to the average benefit duration. The calculation is performed using the Projected Unit Credit Method. For the calculation the Bank used an average turnover rate which is based on historical data on employees' turnover at the Bank for the last three years. The average age-specific turnover rate is calculated as the ratio of number of terminations and the average number of employees. All employees are covered by the retirement and jubilee employee benefits program.

3.17. Equity reserves

The reserves recorded in equity that are disclosed in the statement of financial position include:

- 'Revaluation surplus of buildings and land' reserve which consists of the revaluation surplus of buildings and land measured at fair value using a revaluation model.
- 'Cash flow hedges' reserve which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.
- 'Financial assets at fair value through other comprehensive income' reserve which comprises changes in the fair value of financial assets at FVOCI.
- 'Translation of foreign operation' reserve which is used to record exchange differences arising from the translation of the net investment in foreign operations.

3.18. Net interest income

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

Interest income and expense is recognized in the statement of profit or loss on an accrual basis using the effective interest rate method (EIR) for all financial instruments measured at amortized cost (note 3.7.1. and 3.7.2).

In case of hedging relationship (as defined in note 3.9) interest from interest rate swap effectively replaces the contractual interest rate of the hedged item and such interest is disclosed under in 'Interest income calculated using the effective interest method'.

The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

Other interest income includes interest received on financial assets at fair value through profit or loss other than interest on derivatives using the contractual interest rate and finance leases where the rate implicit in the lease is being used.

Interest income/expense on all derivatives is recognized as a part of the fair value change in 'Net trading result'. Negative interest arising from financial assets is presented in interest expense and negative interest arising from financial liabilities is presented in interest income.

According to the VUB Group's accounting policy, the revision of the conditions of the instrument by the ECB is considered as a change to a floating rate pursuant to par. B5.4.5 of IFRS 9, with a forward-looking adjustment to the interest rate, considering the fact that the ECB has the option to change interest rates at its discretion in defining monetary policy rates. The interest is therefore recognised periodically based on the interest rate of the instrument for each period as required by paragraph B5.4.5 of IFRS 9.

3.19. Net fee and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

Fee and commission income and expense such as up-front and commitment fees that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate (see note 3.18).

Other fee and commission income arises on financial services provided by the Bank including account maintenance, cash management services, brokerage services, administrative services regarding loans, investment advice and financial planning, investment banking services, project finance transactions, asset management services, factoring services and other. Fee and commission income and expense are recognized when the corresponding service is provided. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognized on a straight-line basis over the commitment period.

The performance obligations, as well as the timing of their satisfaction, are identified and determined at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations.

The Bank has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Nature and timing of satisfaction of performance obligations, including significant payment terms:

Current accounts	Fees for ongoing account management are charged to the customer's account on a monthly basis. The Bank sets the rates separately for retail and corporate banking customers in each jurisdiction on an annual basis.
Cards	Credit card and debit card fees relate to both fees for issuance of credit card for the period of card's validity as well as fees for specific transactions.
Payments and cash management	Transaction-based fees for interchange and foreign currency transactions are charged to the customer's account when the transaction takes place.
Loans	Services for loans comprise mainly fees for overdrafts, which are recognized on a straight-line basis over the overdraft duration. They also include other servicing fees, including finance leases, which are charged on a monthly basis and are based on fixed-rates reviewed annually by the Bank.
Indirect deposits	These fees mainly relate to providing Bank's retail network for the mediation of investments into funds. These fees are paid to the Bank by Eurizon Asset Management Slovakia, správ. spol., a.s. Since the Bank does not have any ongoing performance obligation regarding these fees, they are recognized in full when charged.
Insurance	The Bank provides insurance mediation along with selling its products. Except for life insurance mediation, only aliquot part of commission is sent by the insurance company on a monthly basis. Therefore, the Bank only recognises aliquot part of commission as income with the passage of time. In case a client cancels insurance contract with the insurance company, the insurance company stops paying the aliquot part of the commission and the Bank therefore stops to recognise these fees. The Bank is not liable to return aliquot part of commissions recognized in fees to insurance company. Regarding life insurance mediation the Bank is exposed to clawbacks if client cancels the insurance contract within certain periods. The Bank calculated effect of International Financial Reporting Standard 15 Revenue from Contracts with Customers ('IFRS 15') impact and evaluated this impact as non-material and continues to recognise income on these fees as the related mediation service is provided.
Trade finance, Structured finance	Fees for loan commitments which are not expected to result in the draw-down of a loan are recognized on a straight-line basis over the commitment period. Administration of a loan syndication, execution of client transactions with exchanges and securities underwriting, charges for premature termination of loans and other are charged when transaction takes place.
Factoring	Services related to factoring include: <ul style="list-style-type: none"> - Facility commitment, where fee is recognized on a straight-line basis over the commitment period; - Invoice processing fee, where fixed amount for each processed invoice is charged; - Factoring fee, where fee represent a percentage on a total receivable amount factored.

Revenue recognition under IFRS 15:

Current accounts	Revenue from account service and servicing fees is recognized over time as the services are provided.
Cards	Revenue from card issuance is recognized over time as the services are provided. Revenue related to transactions is recognized at the point in time when the transaction takes place.
Payments and cash management	Revenue related to transactions is recognized at the point in time when the transaction takes place.
Loans	Overdraft fee is recognized on a straight-line basis over the overdraft duration. Revenue related to transactions, including finance leases, is recognized at the point in time when the transaction takes place.
Indirect deposits	Revenue related to transactions is recognized at the point in time when the transaction takes place.
Insurance	Revenue from insurance mediation services is recognized over time for the duration of contract, except for life insurance mediation where service fee is recognized when service is provided and clawbacks are recognized when they occur.
Trade finance, Structured finance	Loan commitment fee is recognized on a straight-line basis over the commitment period. Revenue related to transactions is recognized at the point in time when the transaction takes place.
Factoring	Facility fee is recognized on a straight-line basis over the commitment period. Revenues related to invoice processing and factoring fee are recognized at the point in time when the transaction takes place.

3.20. Net trading result

'Net trading result' includes gains and losses arising from purchases, disposals and changes in the fair value of financial assets and financial liabilities including securities and derivative instruments. It also includes the result of all foreign currency transactions.

3.21. Current and deferred income tax and special levy

Income tax is calculated in accordance with the regulations of the Slovak Republic and other jurisdictions, in which the Bank operates.

Income tax expense is recognized at each time interval during the accounting year based on the best estimate of the weighted average annual income tax rate expected for the entire accounting year. In the event of a change in the estimate of the annual income tax rate, the accrued amount of income tax costs in one of the time intervals during the accounting year may be adjusted in the following period of the given accounting year.

Deferred income tax assets and liabilities are recognized, using the balance sheet method, for all temporary differences arising between the carrying amounts of assets and liabilities and their tax bases. Expected tax rates, applicable for the periods when assets and liabilities are realised, are used to determine deferred tax.

The Bank is also subject to various indirect operating taxes, which are included in 'Other operating expenses'.

With effect from January 2024, a new type of special levy for the banking sector came into force in Slovakia. For the year 2025, the amount of the special levy is set at 24.96% of the profit before tax, and in the following years, it will gradually decrease to 15% in 2027. From 2028, banks will be subject to the standard rate of the special levy on business in regulated sectors. The special levy for regulated entities is a tax-deductible expense.

4. Financial and operational risk management

This note presents information about the Bank's exposure to the risks related to the use of financial instruments, the Bank's objectives, policies and processes for measuring and managing risk.

The Management Board is the statutory body governing the executive management of the Bank, and has absolute authority over all matters concerning risk. The Management Board has primary responsibility to create and dissolve risk-related governance bodies. The primary governance bodies overseeing risk-related issues are:

- Assets and Liabilities Management Committee ('ALCO'),
- Credit Risk Governance Committee ('CRGC'),
- Operational Risk Committee ('ORC').

The Management Board delegates its risk authority to these governance bodies through statutes, which identify members of the governance bodies, competencies and responsibilities of the members. The competency of each governance body is established in relevant Charters.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, 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 Bank's Internal Audit Department is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures.

4.1. Credit risk

Credit risk is the risk of a financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and banks as well as investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk). For risk management purposes, the credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

The Credit Risk Charter ('CRC') establishes the guidelines for measurement, control and management of credit risk by defining the legal framework, main responsibilities, policies and methodologies that support the credit risk management process of VUB.

More specifically, CRC defines both the general and specific (retail, corporate) credit risk requirements for applied methodologies and procedures, and includes, as separate sections, the policies governing the key aspects of the Bank's credit risk management process:

- Authorised Approval Authority,
- Collateral Management Policy,
- Provisioning Policy,
- Credit Concentration Limits,
- Default Definition,
- Risk Management Client Segmentation Policy,
- Corporate Credit Policy, Retail Credit Policy,
- Retail and Corporate Remedial Management and Collections.

4.1.1. Management of credit risk

The Risk Management Division is established within the Bank as a Control Unit and managed by the Chief Risk Officer, who is a member of the Bank's Management Board. The Risk Management Division is organisationally structured to provide support to the Business Units, as well as to provide reporting of credit, market and operational risks to the Supervisory Board and Management Board. The Risk Management Division is responsible for overseeing the Bank's credit risk including:

- The development of credit risk strategies, policies, processes and procedures covering rules for credit assessment, collateral requirements, risk grading and reporting;
- Setting limits for the concentration of exposure to counterparties, related parties, countries and total assets and monitoring compliance with those limits;
- Establishment of the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are set in the CRC;
- Credit risk assessment according to defined policy;
- Monitoring of quality portfolio performance and its compliance with set limits (regulatory, internal). Regular reports are provided to the Management Board and the CRC on the credit quality of the Bank's portfolios;
- Development, maintenance and validation of scoring and rating models – both application and behavioural;
- Development, maintenance and back-testing of impairment loss models.

4.1.2. Impairment losses

The Bank establishes an allowance for impairment losses, which represents its ECL in its loan portfolio.

If there is evidence of impairment for any individually significant client of the Bank, such as a breach of contract, problems with repayments or collateral, the Bank transfers such a client to be managed by the Recovery Department for pursuing collection activities. Such clients exceeding significant thresholds (EUR 500 thousand) are considered to be individually impaired. For collective impairment (other than individually significant client), the Bank uses historical evidence of impairment and forward-looking information on a portfolio basis, mainly based on the payment discipline of the clients.

Rules for identification of significant clients and methodology for calculation are set in the Credit Risk Charter or are stated in the Provisioning Policy procedure.

The individual assessment of exposures is based on the detailed review and analysis of the borrower's situation.

The individual assessment, formulated analytically for each exposure, shall be based on the detailed and comprehensive review of all elements that are available.

Inputs, assumptions and techniques used for estimating impairment

Calculation of ECL on a collective basis is based on particular regulatory segment, exposure at default ('EAD'), probability of default ('PD'), loss given default ('LGD'), credit conversion factor ('CCF'). For each segment were developed models for such risk parameters. These models are regularly reviewed by development function, Department Internal Validation and Controls and Department Internal Audit.

The methodology of risk parameters used in ECL calculation is compliant with the ISP Group methodology provided by the Parent Company.

For PD models of the portfolios where the Bank uses internal models, the advanced approach is used.

For the portfolios, where it is unable to follow this approach (unavailability of internal model, low number of observations, low number of defaults, unavailability of macroeconomic model for the portfolio) the Bank follows a simplified approach, e.g. final values provided from the Parent Company, notching criteria, using the country rating and LGD, etc.

The counterparties with low number of observations and with low numbers of observed defaults, where the Bank was unable to create reliable migration matrices or develop the macroeconomic satellite models for prediction of default rate, were defined as the Low default portfolio. The parameters for these portfolios are obtained from the Parent Company.

EAD is calculated separately for amortizing and non-amortizing products. EAD for amortizing products is based on the repayment plans, while EAD for non-amortizing products is calculated using Credit Conversion Factor (CCF). Currently, the Bank uses CCF models only for Retail Credit Cards, Retail Overdrafts and Corporate. For all other segments, regulatory CCF values are used.

Financial assets exposed to credit risk, broken down by institutional sector based on the ESA 2010 methodology:

€ '000	2025			2024		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	219 786	(6 711)	213 075	318 307	(5 869)	312 438
Due from customers						
Financial corporations	1 141 423	(3 143)	1 138 280	1 333 387	(488)	1 332 899
Non-financial corporations	6 925 942	(146 748)	6 779 194	6 896 096	(139 148)	6 756 948
Retail	12 127 454	(207 724)	11 919 730	11 587 538	(198 875)	11 388 663
Public administration	1 992 590	(1 765)	1 990 825	981 052	(1 457)	979 595
Total due from customers	22 187 409	(359 380)	21 828 029	20 798 073	(339 968)	20 458 105
Total financial assets at AC	22 407 195	(366 091)	22 041 104	21 116 380	(345 837)	20 770 543
Financial assets at FVOCI – debt securities	1 419 309	(270)	1 419 039	1 476 701	(212)	1 476 489
Loan commitments and financial guarantees	5 830 124	(19 997)	5 810 127	5 682 652	(23 170)	5 659 482

Staging methodology

The three-stage approach is based on changes in credit quality since initial recognition:

- Stage 1 includes financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date.

The Bank implemented internal rules using significant days past due, significant increase of PD, forbearance measures, early warning system, proactive credit management ('PCM') process, non-performing categories to assess correct stage for expected loss calculation. These indicators are described in more detail below.

The Bank's classification of exposures into the stages is based on the following criteria:

STAGE 1	STAGE 2	STAGE 3
Performing exposures with DPD less than 30	Performing non-defaulted contracts with more than 30 days past due	Non-performing Past Due
	Forborne performing exposures	Non-performing Unlikely to Pay
	Performing exposures under PCM	Non-performing Doubtful
	Performing exposures with significant increase in PD	

In general, the following rules are applied:

- At origination financial instruments are classified in Stage 1, except instruments which are credit-impaired at the date of acquisition, which are classified in the relevant stage;
- If there is not enough information to determine if credit has deteriorated significantly since origination, a financial instrument is classified into Stage 2.

As of 31 December 2025 and 31 December 2024 the Bank did not classify any financial assets as Purchased or Originated Credit Impaired ('POCI').

Stage 2 criterion: Performing exposures with more than 30 past due days

There is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Stage 2 criterion: Forborne performing exposures

Forborne status for performing exposures is identified as another criterion of credit deterioration since it represents concessions towards a client facing or about to face difficulties in meeting its financial commitments. Forborne performing exposures represent Forborne performing (originally) and Forborne performing stemming from Non-performing. The minimum probation period for these contracts is 24 months, after this period the contract might migrate to Stage 1 if it meets exit criteria from Forborne classification (for example there is not more than 30 DPD, contract is Performing or counterparty has repaid more than significant amount of its debt since entering to Forborne).

Stage 2 criterion: Performing exposures under proactive credit management

Exposures under PCM are classified in Stage 2 since they can be considered as exposures that have deteriorated significantly in credit quality since their recognition.

Stage 2 criterion: Performing exposures with significant increase in PD

A significant increase of PD between origination (or initial recognition) and reporting date is used as an indicator of credit quality deterioration. At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of a default occurring over the expected life of the financial instrument. PD at origination is used solely for the purposes of staging.

This criterion is applied for all the portfolios. The thresholds for each portfolio can vary. In order to assess whether credit risk has increased significantly since the origination, it is necessary to compare Lifetime PD between the origination and reporting date.

This criterion is set individually for each portfolio however the main features of the methodology are common.

The proper setting of PD threshold is the core of this criterion. The Group methodology states the PD threshold could be different based on portfolio/model, residual maturity, rating class or other potential drivers. Indeed, the cumulative PDs and their relative differences (between some two rating grades) are changing very swiftly with increasing residual maturity. That's why the one common threshold for all maturities would not lead to proper staging. The differentiation of thresholds between rating classes is important, too generally, the worse rating leads to the lower threshold.

Stage 3 criterion

Stage 3 financial assets are considered credit impaired. It is when one or more events that have a detrimental impact on the estimated future cash flows have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's status is usually considered to be credit-impaired unless there is evidence that the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Staging criteria for debt securities

Staging process for bonds is performed in parallel to the staging of loans. The criteria used to assess whether the credit quality of the bond has deteriorated significantly since origination is Lifetime PDs comparison.

The following criteria are approved for each stage for debt securities:

STAGE 1	STAGE 2	STAGE 3
Bonds with no significant credit quality deterioration	Bonds with significant increase in PD since origination	Defaulted bonds
Investment grade bonds (Low Credit Risk Exemption rule valid only for FVOCI Bonds for First Time Adoption of IFRS 9 ('FTA'))		

In addition to the above-mentioned criteria, the following rules should be followed for Stage Assignment:

- At origination financial instruments are classified in Stage 1;
- If there is not enough information to determine whether credit has deteriorated significantly since origination, a financial instrument is classified into Stage 2.

Staging criteria for Low Default Portfolio and Intragroup exposures

Low Default Portfolio consists of exposures with the following parties:

- Sovereign (Central Banks, Governments, Municipalities, Public Sector Entities);
- Institutions (Banks, and Other Non-banking Financial Institutions);
- Large Corporate (Corporate with turnover more than EUR 500 million).

Intragroup exposures are exposures with the following parties:

- Parent Company;
- Bank's own subsidiaries;
- Other ISP Group subsidiaries.

Given their particular nature (exposures are within own bank group with low risk profile), intragroup transactions are always classified as Stage 1 with a 12-months ECL.

Since the models for Low Default Portfolio were developed by the Parent Company, the staging rules for Low Default Portfolio and Intragroup exposures are set by the Parent Company for loans and bonds and valid at ISP Group level. Exposures are classified to Stage 2 based on the significant increase of the credit risk criterion measured by Lifetime PD comparison. This criterion for Low Default Portfolio is defined based on the specific rating and residual maturity of exposure. Thresholds are provided by the Parent Company. The thresholds are applied in the same way as described above in Stage 2 criterion: Performing exposures with significant increase in PD.

Expected credit loss calculation

Stage 1

The Expected Loss for exposures in Stage 1 is calculated based on 1-year risk parameters (i.e. PD, LGD and EAD). In the calculation for positions expiring during the first year, in order to avoid the counting of an entire PD on yearly basis and to consider the real expiration date, PD can be adjusted appropriately. For the transactions without a maturity date, it is conservatively assumed that they are subjected to annual review, and their maturity is assumed to be equal to one year.

Stage 2

The Expected Loss for exposures in Stage 2 is based on a lifetime approach considering the residual maturity with respect to the reporting date using appropriate cumulative values of risk parameters. In the calculation of Expected Credit Loss for position expiring during the first year in order to avoid the counting of an entire PD on yearly basis and to consider the real expiration date, PD should be adjusted. For the transactions without a maturity date, it is assumed that they are subjected to an annual review, and their maturity is assumed to be equal to one year.

Stage 3

The VUB Group decided to determine the provision for Non-Performing exposures (transactions in Stage 3) as IAS 39 provision including an Add-on, which estimation is based on forward looking elements, increasing the current level of coverage on NPLs.

Incorporation of forward-looking information

In order to incorporate forward-looking information, the VUB Group follows the methodology provided by the Parent Company in both the PD and the LGD models. The predicted values of macro variables used in the models are delivered by Parent Company.

PD models incorporate forward-looking information by using the Base scenario from the internal satellite models. Other scenarios are incorporated in the form of "add-on". Add-on is calculated as a combination of final PD values calculated for all three scenarios for 3 upcoming years.

The VUB Group uses internally developed satellite models for the prediction of default rate for various segments. These models are based on relevant macroeconomic variables. The output of these models contains the model for the base scenario as well as the other scenarios, which are used to calculate the add-on.

For LGD models, the bank uses internally developed macroeconomic satellite models to include forward-looking information into LGD parameter. The outputs of those models are the predicted values of loss given default for base scenario increased by add-on, which incorporates the other scenarios. For NPL positions, the add-on is derived only from the baseline and worst scenario and applied on TTC LGD value.

The VUB Group carries out recalibration or update of scenarios of satellite models on a regular basis.

4.1.3. Non-performing loan classification

The Bank considers a financial asset to be of Non-performing status in compliance with the Commission's Implementing Regulation (EU) No 680/2014 and its further amendments (Implementing Technical Standards, 'ITS') when:

- The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- The borrower is more than 90 days past due on any material credit obligations to the Bank.

The Bank uses the definitions of non-performing loans derived from the Harmonisation project. The Harmonisation project was driven by Intesa Sanpaolo in order to unify the definitions and categories of non-performing loans across the foreign subsidiaries of the ISP Group. The definition of non-performing loans, which comprises three classification categories (past due, unlikely to pay, doubtful), is based on delinquency (days past due) and judgemental criteria for the categories doubtful and unlikely to pay. In case of the past due category, DPD and materiality thresholds of borrower are taken into account.

The description of the classification categories of loans is as follows:

Classification category	Description
Doubtful	Exposures to borrowers being in a state of insolvency (although not yet legally) or in a de facto equivalent status, regardless of any loss forecasts made by the Bank.
Unlikely to pay	Exposures to borrowers assessed as improbable to thoroughly meet their credit obligations without recourse to actions such as the enforcement of guarantees/ collateral.
Past due	Exposures other than those classified as doubtful or unlikely to pay that, as at the reporting date, are past due (DPD methodology above) for over 90 days
Performing	All exposures that are not classified as doubtful, unlikely to pay or past due.

For the Unlikely to Pay category, following qualitative indicators are taken into account:

- Borrowers facing difficulties in meeting payment obligations in a timely manner (thus exposed to their creditors' tolerance), despite the confident expectation of positive future operating cash flows;
- Borrowers under negotiations with the Bank for defining an Out-of-Court restructuring/settlement agreement;
- Borrowers which signed Out-of-Court restructuring/settlement agreements and that are regularly servicing their financial obligations;
- Borrowers whose credit quality indicators significantly worsened and where future cash flows are not expected to fully service the debt toward the Bank;
- Serious difficulties in borrower's business (additional equity required, liquidity seriously stretched).

For the Doubtful category, following qualitative indicators are taken into account:

- If the borrower is under voluntary dissolution or under any legally binding liquidation, without possibility to operate on 'going concern basis';
- If the Court already ordered the legal liquidation, even if the borrower's operations are not suspended under the legal procedures;
- If according to any public Registry or by Court order the borrower ceases to exist as legal entity;
- If the borrower has been registered (has to be registered) in the Fraud/Black List;
- Borrowers which expected cash flows will not be generated from the borrowers' operations, but from the enforcement of collateral/guarantees ('gone concern' approach);
- Borrowers (typically individuals) against whom the Bank initiates receivership or enforcement proceedings.
- Non-performing status is carried out at borrower level following the united rules of the Parent Company.

The following table describes the Bank's credit portfolio in terms of classification categories:

2025 € '000	Performing	Past due	Unlikely to pay	Doubtful	Total
Financial assets at AC					
Due from banks	182 675	-	37 111	-	219 786
Due from customers					
Financial corporations	1 138 874	-	2 530	19	1 141 423
Non-financial corporations	6 786 297	10 744	67 730	61 171	6 925 942
Retail	11 861 350	50 164	69 434	146 506	12 127 454
Public administration	1 992 590	-	-	-	1 992 590
Total due from customers	21 779 111	60 908	139 694	207 696	22 187 409
Gross amount	21 961 786	60 908	176 805	207 696	22 407 195
Impairment losses	(130 189)	(25 274)	(67 244)	(143 384)	(366 091)
Net amount	21 831 597	35 634	109 561	64 312	22 041 104
Financial assets at FVOCI – debt securities	1 419 309	-	-	-	1 419 309
Loan commitments and financial guarantees	5 806 411	1 669	18 099	3 945	5 830 124
2024 € '000	Performing	Past due	Unlikely to pay	Doubtful	Total
Financial assets at AC					
Due from banks	262 586	-	55 721	-	318 307
Due from customers					
Financial corporations	1 333 369	-	-	18	1 333 387
Non-financial corporations	6 749 827	9 176	88 891	48 202	6 896 096
Retail	11 367 738	41 277	51 325	127 198	11 587 538
Public administration	981 052	-	-	-	981 052
Total due from customers	20 431 986	50 453	140 216	175 418	20 798 073
Gross amount	20 694 572	50 453	195 937	175 418	21 116 380
Impairment losses	(142 173)	(23 339)	(62 868)	(117 457)	(345 837)
Net amount	20 552 399	27 114	133 069	57 961	20 770 543
Financial assets at FVOCI – debt securities	1 476 701	-	-	-	1 476 701
Loan commitments and financial guarantees	5 665 118	1 335	12 918	3 281	5 682 652

The table below shows the three-stage approach based on changes in credit quality by days past due for all financial assets exposed to credit risk.

2025 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
No delinquency	182 675	-	-	-	-	-	182 675
Over 181 days	-	-	37 111	-	-	(6 711)	30 400
	182 675	-	37 111	-	-	(6 711)	213 075
Due from customers							
Financial corporations							
No delinquency	1 078 468	58 735	-	(475)	(351)	-	1 136 377
1 – 30 days	1 671	-	-	(3)	-	-	1 668
91 – 180 days	-	-	2 530	-	-	(2 307)	223
Over 181 days	-	-	19	-	-	(7)	12
	1 080 139	58 735	2 549	(478)	(351)	(2 314)	1 138 280
Non-financial corporations							
No delinquency	5 909 644	812 403	64 285	(15 271)	(51 325)	(26 724)	6 693 012
1 – 30 days	30 574	26 626	11 111	(447)	(1 997)	(7 529)	58 338
31 – 60 days	803	4 315	1 636	(15)	(494)	(371)	5 874
61 – 90 days	-	1 541	995	-	(136)	(240)	2 160
91 – 180 days	-	303	7 299	-	(8)	(3 654)	3 940
Over 181 days	-	88	54 319	-	(14)	(38 523)	15 870
	5 941 021	845 276	139 645	(15 733)	(53 974)	(77 041)	6 779 194
Retail							
No delinquency	11 031 103	597 834	48 523	(8 702)	(31 185)	(16 242)	11 621 331
1 – 30 days	67 580	126 468	22 283	(745)	(11 599)	(6 858)	197 129
31 – 60 days	2 287	23 122	18 779	(20)	(3 349)	(5 998)	34 821
61 – 90 days	294	9 261	17 164	(2)	(1 794)	(5 788)	19 135
91 – 180 days	7	2 901	38 751	(1)	(422)	(17 715)	23 521
Over 181 days	24	469	120 604	(1)	(68)	(97 235)	23 793
	11 101 295	760 055	266 104	(9 471)	(48 417)	(149 836)	11 919 730
Public administration							
No delinquency	1 961 304	28 753	-	(1 259)	(504)	-	1 988 294
1 – 30 days	2 477	13	-	(1)	(1)	-	2 488
31 – 60 days	-	-	-	-	-	-	-
61 – 90 days	-	43	-	-	-	-	43
	1 963 781	28 809	-	(1 260)	(505)	-	1 990 825
Total due from customers	20 086 236	1 692 875	408 298	(26 942)	(103 247)	(229 191)	21 828 029
Total financial assets at AC	20 268 911	1 692 875	445 409	(26 942)	(103 247)	(235 902)	22 041 104
Financial assets at FVOCI – debt securities							
No delinquency	1 419 309	-	-	(270)	-	-	1 419 039
Loan commitments and financial guarantees							
No delinquency	5 155 263	651 148	23 713	(3 650)	(6 010)	(10 337)	5 810 127

2024 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
No delinquency	262 586	-	-	(3)	-	-	262 583
Over 181 days	-	-	55 721	-	-	(5 866)	49 855
	262 586	-	55 721	(3)	-	(5 866)	312 438
Due from customers							
Financial corporations							
No delinquency	1 333 283	86	-	(481)	-	-	1 332 888
1 – 30 days	-	-	-	-	-	-	-
91 – 180 days	-	-	-	-	-	-	-
Over 181 days	-	-	18	-	-	(7)	11
	1 333 283	86	18	(481)	-	(7)	1 332 899
Non-financial corporations							
No delinquency	5 518 844	1 164 765	73 642	(16 696)	(51 063)	(27 112)	6 662 380
1 – 30 days	36 717	22 587	3 332	(477)	(1 330)	(1 048)	59 781
31 – 60 days	537	3 882	2 835	(10)	(181)	(1 043)	6 020
61 – 90 days	45	2 241	2 658	(1)	(187)	(518)	4 238
91 – 180 days	26	94	7 455	(1)	(11)	(2 551)	5 012
Over 181 days	-	89	56 347	-	(14)	(36 905)	19 517
	5 556 169	1 193 658	146 269	(17 185)	(52 786)	(69 177)	6 756 948
Retail							
No delinquency	10 575 292	596 443	44 116	(10 133)	(39 533)	(17 469)	11 148 716
1 – 30 days	57 560	100 925	20 586	(977)	(12 689)	(8 182)	157 223
31 – 60 days	2 506	21 816	15 728	(59)	(4 017)	(6 167)	29 807
61 – 90 days	408	9 520	13 718	(8)	(2 325)	(4 981)	16 332
91 – 180 days	12	2 696	27 908	(1)	(445)	(14 709)	15 461
Over 181 days	181	379	97 744	(2)	(72)	(77 106)	21 124
	10 635 959	731 779	219 800	(11 180)	(59 081)	(128 614)	11 388 663
Public administration							
No delinquency	961 878	15 385	-	(948)	(399)	-	975 916
1 – 30 days	958	2 590	-	(3)	(107)	-	3 438
31 – 60 days	241	-	-	-	-	-	241
61 – 90 days	-	-	-	-	-	-	-
Total due from customers	963 077	17 975	-	(951)	(506)	-	979 595
Total financial assets at AC	18 488 488	1 943 498	366 087	(29 797)	(112 373)	(197 798)	20 458 105
	18 751 074	1 943 498	421 808	(29 800)	(112 373)	(203 664)	20 770 543
Financial assets at FVOCI – debt securities							
No delinquency	1 476 701	-	-	(212)	-	-	1 476 489
Loan commitments and financial guarantees							
No delinquency	4 780 731	884 387	17 534	(3 283)	(15 548)	(4 339)	5 659 482

The reconciliation from the opening balance to the closing balance of the impairment losses to explain the changes in the impairment losses and the reasons for those changes:

€ '000	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets at AC						
1 January	29 800	112 373	203 664	42 588	123 749	210 790
Origination	21 751	-	-	27 888	-	-
Derecognition	(9 355)	(15 398)	(4 151)	(9 324)	(4 968)	(1)
Changes in credit risk (net)	(15 254)	6 272	81 214	(31 352)	(6 408)	54 992
Assets written-off/sold	-	-	(44 825)	-	-	(62 117)
31 December	26 942	103 247	235 902	29 800	112 373	203 664
Financial assets at FVOCI						
1 January	212	-	-	232	-	-
Origination	57	-	-	25	-	-
Derecognition	-	-	-	(32)	-	-
Changes in credit risk (net)	49	-	-	(13)	-	-
Assets written-off/sold	(48)	-	-	-	-	-
31 December	270	-	-	212	-	-
Loan commitments and financial guarantees						
1 January	3 283	15 548	4 339	4 722	7 776	4 390
Origination	8 975	-	-	17 245	-	-
Derecognition	(1 643)	(3 375)	(2 241)	(2 459)	(1 781)	(2 835)
Changes in credit risk (net)	(6 965)	(6 163)	8 239	(16 225)	9 553	2 784
31 December	3 650	6 010	10 337	3 283	15 548	4 339

When there is transfer between stages, the original amount of the provision is transferred first and then the change in credit risk is reflected in the new stage.

The changes due to modifications that does not result in derecognition of the financial assets were immaterial.

The changes in the gross carrying amount of financial instruments during the year contributed to changes in the impairment losses:

€ '000	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets at AC						
1 January	18 751 074	1 943 498	421 808	16 895 804	1 769 458	414 381
Origination	22 701 329	-	615 881	21 829 709	-	-
Derecognition	(20 444 739)	(814 277)	(101 196)	(19 230 280)	(393 448)	(97 610)
Changes in credit risk (net)	(881 073)	705 974	175 099	(744 159)	567 488	176 671
Assets written-off/sold	-	-	(50 302)	-	-	(71 634)
31 December	20 126 591	1 835 195	1 061 290	18 751 074	1 943 498	421 808
Financial assets at FVOCI						
1 January	1 476 701	-	-	1 246 816	-	-
Origination	713 815	-	-	485 837	-	-
Derecognition	-	-	-	(52 412)	-	-
Assets written-off/sold	(771 207)	-	-	(203 540)	-	-
31 December	1 419 309	-	-	1 476 701	-	-
Loan commitments and financial guarantees						
1 January	4 780 731	884 387	17 534	4 634 050	683 854	16 240
Origination	4 597 933	-	-	3 853 436	-	-
Derecognition	(4 389 200)	(54 003)	(7 258)	(3 425 333)	(64 357)	(15 238)
Changes in credit risk (net)	148 688	(162 125)	13 437	(281 422)	264 890	16 532
31 December	5 138 152	668 259	23 713	4 780 731	884 387	17 534

In 2025, the presentation of the tables showing movements in impairment losses and in the gross carrying amounts of financial instruments was revised. Transfers between individual stages, which were presented in separate columns in the previous year, are included in the current year within the 'Changes in credit risk (net)' line item. This modification represents a presentation change only, has no impact on the total amount of impairment losses or gross carrying amounts, and enhances the clarity of the information disclosed.

4.1.4. Loans with renegotiated terms and forbearance policy

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position, where the Bank has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the Bank had provided initially. The revised terms usually include extending maturity, changing timing of interest payments and amendments to the terms of loan covenants. The Bank implements a forbearance policy in order to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, an exposure is identified as forborne if both of the following conditions are met:

- The Bank has identified financial difficulties that the debtor is facing, or is about to face;
- The exposure has been subject to renegotiation or refinancing, granted in relation to the borrower's current financial difficulties, or financial difficulties that would have occurred in the absence of the renegotiation or refinancing measures.

The bank follows rules in ECB Guidance to banks on non-performing loans issued in March 2017.

Forborne exposures are those falling into the 'Non-performing exposures with forbearance measures' and 'Performing Forborne exposures' categories.

Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ('financial difficulties').

Forbearance measures entail:

- Favourable contractual modifications granted to the debtor solely in consideration of its financial difficulties (modification);
- The granting, in favour of a debtor in financial difficulties, of a new loan to allow the fulfilment of the pre-existing obligation (refinancing);
- Contractual modifications which may be requested by a debtor within the scope of a contract already subscribed and granted by the Bank in the knowledge that the debtor is in financial difficulties (so-called 'embedded forbearance clauses').

Therefore, the definition of forborne exposure excludes the renegotiations made for commercial reasons/practices. The qualification of 'Forborne Exposure' refers to the individual transactions subject to renegotiation and/or refinancing and should not be extended to the entire counterparty. The financial difficulty, however, shall be assessed at a debtor level.

The financial distress is always assumed if the counterparty is classified as non-performing (absolute presumption).

The aim of forborne exposures is to prevent potential financial difficulties of the debtor or to allow the return of the exposure to a situation of sustainable repayment. In case of performing borrowers, such a measure should not be used to delay the reclassification to non-performing statuses of a borrower whose financial conditions already justify a downgrade of its risk classification.

The extension of Forbearance Measures does not automatically lead to the classification of the forborne exposures as Non-Performing. Instead, a net present value (NPV) test is performed by Finevare to identify whether a forbearance measure leads to a diminished financial obligation according to:

$$DO = \frac{NPV_0 - NPV_1}{NPV_0}$$

where:

- DO is diminished financial obligation;
- NPV0 is net present value of cash flows (including unpaid interest and fees) expected under contractual obligations before the changes in terms and conditions of the contract discounted using the customer's original effective interest rate;
- NPV1 is net present value of the cash flows expected based on the new arrangement discounted using the customer's original effective interest rate.

If the diminished financial obligation is higher than the threshold of 1%, the exposure is classified as Non-performing, otherwise it is Performing.

In order to identify forborne exposures, the European regulation envisages a distinction between absolute presumptions and relative presumptions (rebuttable). Absolute presumptions refer to circumstances which always fall within the concept of forborne, and don't admit contrary evidence. Relative presumptions refer to circumstances that fall within the concept of forborne until proven otherwise. Exclusively on the basis of specific analyses the Bank

can prove that a certain circumstance does not give rise to a forbearance measure.

Listed below are some examples of the most common forms of contractual modifications which may be qualified as forbearance measures, when referred to counterparties in 'financial difficulties' (the list is not exhaustive):

- Short term credit facilities subject to debt consolidation/debt rescheduling plan;
- Medium/long-term loans subject to:
 - Restructuring of the amortization plan with reductions or temporary suspensions of the instalments;
 - Extension of the maturity;
 - Extension of the pre-amortization period;
 - Conversion of the repayment terms from instalments into bullet repayment at maturity;
 - Consolidation.
- Contractual modification/renegotiation resulting from the breach of financial covenants (waiver, amendment, cancellation) refinancing;
- Restructuring of performing exposures, or past due exposures not yet classified as non-performing, involving a pool of banks;
- Contractual modification of the economic conditions, i.e., granting a borrower a new, more favourable interest rate ('off-market conditions');
- Refinancing of exposure, even short-term, with new financing that allow the debtor to postpone repayment to the bank;
- Conversion of Debt to Equity;
- In case of the Sale and Repurchase Agreements (REPOs), the capitalization of outflows when mark to market is negative.

Furthermore, according to the European regulation, the following cases have to be recognized as forborne exposures (they therefore represent 'absolute' presumptions):

- Contractual modifications that imply partial or total write-off of exposure;
- The exercise of clauses which, when enforced at the discretion of the debtor, enable him to change the terms of the contract ('embedded forbearance clauses');
- Providing new financing to the debtor simultaneously (or almost) to the payment of principal and/or interest on another exposure.

Both retail and corporate customers are subject to the forbearance policy:

2025 € '000	Performing forborne			Non-performing forborne		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	-	-	-	37 111	(6 711)	30 400
Due from customers						
Non-financial corporations	83 663	(3 697)	79 966	67 567	(34 385)	33 182
Retail	70 349	(3 885)	66 464	42 438	(23 396)	19 042
Public administration	-	-	-	-	-	-
	<u>154 012</u>	<u>(7 582)</u>	<u>146 430</u>	<u>147 116</u>	<u>(64 492)</u>	<u>82 624</u>
Loan commitments and financial guarantees	15 727	(11)	15 716	1 491	(871)	620

2024 € '000	Performing forborne			Non-performing forborne		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Financial assets at AC						
Due from banks	-	-	-	55 721	(5 866)	49 855
Due from customers						
Non-financial corporations	64 496	(1 780)	62 716	67 811	(39 629)	28 182
Retail	71 973	(5 056)	66 917	37 222	(22 282)	14 940
Public administration	6	-	6	-	-	-
	<u>136 475</u>	<u>(6 836)</u>	<u>129 639</u>	<u>160 754</u>	<u>(67 777)</u>	<u>92 977</u>
Loan commitments and financial guarantees	5 018	(7)	5 011	2 915	(530)	2 385

4.1.5. Write-off Policy

The Bank writes off a loan or security balance when it determines that the loans or securities are uncollectible. In principle, the Bank considers the credit balances to be uncollectible based on the past due days (1 080 days past due). Credit balances may be written off only if the collateral has already been realized. Receivables subject to write-off are being collected by external collection agencies until they qualify for write-off.

The credit balance can be written off earlier than defined under the conditions described above if there is evidence that the receivable cannot be collected. The write-off of such receivables is subject to the approval of the Credit Risk Officer.

Financial assets that are written-off are subject of continuous enforcement process. The majority of such assets are subject to sale to third parties at the best available prices.

The amount of loans written off during the year that are still subject to enforcement activity is EUR 16 666 thousand (31 December 2024: EUR 33 226 thousand).

4.1.6. Collateral Policy

The Bank's collateral policy is an integral and indispensable part of the credit risk management and credit risk mitigation for VUB. Collateral is used primarily to provide the Bank with the means for repayment of an exposure in the event of the default of the borrower. The principal objective of the policy is to clearly set up rules for a common and standard set of collateral types used by the Bank in its lending activities. The rules, as the minimum, describe and state:

- Conditions for legal enforceability;
- Conditions for the process of valuation and the maximum values accepted by the Bank at the origination for specific types of collaterals; and
- Conditions for the process of revaluation.

However, collateral management has a wider meaning than the simple taking of collateral in order to secure the repayment of the Bank's exposures. This includes the following:

- The establishment and maintenance of a collateral policy defining the types of collateral taken by the Bank, the legal documentation used by the Bank to secure its right to this collateral in the event of default and the valuation of this collateral at origination. These aspects of collateral management are addressed in the internal policy document;
- The relevant and proper implementation and registration of collateral to secure the Bank's right to collateral in the event of default by the borrower;
- The regular monitoring and re-valuation of collateral held by the Bank during the life of the exposure;
- The analysis, monitoring and review of realization rates achieved by Recovery Department activities in order to assess the effectiveness of the collateral policy as a risk mitigant.

The Bank's decision on the enforcement of collateral is individual and depends on factors such as the actual amount of the receivable, the current condition and value of the collateral, the length of the collateral realization period or collection related costs. The relevant competent body of the Bank decides which collateral instrument will be used.

The Bank mainly uses the following means of enforcement of collateral:

- Voluntary auction,
- Foreclosure procedure,
- Realization of the collateral for the receivable in a bankruptcy procedure,
- Sale of receivables including collateral.

The Bank holds collateral and other credit enhancements against certain of its credit exposures. The collateral against loans and advances to customers is held in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and the Bank updates the fair value on a regular basis.

The Bank mitigates the credit risk of derivatives, reverse sale and repurchase agreements by entering into master netting agreements and holding collateral in the form of cash and marketable securities. Derivative transactions are either transacted on an exchange or over-the-counter (OTC). The relevant contractual documentation for derivative transactions (e.g. the ISDA Master Agreement as a contractual standard published by the International Swaps and Derivatives Association) contains provisions governing netting arrangements. In general, under the ISDA Master Agreement or other similar types of master agreements for derivative transactions, in certain circumstances, for example in the event of default, all or only some of the active transactions may be terminated, a final value determined and the net value used to settle the relevant affected transactions.

The value of collateral accepted by the Bank (fair value adjusted by internal haircuts limited to outstanding amount of credit exposure) and other security enhancements held against financial assets is shown below:

€ '000	2025		2024	
	Total	Stage 3	Total	Stage 3
Property	11 190 436	93 243	10 855 118	143 088
<i>of which LTV* higher than 60% and lower than 80%</i>	<i>4 915 773</i>	<i>39 763</i>	<i>3 159 036</i>	<i>12 586</i>
<i>of which LTV higher than 80% and lower than 100%</i>	<i>1 739 577</i>	<i>11 628</i>	<i>1 500 481</i>	<i>6 912</i>
<i>of which LTV higher than 100%</i>	<i>244 091</i>	<i>5 869</i>	<i>227 166</i>	<i>1 901</i>
Debt securities	899 021	1 329	54 499	515
Other	892 074	15 344	595 192	71 830
	<u>12 981 531</u>	<u>109 916</u>	<u>11 504 809</u>	<u>215 433</u>

* LTV (loan to value) is the ratio of the current balance sheet balance of a loan to the currently allocated value of collateral for a given contract.

4.1.7. Offsetting financial assets and financial liabilities

Offsetting financial assets and financial liabilities relates to financial assets and financial liabilities that are:

- Offset in the statement of financial position; or
- Subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

In general, the similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the statement of financial position.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is due to the fact they create for the parties to the agreement a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. In addition, the Bank and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Bank receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:

- Derivatives,
- Security financing transaction agreements.

Such collateral is subject to standard industry terms including, when appropriate, an ISDA/Credit Support Annex (CSA) and Global Master Repurchase Agreement ('GMRA'). This means that securities received or given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

The following tables show the financial assets and financial liabilities that are subject to enforceable master netting arrangements and similar agreements in the statement of financial position ('SOPF'):

2025 € '000	Note	Gross amount	Gross amount offset in SOPF	Net amount presented in SOPF	Related amounts not offset in SOPF		
					Financial instrument and non-cash collateral	Cash collateral received	Net amount
Types of financial assets							
Reverse repo transactions	7	825 233	-	825 233	(825 233)	-	-
Derivative financial instruments	8, 9	136 259	-	136 259	-	(23 772)	112 487
Types of financial liabilities							
Derivative financial instruments	8, 9	150 779	-	150 779	-	(182 411)	(31 632)

2024 € '000	Note	Gross amount	Gross amount offset in SOPF	Net amount presented in SOPF	Related amounts not offset in SOPF		
					Financial instrument and non-cash collateral	Cash collateral received	Net amount
Types of financial assets							
Reverse repo transactions	7	990 078	-	990 078	(990 078)	-	-
Derivative financial instruments	8, 9	123 545	-	123 545	-	(660)	122 885
Types of financial liabilities							
Derivative financial instruments	8, 9	247 868	-	247 868	-	(211 302)	36 566

4.1.8. Concentrations of credit risk

The Bank monitors concentrations of credit risk by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below.

2025 € '000	Slovakia	The Czech Republic	Other European countries	America	Asia	Rest of the World	Total
Financial assets at AC							
Due from banks	86	-	182 411	37 111	178	-	219 786
Due from customers							
Financial corporations	239 902	499 737	401 784	-	-	-	1 141 423
Non-financial corporations	4 344 386	733 080	1 591 393	-	257 083	-	6 925 942
Retail	11 923 905	19 129	158 116	5 154	16 000	5 150	12 127 454
Public administration	1 784 843	-	207 747	-	-	-	1 992 590
Total due from customers	18 293 036	1 251 946	2 359 040	5 154	273 083	5 150	22 187 409
Gross amount	18 293 122	1 251 946	2 541 451	42 265	273 261	5 150	22 407 195
Impairment losses	(348 704)	(1 549)	(8 739)	(6 718)	(329)	(52)	(366 091)
Net amount	17 944 418	1 250 397	2 532 712	35 547	272 932	5 098	22 041 104
Financial assets at FVOCI – debt securities							
	478 890	378 033	525 712	36 675	-	-	1 419 310
Loan commitments and financial guarantees							
	3 524 010	1 393 819	816 405	389	95 275	226	5 830 124

2024 € '000	Slovakia	The Czech Republic	Other European countries	America	Asia	Rest of the World	Total
Financial assets at AC							
Due from banks	78	-	262 384	55 721	124	-	318 307
Due from customers							
Financial corporations	210 034	420 826	702 527	-	-	-	1 333 387
Non-financial corporations	4 309 927	861 727	1 377 978	-	345 745	719	6 896 096
Retail	11 355 450	19 258	183 024	5 239	18 855	5 712	11 587 538
Public administration	981 052	-	-	-	-	-	981 052
Total due from customers	<u>16 856 463</u>	<u>1 301 811</u>	<u>2 263 529</u>	<u>5 239</u>	<u>364 600</u>	<u>6 431</u>	<u>20 798 073</u>
Gross amount	<u>16 856 541</u>	<u>1 301 811</u>	<u>2 525 913</u>	<u>60 960</u>	<u>364 724</u>	<u>6 431</u>	<u>21 116 380</u>
Impairment losses	<u>(315 184)</u>	<u>(2 136)</u>	<u>(22 335)</u>	<u>(5 885)</u>	<u>(243)</u>	<u>(54)</u>	<u>(345 837)</u>
Net amount	<u>16 541 357</u>	<u>1 299 675</u>	<u>2 503 578</u>	<u>55 075</u>	<u>364 481</u>	<u>6 377</u>	<u>20 770 543</u>
Financial assets at FVOCI – debt securities							
	785 190	31 446	577 035	83 031	-	-	1 476 702
Loan commitments and financial guarantees							
	3 778 160	1 154 198	640 886	312	108 761	335	5 682 652

An analysis of exposures based on the carrying amounts for the non-financial sector is shown in the table below.

€ '000	2025	2024
Non-financial corporations		
Agriculture, forestry and fishing	298 912	314 094
Mining and quarrying	119 719	139 480
Manufacturing	1 027 121	1 174 830
Electricity, gas, steam and air conditioning supply	642 186	569 325
Water supply	43 951	54 467
Construction	474 062	467 378
Wholesale and retail trade	1 135 297	1 118 783
Transport and storage	608 290	679 399
Accommodation and food service activities	74 259	71 146
Information and communication	98 565	78 017
Financial and insurance activities*	48 606	36 642
Real estate activities	715 409	749 833
Professional, scientific and technical activities	504 899	504 891
Administrative and support service	609 337	366 038
Public administration and defence, compulsory social security	109	209
Education	21 471	16 820
Human health services and social work activities	70 838	79 329
Arts, entertainment and recreation	14 259	13 119
Other services	418 652	462 296
Gross amount	<u>6 925 942</u>	<u>6 896 096</u>
Impairment losses	<u>(146 748)</u>	<u>(139 148)</u>
Net amount	<u>6 779 194</u>	<u>6 756 948</u>

* 'Financial and insurance activities' involves financial services, leasing and insurance.

4.1.9. Internal and external ratings

The overview of the internal rating scales according to the risk profile applicable for the corporate exposures and the retail exposures from small business, flat owners' associations and public administrations is shown below.

Risk Profile	Description
Very Low	Good quality of assets, strong market penetration, steady activity, proven distinctive managerial skills, broad debt coverage capacity.
Low	Satisfactory quality and chargeability of assets, market penetration and managerial quality on the average; well-set solvency, capital structure and debt composition; above average debt coverage capacity.
Lower-Intermediate	Acceptable quality and chargeability of available assets, even if with a not negligible degree of risk; well-balanced solvency, capital structure and debt composition with slight liquidity surplus and weaker debt coverage capacity.
Intermediate	Acceptable quality and chargeability of available assets even if with a significant degree of risk; vulnerable margin at times, capital structure and debt composition that show worsening signals; low level of liquidity and short debt coverage margin.
Upper-Intermediate	Still acceptable asset quality even if with possible liquidity stress; high level of gearing; managerial weakness, little market penetration and positioning; margins and competitiveness under pressure.
High	In addition to riskiness features for Upper-Intermediate profile, there are evident difficulties as well as problematic debt management.
Very high	Highly vulnerable to non-payment, dependent on favourable conditions, likely to default.
Default	A default is considered to have occurred with regard to a particular obligor when one or both of the following events have taken place: <ul style="list-style-type: none"> - the obligor is past due more than 90 days (Days past due methodology) on any material credit obligation to the Bank, the Parent Company undertaking or any of its subsidiaries; - the Bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the Bank to actions such as realizing security (if held).

Specialized Lending comprises the rating segments SPV. For Specialized Lending, the Bank uses the Slotting approach. Clients are assigned into five slotting categories based on a qualitative valuation and information about the risk of default. Risk weights and expected losses used for the capital requirement calculation are also defined for each category. Categories are predefined by the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms ('CRR') and internally, the categories used are as follows:

Specialized Lending – SPV

- Strong
- Good
- Satisfactory
- Weak
- Default

For mortgages and unsecured retail, the retail segment incorporates many individually insignificant exposures with various characteristics, therefore the description of ratings correlates with these risk profiles.

Risk Profile	Description
Very Low	High level of client's socio-demographic information and financial discipline.
Low	Above average level of client's socio-demographic information and financial discipline.
Lower-Intermediate	Acceptable level of client's socio-demographic information and financial discipline.
Intermediate	Acceptable level of client's socio-demographic information and financial discipline, but there are some signals of worsening credit quality.
Upper-Intermediate	Acceptable level of client's socio-demographic information and financial discipline, but there is worsening credit quality.
High	Acceptable level of client's socio-demographic information and financial discipline, but there is negative credit behaviour.
Default	A default is considered to have occurred with regard to a particular mortgage/obligor when either or both of the two following events have taken place: <ul style="list-style-type: none"> - The obligor is past due more than 90 days (Days past due methodology) on any material credit obligation to the Bank (absolute threshold is set according to NBS directive); - The Bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the Bank to actions such as realizing security (if held).

In the segments of the public sector entities, factoring and leasing, the Bank does not assign an internal rating to the client.

Capital requirement calculation

The Bank generally employs the standardized approach for the calculation of the capital requirements. However, for the calculation of the credit and counterparty risk capital requirements, the Bank, having received authorisation from the Supervisory Authority National Bank of Slovakia ('NBS'), uses the Advanced IRB approach for its portfolio of residential mortgages from July 2012 and for the Corporate segment, Small and Medium size enterprises (SME) and for Retail Small Business from June 2014. In December 2022, the VUB Group received authorisation to use IRB approach also for Unsecured retail segment. Slotting approach is employed for portfolio of Specialised lending exposures. After CCR III implementation FIRB approach is used for Large Corporate segment, and in November 2025 FIRB approach has been approved also for Institutions exposure class. The Bank is also proceeding with the development of IRB models in accordance with the gradual rollout plan for the advanced approaches presented to the Supervisory Authority.

The following table shows the quality of the Bank's credit portfolio in terms of internal ratings:

2025 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
Very Low	12 258	-	-	-	-	-	12 258
Low	-	-	-	-	-	-	-
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	-	-	-	-	-	-	-
Upper-Intermediate	-	-	-	-	-	-	-
High	170 331	-	-	-	-	-	170 331
Default	-	-	37 111	-	-	(6 711)	30 400
Unrated	86	-	-	-	-	-	86
	182 675	-	37 111	-	-	(6 711)	213 075
Due from customers							
Financial corporations							
Very Low	490 734	58 631	-	(37)	(6)	-	549 322
Low	245 882	-	-	(131)	-	-	245 751
Lower-Intermediate	52 887	-	-	(156)	-	-	52 731
Intermediate	290 057	44	-	(153)	(339)	-	289 609
Upper-Intermediate	25	60	-	-	(6)	-	79
High	-	-	-	-	-	-	-
Default	-	-	2 549	-	-	(2 314)	235
Unrated	554	-	-	(1)	-	-	553
	1 080 139	58 735	2 549	(478)	(351)	(2 314)	1 138 280
Non-financial corporations							
Very Low	1 684 660	30 900	-	(851)	(160)	-	1 714 549
Low	1 539 462	1 314	-	(458)	-	-	1 540 318
Lower-Intermediate	1 465 211	243 767	-	(4 301)	(1 907)	-	1 702 770
Intermediate	326 586	107 934	-	(1 265)	(1 896)	-	431 359
Upper-Intermediate	232 589	411 987	-	(7 441)	(48 551)	-	588 584
High	-	-	-	-	-	-	-
Very high	45	1	-	-	-	-	46
Default	(5)	-	134 468	-	-	(73 165)	61 298
Unrated	769	20	-	-	-	-	789
	5 249 317	795 923	134 468	(14 316)	(52 514)	(73 165)	6 039 713
Non-financial corporations – specialised lending							
Strong	269 732	4 656	-	(162)	(118)	-	274 108
Good	376 140	23 561	-	(574)	(367)	-	398 760
Satisfactory	36 362	18 668	-	(316)	(782)	-	53 932
Weak	9 470	2 468	-	(365)	(193)	-	11 380
Default	-	-	5 177	-	-	(3 876)	1 301
Unrated	-	-	-	-	-	-	-
	691 704	49 353	5 177	(1 417)	(1 460)	(3 876)	739 481
Retail							
Very Low	7 063 519	31 908	-	(594)	(317)	-	7 094 516
Low	1 579 134	19 878	-	(278)	(161)	-	1 598 573
Lower-Intermediate	2 101 341	247 195	-	(2 483)	(4 757)	-	2 341 296
Intermediate	226 587	194 553	-	(1 922)	(6 709)	-	412 509
Upper-Intermediate	103 405	148 332	-	(3 310)	(14 422)	-	234 005
High	9 662	117 983	-	(884)	(22 051)	-	104 710
Default	-	-	266 104	-	-	(149 836)	116 268
Unrated	17 647	206	-	-	-	-	17 853
	11 101 295	760 055	266 104	(9 471)	(48 417)	(149 836)	11 919 730

(Table continues on the next page)

2025 € '000	Gross amount			Impairment losses/Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from customers							
Public administration							
Very Low	115 988	3 262	-	(108)	(4)	-	119 138
Low	51 700	2 182	-	(22)	(4)	-	53 856
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	11 498	2 794	-	(8)	(27)	-	14 257
Upper-Intermediate	93 853	20 150	-	(273)	(437)	-	113 293
High	442	328	-	(17)	(27)	-	726
Default	-	-	-	-	-	-	-
Unrated	1 690 300	93	-	(832)	(6)	-	1 689 555
	<u>1 963 781</u>	<u>28 809</u>	<u>-</u>	<u>(1 260)</u>	<u>(505)</u>	<u>-</u>	<u>1 990 825</u>
Total due from customers	<u>20 086 236</u>	<u>1 692 875</u>	<u>408 298</u>	<u>(26 942)</u>	<u>(103 247)</u>	<u>(229 191)</u>	<u>21 828 029</u>
Total financial assets at AC	<u>20 268 911</u>	<u>1 692 875</u>	<u>445 409</u>	<u>(26 942)</u>	<u>(103 247)</u>	<u>(235 902)</u>	<u>22 041 104</u>
Financial assets at FVOCI							
- debt securities							
Unrated	1 419 309	-	-	(270)	-	-	1 419 039
Loan commitments and financial guarantees							
Due from banks							
Very Low	10 987	-	-	(1)	-	-	10 986
Low	-	-	-	-	-	-	-
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	185	-	-	-	-	-	185
Upper-Intermediate	-	-	-	-	-	-	-
High	207 275	-	-	(7)	-	-	207 268
Default	-	-	-	-	-	-	-
Unrated	1 909	5	-	-	-	-	1 914
	<u>220 356</u>	<u>5</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>220 353</u>
Due from customers							
Financial corporations							
Very Low	130 143	6 003	-	(19)	-	-	136 127
Low	73 710	-	-	(27)	-	-	73 683
Lower-Intermediate	6 092	-	-	(25)	-	-	6 067
Intermediate	28 588	505	-	-	(27)	-	29 066
Upper-Intermediate	-	3	-	-	-	-	3
High	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	167	-	-	-	-	-	167
	<u>238 700</u>	<u>6 511</u>	<u>-</u>	<u>(71)</u>	<u>(27)</u>	<u>-</u>	<u>245 113</u>
Non-financial corporations							
Very Low	1 631 567	144 342	-	(605)	(25)	-	1 775 279
Low	986 407	70 936	-	(264)	(4)	-	1 057 075
Lower-Intermediate	706 992	120 044	-	(737)	(391)	-	825 908
Intermediate	176 654	83 401	-	(298)	(651)	-	259 106
Upper-Intermediate	45 070	120 314	-	(1 129)	(4 395)	-	159 860
High	-	-	-	-	-	-	-
Very high	9	-	-	-	-	-	9
Default	-	-	20 299	-	-	(10 152)	10 147
Unrated	2 489	400	-	-	-	-	2 889
	<u>3 549 188</u>	<u>539 437</u>	<u>20 299</u>	<u>(3 033)</u>	<u>(5 466)</u>	<u>(10 152)</u>	<u>4 090 273</u>

(Table continues on the next page)

2025 € '000	Gross amount			Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loan commitments and financial guarantees							
Due from customers							
Non-financial corporations – specialised lending							
Strong	160 977	3 669	-	(38)	-	-	164 608
Good	150 071	18 033	-	(94)	(58)	-	167 952
Satisfactory	606	-	-	(2)	-	-	604
Weak	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-
	<u>311 654</u>	<u>21 702</u>	<u>-</u>	<u>(134)</u>	<u>(58)</u>	<u>-</u>	<u>333 164</u>
Retail							
Very Low	285 037	6 152	-	(15)	(18)	-	291 156
Low	100 455	5 196	-	(8)	(3)	-	105 640
Lower–Intermediate	202 106	55 175	-	(61)	(103)	-	257 117
Intermediate	25 623	3 313	-	(35)	(39)	-	28 862
Upper–Intermediate	6 668	4 925	-	(28)	(246)	-	11 319
High	1 096	674	-	(11)	(42)	-	1 717
Default	-	-	3 414	-	-	(185)	3 229
Unrated	211	58	-	-	-	-	269
	<u>621 196</u>	<u>75 493</u>	<u>3 414</u>	<u>(158)</u>	<u>(451)</u>	<u>(185)</u>	<u>699 309</u>
Public administration							
Very Low	101 795	1 981	-	(28)	-	-	103 748
Low	36 756	2 800	-	(7)	-	-	39 549
Lower–Intermediate	-	-	-	-	-	-	-
Intermediate	8 587	110	-	(3)	-	-	8 694
Upper–Intermediate	20 006	3 067	-	(30)	(8)	-	23 035
High	-	22	-	-	-	-	22
Default	-	-	-	-	-	-	-
Unrated	47 025	20	-	(178)	-	-	46 867
	<u>214 169</u>	<u>8 000</u>	<u>-</u>	<u>(246)</u>	<u>(8)</u>	<u>-</u>	<u>221 915</u>
Total due from customers	<u>4 934 907</u>	<u>651 143</u>	<u>23 713</u>	<u>(3 642)</u>	<u>(6 010)</u>	<u>(10 337)</u>	<u>5 589 774</u>
Total financial assets at AC	<u>5 155 263</u>	<u>651 148</u>	<u>23 713</u>	<u>(3 650)</u>	<u>(6 010)</u>	<u>(10 337)</u>	<u>5 810 127</u>

2024 € '000	Gross amount			Impairment losses			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from banks							
Very Low	80 185	-	-	(3)	-	-	80 182
Low	182 323	-	-	-	-	-	182 323
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	-	-	-	-	-	-	-
Upper-Intermediate	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-
Default	-	-	55 721	-	-	(5 866)	49 855
Unrated	78	-	-	-	-	-	78
	<u>262 586</u>	<u>-</u>	<u>55 721</u>	<u>(3)</u>	<u>-</u>	<u>(5 866)</u>	<u>312 438</u>
Due from customers							
Financial corporations							
Very Low	994 490	-	-	(114)	-	-	994 376
Low	254 535	-	-	(93)	-	-	254 442
Lower-Intermediate	55 810	17	-	(204)	-	-	55 623
Intermediate	27 261	69	-	(70)	-	-	27 260
Upper-Intermediate	22	-	-	-	-	-	22
High	-	-	-	-	-	-	-
Default	-	-	18	-	-	(7)	11
Unrated	1 165	-	-	-	-	-	1 165
	<u>1 333 283</u>	<u>86</u>	<u>18</u>	<u>(481)</u>	<u>-</u>	<u>(7)</u>	<u>1 332 899</u>
Non-financial corporations							
Very Low	1 403 057	126 525	-	(618)	(170)	-	1 528 794
Low	1 658 920	419	-	(620)	-	-	1 658 719
Lower-Intermediate	1 286 794	351 756	-	(3 381)	(2 046)	-	1 633 123
Intermediate	303 882	135 601	-	(1 398)	(1 998)	-	436 087
Upper-Intermediate	215 367	398 682	-	(3 460)	(19 337)	-	591 252
High	793	90 135	-	(14)	(16 558)	-	74 356
Very high	-	-	-	-	-	-	-
Default	-	-	120 452	-	-	(56 610)	63 842
Unrated	1 767	27	-	-	-	-	1 794
	<u>4 870 580</u>	<u>1 103 145</u>	<u>120 452</u>	<u>(9 491)</u>	<u>(40 109)</u>	<u>(56 610)</u>	<u>5 987 967</u>
Non-financial corporations – specialised lending							
Strong	156 818	2 509	-	(786)	(100)	-	158 441
Good	452 152	19 662	-	(4 081)	(667)	-	467 066
Satisfactory	69 646	27 504	-	(2 148)	(2 253)	-	92 749
Weak	6 973	40 838	-	(679)	(9 657)	-	37 475
Default	-	-	25 817	-	-	(12 567)	13 250
Unrated	-	-	-	-	-	-	-
	<u>685 589</u>	<u>90 513</u>	<u>25 817</u>	<u>(7 694)</u>	<u>(12 677)</u>	<u>(12 567)</u>	<u>768 981</u>
Retail							
Very Low	6 529 484	61 282	-	(887)	(1 323)	-	6 588 556
Low	1 573 227	33 355	-	(413)	(744)	-	1 605 425
Lower-Intermediate	2 151 716	190 985	-	(3 513)	(5 000)	-	2 334 188
Intermediate	237 602	164 779	-	(2 298)	(10 603)	-	389 480
Upper-Intermediate	92 607	159 434	-	(2 662)	(14 875)	-	234 504
High	14 391	121 386	-	(1 399)	(26 536)	-	107 842
Default	-	-	219 800	-	-	(128 614)	91 186
Unrated	36 932	558	-	(8)	-	-	37 482
	<u>10 635 959</u>	<u>731 779</u>	<u>219 800</u>	<u>(11 180)</u>	<u>(59 081)</u>	<u>(128 614)</u>	<u>11 388 663</u>

(Table continues on the next page)

2024 € '000	Gross amount			Impairment losses/Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Financial assets at AC							
Due from customers							
Public administration							
Very Low	36 606	2 196	-	(18)	(2)	-	38 782
Low	30 551	2 611	-	(14)	(9)	-	33 139
Lower-Intermediate	-	-	-	-	-	-	-
Intermediate	8 015	2 248	-	(6)	(9)	-	10 248
Upper-Intermediate	83 525	9 872	-	(231)	(401)	-	92 765
High	245	901	-	(9)	(77)	-	1 060
Default	-	-	-	-	-	-	-
Unrated	804 135	147	-	(673)	(8)	-	803 601
	963 077	17 975	-	(951)	(506)	-	979 595
Total due from customers	18 488 488	1 943 498	366 087	(29 797)	(112 373)	(197 798)	20 458 105
Total financial assets at AC	18 751 074	1 943 498	421 808	(29 800)	(112 373)	(203 664)	20 770 543
Financial assets at FVOCI							
- debt securities							
Unrated	1 476 701	-	-	(212)	-	-	1 476 489
Loan commitments and financial guarantees							
Due from banks							
Very Low	11 954	-	-	(1)	-	-	11 953
Low	-	-	-	-	-	-	-
Lower-Intermediate	209 532	-	-	(5)	-	-	209 527
Intermediate	1 129	-	-	-	-	-	1 129
Upper-Intermediate	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	1 612	10	-	-	-	-	1 622
	224 227	10	-	(6)	-	-	224 231
Due from customers							
Financial corporations							
Very Low	64 545	24 391	-	(2)	(27)	-	88 907
Low	39 875	-	-	1	-	-	39 876
Lower-Intermediate	8 728	1	-	(2)	-	-	8 727
Intermediate	24 269	5	-	(11)	-	-	24 263
Upper-Intermediate	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-
	137 417	24 397	-	(14)	(27)	-	161 773
Non-financial corporations							
Very Low	1 517 600	296 533	-	(174)	(2 664)	-	1 811 295
Low	1 344 403	56 344	-	(220)	(35)	-	1 400 492
Lower-Intermediate	585 227	170 673	-	(573)	(3 236)	-	752 091
Intermediate	156 934	108 164	-	(462)	(2 002)	-	262 634
Upper-Intermediate	33 330	102 399	-	(249)	(5 844)	-	129 636
High	9	7 492	-	-	(216)	-	7 285
Very high	-	-	-	-	-	-	-
Default	-	-	14 251	-	-	(4 327)	9 924
Unrated	2 046	400	-	(2)	-	-	2 444
	3 639 549	742 005	14 251	(1 680)	(13 997)	(4 327)	4 375 801

(Table continues on the next page)

2024 € '000	Gross amount			Provisions			Net amount
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Loan commitments and financial guarantees							
Due from customers							
Non-financial corporations – specialised lending							
Strong	25 493	12	-	(92)	-	-	25 413
Good	123 886	23 609	-	(904)	(375)	-	146 216
Satisfactory	4 100	2 091	-	(107)	(116)	-	5 968
Weak	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-
	153 479	25 712	-	(1 103)	(491)	-	177 597
Retail							
Very Low	220 363	6 805	-	(21)	(69)	-	227 078
Low	76 139	3 345	-	(13)	(21)	-	79 450
Lower–Intermediate	184 930	52 962	-	(105)	(244)	-	237 543
Intermediate	29 969	3 504	-	(119)	(186)	-	33 168
Upper–Intermediate	6 392	4 946	-	(84)	(439)	-	10 815
High	1 893	504	-	(78)	(74)	-	2 245
Default	-	-	3 283	-	-	(12)	3 271
Unrated	238	-	-	(7)	-	-	231
	519 924	72 066	3 283	(427)	(1 033)	(12)	593 801
Public administration							
Very Low	5 162	20 048	-	-	-	-	25 210
Low	32 625	-	-	(6)	-	-	32 619
Lower–Intermediate	-	-	-	-	-	-	-
Intermediate	2 373	-	-	(1)	-	-	2 372
Upper–Intermediate	3 629	129	-	(9)	-	-	3 749
High	-	20	-	-	-	-	20
Default	-	-	-	-	-	-	-
Unrated	62 346	-	-	(37)	-	-	62 309
	106 135	20 197	-	(53)	-	-	126 279
Total due from customers	4 556 504	884 377	17 534	(3 277)	(15 548)	(4 339)	5 435 251
Total financial assets at AC	4 780 731	884 387	17 534	(3 283)	(15 548)	(4 339)	5 659 482

For some portfolios, information from external credit reference agencies is also used. The credit quality for financial assets at amortized cost due from banks is in the rating scale from Aa1 to Ba3 (31 December 2024: Aaa to B1). Two banking counterparties did not have an external credit rating assigned as of the reporting date.

The following table sets out the credit quality of FVOCI debt securities. The analysis is based on Moody's ratings.

€ '000	2025	2024
Financial assets at FVOCI – debt securities		
Aaa	222 151	562 291
Aa1	34 298	8 065
Aa2	-	31 446
Aa3	346 667	20 938
A3	530 422	106 309
Baa2	285 771	101 294
Baa3	-	646 358
Gross amount	1 419 309	1 476 701
Impairment losses	(270)	(212)
Net amount	1 419 039	1 476 489

4.1.10. Sensitivity analysis of impairment losses

In the tables below the Bank shows the sensitivity of ECL calculation to a decrease or increase of PD parameter by 10%:

2025 € '000	Basic scenario Impairment losses (note 11.1, 11.2)	Decrease PD by 10%			Increase PD by 10%		
		Impairment losses	Absolute change	Relative change	Impairment losses	Absolute change	Relative change
Financial assets at AC							
Due from banks	6 711	6 711	-	-	6 711	-	-
Due from customers							
Financial corporations							
Loans	3 013	3 083	70	2.32%	2 943	(70)	(2.32)%
Overdrafts	2	3	1	50.00%	2	-	-
Factoring	5	5	-	-	5	-	-
Debt securities	123	136	13	10.57%	111	(12)	(9.76)%
	3 143	3 227	84	2.67%	3 061	(82)	(2.61)%
Non-financial corporations							
Loans	96 291	101 678	5 387	5.59%	90 903	(5 388)	(5.60)%
Mortgages	216	218	2	0.93%	213	(3)	(1.39)%
Overdrafts	40 602	41 682	1 080	2.66%	39 522	(1 080)	(2.66)%
Credit cards	362	375	13	3.59%	349	(13)	(3.59)%
Factoring	1 431	1 525	94	6.57%	1 338	(93)	(6.50)%
Debt securities	843	927	84	9.96%	759	(84)	(9.96)%
Other	7 003	7 314	311	4.44%	6 693	(310)	(4.43)%
	146 748	153 719	6 971	4.75%	139 777	(6 971)	(4.75)%
Retail							
Loans	136 083	139 017	2 934	2.16%	133 149	(2 934)	(2.16)%
Mortgages	65 064	67 754	2 690	4.13%	62 374	(2 690)	(4.13)%
Overdrafts	4 139	4 213	74	1.79%	4 065	(74)	(1.79)%
Credit cards	1 927	2 011	84	4.36%	1 844	(83)	(4.31)%
Other	511	522	11	2.15%	501	(10)	(1.96)%
	207 724	213 517	5 793	2.79%	201 933	(5 791)	(2.79)%
Public administration							
Loans	1 498	1 648	150	10.01%	1 349	(149)	(9.95)%
Overdrafts	3	3	-	-	3	-	-
Debt securities	263	290	27	10.27%	237	(26)	(9.89)%
Other	1	1	-	-	-	(1)	(100.00)%
	1 765	1 942	177	10.03%	1 589	(176)	(9.97)%
Total due from customers	359 380	372 405	13 025	3.62%	346 360	(13 020)	(3.62)%
Total financial assets at AC	366 091	379 116	13 025	3.56%	353 071	(13 020)	(3.56)%
Financial assets at FVOCI – debt securities							
	270	297	27	10.00%	243	(27)	(10.00)%

2024 € '000	Basic scenario Impairment losses (note 11.1, 11.2)	Decrease PD by 10%			Increase PD by 10%		
		Impairment losses	Absolute change	Relative change	Impairment losses	Absolute change	Relative change
Financial assets at AC							
Due from banks	5 869	5 869	-	-	5 870	1	0.02%
Due from customers							
Financial corporations							
Loans	392	354	(38)	(9.69)%	431	39	9.95%
Overdrafts	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-
Debt securities	96	86	(10)	(10.42)%	105	9	9.38%
	<u>488</u>	<u>440</u>	<u>(48)</u>	<u>(20.11)%</u>	<u>536</u>	<u>48</u>	<u>9.84%</u>
Non-financial corporations							
Loans	102 961	96 732	(6 229)	(6.05)%	109 189	6 228	6.05%
Mortgages	203	199	(4)	(1.97)%	207	4	1.97%
Overdrafts	28 645	28 196	(449)	(1.57)%	29 095	450	1.57%
Credit cards	198	191	(7)	(3.54)%	204	6	3.03%
Factoring	1 315	1 205	(110)	(8.37)%	1 426	111	8.44%
Debt securities	165	149	(16)	(9.70)%	182	17	10.30%
Other	5 661	5 479	(182)	(3.21)%	5 842	181	3.20%
	<u>139 148</u>	<u>132 151</u>	<u>(6 997)</u>	<u>(5.03)%</u>	<u>146 145</u>	<u>6 997</u>	<u>5.03%</u>
Retail							
Loans	118 807	115 193	(3 614)	(3.04)%	122 421	3 614	3.04%
Mortgages	73 185	69 905	(3 280)	(4.48)%	76 464	3 279	4.48%
Overdrafts	4 279	4 223	(56)	(1.31)%	4 334	55	1.29%
Credit cards	2 065	2 001	(64)	(3.10)%	2 129	64	3.10%
Other	539	526	(13)	(2.41)%	552	13	2.41%
	<u>198 875</u>	<u>191 848</u>	<u>(7 027)</u>	<u>(3.53)%</u>	<u>205 900</u>	<u>7 025</u>	<u>3.53%</u>
Public administration							
Loans	1 351	1 216	(135)	(9.99)%	1 486	135	9.99%
Overdrafts	2	2	-	-	2	-	-
Debt securities	94	84	(10)	(10.64)%	104	10	10.64%
Other	10	9	(1)	(10.00)%	11	1	10.00%
	<u>1 457</u>	<u>1 311</u>	<u>(146)</u>	<u>(10.02)%</u>	<u>1 603</u>	<u>146</u>	<u>10.02%</u>
Total due from customers	<u>339 968</u>	<u>325 750</u>	<u>(14 218)</u>	<u>(4.18)%</u>	<u>354 184</u>	<u>14 216</u>	<u>4.18%</u>
Total financial assets at AC	<u>345 837</u>	<u>331 619</u>	<u>(14 218)</u>	<u>(4.11)%</u>	<u>360 054</u>	<u>14 217</u>	<u>4.11%</u>
Financial assets at FVOCI – debt securities							
	212	191	(21)	(9.91)%	233	21	9.91%

4.1.11. Impact of the possible scenarios on the impairment losses and provisions

The behavior of the macroeconomic model is described by two possible scenarios, which simulate a worsening of the macroeconomic situation. These scenarios resulted in the increase of expected loss. The simulation was run on the VUB Group level on the whole Retail segment – mortgages, consumer loans, credit cards, overdrafts, car purchase financing and former CFH products (Quatro, Slovenská požičovňa, HRL).

For the purposes of the simulation, the bank formulates three scenarios:

- BASE – the scenario without stressing macroeconomic inputs. The predictions of the macroeconomic variables are input into the macroeconomic model without any adjustments. Please note that the provisioning values for December 2025 are not aligned with the figures used in BASE scenario, as managerial overlay amounts – ordinarily included in the year-end totals – were removed solely for the purpose of this analysis;
- STRESS 10% – the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 10%;
- STRESS 30% – the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 30%.

The expected loss for BASE scenario is at the level of EUR 175 925 ths and the proportion of assets in Stage 2 is at the level of 6.07%. If the predictions of the macroeconomic variables entering the macroeconomic model are stressed by 10%, the expected loss would increase to EUR 175 953 ths and the proportion of assets in Stage 2 would stay at the level of 6.07% (negligible increase is not visible due to rounding). A more severe scenario (STRESS 30%) would increase the expected loss to EUR 176 055 ths and the proportion of assets in Stage 2 would increase to 6.08%.

Scenarios and their impact:

€ '000	2025			2024		
	BASE	STRESS 10 %	STRESS 30 %	BASE	STRESS 10 %	STRESS 30 %
Gross exposure						
Retail	12 429 757	12 429 757	12 429 757	11 778 469	11 778 469	11 778 469
Expected loss						
Retail	175 925	175 953	176 055	178 008	178 592	180 089
Proportion of assets in Stage 2 (in terms of gross exposure)						
Retail	6.07%	6.07%	6.08%	5.67%	5.71%	5.89%

4.1.12. Credit risk of financial derivatives

Credit exposure (or the replacement cost) of derivative financial instruments represents the Bank's credit exposure from contracts with a positive fair value. This indicates the estimated maximum potential loss in the event that counterparties fail to fulfil their obligations. It is usually a small proportion of the notional amounts of the contracts. The credit exposure of each contract is indicated by the credit equivalent, calculated in accordance with the generally applicable methodology using the current exposure method. It involves the market value of the contract (only if positive; otherwise, zero value is taken into account) and a portion of the nominal value, reflecting the potential change in market value over the term of the contract. The credit equivalent is established depending on the type of contract and its maturity. The Bank assesses the credit risk of all financial instruments on a daily basis.

With regard to IFRS 13 which contains a clarification in reference to non-performance risk in determining the fair value of over-the-counter derivatives, the Bank uses the bilateral Credit Value Adjustment model ('bCVA'). It takes into account the effects of changes in counterparty credit ratings as well as the changes in own credit rating. The bCVA has two addends, calculated by considering the possibility that both counterparties go bankrupt, known as the Credit Value Adjustment ('CVA') and Debit Value Adjustment ('DVA'):

- The CVA (negative) takes into account scenarios whereby the counterparty fails before the Bank that has a positive exposure to the counterparty. In these scenarios, the Bank suffers a loss equal to the cost of replacing/closing the derivative contract,
- The DVA (positive) takes into account scenarios whereby the Bank fails before the counterparty and has a negative exposure to the counterparty. In these scenarios the Bank achieves a gain equal to the cost of replacing/closing the derivative contract.

The bCVA depends on the exposure, probability of default and the loss given default of the counterparties. The Bank is selective in its choice of counterparties and sets limits for transactions with customers. The Bank takes its own as well as its counterparties' credit risk into consideration to the extent it believes the market participants would do so.

4.2. Market risk

Market risk refers to the potential impact of fluctuations in market prices – such as interest rates, stock prices, and exchange rates on the Bank's returns or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

4.2.1. Management of market risk

The Bank categorizes its exposures to market risk into trading ('trading book') and non-trading portfolios ('banking book'). Trading portfolios are held by the Trading sub-department while the Sales sub-department include positions arising from market-making and proprietary position taking. All foreign exchange risk within the Bank is transferred each day to the Trading sub-department and forms part of the trading portfolio for risk management purposes. The non-trading portfolios are managed by the sub-department Asset Liability Management ('ALM'), and include all positions which are not intended for trading.

Trading portfolios include derivative financial instruments used for both trading and hedging and debt securities classified as financial assets held for trading. Financial instruments with non-trading purpose are part of the banking book.

Overall authority for market risk is vested in ALCO. The Risk Management Department is responsible for the development of detailed risk management policies and for their implementation and day-to-day market risk monitoring and reporting.

In the normal course of business, the Bank enters into derivative financial instrument transactions to hedge its liquidity, foreign exchange and interest rate risks. The Bank also enters into proprietary derivative financial transactions for the purpose of generating profits from short-term fluctuations in market prices. The Bank operates a system of market risk and counterparty limits, as these are designed to restrict exposure to movements in market prices and counterparty concentrations. The Bank also monitors adherence to these limits on a daily basis.

4.2.2. Exposure to market risk – trading portfolios

The principal tool used to measure and control market risk exposures within the Bank's trading portfolio is Value at Risk ('VaR'). A derivation of VaR is the stress VaR ('sVaR'), which represents maximal VaR of a selected one-year period generating the highest value of VaR during a period of at least the last ten years. 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 Bank is based upon a 99% confidence level and assumes a one-day holding period.

The VaR and sVaR models used are based on historical simulations. Taking into account market data from the previous year and in case of sVaR a one-year scenario from at least the last ten years of history and observed relationships between different markets and prices, the models generate a wide range of plausible future scenarios for market price movements evaluated in the model. The VaR model was approved by the NBS as a basis for the calculation of the capital charge for market risk of the trading book.

The Bank uses VaR limits for total market risk in the trading book, foreign exchange risk and interest rate risk. The overall structure of VaR and sVaR limits is subject to review and approval by ALCO and Intesa Sanpaolo. VaR is measured on a daily basis. Daily reports of utilisation of VaR and sVaR limits are submitted to the trading unit, the head of the Division Risk Management and the head of the Department Treasury and ALM. Regular summaries are submitted to Intesa Sanpaolo and ALCO.

A summary of the VaR and sVaR position of the Bank's trading portfolios:

€ '000	2025				2024			
	Balance	Avg	Max	Min	Balance	Avg	Max	Min
Foreign currency risk	36	36	98	8	56	58	140	13
Interest rate risk	70	166	358	70	113	200	419	61
Total VaR	75	172	385	70	114	222	458	64
Total sVaR	1 053	1 394	2 292	956	1 240	1 259	1 698	236

4.2.3. Exposure to interest rate risk in the banking book (IRRBB)

Interest rate risk comprises of the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and the risk that the maturities of interest-earning assets differ from the maturities of interest-bearing liabilities used to fund those assets. The length of time for which the interest rate is fixed for a financial instrument therefore indicates the extent to which it is exposed to interest rate risk.

The main risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows and fair values of financial instruments due to a change in market interest rates. Interest rate risk in the banking book is managed mainly through the monitoring of interest rate gaps. Financial instruments are mapped to repricing time buckets either by maturity for fixed-rate instruments, or by next repricing date for floating rate instruments. Assets and liabilities that do not have a contractual maturity date are mapped according to internal models based on behavioural assumptions.

The Risk Management Department is responsible for monitoring and reporting of interest rate gaps at least on monthly basis. Interest rate risk in the banking book is measured using the shift sensitivity of fair value (change in present value) and in terms of net interest income sensitivity. These metrics are utilized for baseline, internal stress and regulatory scenarios.

Baseline scenarios for the shift sensitivity of fair value are defined as the parallel and instantaneous shift of +/-100 basis points of the yield curve and four non-parallel shifts of the yield curve. Internal stress scenarios measure the shift sensitivity of fair value through the parallel and instantaneous shift of +/-200 basis points. Six regulatory scenarios include parallel up, parallel down, steepening, flattening, short rates up and short rates down scenarios. For the net interest income sensitivity, the baseline scenario is represented by parallel and instantaneous +/-50 basis points shock in the yield curve, in a period of the following 12 months. Internal stress scenarios include +/-100 bps, +/-200 basis points shocks and six regulatory scenarios, mentioned above, are applied as well.

Overall interest rate risk positions in the banking book are managed by the Treasury and ALM Department which uses different on balance and off-balance sheet instruments to manage the positions arising from the banking book activities.

Models applied for the interest rate risk in the banking book calculation

Each financial instrument is allocated to the time bucket based on its contractual or behavioural repricing date.

Contractual

This category includes instruments for which the Bank knows exactly when the maturity or next repricing takes place. This treatment is applied mainly to purchased and issued securities, received loans and term deposits.

Behavioural

These are items for which it is not exactly known when the maturity or next repricing will take place (e.g. current accounts). There are also items where the maturity or repricing period is known but it can be assumed that they will behave differently (e.g. prepayments can occur for mortgages and consumer loans). In this case, it is necessary to make certain assumptions to reflect the behavioural characteristics of such items. The assumptions are based on the detailed analysis of the Bank's historical time series data and statistical models.

At 31 December 2025, the interest margin sensitivity of the banking book on profit or loss in a one-year time frame, in the event of a 100 basis points rise in interest rates, was EUR 27 520 thousand (31 December 2024: EUR 30 446 thousand).

At 31 December 2025, the interest margin sensitivity of the banking book on profit or loss in a one-year time frame, in the event of a 100 basis points decline in interest rates, was EUR (31 940) thousand (31 December 2024: EUR (35 139) thousand).

At 31 December 2025, the interest rate risk generated by the banking book, measured through shift sensitivity analysis of plus 100 basis points, reached the value of EUR (34 678) thousand (31 December 2024: EUR (24 744) thousand).

At 31 December 2025, the interest rate risk generated by the banking book, measured through shift sensitivity analysis of minus 100 basis points, reached the value of EUR 32 051 thousand (31 December 2024: EUR 22 299 thousand).

At 31 December 2025, the sensitivity of the FVOCI reserve in equity related to the non-hedged part of the portfolio to 100 basis points rise in interest rates was EUR (322) thousand (31 December 2024: EUR (331) thousand).

4.2.4. Currency denominations of assets and liabilities

Foreign exchange rate risk comprises the risk that the value of financial assets and financial liabilities will fluctuate due to changes in foreign exchange rates. It is the policy of the Bank to manage its exposure to fluctuations in exchange rates through regular monitoring and reporting of open foreign exchange positions and the application of a matrix of position exposure in single currencies and overall position limit.

4.3. Liquidity risk

Liquidity risk is defined as the risk that the Bank will not be able to meet its payment obligations due to its inability to obtain funds on the market (funding liquidity risk) or liquidate its assets (market liquidity risk). Normally, the Bank can cover cash outflows with cash inflows, high-quality liquid assets and its ability to obtain credit.

The Liquidity Risk Management Policy adopted by the Bank outlines the tasks and responsibilities of the various corporate functions, and the control and management processes to ensure a prudent governance of liquidity risk, preventing crisis situations.

The internal liquidity risk control and management system is based on the following principles.

- The existence of an operating structure that works within set limits and early warning thresholds and of a control structure that is independent from the operating structure.
- A prudential approach in cash inflow and outflow projections for all the balance sheet and off-balance sheet items, especially those without a contractual maturity.
- Impact assessment of different scenarios, including stress testing scenarios, on cash inflows and outflows over time and on the adequacy of the liquidity reserve.
- Constant availability of adequate liquidity reserves in relation to the chosen liquidity risk tolerance threshold.

The Bank regularly performs stress testing to evaluate the impact of adverse events on its liquidity position and on the adequacy of liquidity reserves. The unencumbered high-quality liquid assets are maintained at levels to support the liquidity position even in case of extraordinary events. The Bank can also obtain short-term funding from the Parent Company or interbank market to maintain its liquidity position.

The Treasury and ALM Department is responsible for ensuring adherence to the Liquidity Risk Management Policy in terms of liquidity risk management whereas the Risk Management Department is responsible for reporting and monitoring of liquidity risk indicators. The Liquidity Risk Management Policy consists of three main areas – Short-Term Liquidity Risk Management, Structural Liquidity Risk Management and Contingency Liquidity Plan that are essential components of the Internal Liquidity Adequacy Assessment Process.

The Short-Term Liquidity Risk Management includes a set of parameters, limits and thresholds that enable the measurement, both under normal and stressed market conditions, of liquidity risk exposure over the short-term horizon. The main regulatory indicator in this area is the Liquidity Coverage Ratio that enables to monitor that the Bank maintains an adequate stock of unencumbered high-quality liquid assets to cover its short-term net cash outflows under stressed conditions lasting 30 calendar days.

The Structural Liquidity Risk Management of the Bank incorporates a set of measures and limits designed to control and manage the risks deriving from the mismatch of the medium to long-term maturities of the assets and liabilities. The main regulatory indicator used in this area is the Net Stable Funding Ratio (NSFR) that represents the ratio of the available stable funding to the required stable funding.

The goal of the Contingency Liquidity Plan is to protect the Bank's liquidity position, verifying compliance on an ongoing basis with the risk tolerance, through the identification and monitoring of the early warning signals and the definition of strategies and intervention tools to be implemented in situations of liquidity stress.

The liquidity position of the Bank is presented by the Risk Management Department during the ALCO meetings on monthly basis.

The table below shows an analysis of assets and liabilities (discounted cash flow basis) according to when they are expected to be recovered or settled:

€ '000	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and cash equivalents	2 144 599	-	2 144 599	2 272 661	-	2 272 661
Financial assets at FVTPL	34 652	131 137	165 789	16 134	175 581	191 715
Derivatives – Hedge accounting	3 407	85 631	89 038	1 583	73 983	75 566
Financial assets at FVOCI	32 829	1 386 497	1 419 326	124 097	1 352 617	1 476 714
Financial assets at AC						
Due from banks	340	212 735	213 075	264 064	48 374	312 438
Due from customers	3 854 209	17 973 820	21 828 029	3 867 563	16 590 542	20 458 105
Fair value changes of the hedged items in portfolio hedge of IRR	-	1 262	1 262	-	775	775
Investments in subsidiaries, joint ventures and associates	-	26 980	26 980	-	28 314	28 314
Property and equipment	-	105 988	105 988	-	113 844	113 844
Intangible assets	-	100 352	100 352	-	105 077	105 077
Goodwill	-	29 305	29 305	-	29 305	29 305
Current income tax assets	5 894	-	5 894	-	-	-
Deferred income tax assets	-	78 860	78 860	-	83 024	83 024
Other assets	44 798	-	44 798	49 192	-	49 192
	<u>6 120 728</u>	<u>20 132 567</u>	<u>26 253 295</u>	<u>6 595 294</u>	<u>18 601 436</u>	<u>25 196 730</u>
Liabilities						
Financial liabilities at FVTPL	(6 737)	(47 496)	(54 233)	(13 239)	(65 104)	(78 343)
Derivatives – Hedge accounting	(15 305)	(85 038)	(100 343)	(14 782)	(158 500)	(173 282)
Financial liabilities measured at AC						
Due to banks	(46 101)	(1 108 107)	(1 154 208)	(58 709)	(772 659)	(831 368)
Due to customers	(2 150 144)	(15 917 308)	(18 067 452)	(2 205 582)	(14 940 890)	(17 146 472)
Lease liabilities	(6 502)	(15 645)	(22 147)	(6 443)	(15 603)	(22 046)
Subordinated debt	(200 386)	(100 000)	(300 386)	(401)	(300 000)	(300 401)
Debt securities in issue	(1 036 776)	(2 970 446)	(4 007 222)	(751 420)	(3 452 563)	(4 203 983)
Fair value changes of the hedged items in portfolio hedge of IRR	-	5 770	5 770	-	8 193	8 193
Current income tax liabilities	-	-	-	(43 773)	-	(43 773)
Provisions	-	(27 282)	(27 282)	-	(30 110)	(30 110)
Other liabilities	(123 635)	-	(123 635)	(131 461)	(4 413)	(135 874)
	<u>(3 585 586)</u>	<u>(20 265 552)</u>	<u>(23 851 138)</u>	<u>(3 225 810)</u>	<u>(19 731 649)</u>	<u>(22 957 459)</u>
Net position	<u>2 535 142</u>	<u>(132 985)</u>	<u>2 402 157</u>	<u>3 369 484</u>	<u>(1 130 213)</u>	<u>2 239 271</u>

The remaining maturities of assets and liabilities based on contractual undiscounted cash-flows were as follows:

2025 € '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not specified	Total
Financial assets						
Cash and cash equivalents	2 144 684	-	-	-	2	2 144 686
Financial assets at FVTPL (excl. Trading derivatives)	80	30 000	82 204	-	-	112 284
Financial assets at FVOCI	4 429	28 942	888 759	511 584	287	1 434 001
Financial assets at AC						
Due from banks	-	-	-	194 947	-	194 947
Due from customers	2 403 761	1 388 819	6 135 854	9 410 191	83 535	19 422 160
	4 552 954	1 447 761	7 106 817	10 116 722	83 824	23 308 078
Financial liabilities						
Financial liabilities at AC						
Due to banks	(24 246)	(350)	(302 271)	(750 000)	-	(1 076 867)
Due to customers	(16 738 985)	(1 286 064)	(166 846)	(25 143)	(169)	(18 217 207)
Lease liabilities	(1 246)	(5 323)	(14 640)	(2 125)	-	(23 334)
Subordinated debt	(364)	(200 000)	-	(50 000)	-	(250 364)
Debt securities in issue	(467 965)	(525 132)	(1 995 279)	(1 058 419)	-	(4 046 795)
	(17 232 806)	(2 016 869)	(2 479 036)	(1 885 687)	(169)	(23 614 567)
Net position of financial instruments*						
	(12 679 852)	(569 108)	4 627 781	8 231 035	83 655	(306 489)
Cash inflows from derivatives	405 695	123 244	77 770	-	-	606 709
Cash outflows from derivatives	(405 942)	(123 026)	(78 163)	-	-	(607 131)
Net position from derivatives						
	(247)	218	(393)	-	-	(422)
Net position from loan commitments and financial guarantees						
	(5 830 124)	-	-	-	-	(5 830 124)

* The high negative liquidity gap in the first bucket is caused by a huge volume of deposits on demand (without contractual maturity) which are presented under 'Due to customers'. For the purpose of internal liquidity management monitoring the behavioural profile of on-demand deposits is taken into account based on a statistical model using internal historical data. According to when they are expected to be settled such deposits are then placed into later buckets (see the previous table).

2024 € '000	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not specified	Total
Financial assets						
Cash and cash equivalents	2 272 740	-	-	-	-	2 272 740
Financial assets at FVTPL (excl. Trading derivatives)	6 947	-	106 670	22 190	3 378	139 185
Financial assets at FVOCI	17 090	132 608	733 058	776 914	225	1 659 895
Financial assets at AC						
Due from banks	215 896	50 301	-	49 030	-	315 227
Due from customers	2 422 110	2 032 592	8 080 494	11 882 354	75 391	24 492 941
	4 934 783	2 215 501	8 920 222	12 730 488	78 994	28 879 988
Financial liabilities						
Financial liabilities at AC						
Due to banks	(61 952)	(11 826)	(572 376)	(222 887)	-	(869 041)
Due to customers	(15 817 910)	(1 316 380)	(181 369)	(16 305)	(327)	(17 332 291)
Lease liabilities	(1 887)	(4 605)	(14 261)	(2 167)	-	(22 920)
Subordinated debt	(4 267)	(13 843)	(220 674)	(53 403)	-	(292 187)
Debt securities in issue	11 972	(786 459)	(3 076 264)	(720 173)	-	(4 570 924)
	(15 874 044)	(2 133 113)	(4 064 944)	(1 014 935)	(327)	(23 087 363)
Net position of financial instruments*						
	(10 939 261)	82 388	4 855 278	11 715 553	78 667	5 792 625
Cash inflows from derivatives						
	400 008	158 379	127 891	-	-	686 278
Cash outflows from derivatives						
	(401 170)	(157 327)	(127 584)	-	-	(686 081)
Net position from derivatives						
	(1 162)	1 052	307	-	-	197
Net position from loan commitments and financial guarantees						
	(5 682 652)	-	-	-	-	(5 682 652)

* The high negative liquidity gap in the first bucket is caused by a huge volume of deposits on demand (without contractual maturity) which are presented under 'Due to customers'. For the purpose of internal liquidity management monitoring the behavioural profile of on-demand deposits is taken into account based on a statistical model using internal historical data. According to when they are expected to be settled such deposits are then placed into later buckets (see the previous table).

4.4. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk and compliance risk, model risk, information and communication technology risk and financial reporting risk; strategic and reputational risk are not included. Operational risk can arise from legal and regulatory requirements, non-compliance with generally accepted standards of corporate behaviour and from all of the Bank's operations.

4.4.1. Operational risk management strategies and processes

The Bank, in coordination with Intesa Sanpaolo, has defined the overall operational risk management framework by setting up a VUB Group policy and organisational process for measuring, managing and controlling operational risk.

The control of operational risk was attributed to the Operational Risk Committee, which identifies risk management policies. The Supervisory and Management Boards of the Bank ensures the functionality, efficiency and effectiveness of the risk management and controls system.

The Operational Risk Committee (composed of the heads of the areas of the governance centre (Chief Executive Officer, Deputy Chief Executive Officer) and of the business areas more involved in operational risk management (voting members: CRO, CFO, COO, Head of Compliance and AML Department; permanent invitees without voting rights: Head of Corporate & SME Division, Head of Retail Division, Head of Risk Management Department, Head of Legal Department, Head of Human Resources & Organization Department, Head of Information Security sub-department), has the task of periodically reviewing the VUB Group's overall operational risk profile, authorising any corrective actions, coordinating and monitoring the effectiveness of the main mitigation activities and approving the operational risk transfer strategies. The Bank, in coordination with its parent company, uses a traditional tool for transferring operational risk through insurance contracts (bank insurance), with the main objective being to mitigate the impact of unexpected operational losses arising from the risks covered by this insurance.

4.4.2. Organisational structure of the associated risk management function

For some time, the Bank has had a centralised function within the Risk Management Division for the management of the Bank's operational risks. This function is responsible, in coordination with the Parent Company, for the definition, implementation and monitoring of the methodological and organisational framework, as well as for the measurement of the risk profile, the verification of mitigation effectiveness and reporting to senior Management. In compliance with current requirements, the individual organisational units participate in the process and each of them is responsible for the identification, assessment, management and mitigation of its operational risks. Specific offices and departments have been identified within these organisational units to be responsible for Operational Risk Management. These functions are responsible for the collection and structured census of information relating to operational events, scenario analyses and evaluation of the level of risk associated with the business environment, including information and communication technology risk. The Risk Management Division carries out second-level monitoring of these activities.

4.4.3. Scope of application and characteristics of the risk measurement and reporting system

Based on the implementation of Basel IV ('CRR 3') effective from 1 January 2025, the Bank began using a new standardized approach to operational risk, known as the Business Indicator Component (BIC) approach, to calculate its own funds requirements for operational risk ('standardized approach based on the business indicator component BIC'). At the same time, all previously used approaches, including internal models, have been eliminated.

Operational risks are monitored using an integrated reporting system that provides management with the information necessary to manage and/or mitigate operational risk. In addition to the management system required by regulatory requirements, the Bank has an operational risk management system in place, which is certified annually as part of a self-assessment process. The results of this process are submitted to the Operational Risk Committee for annual verification.

5. Estimated fair value of financial assets and financial liabilities

See accounting policy in note 3.4.7.

The Bank uses the following fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

Level 1: inputs represented by quoted prices (unadjusted) in active markets for identical assets or liabilities accessible by the Bank as at the measurement date;

Level 2: inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the assets or liabilities to be measured; and

Level 3: Inputs unobservable for the asset or liability.

The highest priority is given to effective market quotes (Level 1) for the valuation of assets and liabilities or for similar assets and liabilities measured using valuation techniques based on market-observable parameters other than financial instruments quotes (Level 2) and the lowest priority to unobservable inputs (Level 3). Following this hierarchy, where available, fair value estimates made by the Bank are based on quoted market prices. However, no readily available market prices exist for a significant portion of the Bank's financial instruments. In circumstances where the quoted market prices are not readily available, fair value is estimated using discounted cash flow models or other pricing models as appropriate.

Under Level 2, the principal valuation technique used by the Bank for debt instruments involves the method of discounting future cash flows. The calculation takes into account the time value of money (risk-free rate of interest) and the credit risk expressed in the form of credit spreads applied to the bonds' yield and representing the risk premium the investor claims against a risk-free investment. In the case of derivative financial instruments, the Bank uses standard fair value calculation models based on the principal net present value using the yield curve to discount all future cash flows from derivatives for all relevant currencies. The principal input parameters used by the models comprise interest rate curves, volatility curves, spot and forward prices and the correlation between underlying assets. Changes in underlying assumptions, including discount rates and estimated future cash flows, significantly affect the estimates. The Bank also considers its own and counterparty's credit risk.

The valuation technique defined for a financial instrument is adopted over time and is modified only following significant changes in market conditions or the subjective conditions related to the issuer of the financial instrument. The Bank monitors the occurrence of these changes and accordingly reassesses the classification into the fair value hierarchy. For determining the timing of the transfers between the levels, the Bank uses the end of the reporting period as the day when the transfer is deemed to have occurred.

In estimating the fair value of the Bank's financial instruments, the following methods and assumptions were used:

Cash and cash equivalents

The carrying values of cash and cash equivalents are deemed to approximate their fair value.

Due from banks

The fair value of due from banks balances with maturities more than one year is estimated using discounted cash flow analyses, based upon relevant discount curve. For maturities up to one year and not significant balances, the carrying amounts of amounts due from banks approximates their fair value. Impairment losses are taken into consideration when calculating fair values.

Purchased debt securities

The carrying values of cash and cash equivalents are deemed to approximate their fair value.

Due to banks

The carrying amounts of due to banks approximates their fair value. The fair value of due to banks is estimated by discounting their future expected cash flows using relevant discount interest rate curve.

Debt securities in issue

The fair value of debt securities issued by the Bank is based on quoted market prices. Where no market prices are available, the fair value was calculated by discounting future cash flows using the risk-free interest rate curve adjusted by credit spreads reflecting the credit quality of VUB as the issuer.

2025 € '000	Note	Carrying amount			Fair value			
		At amortised cost	At fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets								
Cash and cash equivalents	7	2 144 599	-	2 144 599	-	2 144 446	-	2 144 446
Financial assets at FVTPL	8	-	165 789	165 789	114 169	51 620	-	165 789
Derivatives – Hedge accounting	9	-	89 038	89 038	-	89 038	-	89 038
Financial assets at FVOCI	10	-	1 419 326	1 419 326	1 419 148	178	-	1 419 326
Financial assets at AC	11							
Due from banks		213 075	-	213 075	-	212 249	-	212 249
Due from customers		21 828 029	-	21 828 029	1 677 807	764 371	21 247 108	23 689 286
		<u>24 185 703</u>	<u>1 674 153</u>	<u>25 859 856</u>	<u>3 211 124</u>	<u>3 261 902</u>	<u>21 247 108</u>	<u>27 720 134</u>
Financial liabilities								
Financial liabilities at FVTPL	8	-	54 233	54 233	-	54 233	-	54 233
Derivatives – Hedge accounting	9	-	100 343	100 343	-	100 343	-	100 343
Financial liabilities at AC	11							
Due to banks		1 154 208	-	1 154 208	-	1 159 692	-	1 159 692
Due to customers		18 067 452	-	18 067 452	-	18 062 566	-	18 062 566
Lease liabilities		22 147	-	22 147	-	22 147	-	22 147
Subordinated debt		300 386	-	300 386	-	310 655	-	310 655
Debt securities in issue		4 007 222	-	4 007 222	-	4 074 558	-	4 074 558
		<u>23 551 415</u>	<u>154 576</u>	<u>23 705 991</u>	<u>-</u>	<u>23 784 194</u>	<u>-</u>	<u>23 784 194</u>

2024 € '000	Note	Carrying amount			Fair value			
		At amortised cost	At fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets								
Cash and cash equivalents	7	2 272 661	-	2 272 661	-	2 272 377	-	2 272 377
Financial assets at FVTPL	8	-	191 715	191 715	122 784	68 931	-	191 715
Derivatives – Hedge accounting	9	-	75 566	75 566	-	75 566	-	75 566
Financial assets at FVOCI	10	-	1 476 714	1 476 714	1 476 561	153	-	1 476 714
Financial assets at AC	11							
Due from banks		312 438	-	312 438	-	311 699	-	311 699
Due from customers		20 458 105	-	20 458 105	777 210	618 820	20 824 774	22 220 804
		<u>23 043 204</u>	<u>1 743 995</u>	<u>24 787 199</u>	<u>2 376 555</u>	<u>3 347 546</u>	<u>20 824 774</u>	<u>26 548 875</u>
Financial liabilities								
Financial liabilities at FVTPL	8	-	78 343	78 343	-	78 343	-	78 343
Derivatives – Hedge accounting	9	-	173 282	173 282	-	173 282	-	173 282
Financial liabilities at AC	11							
Due to banks		831 368	-	831 368	-	825 127	-	825 127
Due to customers		17 146 472	-	17 146 472	-	17 138 535	-	17 138 535
Lease liabilities		22 046	-	22 046	-	22 046	-	22 046
Subordinated debt		300 401	-	300 401	-	323 560	-	323 560
Debt securities in issue		4 203 983	-	4 203 983	-	4 244 278	-	4 244 278
		<u>22 504 270</u>	<u>251 625</u>	<u>22 755 895</u>	<u>-</u>	<u>22 805 171</u>	<u>-</u>	<u>22 805 171</u>

There were no other transfers of financial instruments among the levels during 2025 and 2024.

6. Segment reporting

The Bank reports financial and descriptive information about its operating segments in the financial statements. An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank), whose operating results are regularly reviewed by the Bank's management to make decisions about resources to be allocated to the segment and to assess its performance, and for which separate financial information is available.

The Bank operates in three operating segments – Retail Banking, Corporate Banking and Central Treasury. Each segment is exposed to different risks and differs in the nature of its services, business processes and types of customers for its products and services.

For all segments the Bank reports a measure of segment assets and liabilities and income and expense items, a reconciliation of total reportable segment revenues, total profit or loss, total assets, liabilities and other amounts disclosed for reportable segments to corresponding amounts in the financial statements.

Most of the transactions of the Bank are related to the Slovak market. However, the Group operates also on the Czech market via a foreign subsidiary in Prague performing activities especially in corporate banking and Central Treasury.

Operating segments pay and receive interest to and from the Central Treasury on an arm's length basis in order to reflect the costs of funding.

Retail Banking includes loans, deposits and other transactions and balances with households, sole traders and small business segment.

Corporate Banking comprises SME, the Corporate Customer Desk ('CCD'), Municipalities and Public Sector Entities. SME includes complex loan structures, deposits and other transactions and balances with SME (company revenue up to EUR 50 million; if revenue information is not available, bank account turnover is used). The CCD includes complex loan structures, deposits and other transactions and balances with large corporate customers (company revenue over EUR 50 million).

Central Treasury undertakes the Bank's funding, issues of debt securities as well as trading book.

The Bank reported within Other a Central Governance Centre that manages the Bank's premises, equity investments and own equity funds as well as Risk Management that operates the workout loan portfolio. Unclassified items are also reported within this column.

2025 € '000	Retail banking	Corporate banking	Central Treasury	Total reportable segments	Other	Total
External revenue						
Interest and similar income	475 380	321 431	136 290	933 101	5 503	938 604
Interest and similar expense	(56 447)	(120 691)	(155 942)	(333 080)	(17 489)	(350 569)
Inter-segment revenue	(111 151)	(45 945)	108 500	(48 596)	48 596	-
Net interest income	307 782	154 795	88 848	551 425	36 610	588 035
Net fee and commission income (note 25)	161 379	44 998	1 262	207 639	(3 771)	203 868
Dividend income	-	-	-	-	-	-
Net trading result	6 165	7 949	10 633	24 747	-	24 747
Other operating income	-	-	-	-	1 847	1 847
Other operating expense	(12 281)	(2 261)	-	(14 542)	(5 788)	(20 330)
Salaries and employee benefit	(65 763)	(14 730)	(898)	(81 391)	(80 971)	(162 362)
Other administrative expenses*	-	-	-	-	(95 658)	(95 658)
Amortisation	(4 425)	(335)	(14)	(4 774)	(19 233)	(24 007)
Depreciation	(1 845)	(27)	-	(1 872)	(9 364)	(11 236)
Profit before provisions, impairment and tax	391 012	190 389	99 831	681 232	(176 328)	504 904
Net modification gain/(loss)	(20 000)	-	-	(20 000)	56	(19 944)
Provisions*	-	-	-	-	55	55
Impairment losses and provisions for loan commitments and financial guarantees	(46 274)	(14 580)	(901)	(61 755)	(1 333)	(63 088)
Net gain/(loss) arising from the derecognition of financial assets at amortised cost	1 348	5 902	-	7 250	(2)	7 248
Profit before tax	326 086	181 711	98 930	606 727	(177 552)	429 175
Segment assets	12 362 100	7 887 262	5 370 613	25 619 975	633 320	26 253 295
Segment liabilities	11 242 709	7 276 603	4 964 743	23 484 055	367 083	23 851 138

* The Bank does not allocate these items to individual segments.

2024 € '000	Retail banking	Corporate banking	Central Treasury	Total reportable segments	Other	Total
External revenue						
Interest and similar income	390 335	378 785	246 316	1 015 436	113	1 015 549
Interest and similar expense	(60 261)	(182 503)	(177 182)	(419 946)	(21 939)	(441 885)
Inter-segment revenue	30 257	(25 826)	(78 790)	(74 359)	74 359	-
Net interest income	360 331	170 456	(9 656)	521 131	52 533	573 664
Net fee and commission income (note 25)	137 516	40 385	962	178 863	(1 865)	176 998
Dividend income	-	-	-	-	3 318	3 318
Net trading result	6 233	7 987	3 411	17 631	-	17 631
Other operating income	-	-	-	-	2 134	2 134
Other operating expense	(10 296)	(1 423)	-	(11 719)	(5 584)	(17 303)
Salaries and employee benefit	(63 217)	(13 253)	(850)	(77 320)	(82 752)	(160 072)
Other administrative expenses*	-	-	-	-	(91 597)	(91 597)
Amortisation	(9 492)	(1 114)	(10)	(10 616)	(20 034)	(30 650)
Depreciation	(2 142)	(81)	(3)	(2 226)	(9 538)	(11 764)
Profit before provisions, impairment and tax	418 933	202 957	(6 146)	615 744	(153 385)	462 359
Net modification gain/(loss)	-	-	-	-	158	158
Provisions*	-	-	-	-	(67)	(67)
Impairment losses and provisions for loan commitments and financial guarantees	(21 350)	(15 524)	(700)	(37 574)	(2 127)	(39 701)
Net gain/(loss) arising from the derecognition of financial assets at amortised cost	693	(589)	-	104	(51)	53
Profit before tax	398 276	186 844	(6 846)	578 274	(155 472)	422 802
Segment assets	11 777 023	8 027 330	4 754 345	24 558 698	638 032	25 196 730
Segment liabilities	10 740 460	7 423 716	4 347 123	22 511 299	446 160	22 957 459

* The Bank does not allocate these items to individual segments

7. Cash and cash equivalents

'Cash and cash equivalents' comprise the following balances:

€ '000	2025	2024
Cash in hand	287 605	257 319
Balances at central banks		
Compulsory minimum reserves	163 204	154 506
Term deposits with maturity up to 90 days	831 407	841 791
Loans and advances with contractual maturity up to 90 days	825 233	990 078
Impairment losses	(8)	(10)
	<u>1 819 836</u>	<u>1 986 365</u>
Due from other banks		
Current accounts	37 158	28 977
Total cash and cash equivalents	<u><u>2 144 599</u></u>	<u><u>2 272 661</u></u>

8. Financial assets and financial liabilities at fair value through profit or loss

€ '000	2025	2024
Financial assets held for trading		
Trading derivatives	50 612	66 101
Government debt securities of European Union countries	113 636	122 204
	<u>164 248</u>	<u>188 305</u>
Non-trading financial assets at fair value through profit or loss		
Equity instruments	1 541	3 410
Financial liabilities held for trading		
Trading derivatives	54 233	78 343

Equity instruments classified as 'Non-trading financial assets at fair value through profit or loss' comprise shares of Intesa Sanpaolo S.p.A. in the amount of EUR 533 thousand (31 December 2024: EUR 580 thousand) and form part of the Group's incentive plan introduced by the Parent Company in line with the applicable EU capital remuneration rules (CRD V and, from 2026, CRD VI). The Bank did not elect the option to present these instruments at 'Financial assets at fair value through other comprehensive income'.

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives – Fair values				
Interest rate instruments				
Forwards and swaps	45 417	45 285	55 656	59 461
Options	52	50	127	118
	45 469	45 335	55 783	59 579
Foreign currency instruments				
Forwards and swaps	3 763	4 318	9 271	9 298
Options	571	574	1 044	1 061
	4 334	4 892	10 315	10 359
Equity and commodity instruments				
Equity options	456	3 659	-	8 402
Commodity forwards and swaps	353	347	3	3
	809	4 006	3	8 405
Total trading derivatives – fair values	50 612	54 233	66 101	78 343

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives – Notional values				
Interest rate instruments				
Forwards and swaps	2 020 453	2 020 453	3 580 043	3 580 043
Options	292 080	292 080	209 281	209 281
	2 312 533	2 312 533	3 789 324	3 789 324
Foreign currency instruments				
Forwards and swaps	468 485	469 191	589 378	588 697
Options	80 634	80 634	67 543	67 543
	549 119	549 825	656 921	656 240
Equity and commodity instruments				
Equity options	718	38 747	-	38 029
Commodity forwards and swaps	3 840	3 840	296	296
	4 558	42 587	296	38 325
Total trading derivatives – notional values	2 866 210	2 904 945	4 446 541	4 483 889

9. Derivatives – Hedge accounting

€ '000	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges of interest rate risk	-	557	-	216
Fair value hedges of interest rate, foreign currency and inflation risk	89 038	99 786	75 566	173 066
	89 038	100 343	75 566	173 282

9.1. Cash flow hedge related to foreign currency risk

At 31 December 2025 the Bank used three currency forwards to hedge the currency risk of an expected future transaction when transferring the economic result of branch Prague in the amount of CZK 527 439 thousand (31 December 2024: CZK 541 886 thousand). The maturity of this hedging instrument is 14 January 2026. Due to the nature of the business, hedging inefficiency is not expected.

2025 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Foreign currency instruments						
Forwards and swaps						
Cash flow hedge in foreign currency						
	-	557	21 200	21 762	(594)	-

2024 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Foreign currency instruments						
Forwards and swaps						
Cash flow hedge						
in foreign currency						
	-	216	21 300	21 516	-	-

9.2. Fair value hedges related to interest rate, foreign currency and inflation risk as of date of preparation of the financial statements

2025 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI						
	40 899	34 247	1 596 011	1 596 011	(2 133)	-
Hedge of corporate loans						
	-	2 006	143 707	143 707	(3 363)	34
Hedge of loans received from other banks						
	-	1 203	50 000	50 000	1 252	16
Hedge of covered bonds						
	10 791	15 984	3 718 094	3 718 094	(3 301)	-
Hedge of debt securities at AC						
	20 656	6 428	1 681 670	1 681 670	43 800	-
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans						
	7 998	-	166 070	157 277	(1 056)	-
Hedge of debt securities at AC						
	7 801	9 781	438 384	436 974	1 431	-
Macro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of mortgage loans						
	880	29 102	2 083 000	2 083 000	13 228	329
Hedge of debt securities at AC						
	-	-	-	-	-	-
Hedge of current accounts						
	13	1 035	111 000	111 000	1 098	(98)

2024 € '000	Assets	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss
	Fair value	Fair value	Notional value	Notional value		
Micro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI	49 745	37 729	1 645 800	1 645 800	(29 418)	-
Hedge of corporate loans	5 008	2 051	303 604	303 604	(5 631)	4
Hedge of loans received from other banks	-	2 587	50 000	50 000	1 661	15
Hedge of covered bonds	20 493	49 944	3 594 900	3 594 900	36 874	-
Hedge of debt securities at AC	320	21 561	787 600	787 600	(13 154)	1
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans	-	9 379	166 248	176 765	(1 362)	-
Hedge of debt securities at AC	-	15 391	297 248	308 215	(629)	(7)
Macro hedges						
Interest rate instruments						
Forwards and swaps						
Hedge of mortgage loans	-	32 004	964 000	964 000	(21 475)	(427)
Hedge of debt securities at AC	-	-	-	-	-	-
Hedge of current accounts	-	2 420	112 500	112 500	3 189	(2)

The amounts relating to items designated as hedged items were as follows:

2025 € '000	Line item in SOFP	Carrying amount	Accumulated amount of fair value adjustments included in carrying amount	Change in fair value used for calculating hedge ineffectiveness	Fair value adjustment after termination of hedging relationship
Micro hedges					
Financial assets at FVOCI					
Debt securities at FVOCI		1 336 364	-	2 133	144
Financial assets at AC					
Loans and advances from other banks	Due from banks	-	-	-	-
Corporate loans	Due from customers	309 778	2	4 453	(240)
Debt securities at AC	Due from customers	2 194 013	(23 716)	(45 231)	-
Financial liabilities at AC					
Loans received from other banks	Due to banks	50 000	(887)	1 236	-
Covered bonds*	Debt securities in issue	3 696 372	(16 796)	(3 301)	(47 887)
Macro hedges					
Financial assets at AC					
Mortgage loans	Due from customers	2 083 000	4 504	(12 899)	(3 242)
Financial liabilities at AC					
Current accounts	Due to customers	111 000	(1 387)	1 196	(4 383)

* Interest rate risk hedging of covered bonds is sometimes closed before the original maturity of the interest rate swap. The reason is that the Interest rate risk position of the Bank changed in a way which required more fixed-rate liabilities. Since the originally fixed-rate covered bonds that were in the past swapped into float rate, these swaps were terminated early in order to achieve the required interest risk position of the Bank.

2024 € '000	Line item in SOFP	Carrying amount	Accumulated amount of fair value adjustments included in carrying amount	Change in fair value used for calculating hedge ineffectiveness	Fair value adjustment after termination of hedging relationship
Micro hedges					
Financial assets at FVOCI					
Debt securities at FVOCI		1 351 153	-	29 418	155
Financial assets at AC					
Loans and advances from other banks	Due from banks	-	-	-	71
Corporate loans	Due from customers	480 369	(10 787)	6 997	(287)
Debt securities at AC	Due from customers	1 095 369	21 837	13 777	-
Financial liabilities at AC					
Loans received from other banks	Due to banks	50 000	(2 123)	1 646	-
Covered bonds*	Debt securities in issue	3 364 009	(75 660)	36 874	-
Macro hedges					
Financial assets at AC					
Mortgage loans	Due from customers	964 000	17 944	21 048	(17 169)
Financial liabilities at AC					
Current accounts	Due to customers	112 500	(2 582)	3 191	(5 611)

* Interest rate risk hedging of covered bonds is sometimes closed before the original maturity of the interest rate swap. The reason is that the Interest rate risk position of the Bank changed in a way which required more fixed-rate liabilities. Since the originally fixed-rate covered bonds that were in the past swapped into float rate, these swaps were terminated early in order to achieve the required interest risk position of the Bank.

Maturity of notional values of hedging instruments designated as fair value hedges and their average interest rates:

€ '000	2025			2024		
	Less than 1 year	1 to 5 years	More than 5 years	Less than 1 year	1 to 5 years	More than 5 years
Interest rate instruments						
Forwards and swaps						
Hedge of debt securities at FVOCI	20 630 3.29%	1 059 681 1.62%	515 700 2.29%	8 000 (0.47)%	647 500 0.79%	734 300 1.82%
Hedge of corporate loans	47 448 3.66%	96 259 3.16%	- -	71 471 3.71%	232 133 2.61%	- -
Hedge of debt securities at AC	31 770 0.98%	50 000 2.16%	1 599 900 2.61%	- -	50 000 2.16%	737 600 2.67%
Hedge of mortgage loans	- -	2 083 000 2.59%	- -	- -	964 000 2.71%	- -
Hedge of loans received from other banks	50 000 (0.26)%	- -	- -	- -	50 000 (0.26)%	- -
Hedge of current accounts	49 500 0.64%	31 500 0.72%	30 000 2.32%	27 000 0,56%	85 500 0.68%	- -
Hedge of covered bonds	1 600 000 0.87%	1 065 000 1.41%	1 053 094 1.89%	2 160 000 2.98%	600 000 (0.28)%	634 900 1.06%
Foreign currency instruments						
Forwards and swaps						
Hedge of corporate loans	- -	166 070 3.85%	- -	95 140 -	81 625 -	- -
Hedge of debt securities at AC	76 456 5.60%	361 928 4.78%	- -	44 211 2.63%	264 005 -	- -

10. Financial assets at fair value through other comprehensive income

€ '000	2025	2024
Government debt securities of European Union countries	1 304 164	1 086 730
<i>of which Italian government debt securities</i>	<i>164 140</i>	<i>101 279</i>
Bank debt securities	114 875	389 759
Equity instruments		
Intesa Sanpaolo S.p.A.	109	72
S.W.I.F.T.	178	153
Total equity instruments	287	225
Total financial assets at fair value through other comprehensive income	1 419 326	1 476 714

At 31 December 2025, the debt securities in the total nominal amount of EUR 60 000 thousand were pledged by the Bank to secure collateralized transactions (31 December 2024: EUR 592 100 thousand). These debt securities were pledged in favour of the ECB within the pool of assets which can be immediately used as collateral for received funds needed for liquidity management purposes.

11. Financial assets and financial liabilities at amortized cost

11.1. Due from banks

€ '000	Note	2025	2024
Loans and advances			
with contractual maturity over 90 days			
to central banks		86	78
to other banks		37 289	108 092
		<u>37 375</u>	<u>108 170</u>
Cash collateral		182 411	210 137
Impairment losses	21	(6 711)	(5 869)
		<u>213 075</u>	<u>312 438</u>

11.2. Due from customers

€ '000	2025			2024		
	Gross amount	Impairment losses (note 21)	Carrying amount	Gross amount	Impairment losses (note 21)	Carrying amount
Financial corporations						
Loans	923 545	(3 013)	920 532	938 521	(392)	938 129
Overdrafts	46	(2)	44	55	-	55
Credit cards	24	-	24	18	-	18
Factoring	10 082	(5)	10 077	-	-	-
Debt securities	207 695	(123)	207 572	393 568	(96)	393 472
Other	-	-	-	1 165	-	1 165
Leasing	31	-	31	60	-	60
	<u>1 141 423</u>	<u>(3 143)</u>	<u>1 138 280</u>	<u>1 333 387</u>	<u>(488)</u>	<u>1 332 899</u>
Non-financial corporations						
Loans	5 146 668	(96 291)	5 050 377	5 436 735	(102 961)	5 333 774
Mortgages	5 397	(216)	5 181	7 645	(203)	7 442
Overdrafts	939 015	(40 602)	898 413	898 495	(28 645)	869 850
Credit cards	5 551	(362)	5 189	2 385	(198)	2 187
Factoring	127 890	(1 431)	126 459	129 888	(1 315)	128 573
Debt securities	558 984	(843)	558 141	229 856	(165)	229 691
Other	-	-	-	-	-	-
Leasing	142 437	(7 003)	135 434	191 092	(5 661)	185 431
	<u>6 925 942</u>	<u>(146 748)</u>	<u>6 779 194</u>	<u>6 896 096</u>	<u>(139 148)</u>	<u>6 756 948</u>
Retail						
Loans	1 552 489	(136 083)	1 416 406	1 507 892	(118 807)	1 389 085
Mortgages	10 399 712	(65 064)	10 334 648	9 898 719	(73 185)	9 825 534
Overdrafts	74 596	(4 139)	70 457	75 747	(4 279)	71 468
Credit cards	94 477	(1 927)	92 550	94 722	(2 065)	92 657
Factoring	1	-	1	47	-	47
Other	-	-	-	-	-	-
Leasing	6 179	(511)	5 668	10 411	(539)	9 872
	<u>12 127 454</u>	<u>(207 724)</u>	<u>11 919 730</u>	<u>11 587 538</u>	<u>(198 875)</u>	<u>11 388 663</u>
Public administration						
Loans	342 269	(1 498)	340 771	197 656	(1 351)	196 305
Overdrafts	2 501	(3)	2 498	1 085	(2)	1 083
Credit cards	33	-	33	26	-	26
Factoring	-	-	-	-	-	-
Debt securities	1 646 957	(263)	1 646 694	781 068	(94)	780 974
Other	-	-	-	-	-	-
Leasing	830	(1)	829	1 217	(10)	1 207
	<u>1 992 590</u>	<u>(1 765)</u>	<u>1 990 825</u>	<u>981 052</u>	<u>(1 457)</u>	<u>979 595</u>
Total due from customers	<u>22 187 409</u>	<u>(359 380)</u>	<u>21 828 029</u>	<u>20 798 073</u>	<u>(339 968)</u>	<u>20 458 105</u>

At 31 December 2025, the 20 largest corporate customers represented a total carrying amount of EUR 1 473 838 thousand (31 December 2024: EUR 1 535 973 thousand), respectively 6.75% (31 December 2024: 7.51%) of the total loan portfolio.

At 31 December 2025, the debt securities in the total nominal amount of EUR 598 900 thousand were pledged by the Bank to secure collateralized transactions (31 December 2024: EUR 169 300 thousand). These debt securities were pledged in favour of the ECB within the pool of assets which can be immediately used as collateral for received funds needed for liquidity management purposes.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

€ '000	2025	2024
Up to one year	61 721	77 643
One to two years	41 720	56 178
Two to three years	27 283	39 030
Three to four years	15 216	23 763
Four to five years	8 199	12 220
Over five years	6 839	10 442
	160 978	219 276
Unearned future finance income on finance leases	(11 532)	(16 496)
Impairment losses	(7 515)	(6 210)
	141 931	196 570

11.3. Due to banks

€ '000	2025	2024
Due to central banks		
Current accounts	812	874
Due to other banks		
Current accounts	15 963	51 764
Term deposits	6 627	6 941
Loans received from other banks	1 107 896	773 234
Revaluation of fair value hedged loans received	(887)	(2 123)
Cash collateral received	23 772	660
Other deposits	25	18
	1 153 396	830 494
Total due to banks	1 154 208	831 368

'Loans received from other banks' are classified in full as long-term, with contractual maturities exceeding five years. One loan, with a nominal value of EUR 50 000 thousand, is due in 2026.

The breakdown of 'Loans received from other banks' according to the counterparty is presented below:

€ '000	2025	2024
Intesa Sanpaolo S.p.A.	951 083	651 199
European Investment Bank	156 813	121 080
European Bank for Reconstruction and Development	-	955
	1 107 896	773 234

11.4. Due to customers

€ '000	2025	2024
Current accounts	10 696 139	10 171 799
Term deposits	6 545 698	6 144 503
Government and municipal deposits	639 721	626 051
Savings accounts	80 481	95 038
Other deposits	105 413	109 081
	<u>18 067 452</u>	<u>17 146 472</u>

11.5. Subordinated debt

The balance of the subordinated debt as of 31 December 2025 consisted of two loans from INTESA SANPAOLO SPA with a total nominal value of EUR 100 000 thousand with maturities in 2033 and 2032 and interest rates of 5.298% and 5.542% (31 December 2024: 6.289% and 5.995%) and one loan from Intesa Sanpaolo Holding International in the nominal value of EUR 200 000 thousand with maturity in 2026 and an interest rate of 5.320% (31 December 2024: 6.124%).

In accordance with the loan agreement, the loan may be used as an unsecured liability to pay the bank's debts and may not be repaid before all claims of the bank's unsubordinated creditors have been paid.

11.6. Debt securities in issue

€ '000	2025	2024
Covered bonds	1 274 833	915 634
Covered bonds subject to fair value hedges	<u>2 797 073</u>	<u>3 364 009</u>
	4 071 906	4 279 643
Revaluation of fair value hedged covered bonds	(16 796)	(26 877)
Unamortized part of revaluation related to terminated fair value hedges	<u>(47 888)</u>	<u>(48 783)</u>
	<u>4 007 222</u>	<u>4 203 983</u>

The repayment of covered bonds is funded by the mortgage loans denominated in EUR provided to customers of the Bank (note 11.2.) and debt securities in FVOCI portfolio (note 10).

11.7. Changes in financial liabilities

The disclosure of changes arising from cash flows and non-cash changes in liabilities arising from financing activities:

2025 € '000	Loans received from other banks (including revaluation)	Lease liabilities	Subordinated debt	Covered bonds
1 January	771 111	22 046	300 401	4 203 983
Cash flow				
Proceeds	595 000	-	-	500 000
Repayments	(260 200)	(7 416)	-	(716 597)
Non-cash changes				
Accruals	2 334	-	(15)	30 812
Revaluation	(1 236)	-	-	(10 976)
Other	-	7 517	-	-
31 December	<u>1 107 009</u>	<u>22 147</u>	<u>300 386</u>	<u>4 007 222</u>

2024 € '000	Loans received from other banks (including revaluation)	Lease liabilities	Subordinated debt	Covered bonds
1 January	780 595	18 577	300 487	4 436 314
Cash flow				
Proceeds	100 000	-	-	500 000
Repayments	(107 304)	(7 957)	-	(788 000)
Non-cash changes				
Accruals	57	-	(86)	10 054
Revaluation	(1 646)	-	-	45 615
Other	-	11 426	-	-
31 December	<u>771 111</u>	<u>22 046</u>	<u>300 401</u>	<u>4 203 983</u>

12. Fair value changes of the hedged items in portfolio hedge of interest rate risk

€ '000	2025	2024
Financial assets at AC		
Due from customers		
Retail		
Mortgages	1 262	775
Financial liabilities at AC		
Due to customers	(5 770)	(8 193)

13. Investments in subsidiaries, joint ventures and associates

2025 € '000	Share	Cost	Impairment losses	Carrying amount
VUB Generali d. s. s., a.s. ('VUB Generali')	55.26%	25 195	-	25 195
VUB Operating Leasing, a.s. ('VUB Operating Leasing')	100.00%	3 500	(3 500)	-
Monilogi, s.r.o. ('Monilogi')	33.00%	2 549	(767)	1 782
Slovak Banking Credit Bureau, s. r. o. ('SBCB')	33.33%	3	-	3
		<u>31 247</u>	<u>(4 267)</u>	<u>26 980</u>

2024 € '000	Share	Cost	Impairment losses	Carrying amount
VUB Generali d. s. s., a.s. ('VUB Generali')	55.26%	25 195	-	25 195
VUB Operating Leasing, a.s. ('VUB Operating Leasing')	100.00%	3 500	(2 166)	1 334
Monilogi, s.r.o. ('Monilogi')	33.00%	2 549	(767)	1 782
Slovak Banking Credit Bureau, s. r. o. ('SBCB')	33.33%	3	-	3
		<u>31 247</u>	<u>(2 933)</u>	<u>28 314</u>

VUB Generali and VUB Operating Leasing are subsidiaries of the Bank incorporated in the Slovak Republic. Monilogi is the joint venture of the Bank incorporated in the Slovak Republic. SBCB is the associate of the Bank incorporated in the Slovak Republic.

14. Property and equipment and non-current assets classified as held for sale

€ '000	2025			2024		
	Owned	Right-of-use	Total	Owned	Right-of-use	Total
Buildings and land	68 569	17 683	86 252	71 535	18 651	90 186
Equipment	4 799	-	4 799	4 464	-	4 464
Other tangibles	1 484	4 087	5 571	1 099	3 045	4 144
Assets under construction	9 366	-	9 366	15 050	-	15 050
	<u>84 218</u>	<u>21 770</u>	<u>105 988</u>	<u>92 148</u>	<u>21 696</u>	<u>113 844</u>

2025 € '000	Buildings and land	Equipment	Other tangibles	Assets under construction	Total
Revaluation					
At 1 January	123 843	31 732	23 313	15 050	193 938
Transfer to other assets	(9 039)	-	-	-	(9 039)
Additions	9 173	-	4 494	5 038	18 705
Disposals	(9 904)	(3 133)	(2 586)	-	(15 623)
Transfers	8 160	1 750	812	(10 722)	-
Exchange differences	44	4	1	-	49
At 31 December	122 277	30 353	26 034	9 366	188 030
Accumulated depreciation					
At 1 January	(33 642)	(27 268)	(19 169)	-	(80 079)
Transfer to other assets	3 607	-	-	-	3 607
Depreciation for the year	(8 233)	(1 387)	(1 616)	-	(11 236)
Disposals	2 264	3 105	323	-	5 692
Exchange differences	(21)	(4)	(1)	-	(26)
At 31 December	(36 025)	(25 554)	(20 463)	-	(82 042)
Impairment losses (note 21)					
At 1 January	(15)	-	-	-	(15)
Release	15	-	-	-	15
At 31 December	-	-	-	-	-
Carrying amount					
At 1 January	90 186	4 464	4 144	15 050	113 844
At 31 December	86 252	4 799	5 571	9 366	105 988

2024 € '000	Buildings and land	Equipment	Other tangibles	Assets under construction	Total
Revaluation					
At 1 January	116 694	33 626	23 396	11 258	184 974
Transfer to other assets	-	-	-	-	-
Additions	9 687	-	1 783	5 701	17 171
Disposals	(4 011)	(2 256)	(1 919)	-	(8 186)
Transfers	1 492	364	53	(1 909)	-
Exchange differences	(19)	(2)	-	-	(21)
At 31 December	123 843	31 732	23 313	15 050	193 938
Accumulated depreciation					
At 1 January	(26 197)	(28 332)	(19 658)	-	(74 187)
Transfer to other assets	-	-	-	-	-
Depreciation for the year	(9 157)	(1 192)	(1 415)	-	(11 764)
Disposals	1 707	2 254	1 904	-	5 865
Exchange differences	5	2	-	-	7
At 31 December	(33 642)	(27 268)	(19 169)	-	(80 079)
Impairment losses (note 21)					
At 1 January	(94)	-	-	-	(94)
Release	79	-	-	-	79
At 31 December	(15)	-	-	-	(15)
Carrying amount					
At 1 January	90 403	5 294	3 738	11 258	110 693
At 31 December	90 186	4 464	4 144	15 050	113 844

Of which right-of-use assets:

€ '000	2025			2024		
	Buildings and land	Other tangibles	Total	Buildings and land	Other tangibles	Total
Cost						
At 1 January	46 818	5 107	51 925	39 389	3 865	43 254
Additions	9 173	4 494	13 667	9 687	1 783	11 470
Disposals	(6 197)	(1 565)	(7 762)	(2 239)	(541)	(2 780)
Exchange differences	44	1	45	(19)	-	(19)
At 31 December	49 838	8 037	57 875	46 818	5 107	51 925
Accumulated depreciation						
At 1 January	(28 167)	(2 062)	(30 229)	(23 528)	(1 504)	(25 032)
Depreciation for the year	(6 211)	(1 189)	(7 400)	(6 210)	(1 084)	(7 294)
Disposals	2 244	(698)	1 546	1 566	526	2 092
Exchange differences	(21)	(1)	(22)	5	-	5
At 31 December	(32 155)	(3 950)	(36 105)	(28 167)	(2 062)	(30 229)
Carrying amount						
At 1 January	18 651	3 045	21 696	15 861	2 361	18 222
At 31 December	17 683	4 087	21 770	18 651	3 045	21 696

In 2025 the Bank reviewed the carrying amount of its property and equipment. An impairment test was carried out to determine the recoverable amount. As a result of the impairment test, the Bank recognized release of impairment loss in the amount of EUR 15 thousand (31 December 2024: release of impairment loss in amount of EUR 79 thousand).

If 'Buildings and land' were measured using the cost model, the carrying amounts would be, as follows:

€ '000	2025	2024
Cost	101 679	96 829
Accumulated depreciation	(55 266)	(53 032)
Impairment losses	(15)	(15)
	<u>46 398</u>	<u>43 782</u>

At 31 December 2025, the gross book value of fully depreciated tangible assets that are still used by the Bank amounted to EUR 47 094 thousand (31 December 2024: EUR 49 434 thousand).

The Bank's insurance program covers all standard risks to tangible and intangible assets (theft, robbery, natural hazards, vandalism and other damages).

15. Intangible assets

2025 € '000	Software	Other intangible assets	Assets under development	Total
Cost				
At 1 January	385 126	10 729	30 435	426 290
Additions	-	-	19 280	19 280
Transfers	13 392	-	(13 392)	-
Exchange differences	37	1	-	38
At 31 December	398 555	10 730	36 323	445 608
Accumulated amortisation				
At 1 January	(310 700)	(10 513)	-	(321 213)
Depreciation for the year	(23 997)	(10)	-	(24 007)
Exchange differences	(35)	(1)	-	(36)
At 31 December	(334 732)	(10 524)	-	(345 256)
Impairment losses (note 21)				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
Carrying amount				
At 1 January	74 426	216	30 435	105 077
At 31 December	63 823	206	36 323	100 352

2024 € '000	Software	Other intangible assets	Assets under development	Total
Cost				
At 1 January	357 983	10 730	34 035	402 748
Additions	-	-	23 561	23 561
Transfers	27 161	-	(27 161)	-
Exchange differences	(18)	(1)	-	(19)
At 31 December	385 126	10 729	30 435	426 290
Accumulated amortisation				
At 1 January	(280 077)	(10 504)	-	(290 581)
Depreciation for the year	(30 640)	(10)	-	(30 650)
Exchange differences	17	1	-	18
At 31 December	(310 700)	(10 513)	-	(321 213)
Impairment losses (note 21)				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
Carrying amount				
At 1 January	77 906	226	34 035	112 167
At 31 December	74 426	216	30 435	105 077

The assets under development mainly include the development of new software applications and the costs of technical evaluation of software that have not yet been put into use.

At 31 December 2025, the gross book value of fully amortized intangible assets that are still used by the Bank amounted to EUR 214 868 thousand (31 December 2024: EUR 204 761 thousand).

16. Goodwill

€ '000	2025	2024
Retail Banking	18 871	18 871
Corporate Banking	10 434	10 434
	<u>29 305</u>	<u>29 305</u>

The Bank has identified three cash-generating units – Retail Banking, Corporate Banking and Central Treasury, which also represent operating segments used in 'Segment reporting' (note 6).

Goodwill allocated to Retail Banking in the amount of EUR 18 871 thousand arose in 2005 on the acquisition of Consumer Finance Holding, a.s. and was merged into the Bank in 2018.

Goodwill allocated to Corporate Banking related to the VUB Leasing, a.s. and includes both goodwill related to purchase of the majority (70%) shareholding in the amount of EUR 7 304 thousand in 2007 and goodwill arising from the purchase of the remaining 30% shareholding in the amount of EUR 3 130 thousand in 2010. This goodwill was merged into the Bank in 2022.

No impairment losses were created during 2025 and 2024.

17. Deferred income tax assets and liabilities

Deferred income taxes are calculated on all temporary differences using a tax rate of 24% (31 December 2024: 24%) as follows:

2025 € '000	1 January	Profit/(loss)	Equity	Exchange rate differences	31 December
Derivative financial instruments – CF Hedge	52	-	82	-	134
Financial assets at FVOCI	6 022	-	(6 580)	-	(558)
Financial assets at AC					
Due from banks	1 393	202	-	-	1 595
Due from customers	64 701	5 083	-	-	69 784
Property and equipment	(14 164)	(1 666)	-	-	(15 830)
Intangible assets	1 333	(1 067)	-	-	266
Other assets	7	1 784	-	-	1 791
Financial liabilities at AC					
Lease liabilities	5 249	43	-	-	5 292
Provisions	5 359	(790)	-	-	4 569
Other liabilities	17 484	(189)	-	-	17 295
Other	(4 412)	(17)	(1 066)	17	(5 478)
	<u>83 024</u>	<u>3 383</u>	<u>(7 564)</u>	<u>17</u>	<u>78 860</u>

2024 € '000	1 January	Profit/(loss)	Equity	Exchange rate differences	31 December
Derivative financial instruments – CF Hedge	52	-	45	-	7
Financial assets at FVOCI	6 022	-	1 061	-	4 961
Financial assets at AC					
Due from banks	1 393	321	-	-	1 072
Due from customers	64 701	1 582	-	-	63 119
Property and equipment	(14 164)	(1 614)	(655)	-	(11 895)
Intangible assets	1 333	(759)	-	-	2 092
Other assets	7	-	-	-	7
Financial liabilities at AC					
Lease liabilities	5 249	1 367	-	-	3 882
Provisions	5 359	2 177	-	-	3 182
Other liabilities	17 484	4 290	-	-	13 194
Other	(4 412)	(1 636)	-	-	(2 776)
	<u>83 024</u>	<u>5 728</u>	<u>451</u>	<u>-</u>	<u>76 845</u>

18. Other assets

€ '000	Note	2025	2024
Operating receivables and advances		26 807	34 342
Prepayments and accrued income		10 827	10 993
Leashold improvement		7 568	-
Settlement of operations with financial instruments		1 453	623
Other tax receivables		1 148	6 139
Inventories		427	519
Other		332	160
Impairment losses	21	(3 764)	(3 584)
		<u>44 798</u>	<u>49 192</u>

19. Provisions

€ '000	Note	2025	2024
Provisions for loan commitments and financial guarantees	21	19 997	23 170
Litigation	23.2	6 885	6 940
Restructuring provision		400	-
		<u>27 282</u>	<u>30 110</u>

2025 € '000	Note	1 January	Net creation/ (release)	Use	Exchange difference	31 December
Litigation	23.2	6 940	(53)	(2)	-	6 885
Restructuring provision	29	-	400	-	-	400
		<u>6 940</u>	<u>347</u>	<u>(2)</u>	<u>-</u>	<u>7 285</u>

2024 € '000	Note	1 January	Net creation/ (release)	Use	Exchange difference	31 December
Litigation	23.2	6 872	85	(18)	1	6 940
Restructuring provision	29	-	-	-	-	-
		<u>6 872</u>	<u>85</u>	<u>(18)</u>	<u>1</u>	<u>6 940</u>

20. Other liabilities

€ '000	2025	2024
Various creditors	53 020	63 192
Settlement with employees	38 073	36 593
VAT payable and other tax payables	6 626	5 764
Severance and Jubilee benefits	4 862	4 413
Accruals and deferred income	4 039	7 377
Settlement of operations with financial instruments	2 492	2 490
Share remuneration scheme	533	580
Investment certificates	455	466
Other	13 535	14 999
	<u>123 635</u>	<u>135 874</u>

At 31 December 2025 and 31 December 2024 there were no overdue balances within 'Other liabilities'.

The movements in social fund liability presented within 'Settlement with employees' were as follows:

2025 € '000	1 January	Creation (note 29)	Use	31 December
Social fund	810	2 735	(2 719)	826

2024 € '000	1 January	Creation (note 29)	Use	31 December
Social fund	781	3 155	(3 126)	810

21. Movements in impairment losses and provisions for loan commitments and financial guarantees

2025 € '000	Note	1 January	Net creation/ (release)	Assets Written off/ sold	Exchange difference	Other	31 December
Financial assets at FVOCI		212	106	(48)	-	-	270
Financial assets at AC	11						
Due from banks		5 869	839	-	3	-	6 711
Due from customers		339 968	65 499	(44 825)	(1 262)	-	359 380
Impairment losses according to IFRS 9		346 049	66 444	(44 873)	(1 259)	-	366 361
Loan commitments and financial guarantees	19	23 170	(4 642)	-	1 469	-	19 997
Impairment losses and provisions according to IFRS 9		369 219	61 802	(44 873)	210	-	386 358
Investments in subsidiaries, joint ventures and associates		2 933	1 334	-	-	-	4 267
Property and equipment and non-current assets classified as held for sale	14	15	-	(15)	-	-	-
Other assets	18	-	-	-	-	-	-
Total impairment losses and provisions for loan commitments and financial guarantees		372 167	63 136	(44 888)	210	-	390 625

2024 € '000	Note	1 January	Net creation/ (release)	Assets Written off/ sold	Exchange difference	Other	31 December
Financial assets at FVOCI		232	(20)	-	-	-	212
Financial assets at AC	11						
Due from banks		5 109	761	-	(1)	-	5 869
Due from customers		372 018	31 948	(62 117)	(1 881)	-	339 968
Impairment losses according to IFRS 9		377 359	32 689	(62 117)	(1 882)	-	346 049
Loan commitments and financial guarantees	19	16 888	4 884	-	1 398	-	23 170
Impairment losses and provisions according to IFRS 9		394 247	37 573	(62 117)	(484)	-	369 219
Investments in subsidiaries, joint ventures and associates		-	2 933	-	-	-	2 933
Property and equipment and non-current assets classified as held for sale	14	94	(79)	-	-	-	15
Other assets	18	3 807	(726)	-	503	-	3 584
Total impairment losses and provisions for loan commitments and financial guarantees		398 148	39 701	(62 117)	19	-	375 751

22. Equity

€ '000	2025	2024
Share capital – authorised, issued and fully paid		
80 additional ordinary shares of EUR 1 million, not traded	80 000	80 000
89 ordinary shares of EUR 3 319 391.89 each, not traded	295 426	295 426
4 078 108 ordinary shares of EUR 33.20 each, not traded	135 393	135 393
	<u>510 819</u>	<u>510 819</u>
Share premium	13 719	13 719
Reserves	127 291	107 111
Other capital funds	8 464	8 464
Retained earnings (excluding net profit for the year)	1 473 288	1 347 227
	<u>2 133 581</u>	<u>1 987 340</u>

The registered share capital of the Bank amounts to EUR 510 819 063.81 and was created by the contribution of the founder designated in the deed of foundation as of the day of its establishment.

The registered share capital is divided into 4 078 108 book-entered registered shares, each having the nominal value of EUR 33,20, 89 book-entered registered shares, each having the nominal value of EUR 3 319 391.89 and 80 book-entered registered shares, each having the nominal value of EUR 1 000 000.00.

In accordance with the law and Articles of Association of the Bank, the Bank is obliged to contribute at least 10% of its annual net profit to the 'Legal reserve fund' until it reaches 20% of the share capital. Usage of the 'Legal reserve fund' is restricted by the law. The fund can be used for the coverage of the losses of the Bank.

€ '000	2025	2024
Net profit for the year attributable to shareholders	268 576	251 931

22.1. Regulatory capital management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Bank manages its capital structure and adjusts it in the light of changes in economic conditions and the risk its activities entail. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders, issue capital securities or other capital instruments, classified as Additional Tier 1, or Tier 2. No changes have been made in the objectives, policies and processes in the previous year.

The Bank's regulatory capital position was determined based on the rules for capital adequacy calculation set by the CRR Regulation:

€ '000	2025	2024
Tier 1 capital		
Share capital	510 819	510 819
Share premium	13 719	13 719
Retained earnings*	1 473 288	1 347 227
Profit or loss eligible	80 573	125 966
Legal reserve fund	102 164	102 164
Other capital funds	8 464	8 464
Accumulated other comprehensive income	25 127	4 947
(-) Value adjustments due to the requirements for prudent valuation	(143)	(264)
Less goodwill and intangible assets	(105 031)	(95 955)
(-) Insufficient coverage for non-performing exposures	(4 594)	(2 449)
	<u>2 104 386</u>	<u>2 014 638</u>
Tier 2 capital		
IRB excess of provisions over expected losses eligible	44 507	42 850
Subordinated debt	139 094	179 305
	<u>183 600</u>	<u>222 155</u>
Total regulatory capital	<u>2 287 986</u>	<u>2 236 793</u>

* Excluding net profit for the period/year, in approval and other capital funds.

€ '000	2025	2024
Retained earnings	1 741 864	1 599 158
Net profit for the year	(268 576)	(251 931)
	<u>1 473 288</u>	<u>1 347 227</u>

€ '000	2025		2024	
		Required		Required
Tier 1 capital	2 104 386	830 383	2 014 638	898 221
Tier 2 capital	183 600	183 600	222 154	222 154
Total regulatory capital	2 287 986	830 383	2 236 792	898 221
Total Risk Weighted Assets	10 379 785	10 379 785	11 227 768	11 227 768
CET 1 capital ratio	20.27%	12.09%	17.94%	12.09%
Total capital ratio	22.04%	16.25%	19.92%	16.25%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings, accumulated other comprehensive income, foreign currency translation and reserves. The deducted amounts in Tier 1 capital are goodwill, intangible assets, prudential filters, insufficient coverage for non-performing exposures and IRB shortfall, if negative. The other component of regulatory capital is Tier 2 capital, which includes subordinated long-term debt and IRB excess of provisions over expected losses.

Own Funds, risk-weighted assets and the capital ratios as of 31 December 2025 were calculated in accordance with the harmonised rules and regulations for banks and investment companies contained in Directive (EU) 2019/878 ('CRD V') and in the CRR Regulation of 31 May 2024 (EU) 2024/1623, which transpose the banking supervision standards defined by the Basel Committee (the Basel 3 Framework) to European Union laws.

Following the Supervisory Review and Evaluation Process ('SREP'), the ECB annually makes a final decision on the capital requirement that the Bank must comply with on sub-consolidated and individual level. Starting from 1 January 2025, the overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 11.09%. This is the result:

- The SREP requirement comprising a minimum Pillar 1 capital requirement of 4.5% and an additional Pillar 2 capital requirement of 0.84%, made up entirely of Common Equity Tier 1;
- Additional requirements, made up entirely of Common Equity Tier 1, relating to a Capital Conservation Buffer of 2.5%, an Other Systemically Important Institutions Buffer ('O-SII Buffer') of 1.75% and a Countercyclical buffer ('CCyB Buffer') of 1.5%.

CRD V establishes the obligation for the designated national authorities to activate an operational framework for the definition of the ratio of the countercyclical capital buffer ('CCyB'). The ratio is subject to review on a quarterly basis. Based on the analysis of the reference indicators, the National Bank of Slovakia decided to set the countercyclical buffer (relating to the exposures towards Slovak counterparties).

Countercyclical buffer, which has been increased after COVID-19 pandemic period back to 1.5%, valid from 1 August 2023 back, remains effective. P2R composition based on CRD V rules is set to 75% Tier 1, out of which 75% should represent CET 1 (56.25% of P2R). These changes represent from 1 August 2023 capital requirement (without Pillar 2 Capital Guidance) for CET 1 of 11.09% and capital requirement for Tier 1 of 12.88%.

The Overall Capital Requirement was at VUB Group level, as of 31 December 2025 set at 16.25% and consists of:

- Capital requirement for Pillar 1 (8%),
- Capital requirement for Pillar 2 (P2R 1.5% and Pillar 2 Capital Guidance 1%),
- Capital requirement for a combined buffer (5.75%), consisting of Capital Conservation Buffer of 2.5%, Other Systemically Important Institutions Buffer of 1.75% and a Countercyclical Buffer 1.5%.

ECB set the P2G to 1% since 1 January 2024, with no change in 2025. Therefore the Overall Capital Requirement in force is 16.25% (13.88% for Tier 1 capital ratio and 12.09% for CET1 capital ratio, including the Pillar 2 Guidance).

Since November 2014, the Bank has been under the supervision of the European Central Bank.

Internally, within its Risk Appetite framework, the VUB Group has set internal limits for both OCR and CET1, managing the regulatory capital requirements additionally with an internal management buffer.

The prudential treatment of software assets

The Bank has adopted prudential treatment of software assets based on the Final Report 'Draft Regulatory Technical Standards on the prudential treatment of software assets under Article 36 of Regulation (EU) 575/2013 (CRR)', EBA/RTS/2020/07, regarding an updated version of the Capital Requirements Regulation 2019/876 and Directive 2019/878 (CRR II/CRD V) published in June 2019 concerning the modified version of article 36(1)b (CRR II) with regard to own funds requirements for institutions. The Bank has adopted the prudential amortization approach to software assets for the calculation of CET1 at individual and consolidated level starting from December 2020 based on EBA/RTS/2020/07 methodology, which is in line with ISP Group Approach. The prudential amortization allows the banks not to deduct from CET1 software assets that are prudentially valued (i.e. when the value of software assets is not negatively affected by status of resolution, insolvency or liquidation of the Bank). The residual portion of the carrying amount of software is risk-weighted (100%), in accordance with the current CRR provisions. This approach has also been established by Commission delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items.

22.1.1. Implementation of Basel IV

Basel IV implementation relevant for VUB is executed via update of EU Capital Requirements Regulation ('CRR 3').

The key changes in CRR 3 include:

- Credit Risk: Introduction of a new standardized approach for credit risk (SA-CR), which includes changes to the treatment of almost all exposures classes, with biggest changes probably for the exposures secured by immovable property. Also, IRB approach includes some changes (notably decrease in the senior debt LGD).
- Market Risk: A revised market risk framework to better capture the risks associated with trading activities.
- Operational Risk: Implementation of a new standardized approach for operational risk, known as the Business Indicator Component (BIC) approach, and removal of all internal models.
- Credit Valuation Adjustment (CVA) Risk: Redefinition of the CVA risk charge to better reflect the risk of counterparty credit risk.
- Output Floor: Introduction of an output floor to ensure that banks' risk-weighted assets (RWAs) calculated using internal models do not fall below a certain percentage of RWAs calculated using standardized approaches.
- Environmental, Social, and Governance (ESG) Risks: Integration of ESG risks into the regulatory framework, requiring banks to manage and disclose their ESG risks.
- Disclosures: Enhanced disclosure requirements to improve transparency and market discipline.

CRR 3 was published in the Official Journal of the European Union on June 19, 2024, and entered into force 20 days later. The majority of the CRR 3 rules became applicable from 1 January 2025. However, Market Risk framework changes have been postponed by two years by the Commission Delegated Regulation 2025/1496, and will be applicable from 1 January 2027.

23. Off-balance sheet items

23.1. Issued guarantees and commitments and undrawn credit facilities

€ '000	2025	2024
Issued guarantees	1 184 736	1 152 905
Commitments and undrawn credit facilities	4 645 388	4 529 747
<i>of which revocable</i>	<u>1 403 946</u>	<u>1 441 389</u>
	<u>5 830 124</u>	<u>5 682 652</u>

Issued guarantees represent irrevocable assurances that the Bank will make payments in the event that a borrower cannot meet its obligations to third parties. These assurances carry the same credit risk as loans and therefore the Bank recognises provisions for these instruments (note 19).

The primary purpose of commitments to extend credit is to ensure that funds are available to the customer as required. Commitments and undrawn credit facilities represent undrawn portions of commitments, credit facilities and approved overdraft loans.

23.2. Legal proceedings

In the normal course of business, the Bank is subject to a variety of legal actions. The Bank conducted a review of legal proceedings outstanding against it as of 31 December 2025. Pursuant to this review, management has recorded total provisions of €6,885 thousand (31 December 2024: €6,940 thousand) in respect of such legal proceedings (note 19). The Bank will continue to defend its position in respect of each of these legal proceedings.

In addition to the legal proceedings covered by provisions, there are contingent liabilities arising from legal proceedings in the total amount of €26,800 thousand, as at 31 December 2025 (31 December 2024: €29,717 thousand). This amount represents existing legal proceedings against the Bank that will most probably not result in any payments due by the Bank.

23.3. Tax Legislation

Given that several areas of Slovak tax legislation permit more than one interpretation, there is a possibility that the tax authorities may take a different view on certain transactions carried out within the Bank and determine a tax treatment that differs from the approach applied by the Bank.

The tax authorities have not audited the tax periods from 2020 to 2024, and therefore there is a risk of additional tax being imposed.

The management of the Bank is not aware of any facts that could lead to significant costs in the future. Tax periods that have not yet been audited by the tax authorities may be subject to tax audits retroactively up to 2020.

24. Net interest income

€ '000	2025	2024
Interest and similar income		
Financial assets at FVTPL	4 388	3 335
Financial assets at FVOCI	36 724	31 118
Financial assets at AC		
Due from banks	55 481	116 749
Due from customers	840 851	782 592
Derivatives – Hedge accounting	1 160	81 755
	<u>938 604</u>	<u>1 015 549</u>
Interest and similar expense		
Financial liabilities at AC		
Due to banks	(41 102)	(44 985)
Due to customers and Subordinated debt	(191 301)	(257 296)
Lease liabilities	(421)	(319)
Debt securities in issue	(85 650)	(74 874)
Derivatives – Hedge accounting	(32 070)	(64 368)
Interest expense on assets	(25)	(43)
	<u>(350 569)</u>	<u>(441 885)</u>
Total net interest income	<u><u>588 035</u></u>	<u><u>573 664</u></u>

€ '000	2025	2024
Interest and similar income		
Total interest income calculated using the effective interest method	927 308	1 012 214
Other interest income – interest income on finance leases	6 908	-
Other interest income – interest income on financial assets at FVTPL	4 388	3 335
	<u>938 604</u>	<u>1 015 549</u>

€ '000	2025	2024
Net interest and similar income		
Financial assets at FVOCI	36 724	31 118
Financial assets at AC	<u>889 399</u>	<u>899 298</u>
	926 123	930 416
Financial liabilities at AC	(318 053)	(377 155)

Interest income on impaired loans and advances to customers for 2025 amounted to EUR 20 143 thousand (2024: EUR 16 978 thousand).

25. Net fee and commission income

2025 € '000	Retail Banking	Corporate Banking	Central Treasury	Other	Total
Fee and commission income					
Current accounts	47 985	3 420	-	11	51 416
Cards	42 480	1 167	-	53	43 700
Indirect deposits	39 109	36	-	-	39 145
Insurance	25 843	649	-	1	26 493
Payments and cash management	13 692	12 266	-	1	25 959
Loans	13 393	9 282	-	38	22 713
Trade finance	25	7 035	1 775	17	8 852
Structured finance	-	5 601	-	-	5 601
Factoring	49	2 190	-	-	2 239
Other	517	6 124	1 974	-	8 615
	<u>183 093</u>	<u>47 770</u>	<u>3 749</u>	<u>121</u>	<u>234 733</u>
Fee and commission expense					
Cards	(18 352)	(35)	-	-	(18 387)
Payments and cash management	(2 567)	(9 188)	-	-	(11 755)
Current accounts	-	-	(585)	(604)	(1 189)
Insurance	(661)	-	-	-	(661)
Factoring	(6)	(576)	-	-	(582)
Trade finance	-	-	-	(193)	(193)
Loans	(51)	-	-	(49)	(100)
Structured finance	-	-	-	-	-
Other	(77)	114	(1 902)	(3 046)	(4 911)
	<u>(21 714)</u>	<u>(9 685)</u>	<u>(2 487)</u>	<u>(3 892)</u>	<u>(37 778)</u>
Net fee and commission income under IFRS 15	<u>161 379</u>	<u>38 085</u>	<u>1 262</u>	<u>(3 771)</u>	<u>196 955</u>
Income from guarantees under IFRS 9	-	6 913	-	-	6 913
Total net fee and commission income	<u>161 379</u>	<u>44 998</u>	<u>1 262</u>	<u>(3 771)</u>	<u>203 868</u>

2024 € '000	Retail Banking	Corporate Banking	Central Treasury	Other	Total
Fee and commission income					
Current accounts	43 777	3 361	-	11	47 149
Cards	42 357	1 012	-	40	43 409
Indirect deposits	33 902	32	-	-	33 934
Insurance	18 737	547	-	1	19 285
Payments and cash management	16 066	13 123	-	1	29 190
Loans	7 260	9 324	-	(16)	16 568
Trade finance	20	7 081	1 578	-	8 679
Structured finance	-	1 934	-	-	1 934
Factoring	-	2 018	-	-	2 018
Other	495	5 897	1 258	-	7 650
	<u>162 614</u>	<u>44 329</u>	<u>2 836</u>	<u>37</u>	<u>209 816</u>
Fee and commission expense					
Cards	(20 714)	(106)	-	-	(20 820)
Payments and cash management	(2 684)	(9 113)	-	-	(11 797)
Current accounts	-	-	(600)	(670)	(1 270)
Insurance	(570)	-	-	-	(570)
Factoring	-	(475)	-	-	(475)
Trade finance	-	(168)	-	-	(168)
Loans	(74)	(19)	-	-	(93)
Structured finance	-	(19)	-	-	(19)
Other	(1 056)	(914)	(1 274)	(1 232)	(4 476)
	<u>(25 098)</u>	<u>(10 814)</u>	<u>(1 874)</u>	<u>(1 902)</u>	<u>(39 688)</u>
Net fee and commission income under IFRS 15	<u>137 516</u>	<u>33 515</u>	<u>962</u>	<u>(1 865)</u>	<u>170 128</u>
Income from guarantees under IFRS 9	-	6 870	-	-	6 870
Total net fee and commission income	<u>137 516</u>	<u>40 385</u>	<u>962</u>	<u>(1 865)</u>	<u>176 998</u>

26. Net trading result

€ '000	2025	2024
Cross currency swaps	29 935	(13 750)
Customer foreign exchange margins	10 154	10 238
Equity derivatives	5 202	698
Interest rate derivatives	1 535	1 704
Financial assets held for trading – debt securities	1 044	1 720
Non-trading financial assets measured at FVTPL	392	780
Net result from hedging transactions	281	(416)
Dividends from equity shares measured at FVTPL	43	69
Dividends from equity shares measured at FVOCI	32	19
Other derivatives	24	1
Financial assets measured at FVOCI	(4 606)	(364)
Foreign currency derivatives and transactions	(19 289)	16 932
	<u>24 747</u>	<u>17 631</u>

27. Other operating income

€ '000	2025	2024
Financial revenues	357	226
Net profit from sale of fixed assets	125	217
Services	-	7
Other	1 365	1 684
	<u>1 847</u>	<u>2 134</u>

28. Other operating expenses

€ '000	2025	2024
Costs of product support – credit cards	(3 378)	(2 607)
Contribution to the Deposit Protection Fund	(1 725)	(1 614)
Depreciation of leasehold improvements	(1 172)	-
Court fees and expenses and out-of-court settlements	(488)	(496)
Net release of impairment losses to other assets	(310)	-
Other damages	(158)	(574)
Other	(13 099)	(12 012)
	<u>(20 330)</u>	<u>(17 303)</u>

29. Salaries and employee benefits

€ '000	Note	2025	2024
Remuneration		(112 377)	(113 145)
Social security costs		(46 401)	(43 772)
Social fund		(2 735)	(3 155)
Severance and Jubilee benefits		(449)	-
Termination benefit	19	(400)	-
		<u>(162 362)</u>	<u>(160 072)</u>

The Bank does not have any pension arrangements separate from the pension system established by law, which requires mandatory contributions of a certain percentage of gross salaries to the state-owned social insurance and privately owned pension funds. These contributions are recognized in the year when salaries are earned by employees. No further liabilities are arising for the Bank in terms of the payment of pensions to employees in the future.

30. Other administrative expenses

€ '000	2025	2024
Third parties' services	(25 345)	(24 849)
Information technologies systems maintenance	(17 844)	(17 085)
Advertising and sponsorship	(6 631)	(6 670)
Archives and documents	(5 010)	(4 888)
Maintenance and repairs	(4 797)	(4 874)
Transport	(4 736)	(4 196)
Rental of buildings and related expenses	(3 930)	(4 027)
Indirect personnel costs and compensation	(3 226)	(3 916)
Energy costs	(2 982)	(3 463)
Electronic data processing system leasing	(2 660)	(2 336)
Value added tax and other taxes	(2 554)	(451)
Telephone and telecommunication costs	(2 508)	(2 363)
Forms and office supplies	(2 405)	(2 485)
Cleaning of premises	(1 480)	(1 431)
Security	(1 095)	(1 226)
Cost of legal services	(1 090)	(573)
Consultations and other fees*	(1 065)	(775)
Other rentals	(1 003)	(1 121)
Insurance	(748)	(899)
Postage costs	(737)	(388)
Information and research	(222)	(234)
Other expenses	(4 898)	(4 561)
Reinvoicing	1 308	1 214
	<u>(95 658)</u>	<u>(91 597)</u>

* 'Consulting and other fees' include remuneration for the statutory audit and financial statements of EUR 514 thousand (2024: EUR 394 thousand). The price also includes the fee for the audit of the annual group reporting, ancillary fees, the audit of the consolidated financial statements as well as the audit of the VUB Prague branch, VUB Operating Leasing and VUB Generali. Additionally, the remuneration for the audit in sustainability reporting to EUR 118 thousand (2024: EUR 160 thousand), including ancillary fees. Other audit-related services and non-audit services performed by the statutory auditor related to limited accounting review of interim statutory financial statements and report packages, audit of prudential and business regulatory statements as required by Slovak legislation of the extended auditor's report for the National Bank of Slovakia, the recommended list in connection with the verification of profit at the end of 2024 for the ECB, the recommended list in connection with the issues of covered bonds and were amounted to EUR 174 thousand. (2024: EUR 261 thousand). All amounts shown here are without VAT.

31. Income tax expense and special levy

€ '000	Note	2025	2024
Current income tax		(94 098)	(79 782)
Special levy on business in regulated sectors		(69 884)	(96 817)
Deferred income tax	17	3 383	5 728
		<u>(160 599)</u>	<u>(170 871)</u>

The effective tax rate differs from the statutory tax rate in 2025 and in 2024. The reconciliation of the Bank's profit before tax with the actual corporate income tax is as follows:

€ '000	2025	2024
Profit before tax	429 175	422 802
Theoretical tax calculated at the tax rate 24%	(101 921)	(88 788)
Tax impact		
Non-taxable income	75	3 406
Impact of the special 16% CIT rate on government bond income	6 120	-
Tax non-deductible expenses	(2 120)	(1 530)
Impairment allowances and provisions, net	2 452	7 859
Additional tax of prior years	1 292	(815)
Creation of allowances for uncertain realization of deferred tax receivables	3 387	5 814
Income tax expense	(160 599)	(170 871)
<i>of which Special levy on business in regulated sectors</i>	<u>(69 884)</u>	<u>(96 817)</u>
Effective tax for the year	37.42%	40.41%
without Special levy on business in regulated sectors	<u>25.25%</u>	<u>22.72%</u>

32. Related parties

Related parties are those counterparties that represent:

- The definition of related parties includes the following persons or companies:
- Key management personnel ('KMP'), i.e., members of the Board of Directors of VUB, who have the authority and responsibility for planning, directing, and controlling the activities of VUB, including close family members;
- Subsidiaries that are directly controlled by VUB, i.e., VUB Generali and VUB Operating Leasing;
- Joint ventures that are under the joint control of VUB and other companies, i.e., Monilogi;
- Associates in which VUB has significant influence and which are neither subsidiaries nor joint ventures, i.e., SBCB;
- ISP, i.e., the parent company of VUB, which holds a 100% share in the equity of VUB;
- ISP Group companies, i.e., companies that are controlled by ISP directly or indirectly, ISP has significant or substantial influence over them, or they are under joint control (excluding entities under the control or significant influence of the VUB Group, which are reported separately).

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The stated transactions have been made under arms-length commercial and banking conditions.

In 2025, the remuneration and other benefits provided to members of the Management Board were EUR 2 881 thousand (2024: EUR 2 864 thousand) and to members of the Supervisory Board EUR 82 thousand (2024: EUR 83 thousand).

As at 31 December 2025, the outstanding balances with related parties comprised:

2025 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Assets						
Cash and cash equivalents	-	-	-	24 569	673	25 242
Financial assets at FVTPL						
Financial assets held for trading	-	-	-	42 409	27	42 436
Non-trading financial assets at FVTPL	-	-	-	533	-	533
Derivatives – Hedge accounting	-	-	-	70 358	-	70 358
Financial assets at FVOCI	-	-	-	109	-	109
Financial assets at AC						
Due from other banks	-	-	-	170 331	-	170 331
Due from customers	1 588	8 190	-	-	86 673	96 451
Property and equipment	-	32	-	-	-	32
Other assets	-	-	-	49	5 119	5 168
	<u>1 588</u>	<u>8 222</u>	<u>-</u>	<u>308 358</u>	<u>92 492</u>	<u>410 660</u>
Liabilities						
Financial liabilities at FVTPL						
Financial liabilities held for trading	-	-	-	43 869	-	43 869
Derivatives – Hedge accounting	-	-	-	75 619	-	75 619
Financial liabilities at AC						
Due to banks	-	-	-	982 091	1 845	983 936
Due to customers	987	30	91	-	3 626	4 734
Leasing liability	-	65	-	-	-	65
Subordinated debt	-	-	-	100 090	200 296	300 386
Provisions	-	-	-	7	-	7
Other liabilities	533	101	-	2 959	924	4 517
	<u>1 520</u>	<u>196</u>	<u>91</u>	<u>1 204 635</u>	<u>206 691</u>	<u>1 413 133</u>

As at 31 December 2024, the outstanding balances with related parties comprised:

2024 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Assets						
Cash and cash equivalents	-	-	-	23 431	534	23 965
Financial assets at FVTPL						
Financial assets held for trading	-	-	-	47 651	-	47 651
Non-trading financial assets at FVTPL	-	-	-	580	-	580
Derivatives – Hedge accounting	-	-	-	75 566	-	75 566
Financial assets at FVOCI	-	-	-	72	-	72
Financial assets at AC						
Due from other banks	-	-	-	180 377	-	180 377
Due from customers	2 322	13 752	-	-	86 670	102 744
Property and equipment	-	896	-	-	-	896
Other assets	-	57	-	97	7 316	7 470
	<u>2 322</u>	<u>14 705</u>	<u>-</u>	<u>327 774</u>	<u>94 520</u>	<u>439 321</u>
Liabilities						
Financial liabilities at FVTPL						
Financial liabilities held for trading	-	-	-	59 452	8	59 460
Derivatives – Hedge accounting	-	-	-	148 296	-	148 296
Financial liabilities at AC						
Due to banks	-	-	-	698 492	1 710	700 202
Due to customers	1 164	32	90	-	6 354	7 640
Leasing liability	-	915	-	-	-	915
Subordinated debt	-	-	-	100 095	200 306	300 401
Provisions	-	-	-	5	-	5
Other liabilities	580	211	-	2 871	60	3 722
	<u>1 744</u>	<u>1 158</u>	<u>90</u>	<u>1 009 211</u>	<u>208 438</u>	<u>1 220 641</u>

As at 31 December 2025, the outstanding off-balance sheet balances with related parties comprised:

2025 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Commitments and undrawn credit facilities	242	4 838	-	185 422	8	190 510
Issued guarantees	-	-	-	20 537	1 315	21 852
Received guarantees	-	-	-	1 600	1 000	2 600
Derivative transactions (notional amount – receivable)	-	-	-	11 142 968	10 549	11 153 517
Derivative transactions (notional amount – payable)	-	-	-	11 142 222	10 514	11 152 736

As at 31 December 2024, the outstanding off-balance sheet balances with related parties comprised:

2024 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Commitments and undrawn credit facilities	47	8 289	-	178 089	8	186 433
Issued guarantees	-	-	-	25 505	5 937	31 442
Received guarantees	-	-	-	1 600	1 000	2 600
Derivative transactions (notional amount – receivable)	-	-	-	10 976 570	17 370	10 993 940
Derivative transactions (notional amount – payable)	-	-	-	10 976 409	17 375	10 993 784

For the year ended 31 December 2025, the outstanding balances with related parties comprised:

2025 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Income and expense						
Interest and similar income	43	269	-	4 508	3 080	7 900
Interest and similar expense	(18)	(4)	-	(37 818)	(11 268)	(49 108)
Fee and commission income	1	4	2	636	33 001	33 644
Fee and commission expense	-	-	-	(140)	(9)	(149)
Dividend income	-	-	-	-	-	-
Net trading result	-	-	-	41 538	1 217	42 755
Other operating income	-	120	-	650	126	896
Other operating expenses	-	-	-	(60)	-	(60)
Other administrative expenses	-	(203)	-	(6 837)	(13 417)	(20 457)
Depreciation	-	(238)	-	-	-	(238)
Impairment losses and provisions for loan commitments and financial guarantees	-	-	-	(5)	-	(5)
	<u>26</u>	<u>(52)</u>	<u>2</u>	<u>2 472</u>	<u>12 730</u>	<u>15 178</u>

For the year ended 31 December 2024, the outstanding balances with related parties comprised:

2024 € '000	KMP	Subsidiaries	Associates	Intesa Sanpaolo	ISP Group companies	Total
Income and expense						
Interest and similar income	60	703	-	5 387	2 456	8 606
Interest and similar expense	(31)	(33)	-	(38 361)	(13 300)	(51 725)
Fee and commission income	1	4	2	119	30 315	30 441
Fee and commission expense	-	-	-	(134)	(6)	(140)
Dividend income	-	3 318	-	-	-	3 318
Net trading result	-	4 100	-	(38 816)	(521)	(35 237)
Other operating income	-	49	-	769	125	943
Other operating expenses	-	-	-	-	-	-
Other administrative expenses	-	97	-	(6 730)	(12 992)	(19 625)
Depreciation	-	(507)	-	-	-	(507)
Impairment losses and provisions for loan commitments and financial guarantees	-	2	-	1	-	3
	<u>30</u>	<u>7 733</u>	<u>2</u>	<u>(77 765)</u>	<u>6 077</u>	<u>(63 923)</u>

33. Events after the end of the reporting period

From 31 December 2025, up to the date when these financial statements were authorized for issue, there were no further events identified that would require adjustments to or disclosure in these financial statements.

These financial statements were authorized for issue by the Management Board on 30 March 2026. These financial statements will be published and available at the registered office of the Bank.



Jozef Kausich
Chairman of the Management Board



Darina Kmeťová
Member of the Management Board

Profit distribution

The Management Board will propose the following 2025 profit distribution:

€ '000	
Dividends to shareholders	188 003
Retained earnings	80 573
	<hr/>
	268 576
	<hr/> <hr/>

Consolidated Sustainability Report

Consolidated Sustainability Report drawn up in accordance with reporting standards applied pursuant to the Act on Accounting, which implements Directive (EU) on corporate sustainable reporting (CSRD) and Directive on annual financial statements, consolidated financial statements and related report and in accordance with the specifications adopted in EU Taxonomy for the year ended 31 December 2025.

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Consolidated Sustainability Report 2025

The undersigned Jozef Kausich, in his capacity as the Chief Executive Officer and Chairman of the Management Board, and Darina Kmeťová, in her capacity as Chief Financial Officer and Member of the Management Board, certify that the Consolidated sustainability report, included in the Annual report, has been prepared:

- In accordance with the reporting standards applied pursuant to the Amendment to the Act on Accounting 105/2024 of 1 June 2024, which implements Directive (EU) 2022/2464 on corporate sustainable reporting ('CSRD') and Directive (EU) 2013/34 on annual financial statements, consolidated financial statements and related reports;
- With the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 (EU Taxonomy).

8 April 2026



Jozef Kausich
Chief Executive Officer
and Chairman of the Board of Directors VUB, a.s.



Darina Kmeťová
Chief Financial Officer
and Member of the Board of Directors VUB, a.s.



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Independent auditor's limited assurance report on Consolidated Sustainability statement

To the Shareholders, Supervisory Board, Board of Directors and to the Audit Committee of Všeobecná úverová banka, a.s.

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Všeobecná úverová banka, a.s. (hereafter the "Company") and its subsidiaries (hereafter the "Group") including the information incorporated in the Consolidated Sustainability Statement by reference, as disclosed in section Sustainability Report for year 2025 (the "Consolidated Sustainability Statement") as at 31 December 2025 and for the year then ended.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Company in order to satisfy the requirements of § 20g) of the Slovak Act No. 431/2002 Coll. on Accounting, as amended (hereafter the "Act on Accounting"), which implements Article 29a of Directive 2013/34/EU of the European Parliament and of the Council, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), as set out in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (the 'ESRS'), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1;
- Compliance of the disclosures in subsection "Environmental information – Reporting in accordance with the EU Taxonomy" within the environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Consolidated Sustainability Statement

As further detailed in the consolidated sustainability reporting, section BP-2: Disclosures related to specific circumstances, there are inherent limitations associated with the calculation or assessment of sustainability-related matters in accordance with the applicable criteria.

In reporting forward-looking information in accordance with ESRS, the Board of Directors (hereafter the "management of the Company") is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the compliance of their interpretation with applicable law, and, accordingly, are subject to uncertainty.

As a result of the criteria used, the nature of Consolidated Sustainability Statement, and the fact that there is still a lack of experience with the long-term application of binding regulations, their standard application, and the procedures for their publication, various measurement methods are used in practice

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that are acceptable but may lead to differences between individual companies. The methodology and its development affect not only the comparability of sustainability information published by different companies but also the year-on-year comparability of information within the same company.

Responsibilities of the Company's Board of Directors, Supervisory Board and Audit Committee for the Consolidated Sustainability Statement

The management of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Consolidated Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds;
- Making assumptions that are reasonable in the circumstances.

The management of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with § 20g) of the Act on Accounting, which implements Article 29a of Directive 2013/34/EU of the European Parliament and of the Council, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection "Environmental information – Reporting in accordance with the EU Taxonomy" within the environmental section of the Consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852;
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error;
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's process for preparing the Consolidated Sustainability Statement.

Auditor's Responsibility

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (hereafter "ISAE 3000 (Revised)").



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Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Assessing, whether identified information complies with the ESRS disclosure requirements; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not for the purpose of evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We are independent of the Group in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on amendments and supplements to the Act on Accounting No. 431/2002 Coll. on Accounting, as amended, relating to independence and ethics, including the Auditor's Code of Ethics, which are relevant to our limited assurance engagement on the Consolidated Sustainability Statement, and we have fulfilled the other ethical requirements of these provisions.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed



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A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - Performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents);
 - Reviewing the Group's internal documentation of its Process;
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
 - Performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement; but not for the purpose of providing the conclusion on the effectiveness of the Group's internal control environment.
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Where applicable, compared the information presented in the Consolidated Sustainability Statement with the corresponding information disclosed in the financial statements;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.



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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with § 20g) of the Act on Accounting, which implements Article 29a of Directive 2013/34/EU of the European Parliament and of the Council, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1;
- Compliance of the disclosures in subsection “Environmental information – Reporting in accordance with the EU Taxonomy” in accordance with the EU Taxonomy within the environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852.

8 April 2026
Bratislava, Slovak Republic

Ing. Marek Mikolaj, statutory auditor
UDVA Licence for sustainability assurance No. 116

Ernst & Young Slovakia, spol. s r.o.
UDVA Licence for sustainability assurance No. 25

General Information

ESRS 2 – General disclosures

Basis for preparation and methodology

Reporting principles

The VUB Group ('the Group') has prepared the Consolidated Sustainability Report (hereinafter also referred to as 'Sustainability Report' or 'Report') pursuant to the Amendment to the Act on Accounting 105/2024 of 1 June 2024, which implements Directive (EU) 2022/2464 on corporate sustainability reporting ('CSRD') into the national law, and in compliance with the European Sustainability Reporting Standards ('ESRS'), set forth in the Commission Delegated Regulation (EU) 2023/2772. For the purpose of this Report, an explicit difference is made between the VUB Group and the ISP Group (Intesa Sanpaolo Group), which the VUB Group is part of and consolidated in a separate sustainability statement.

The Chief Financial Officer and CEO certify in a statement that the Sustainability Report, within the Annual Report covering fiscal year 2025 (ending 31st December 2025), complies with the aforementioned legislative requirements including Article 8(4) of Regulation (EU) 2020/852 (Taxonomy Regulation) as requested, representing a separate part of the Environmental information of this Report. This Report has undergone a limited assurance by the appointed auditing firm Ernst & Young Slovakia, spol. s r. o., also conducts the financial audit of the financial statements and provides its conclusions on compliance.

The Sustainability Report outlines the VUB Group's sustainability considerations, focusing on the impact on people and the environment, business risks, and related opportunities. Its ambition is to present clear and transparent information on sustainability performance, enabling stakeholders to make well-informed decisions and assess the Group's commitment to environmental and social responsibility. This is the second report issued by the VUB Group in accordance with the CSRD, as well as EU Taxonomy regulation.

The final Consolidated Sustainability Report was approved by the Management Board and Supervisory Board in April 2026.

Corporate reporting perimeter

The scope of consolidation of the Consolidated Sustainability Report includes 3 legal entities – VUB Bank, VUB Operating Leasing and VUB Generali, which coincides with the scope of the Consolidated Financial Statements for the fiscal year 2025.

For 2025, pursuant to Art. 19a(9)/29a(8) of EU Directive 2013/34/EU, which regulates the rules for exemption from the preparation of sustainability reporting at the individual level, it should be noted that the subsidiaries VUB Operating Leasing and VUB Generali are exempt, as they meet the criteria established for the exemption.

Perimeter of activities subject to reporting

The VUB Group extended the scope of materiality assessment of impacts, risks and opportunities and resulting reported disclosures to cover the upstream and downstream value chain, encompassing three macro-key areas:

Scope Area	Description
Own Operations	Internal physical operations and activities directly controlled by the VUB Group.
Upstream Value Chain	All operational processes related to the supply chain, including procurement practices and associated reputational risks.
Downstream Value Chain	All business activities and supporting processes, including commercial relationships with clients and counterparties, and financing/investment portfolios managed by the Group.

Reporting on own operations includes policies, actions, targets (where applicable) and metrics related to material sustainability matters. In addition to the disclosures required by the ESRS standards for each topic, the VUB Group has identified entity-specific disclosures areas not fully covered by the ESRS standards but essential for providing a comprehensive view of the VUB Group's sustainability impacts, risks and opportunities made available to all stakeholders. Entity-specific disclosures have been identified and prepared in accordance with the principles described in Appendix A of ESRS 1; their location within this Report is indicated in the 'Disclosure requirements in ESRS' section at the end of the Report.

With reference to the value chain, the VUB Group disclosed both qualitative elements relating to the policies, actions and targets (where applicable) it defines for managing and monitoring material sustainability matters in the upstream or downstream value chain, and quantitative data on greenhouse gas emissions ('GHG emissions') and on entity-

specific portfolio metrics.

In accordance with the transitional provisions set out in ESRS 1, the VUB Group acknowledges that, during the first years of reporting under the ESRS, full upstream and downstream value chain information may not be available. Throughout the reporting period, the VUB Group made extensive efforts to obtain relevant data from its value chain, including leveraging information reported by its largest counterparties, particularly those already publishing CSRD-aligned sustainability statements.

Despite these efforts, certain value chain data remained limited or unavailable, largely due to the evolving reporting capabilities of external stakeholders. In line with the transitional measures, the VUB Group therefore relied on information available in-house, such as internally collected data and publicly accessible disclosures, when preparing value chain-related information on policies, actions and targets in accordance with ESRS 2 and other applicable ESRS standards.

The VUB Group continues to develop and enhance its processes for collecting, validating and integrating value chain information, and has established plans to progressively expand the scope and quality of its upstream and downstream data in line with future ESRS requirements.

No specific information has been omitted because it is the subject of intellectual property, know-how, the results of innovation or because it is classified as sensitive.

No option to omit disclosure of impending developments or matters in the course of negotiation has been used by the Group.

Time horizons

Consistently with the ESRS, the VUB Group defines:

Scenario Type	Reference Time Horizon
Short-term	1 year
Medium-term	Up to 5 years
Long-term	More than 5 years

For management purposes, the Group applies these definitions to integrate existing strategic guidelines and managerial controls. In particular, the medium-term definition is aligned with the evolution of the ISP Group Business Plan, which also includes the VUB Group, while the long-term definition is aligned with the commitments deriving from the ISP Group's adherence to the principles of achieving Net Zero emissions targets by 2050.

Use of estimates

Value chain

In this report, the VUB Group used estimates and indirect sources for the disclosure of the standard ESRS E1 – Climate Change, section metrics for value chain:

- Scope 3 indirect GHG emissions¹ (disclosure requirement E1-6 relating to the upstream and downstream value chain). Scope 3 GHG emissions are defined as indirect greenhouse gas emissions generated along the company's value chain from activities not directly owned or controlled (e.g. waste disposal by third party companies);
- quantification of the physical risk of exposures in the portfolio (information obligation E1-9 relating to the downstream value chain).²

The VUB Group's ability to gather comprehensive information on its upstream and downstream value chain may vary due to factors like contractual nature, counterparty size, and control over transactions outside its consolidation scope. Gathering data is particularly difficult when value chain actors are not bound by sustainability reporting mandates.

In accordance with ESRS 1, the VUB Group has undertaken reasonable efforts to collect quantitative data related to its value chain, resorting to estimates based on verifiable information, including sector averages and other proxies, when direct data collection was unfeasible.

The data sources and estimation methods applied to calculate proxy values reflect the variety of cases and counterparties involved. In general, the preparation of these estimates was based on two main frameworks represented by:

- GHG Protocol for calculating Scope 3 emissions¹ across the value chain;
- PCAF (Partnership for Carbon Accounting Financials) for Scope 3 emissions linked to financed emissions from

¹ For further information on Scope 3 Emissions, please see the standard ESRS E1 – Climate Change, section Metrics on GHG emissions.

² The Group applies transitional provisions that allow for the gradual introduction of the E1-9 disclosure obligation and only reports in this report the equivalent information that is also included in the 'Pillar 3' disclosure.

mortgage lending, sovereign debt and non-financial corporations within the banking book. According to this framework, a score of 4 (2024: 4) for mortgage lending and 1 (2024: 1) for sovereign debt is assigned to this calculation according to the data quality measurement guide.

In all cases, decisions on proxy usage were made at the individual exposure or asset level based on the availability of the most specific data which helped to increase the accuracy. In the case of Green Asset ratio, when no sufficient data are available the exposure is not marked as EU taxonomy aligned.

Scope 3 estimates beyond the VUB Group were provided by the ISP Group where relevant. Adherence to nationally and internationally established calculation standards as well as sector-specific approaches also helped minimize data inaccuracies.

The Group is actively working to enhance data precision by tackling the biggest source of measurement uncertainty – unavailability of primary data, by engaging directly with counterparties (portfolio companies and suppliers) and specialized environmental data providers, applying a proportionality- and risk-based approach aligned with the revised CSRD framework. Looking ahead, given the reduced scope and phased applicability of CSRD reporting obligations, the Group anticipates a gradual and possibly uneven increase in the availability of reported data, primarily from counterparties remaining within scope, and expanding direct data collection from counterparties in financing and due diligence processes – for instance, via ESG Questionnaires developed by the Slovak Banking Association, assessment of EU taxonomy alignment at the transaction level where decision-relevant, and continuation in collection of EPC certificates. The Group is also committed to refining the proxy methodologies used for data estimation, acknowledging that material data gaps will persist, advancing both internally within the ISP Group and in the finance sector.

In particular, to identify exposures subject to physical risk related to climate change, the VUB Group uses an external tool for mapping and measuring risks at the individual property level. This is achieved through mapping of physical risks through the use of long-term climate scenarios and subsequent declination of climatological forecasts using high-granularity grids with calculation of the specific indicators of each risk.

Secondly, the VUB Group uses the highly granular Synthetic Physical Risk Indicator (SPRI) to assess risk levels for each location. This calculation is based on the geo-location of the headquarters and production sites, as well as the specific buildings used as collateral properties, with the consequent identification and subsequent attribution of the level of associated risk. Following the assignment of the SPRI, the decision whether or not an exposure is subject to climate-related events related to physical risk is based on two criteria: the maturity of the exposure and the evolution of the severity of the estimated physical risk indicator.

Own operations

With reference to own operations, the VUB Group also used estimates for the calculation of other metrics such as E1-5 (energy consumption).

For further information on calculation methodologies, please refer to the standard ESRS E1 – Climate change, sections Metrics on energy consumption.

Metrics were validated by the auditor of the Consolidated Sustainability Report. No metrics have been subjected to assurance by other external bodies.

All provided metrics are presented with precise names and description.

When currency is used in the metric it is aligned with the currency of the financial statement.

Comparative data

This Consolidated Sustainability Report of the VUB Group is the second to be prepared in accordance with CSRD. Changes compared to the previous year (2024) are described below, as well as in the relevant sections where the values are presented.

S1-14 Metrics related to health and safety

A more accurate calculation of worked hours was used for 2025. Based on actual hours worked, considering vacation and paid leave. The year 2024 was recalculated using the updated, more accurate worked-hours calculation.

S1-16 Metrics related to equal pay and remuneration

- Gender pay gap

The figures were updated to improve data quality and ensure a more accurate comparison with FY 2025.

- Annual total remuneration ratio

The calculation method was updated so that both years use the same methodology, which defines the remuneration

ratio strictly as the highest-paid individual's annual remuneration divided by the median remuneration of all employees.

S1 – Entity specific

Number for employees which completed mandatory trainings adjusted to represent all training completed via LEA platform and VUB Academia.

E1-5 Metrics on energy consumption

Change of reporting methodology for 2025: In connection with the purchase of renewable electricity under guarantees of origin (GO), the remaining electricity consumed in leased premises (buildings and ATMs), where VUB Group has no operational control over the supply of electricity or information on the energy mix, is reported as electricity from fossil fuels in accordance with the GHG Protocol.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Change of reporting methodology for 2025: Due to changes in the methodology of calculation of energy consumption, GHG emissions were recalculated as well. The values were recalculated for 2024. For more information related to the changes of the methodology refer to Metrics on energy consumption section.

E1-6 Percentage of GHG Scope 3 calculated using primary data

– Housing loans

Compared to the previous year, the bank expanded the available data through digitalization, which allowed for more accurate calculations. At the same time, it used a new calculation model for collaterals for which it did not have information on the energy classes of the properties. In these cases, it applied proxy data on the energy efficiency of the collaterals based on the primary energy factor and the total energy need.

Statement on due diligence

The VUB Group has identified due diligence processes that enable it to identify and manage negative impacts arising from its own operations or from the upstream and downstream value chain. The due diligence activities conducted by the VUB Group are incorporated into the existing strategy and business model. In the event of identification of negative impacts, the VUB Group assesses and takes adequate actions to manage and mitigate such impacts, also through its products and business relationships.

In the following table the main elements of the due diligence described in this Report are represented:

Core elements of due diligence	Paragraphs of the Consolidated Sustainability Report
Embedding due diligence in governance, strategy and business model	General information: Strategy, business model and value chain General information: Governance structure General information: Double materiality assessment
Engaging with affected stakeholders in all key steps of the due diligence	General information: Double materiality assessment
Identifying and assessing adverse impacts	General information: Double materiality assessment Materiality process on impacts, risks and opportunities: E1
Taking actions to address those adverse impacts	E1 Climate Change: Strategy to combat climate change at portfolio level
Tracking the effectiveness of these efforts and communicating	E1 Climate Change: GHG emissions reduction targets

With reference to the ESRS E1 – Climate Change, the VUB Group has not yet established measurable quantitative targets for monitoring identified and assessed negative impacts within its own operations and downstream value chain. However, through the policies and actions adopted, and described in the following chapters of this Report, it has tools for managing the relevant impacts.

Strategy, business model and value chain

Strategy

The VUB Group recognizes that its employees are its most valuable asset and a key driver of future success. As of 31st December 2025, the workforce is primarily based in Slovakia, with 3,419 (2024: 3606) employees, and in the Czech Republic, with 31 (2024: 31) employees. The Group pursues fostering the growth and satisfaction of its employees through continuous investments in talent and skills development, ensuring that they remain central to the Group's progress.

- The VUB Group integrates sustainability considerations into its overall business strategy, aiming to act as a local market leader in sustainable finance by offering a broad range of sustainability-supporting products tailored to the needs of our customers. In the reporting period, 36.6% of new retail loans and 20% of new corporate loans were classified as sustainable, reflecting the increasing relevance of these products within our core business activities. Our strategic focus is to continuously expand and enhance our sustainable offering, ensuring alignment with our long-term sustainability objectives. In the reporting period, we fulfilled our sustainability ambitions primarily through the following goals: Support to address social needs: Helping the elderly, children, disadvantaged groups, addressing material and educational poverty, social and community integration through the social pillar of the VUB Foundation and its partnerships;
- Contribution to financial inclusion: Provision of social credit to vulnerable groups who may lack access to traditional financial channels, this includes, for example, mortgage offerings tailored to young people and consumer loans designed to assist specific categories of parents;
- Supporting knowledge and awareness: Providing support to awareness raising among clients and potential clients, educational, and knowledge exchange projects and events which result in wider socioeconomic benefits:
 - Via partnerships with associations in the field of sustainable buildings and their energy efficiency (e.g. Buildings For Future, Slovak Green Building Council);
 - Via support to initiatives and research in the field of sustainable urban planning, climate change adaptation of cities, and green infrastructure (e.g. Institute for Passive Houses, International Climate Adaptation Institute, Manifest2020);
 - Via projects and partnerships in the field of circular economy, waste reduction, and sustainable procurement (e.g. Circular Slovakia, Sustainable e-shop project with VISA and Heureka);
 - Via support to environmental practices in the field of sustainable agriculture and food production (e.g. Living Farm project of Environmentalist association BROZ);
 - Via environmental education and support for innovation for children and young people (For Better Future of Earth, Lifbee Academy);
- Commitment to cultural development: Via the VUB Foundation and partnerships, the Group aims to enhance the regions by protecting and promoting the artistic and cultural heritage of the country by individual grant programmes and awards;
- Promotion of innovation: Targeted actions both within the Group and by supporting companies through acceleration and innovation projects, revamping of IT infrastructure, and improving both its digital channels and physical branches;
- Promotion of sustainable practices: Pursuit of the ISP Group's climate strategy and commitment to Net Zero by reduction of carbon footprint and promotion of energy efficiency and the use of renewable energy within the own operations, renovation of branches and properties to align with sustainability objectives, implementation of green procurement practices including environmental and social criteria, training of own workforce to enhance their sustainability knowledge and skills; the Group also aims to reduce emissions associated with its products and services, including loan portfolio;
- Improvement of ESG Governance maturity: Focus on proper management of new risks and transparent reporting; the Group is gradually adopting an advanced risk management approach, emphasizing the identification, measurement, monitoring, control, and mitigation of ESG risks;
- Supporting clients in green transition: A central pillar of this strategy is to address the significant future financing needs associated with the green transition by expanding green financing to help individuals and companies move toward more sustainable practices. This is achieved through incentivized solutions with favourable pricing and conditions, tailored advisory services, sustainable investment opportunities, and by strengthening the ESG-focused offering within asset management.

The VUB Group's commitment to sustainability goals is reinforced by its product and service portfolio, contributing to common goals of the ISP Group and pursuit of emission reductions. The support for green transition is therefore extended across all types of customers:

- Retail and SME/corporate customers through sustainable credit offers;
- In the field of asset management, through pursuit of provision of sustainable investment opportunities via Eurizon and VUB Generali DSS.

For retail clients in Slovakia, for the achievement of the identified objectives of the Strategy, a particular focus is placed on facilitating the VUB Group sustainable housing practices through the provision of mortgages and loans specifically designed to finance the renovation and improvement of real estate assets, which are considered the biggest single source of GHG emissions.

As part of its commitment to sustainable credit provision, the VUB Group Strategy also prioritizes the circular economy among other environmental objectives. It supports businesses in Slovakia, the Czech Republic, and beyond by promoting and financing this model through the VUB TERRA product line. This product line is available to corporate clients, including municipalities, to facilitate the transition to a more sustainable economy. VUB TERRA

product line also covers support of social objectives (e.g. when voluntary work or charitable donations are realized) and governance objectives (e.g. through commitment to development of corporate programs to increase care for employees). The range of financial products and services is constantly evolving and diversified based on market research and feedback received from customers and other stakeholders (i.e. non-government organizations) and by adapting the proposal to their needs and preferences.

Details about these activities are discussed further with their objectives in the following chapters under the specific ESRS standards.

Business model

The VUB Group has adopted a business model that combines sustainable revenue generation focused on interest revenues and growth in fees and service revenues, high efficiency and a low risk profile.

The VUB Group's activities contribute to the creation of value for customers and include the main processes of banking and financial services delivery:

Activity Area	Description
Management of Financial Resources	Management of customer deposits, capital, and market-raised funds to ensure liquidity and capital adequacy.
Provision of Financial Services	Delivery of core banking products: accounts, loans, mortgages, advisory, private and corporate banking.
Service Distribution Management	Management of physical and digital service channels (branches, mobile/online banking, ATMs), with focus on digital efficiency.
Marketing and Sales	Promotional and branding strategies, customer acquisition, personalised product offers (loans, cards, insurance, investment funds).
After-sales Services	Ongoing customer support, relationship management via branches, personal bankers, and digital interfaces.

The VUB Group's activities are divided into the following Business Units and subsidiaries:

Business Unit	Focus Area
Retail Business Unit	Banking services for individuals and small businesses, including private banking.
Corporate Business Unit	Medium/long-term partner for companies, institutions, and public sector; operates in Slovakia and Czech Republic. Services: corporate, investment, structured finance.
Treasury Business Unit	Liquidity (ALM) and trading operations for financial markets.
Workout Business Unit	Management and consolidation of non-performing loans.
Governance Business Unit	Oversees unallocated items (e.g. fixed assets, equity), and internal governance functions.

Based on the comparison with main peers (e.g. financial statements, disclosures) and data regularly published by the National Bank of Slovakia, the VUB Group is the market leader in lending to corporate clients, while in the retail segment, the Group is number two. Also, with respect to mortgages, VUB occupies second position. VUB has developed a strong base in the corporate banking area especially towards small-medium size companies and big national and international companies operating in the Czech and Slovak markets.

Overall, the Group offers primarily:

1. Different types of loans (mortgage, consumer loans, instalment sales and financial leasing);
2. Deposits (retail and corporate) and payment management;
3. Electronic banking solutions;
4. Business advisory services;
5. Corporate financing;
6. Investment services;
7. Insurance intermediation.

Via VUB Generali, DSS subsidiary pension savings are provided, while VUB Operating Leasing provides operative leasing services. Being a member of the ISP Group, it is also a privileged partner of Italian companies and international corporations providing assistance in investments, commercial and financial transactions in Slovakia and the Czech Republic.

The VUB Group provides its products and services through a wide network of business locations across Slovakia and Czech Republic, including 121 retail branches, 30 corporate branches (2024: 123 retail, 30 corporate) designed to serve small and medium-sized businesses, including the corporate branch in Prague.

The VUB Group's most significant customer categories are:

- Retail customers: individuals, households, small businesses (approximately 1.2 million retail customers);
- Corporate customers: companies with more complex financial needs, including both SME & Corporate Customer Desk Divisions, public sector and institutions (approximately 113 thousand corporate customers).

VUB Bank is the second-largest bank in Slovakia by assets, holding a market share of approximately 20%, with a similar distribution across all sectors. The market is covered across all customer segments.

These customer groups and market activities are directly reflected in the total revenue reported in the Consolidated statement of profit or loss on page 42 of the Annual Report, which captures the income generated across all segments and business locations.

The governance areas contribute to the efficiency and quality of business activities, ensuring that the VUB Group has the necessary resources to operate successfully in the following areas:

- Corporate governance: includes all direction, management and control activities, strategic planning, risk management and compliance. The VUB Group invests in a solid control and risk management structure in compliance with current regulations and to minimize operational risks;
- Human resources management: includes the hiring, training and development of personnel, with a focus on digital skills and the ability to manage an increasingly demanding customer base. The VUB Group places great importance on corporate welfare, continuous training and initiatives aimed at the well-being of the VUB Group's people improving their satisfaction and loyalty;
- Technological development: includes innovation and the implementation of new technologies, with investments in digital platforms, artificial intelligence, robotic process automation and advanced data analysis tools and methods. The VUB Group is accelerating its digitalization process to improve operational efficiency and customer experience;
- Procurement: involves the purchase of goods and services necessary for the VUB Group's operations, including technology, software, external consultancy and property management. This support ensures that the VUB Group has the tools and resources needed to operate effectively.

The VUB Group obtains the financial resources needed for the provision of its products and services through a combination of internal and external sources. The main ways in which the VUB Group raises funding and capital are:

- Customer deposits: These represent the primary source of liquidity, in the form of current accounts and term deposits from Retail and Corporate customers;
- Short-term funding: This largely consists of repo operations funding on wholesale markets;
- Medium/long-term funding: This mainly consists of own issues on wholesale markets;
- Interbank loans: These represent loans from other banks in the interbank market;
- Financing from the European Central Bank (ECB): Forms of refinancing by the ECB that the VUB Bank can resort to in particular circumstances. These loans are granted at relatively low interest rates, especially in periods of economic crisis or to stimulate the economy;
- Equity capital: Differs from other forms of financing and constitutes an essential component for the financial solidity and financing capacity of the VUB Group, since it offers security against possible losses and reassures creditors and investors of the solvency of the institution.

The VUB Group is not active in the following sectors: fossil fuels, chemical manufacturing, controversial weapons, tobacco cultivation or production.

Furthermore, with reference to the exposures in the Group's portfolios, specific internal regulations are in place to enforce stringent exclusion criteria for counterparties active in ESG-sensitive business sectors, including:

- The coal mining, and oil & gas sectors, where stricter rules aim at phasing out exposure for coal mining, for which the VUB Group has formalized its own rules for credit operations and Guidelines for the Governance of environmental, social and governance (ESG) risks (for more details see standard ESRS E1 – Climate change, section Policies related to climate change mitigation and adaptation);
- The production and trade in arms sector, for which the Intesa Sanpaolo Group has equipped itself with Guidelines governing transactions with subjects active in the armaments sector, which formulate the express prohibition of carrying out any type of banking and/or financing activity connected with the production and/or marketing of controversial and/or banned weapons by international treaties, such as: nuclear, biological and chemical weapons; cluster and fragmentation bombs; weapons containing depleted uranium; anti-personnel landmines.

Value chain

The VUB Group's value chain consists of a set of activities broken down into interconnected processes, as detailed below.

Regarding the upstream value chain, the main expenditure categories subject to centralized (at Parent Company level) and decentralized (at the VUB Group level) procurement include:

Category	Products and Services Included
Information and communication technology	Computer hardware, maintenance thereof and system licenses.
Real estate	Rent, furniture and furnishings, building maintenance and cleaning contracts.
Advertising and other public relations expenses	Internal and multimedia communication services, entertainment events and sponsorship of sports, or non-profit organisations.
Physical security	Installation of security systems, purchase of safes, alarm units and purchase of surveillance equipment, security and surveillance services.
Office equipment	Purchase of office equipment and machines, IT consumables, stationery and office supplies, purchase of audiovisual equipment.
Insurance	Employee benefits insurance, property insurance and general liability insurance.

With reference to the downstream value chain, the VUB Group distribution model is based on a multi-channel approach, which combines the physical network of branches with advanced digital tools to streamline provision of financial and non-financial services. In particular, the distribution model is structured as follows:

Channel	Description
Network of Branches	The VUB Group has a vast network of branches primarily across Slovakia, which allows it to reach a diversified clientele. The physical presence allows the Bank to offer personalized services and specialized advice on site. The branches are structured to respond to different types of customers, such as Retail (individuals, Magnifica – devoted to affluent clients and personal financial services and small businesses), Corporate (SME companies).
Digital Branch	Allows clients to access the Bank's services and products through voice interactions. It provides information via email or chat as well. Non-clients of the Bank are provided with general information. The digital branch offers a wide range of services related to accounts, payment cards, or electronic banking services. Through the digital branch, clients also have access to a wide portfolio of remotely sold products such as deposit, loan products or investments. Customers can handle their requests conveniently from home or any location, eliminating the need for a physical branch visit.
Internet and Mobile Banking	These tools allow customers to manage banking transactions such as wire transfers, payments, account monitoring, and investments, directly from their computer or smartphone. These services are designed for those who want autonomy in managing their finances.
Partnership & Service Integration	The distribution model is completed with a series of strategic partnerships that expand VUB Group's offering. Thanks to these collaborations, the Bank can offer a complete range of financial solutions, from the simplest to more complex products for a sophisticated clientele.

Through the aforementioned channels, the VUB Group serves a diversified customer base, which includes private individuals, families, SMEs, large corporations, municipalities and institutions. For private customers and families, the VUB Group offers a wide range of products and services, ranging from current accounts to loans, mortgages, to savings and investment solutions. SMEs are supported through specialized financial services, such as financing, consulting and payment instruments. Large corporations and institutions, on the other hand, benefit from a comprehensive corporate banking offer, investment services, treasury management and solutions for international trade, consolidating the role of VUB as a reference partner in every economic sector.

Performance

The VUB Group's solid performance enables the creation of growing and sustainable value for all stakeholders. During the reporting year 2025, the Group generated a net profit of EUR 270.1 million, thanks to which the Group's shareholders accrued EUR 126 million in cash dividends, of which a large share went directly to the families and foundations.

Staff expenses amount to EUR 164 million. In 2025, the public sector benefited from 166.3 million in taxes (income tax and special bank levy), down by 6.7 million compared to 2024. Medium- and long-term loans amounting to EUR 21.8 billion were disbursed to households and businesses. In 2025 the VUB Group served 1.23 million consumer customers (households and sole traders) and 139.7 thousand companies.

	2025	2024
Staff expenses amount (mil. EUR)	164	162
income tax and special bank levy (min. EUR)	166.3	172.9
Medium- and long-term loans (mil. EUR)	21.8	20.8
No. of customers served (households and sole traders) (mil.)	1.23	1.2
No. of customers served (companies) (mil.)	139.7	112.8

As regards the main results in the ESG sphere, the VUB Group maintained a high commitment to the green transition through the disbursement of EUR 599.2 million in new environmentally sustainable loans to individuals and 187.4

million to corporate clients. The Bank provided additional support by providing EUR 182.7 million in new socially sustainable loans to individuals and EUR 240.8 million in new loans to corporate clients across other sustainable categories. In addition, the improvement of the ESG asset management product offering continued, and the sales of funds, that meet the characteristics of environmental, social and sustainable objectives classified according to Articles 8 and 9 of the SFDR reached 38% of total gross sales.

Finally, the VUB Bank has been recognized as the Top Employer Slovakia 2025³.

Double materiality assessment

Methodology and rationale

The VUB Group has conducted a reassessment of the main relevant sustainability matters, taking into account the impacts, both positive and negative, actual or potential, deriving from its activities on the economy, the environment, and people. The assessment of impacts includes the effects on human rights, and particular attention is given to impacts that may significantly influence stakeholder perception. In addition, the risks and opportunities that have, or are expected to have, material financial effects on the VUB Group are assessed. The outcomes of this practice are vital not only for sustainability reporting but also for guiding the Group's strategy on issues important to the business and its stakeholders.

The double materiality assessment conducted by the VUB Group in 2025 is based on the ESRS requirements, EFRAG implementation guidance, as well as relevant technical clarifications provided by the regulator, and is fully aligned with the ISP Group methodological approach to guarantee consistency and quality of outcomes at Group level.

In 2025, the assessment was re-evaluated and more closely aligned with the double materiality assessment of the parent company, while retaining sufficient flexibility to reflect VUB-specific business characteristics and to support independent decision-making where relevant. The principles, processes, and methodological guidelines governing the development of CSRD reporting, including the double materiality assessment, are defined within the Bank's internal documentation, in particular in the Guidelines for the Preparation of Consolidated Sustainability Reporting pursuant to the Amendment to the Act on Accounting No. 105/2024 Coll. of 1 June 2024.

The approach set out by the ESRS integrates the concept of double materiality, which considers both the impacts of the VUB Group's activities (impact materiality) and the related financial implications (financial materiality). Specifically:

Materiality Type	Perspective	Description
Impact Materiality	Inside-Out	Impacts: VUB Group's impacts associated with its own operations and the relevant value chain in its entirety – upstream and downstream, including both positive and negative, current and potential impacts
Financial Materiality	Outside-In	Sustainability matters that generate: Risks: Affect or may affect the Group's development, financial position, economic performance, cash flows, access to finance, or cost of capital in the short, medium, or long term Opportunities: Have, or are expected to have, significant financial influence for the Group in the short, medium, or long term

The VUB Group applied both dimensions in order to identify and assess material impacts, risks and opportunities, also referred to as material IROs, which served as the basis for the selection of disclosures published in this Report.

The VUB Group conducted the double materiality assessment, considering and enhancing the peculiarities of the business lines and geographies in which it operates and in which the counterparties with which the Group has business relationships operate. The type of suppliers and counterparties is yet another element considered in the analysis and assessment phase.

The identification of IROs followed a phased approach, including:

- Mapping of the VUB Group's stakeholders; extending the list compared to the previous disclosure
- Context analysis aimed at mapping of the actual and potential positive and negative impacts on the economy, the environment and people, including human rights, generated by the activities of the Group, as well as the risks and opportunities generated by the external environment, based on the analysis of various sources, primarily:
 - o Commitments, projects and activities carried out by the Group in the ESG field, including business strategy, strategic projects, as well as specific ESG initiatives and policies;
 - o National and international regulation in ESG context;
 - o Documentation relevant to the sector in which the Bank operates;

³ Top Employers Institute.

- Public documents of the national and international scientific and professional studies, reports, and publications;
- Public registries and databases;
- Identification of the IROs with reference to Topics listed in the regulation to be further investigated because of its potential relevance for the VUB Group.
- The assessment of such IROs was then carried out through:
 - An internal assessment, involving the relevant specialists across the bank, based on criteria aligned with the ESRS reporting standards and consistent with the Group’s current risk management process. According to these criteria, the identified thresholds exclude materiality for IROs where either the probability or the significance/magnitude is considered not relevant.
 - The stakeholder engagement, i.e. the involvement of views, expectations and opinions of the VUB Group’s stakeholders collected through various activities;
 - The identification of sustainability matters material to the Group on the basis of the aggregation of the material outcomes of the IROs deriving from an internal assessment and stakeholder engagement activities;
- Validation of the list of material sustainability matters and IROs with top management and the Parent Company.

The material sustainability matters and IROs were then mapped onto topical standards with their respective disclosure requirements (‘DRs’), including datapoints, in order to provide prescribed information to the extent that the Group assessed such information to be material to meet the objectives of such DRs and datapoints. Additional entity-specific disclosures were provided which were assessed as significant to complement the understanding of the stakeholders and general users of the Report.

Compared to the 2024 reporting period, several improvements and rationalisations were implemented, including alignment, where applicable, with the parent company’s process and approach.

The main changes are:

IROs aggregation

- alignment of IROs with parent company;
- relevance of IROs (e.g. if an IRO is similar or the same as industry standard or legal requirements);
- aggregation (similar topics are now described under single IRO);
- IROs were reevaluated based on peer review or other relevant information (e.g. some Risks are currently difficult to measure).

Integration of severity priority over probability within the materiality calculation:

- Ensures that serious human-rights risks are never ignored because they seem ‘unlikely’.

The re-evaluation of IROs with the integrated ‘severity priority’ did not trigger any new materiality within the existing package of IROs.

The approach towards double materiality assessment will be updated annually and reviewed based on business and regulatory changes.

Engaging with the VUB Group’s stakeholders

Based on the ESRS and related implementation guidance, the acquirement of the interests and views of stakeholders during the process of double materiality assessment can build upon the regular dialogue, while addressing stakeholders specifically for the purpose of sustainability reporting is possible. Next to this combined approach, the VUB Group built also on the principles of behaviour in relation to individual categories of stakeholders set in the Group Code of Ethics (listening and dialogue, transparency, equality and inclusion). The VUB Group considers stakeholder engagement a fundamental aspect of responsible business conduct, maintaining an ongoing dialogue to assess risks, identify opportunities, and strengthen trust with those impacted by its operations.

In 2025, the stakeholder engagement process was further expanded and formalised.

An expanded questionnaire was developed covering all topics under the CSRD/ESRS framework.

External stakeholders were engaged through an online questionnaire covering all ESRS Standards. (S1 – Own Operations was developed independently in the employee questionnaire).

Internal stakeholders (employees of the VUB Group) were engaged through a dedicated online questionnaire focused specifically on S1 – Own Operations. In addition, an internal feedback questionnaire was conducted to review the 2024 reporting period and gather insights on areas for improvement in the 2025 reporting period.

The VUB Group also presented the 2024 sustainability report to employee union representatives. During this presentation, the report was explained in detail, and the representatives were informed about their opportunity to provide feedback during each iteration of the reporting process.

To support the robustness and comparability of the DMA results, benchmarking exercises were conducted. A local benchmark was performed based on reports presented by sector peers and the parent company. Specific data points were also benchmarked against a broader international pool of companies. Furthermore, benchmarking based on first-wave CSRD/ESRS disclosures was carried out to review DMA results within the banking sector as well as within a larger cohort of first wave reporting companies.

Through this structured engagement and benchmarking approach, stakeholder input was incorporated into the reporting process.

In this context, the presented stakeholder map outlines the VUB Group's stakeholders, aligned with the ISP Group approach. VUB regularly engages with these stakeholders by different means in order to identify and monitor their needs and perspectives in relation to the areas of impact, risk and opportunity that they consider priorities.

Category	Stakeholders
Employees	VUB Group Employees Trade Unions
Clients	Retail and household customers Entrepreneurs Small and medium-sized enterprises Large Companies Developers Consumer associations Public authorities Municipalities Professional associations
Shareholders Investors	Parent company Institutional Investors Multinational organizations
Suppliers	Small- and large-scale suppliers Intermediaries
Environment	Environmental organizations Future generations Scientific community
Community	Industry associations Regulators Tertiary sector National and international public institutions Media

During the execution of the double materiality assessment, the VUB Group used the following stakeholder engagement approach:

- Involvement of the VUB Group's dedicated internal structures that maintain a constant and continuous dialogue with the stakeholders concerned, in the context of mapping and assessing the relevance of impacts, risks and opportunities;
- Direct involvement of specific stakeholders, through dedicated workshops, interviews and questionnaires.

Stakeholder categories, represented in the map above, were engaged to identify and assess the relevance of IROs associated with sustainability matters closest to their experience, knowledge and sensitivity. This enabled stakeholders to deepen their understanding of the VUB Group's processes and strategies related to the sustainability issues most relevant to them, while also sharing their own perspectives.

The results of the stakeholder engagement process are systematically analysed by the ESG Department and integrated into the double materiality assessment (DMA), ensuring that stakeholder perspectives are duly reflected in the identification and evaluation of impacts, risks, and opportunities.

Additionally for 2025, the total response rate was extended to new subgroups (e.g. the parent company, non-governmental organizations, scientific community and trade unions).

The following table shows the stakeholder engagement activities included as part of the double materiality assessment, divided by individual categories, for the collection of related inputs/feedback:

Category	Stakeholders	Listening Mode	Summary of topics covered
Employees	VUB Group employees	Interviews with internal HR structures Participation in the survey aimed at listening to the opinions and needs of the ISP Group's employees through the provision of internal climate survey questionnaires and questions on sustainability issues (2.465 employees of VUB Group participated) VUB Employee Survey	Assessment of the perception of the ISP and Group's image from the customers' point of view, based on individual professional experiences. Attention and care for employment levels in restructuring processes. Recruitment of young people. Assessment of variables related to staff development (e.g. sense of pride and belonging, appreciation of merit, autonomy and economic rewards). Talent development and retention. Evaluation of training and professional development opportunities offered by the ISP and the VUB Group. Employee well-being (flexibility and work-life balance, relations with colleagues and managers). Job satisfaction of the ISP and VUB Group's employees. Assessment of the transparency and objectivity of performance appraisal systems. Assessment and knowledge of ISP and VUB Group policies (e.g. Diversity and Inclusion). Assessment of customer satisfaction on aspects such as reliability, transparency and clarity of ISP and VUB Group procedures ISP and VUB Group ESG initiatives and products.
Customers	Retail customers	Execution of a dedicated survey devoted to the sustainability topics on a representative sample of population of Slovak republic and involvement of the Retail banking Division in DMA process	Importance of sustainability activities of companies in these areas: Environmental Conservation Sustainable Practices Education and Community Support Energy and Emissions Corporate Responsibility and Investment
	Corporate customers	Execution of a dedicated questionnaire survey 'ESG Pulse Check' among 780 SME and Corporate customers and involvement of the Corporate and SME Division in DMA process	Topics surveyed General interest in ESG: Relevance of ESG issues for your business model. Production of sustainability reports. Methods of offsetting carbon emissions. Relevance of specific areas for business: Importance of areas like renewable energy, energy efficiency, pollution prevention, biodiversity preservation, green mobility, and more. Interest in Environmental issues: Relevance of energy transition, zero-emissions mobility, biodiversity protection, and green building investments. Interest in investing in renewable energy solutions, zero-emissions mobility projects, biodiversity preservation, and green building retrofitting. Interest in Social and Governance issues: Interest in social/community activities and sustainable governance practices. Services needed to support the transition to a sustainable business model.
Other Stakeholders	Trade unions Industry associations Clients (Developers) Tertiary sector Intermediaries Suppliers Institutional Investors Multinational organizations	Execution of a dedicated questionnaire survey and involvement of the internal functions responsible for contact with these stakeholders in DMA process	Importance of the sustainability sub-sub-topics and subtopics for the stakeholder. Expectations of the stakeholder from the VUB Group in each sub-sub-topic of ESRS standards.

As the primary outcome, the stakeholder engagement enriched the Group's internal assessment. Specifically, the dialogue has:

- Confirmed material matters: stakeholder feedback has helped to validate some of the VUB Group's internally identified material sustainability matters, reinforcing its focus on key areas like climate change, social inclusion, and ethical business practices;
- Provided new insights: stakeholder input offered new perspectives on existing matters;
- refined topic relevance: stakeholder input helped prioritize matters, but eventually did not lead to override or change of evaluation;
- Strengthened double materiality: integrated stakeholder insights and internal assessment resulted in a more robust double materiality assessment, informing decision-making and strategic planning.

Because the VUB Group adopts the strategic and business approach from the ISP Group, the Parent Company is the most critical stakeholder concerning the influence over these. However, another great influence comes from the VUB Group employees taking part in regular surveys, and institutional investors due to financial incentives. While the other key stakeholders may not be engaging with the VUB Group at the level of its Strategy and business planning, their interests and views provide a valuable input to both of them, as well as to policies and decision-making processes, to prevent or address significant material impacts, that may occur towards such stakeholders.

Employee feedback directly informs human resources policies, leading to initiatives that enhance workplace satisfaction, well-being, and professional development. Regular interactions with affected communities guide the VUB Group's investment decisions, ensuring that financial support is directed toward projects with the highest social and environmental impact. Consumer engagement helps refine customer protection policies, privacy and security, promoting ethical banking practices and responsible financial services. The Group gathers insights through surveys and market research to refine product offerings and improve digital banking experiences.

The administrative, management, and supervisory bodies receive the views and interests of affected stakeholders on the VUB Group's sustainability-related impacts through a multifaceted approach. The VUB Group conducts surveys targeted at selected clients to gather insights into its sustainability-related impacts. These surveys are designed to capture detailed feedback on how the VUB Group's operations influence environmental and social dimensions. The VUB Group also actively organizes and participates in events focused on sustainability. During these events, the VUB Group facilitates dialogues with both employees and clients to understand their perspectives and concerns related to sustainability. In addition, the VUB Group evaluates ESG opinions from the relevant rating agencies, available certifications, and maintains an ongoing dialogue with the financial regulator. The feedback obtained through these initiatives is highly valued and is used to inform decision-making processes at all levels of governance.

Context analysis

For the purpose of mapping IROs, the VUB Group analysed the context in which it defines and implements its business activities and relationships. In particular, the following elements were taken into consideration:

- External documentary sources for the purpose of conducting an analysis of the reference context including documents and frameworks in the field of Human Rights (UN Guiding Principles on Business and Human Rights, the Proposal for a Directive of the European Parliament and of the Council on corporate sustainability due diligence and amending Directive (EU) 2019/1937 (i.e. the CSDDD, Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence) and additional reference regulations referred to in the ESRS Standards (EU Regulation 2019/2088 – 'SFDR', Regulation (EU) No. 575/2013 – 'Pillar III', Regulation (EU) 2016/1011 – 'Benchmark Regulation', Regulation (EU) 2021/1119 – 'EU Climate Law'), Omnibus Simplification Package (2025) & Stop-the-Clock Directive (2025);
- External documentary sources for the purpose of conducting an analysis of current trends in the banking and insurance sector, including the Supervisory Expectations of the European Central Bank, the Recommendations of the Task Force on Climate-related Financial Disclosures, Principles for Responsible Banking, the accounting standards (IFRS) for financial reporting related to sustainability, EBA Guidelines on the management of Environmental, Social and Governance (ESG) risks;
- Detailed scan of scientific and professional studies, reports, and publications both national and international;
- Internal documentary sources, including the updated Business Strategy, the Code of Ethics, Parent Company guidelines and Business Plan, public commitments, Consolidated Sustainability Reports prepared in accordance with the CSRD, the Consolidated Non-Financial Statements published by the ISP Group on a consolidated basis over the previous years (with the VUB Group contributing, but being exempt from separate reporting), the Financial Statements, communications from top management and company policies, also in order to identify how impacts relate to the company's strategy and model;
- detailed analyses (benchmarks) carried out on the disclosure of the main players in the banking and other sectors, in relation to the material topics, the relevant stakeholders and the methods adopted for the representation of the relevant outcomes (Sustainability Report according to CSRD and further public documentation of other

- national and international financial and non-financial groups), in order to ensure full transparency and compliance of the Group with respect to the market practice and expectations;
- Feedback/input deriving from the involvement of the Group's stakeholders.

Consistently with the regulatory requirements, the double materiality assessment was performed at the perimeter of own operations and for the upstream and downstream value chain.

Identification of impacts, risks and opportunities

The analysis conducted led to the identification of the Group's possible IROs for each ESRS standard, at the perimeter of its own operations and value chain. Impact materiality and financial materiality are interconnected and methodologically were conducted concurrently.

The VUB Group's impacts on people or the environment are identified in consideration of the specifics of the VUB Group's operating and business model, management decisions made to address these impacts and based on internal assessment and due diligence processes. Impacts on the VUB Group other than sustainability matters in the external context may give rise to risks and opportunities.

Risks and opportunities are identified from the impacts, dependencies and sustainability issues that have or could have financial effects on the VUB Group. By way of example:

- Financing / investing in sectors/countries that are not very virtuous from an ESG perspective could lead to Credit, Market Risk deriving from the high concentration in high-risk territories/environments with respect to the sustainability matter under investigation;
- The establishment of ESG initiatives, donations, programmes, ESG safeguards by the VUB Group could contribute to the improvement of the VUB Group's brand reputation and/or the increase of stakeholders' trust;
- The definition of specific ESG criteria, investment and/or financing strategies could contribute to the expansion of the product range through alignment with sustainability objectives.

Assessment of the materiality of IROs

The materiality assessment of IROs was conducted through an internal assessment based on criteria aligned with the ESRS, shared and consolidated through interviews with the Group's internal operating structures and, as depicted above, through a stakeholder engagement process.

The methodology used has been formalized in internal documentation.

For the purposes of assessing and prioritizing impacts on people and the environment, the internal assessment was carried out on the basis of the criteria described below, with each parameter evaluated on a scale from 1 to 5, where 1 represents the lowest value and 5 represents the highest value.

Parameter	Definition	Score = 1	Score = 5
Scale	Magnitude of the impact	Very Low	Very High
Scope	Spatial extent or spread of the impact	Highly Localised	Global
Irremediable Character	Degree to which the impact can be avoided or reversed (particularly for negative impacts)	Very Low	Very High
Likelihood	Probability of the impact occurring (for potential impacts)	Very Unlikely	Extremely Likely

This year, a formal Severity measure was introduced to strengthen impact assessment.

Severity combines Scale, Scope and Irremediability and reflects how serious the consequences would be. It is calculated as the average of these three factors, resulting in a score from 1 (low) to 5 (very high).

- For actual impacts, Severity determines materiality.
- For potential impacts, it is multiplied by Probability to estimate risk.

In line with ESRS 1 §45 and GRI 2021, Severity takes precedence over Likelihood. High Severity can trigger materiality automatically, while Severity ≤ 3 results in 'not material', regardless of Probability.

The impact assessment activity was carried out considering the Group's business specificities. In particular, with reference to the downstream value chain, the sectors in which the counterparties most exposed to a risk of adverse impact were identified for each sustainability matter.

The materiality of the impacts is given by exceeding a certain threshold of significance, calculated as the average of the scores attributed to the metrics of scale, scope and irremediable nature. In particular, the materiality of:

Impact Type	Nature	Determination Method
Actual impact	Positive	Average of the ratings attributed to the metrics of scale and scope
Actual impact	Negative	Average of the ratings attributed to the metrics of scale, scope and irremediable character
Potential impact	Positive	Product of the likelihood and the average of the scores attributed to scale and scope
Potential impact	Negative	Product of the likelihood and the average of the scores attributed to scale, scope and irremediable character

In the case of potential negative impacts on human rights, the severity of the impact (scale, scope and irremediable character) takes on greater importance than likelihood.

Severity combines Scale, Scope and Irremediability and reflects how serious the consequences would be. It is calculated as the average of these three factors, resulting in a score from 1 (low) to 5 (very high).

- For actual impacts, Severity determines materiality.
- For potential impacts, it is multiplied by Probability to estimate risk.

The individual impacts identified by the Group are assigned a score based on the criteria described above, where the highest score represents the greatest benefit generated in the case of positive impacts, or the greatest harm generated in the case of negative impacts.

Following the assessment carried out, the VUB Group has significant impacts, as specified and illustrated in the chapters dedicated to each individual ESRS standard, both through direct activities (own operations perimeter) and through business relationships (upstream and downstream value chain perimeter).

In particular, with reference to the perimeters of own operations and upstream value chain, the relevant impacts affect people or the environment as a result of the initiatives implemented or planned (with reference to positive impacts) and the negative effects arising from operations (with reference to negative impacts). On the other hand, with reference to the downstream value chain perimeter, this impact is determined by the exposure of the financing and investment portfolio to sectors or countries that may in turn impact people and/or the environment.

Each of the impacts, risks and opportunities was assessed on the basis of qualitative and quantitative information, also considering what emerged from the context analysis and the stakeholder engagement process.

In the case of using a quantitative approach, the process involved the identification of accounting/reporting data, i.e. financial/accounting information (e.g. costs, revenues, assets) deriving from the VUB Group's main financial statements; data used in consolidated internal processes, underlying the production of external or internal reporting (e.g. risk data, projections); and data of managerial nature derived from consolidated processes.

In particular:

- Risks were assessed in compliance and alignment with the Group's current risk management process, using, where possible, analyses and metrics already existing within the Group (e.g. analysis of the materiality of environmental, social and governance risks compared to traditional, prudential risks in the financial sector);
- Opportunities were assessed on the basis of safeguards, policies, targets defined by the VUB Group, as well as the possibility of expanding the reference clientele through the development of products aligned with sustainability objectives. The indicators defined in the VUB Group's budget document and business plan were valued (e.g. budget allocated and dedicated to the provision of virtuous products from an ESG point of view).

In the case of the qualitative approach, the assessment of relevance was conducted on the basis of analyses aimed at enhancing the internal initiatives, policies and strategies prepared by the VUB Group, including, by way of example, what was formalised in the Intesa Sanpaolo Group 2022-2025 Business Plan.

For the purposes of the assessment of financial materiality, the current financial effects of the VUB Group's material risks and opportunities have been assessed, consistently with the relevant regulations, considering exposures in terms of assets and possible financial losses and current or prospective revenues, according to approaches consistent with the highest level of granularity available and with the estimates and assessments made by the VUB Group as part of its ordinary business planning and risk analysis activities.

The assessment of financial materiality is carried out at the same time as the assessment of impact materiality, identifying possible elements of interaction and connection.

In particular, the financial effects of risks are assessed by considering the VUB Group's exposure to counterparties in its portfolio and financial entities issuing debt securities and other forms of financial assets that belong to sectors and countries potentially exposed to ESG risk factors. The impact, in terms of operational losses, resulting from inadequate operational processes of the VUB Group, including assets, resources and relationships that are part of the VUB Group's own operations, or from potential sanctions or sanctions suffered with reference to sustainability matters was also analysed.

The assessments performed, as required by the regulations, were conducted taking into account the inherent risk logic, i.e. without considering potential risk prevention or containment mechanisms that the VUB Group has in any way put in place.

The financial effects of the opportunities were taken into consideration by assessing the current and prospective financial effects deriving from the provision of specific products within the topics investigated. The process of identifying and assessing them is aligned with the indicators defined in the VUB Group's budget and Strategy, with regard to the provision of ESG related products.

Consistently with the Guidelines⁴, elements of both a qualitative nature were considered, through the involvement of the various VUB Group structures, and of a quantitative nature, using, where possible, methodologies, safeguards and metrics already existing within the VUB Group (e.g. in the context of risk materiality assessment). These analyses were supplemented, where deemed necessary, by additional assessments in order to meet the regulatory requirements for sustainability matters of reference.

In particular:

- The risks identified have been assessed in accordance with and aligned with the VUB Group's current monitoring system and current regulations.
- Each typical risk (e.g. Credit Risk, Market Risk, Liquidity Risk, Operational Risk) of the VUB Group is broken down, where applicable, with specific reference to the sustainability issue investigated at the most granular level possible, linking it to cases that have been the subject of specific elaboration;
- Opportunities were assessed considering the ESG initiatives, policies and strategies defined by the Group. The types of opportunities identified, as detailed below, are: (i) expanding the product range and customer portfolio, (ii) improving brand reputation and increasing stakeholder trust, and (iii) attracting talent.

The internal assessment was conducted on the basis of the evaluation metrics defined by the ESRS reporting standards. The evaluation was done on a Scale of 1 – 5 as described below:

Parameter	Description	Scale = 1	Scale = 5
Magnitude	Indicates the potential magnitude of the financial effects arising from risks or opportunities	insignificant	significant
Likelihood of occurrence	Indicates how likely it is that a financial risk or opportunity will occur	very low	very high
If a Risk or Opportunity was assessed over time horizons the Magnitude and Likelihood were applied 3 times based on each position on the timeline		Time horizons	
Analysis over time horizons	Analyses over different time horizons are conducted in line with the prospective estimates and developments already elaborated within the VUB Group (e.g. ICAAP, budget planning/strategic plan) and with scenarios deriving from external sources, adopting a prudential approach and considering that the manifestation of ESG risk factor impacts is predominant in the medium and long term.	Short-Medium-Long-term	

Consolidating the list of material sustainability topics for the VUB Group

The VUB Group has established a structured decision-making process aimed at consolidating and verifying the material impacts, risks and opportunities.

Based on the assessment carried out, a summary of the mapping of the identified IROs was drawn up, along with the main evidence and results obtained following the execution of the double materiality exercise.

The mapping of IROs was reviewed, shared and consolidated by the VUB Group's internal offices and operating structures, each of which examined their own competence through the aforementioned stakeholder engagement process.

Finally, after completing the impact and financial materiality assessment that identify the aspects relating to environmental, social and governance sustainability that are material for the VUB Group, the list of material matters was shared with the Parent Company and submitted to the VUB ESG Committee for approval.

The CSRD regulation defines the sustainability topics to be investigated (e.g. own workforce) by providing a granular level of detail through the definition of sub-topics (e.g. working conditions), which delve into a specific aspect of the same, and, where available, sub-sub-topics (e.g. adequate wages) which further detail an element of the sub-topic.

Based on the assessment conducted, all macro-themes ('topics') proposed by the ESRS standards are material except for the topics E2 – Pollution, E3 – Water and marine resources, E4 – Biodiversity, S2 – Workers in the value chain. The topic E2 – Pollution was evaluated as Non-material for the 2025 reporting period when compared to 2024.

⁴ EFRAG IG 1: Materiality Assessment Implementation Guidance.

Topic	Impact Materiality		Financial Material	
	Positive Impacts	Negative Impacts	Risks	Opportunities
E1 – Climate change				
E5 – Circular Economy				
S1 – Own Workforce				
S3 – Affected Communities				
S4 – Consumers and end users				
G1 – Business conduct				

Materiality	Material	Non-Material

However, as highlighted below, not all sub-topics and sub-sub-topics are relevant.

Entity-specific disclosures primarily complement provided information on metrics and targets related to sustainable financing, sustainable investment products and approach towards customer. They also provide more representative data on own workforce. These disclosures are integrated within the material ESRS standards alongside other relevant disclosures.

A summary representation of the double materiality results is provided below, with evidence of the relevant perimeters.

Topic	Sub-Topic	IRO Type	IRO Description	Value chain
E1 – Climate change	Climate change adaptation	Positive Impact	Contribution to climate change adaptation and energy efficiency in own operations through corporate policies and strategies	Own operations
		Risk	Reputational risk arising from failure to achieve targets set in support of climate change mitigation (e.g. failure to achieve targets set within the Net Zero Banking Alliance)	Own operations; Downstream value chain; Upstream value chain;
		Opportunity	Improved brand reputation/positioning resulting from the adequate definition and achievement of objectives in support of climate change mitigation (e.g. achievement of objectives resulting from membership of the Net Zero Banking Alliance)	Own operations
	Climate change mitigation	Risk	Credit Risk arising from the failure of counterparty companies to define a Transition Plan and the related inability to meet debts (e.g. costs for counterparties linked to a failure to define a transition plan towards a low-emission economy)	Downstream value chain
		Negative Impact	Contribution to climate change through indirect greenhouse gas emissions by individuals and companies through the lending/financing process and portfolio composition with reference to counterparties considered environmentally and socially unsound	Downstream value chain
		Positive Impact	Progressive reduction of indirect greenhouse gas emissions through adherence to dedicated initiatives such as Global Compact, NZBA, the adoption of internal financing/investment policies involving the selection of companies that have defined a Transition Plan	Downstream value chain
	Energy	Positive Impact	Reduction of energy consumption and increasing use of renewable energy by individuals/businesses (e.g. investment criteria/strategies/financing for businesses, including equipping themselves with energy efficiency systems, installing solar panels, LED light bulbs, solar thermal collectors)	Downstream value chain
			Risk	Credit risk arising from the failure to define energy efficiency objectives by the counterparty companies and the related inability to meet debts (e.g. costs for the counterparties linked to a failure to define an energy efficiency plan for the operating offices)
		Negative Impact	Direct energy consumption and non-renewable energy use	Own operations
	E5 – Circular Economy	Resource outflows related to products and services	Positive Impact	Contribution to the recycling and reuse of materials through financing and investments
S1 – Own Workforce	Equal treatment and opportunities for all	Positive Impact	Contribution to the protection of work, through the prevention of discrimination and gender inequality phenomena (including harassment) and to the detriment of people with disabilities and promotion of diversity in all its forms through the adoption of policies/initiatives	Own operations

		Positive Impact	Support for training and skills development and valorisation of the potential and uniqueness of employees, also through the definition of talent management and development programs (e.g. periodic collection of training needs from employees through dedicated surveys, budget dedicated to financing dedicated training initiatives / certifications useful for employees to improve their skills, partnerships with national and international universities and business schools; collaborations with IT and tech sector communities, often with a focus on the female gender)	Own operations
		Opportunity	Increased trust among Group Stakeholders (e.g. employees), through the definition of appropriate policies aimed at ensuring gender equality and equal pay, the inclusion of all Group people and the prevention of violence and harassment in the workplace	Own operations
	Other work-related rights	Positive Impact	Contribution to the protection of workers through the definition of policies, union agreements and internal systems aimed at protecting the personal data of personnel (including cybersecurity measures), in order to prevent the intentional or unintentional use of confidential information for business purposes that could harm employees.	Own operations
		Opportunity	Attracting talent through the definition of adequate policies regarding employee working conditions	Own operations
	Working conditions	Opportunity	Increased trust among Group Stakeholders (e.g. employees), through the definition of appropriate policies aimed at ensuring gender equality and equal pay, the inclusion of all Group people and the prevention of violence and harassment in the workplace	Own operations
		Positive Impact	Contribution to the protection of work by guaranteeing fundamental rights of employees (job stability, working hours, adequate remuneration, social dialogue, freedom of association, collective bargaining)	Own operations
		Positive Impact	Protection and increase of physical (health and safety) and psychological well-being of employees (work-life balance, corporate welfare)	Own operations
S3 – Affected Communities	Communities' economic, social and cultural rights	Opportunity	Increased stakeholder trust resulting from the definition of targets on economic, social and cultural rights of communities	Own operations
		Positive Impact	Support for communities through the development of locally supported infrastructure and services (housing support, initiatives to promote access to food resources and hygiene/health conditions, economic and educational development and increased security of the territories)	Own operations
S4 – Consumers and end users	Information-related impacts for consumers and/or end-users	Positive Impact	Protecting customer rights through easy and transparent access to clear and complete information on the products and services offered, together with the adoption of policies and strategies that promote ethical business practices, avoiding phenomena such as greenwashing and ensuring informed choices and trust in the information provided.	Downstream value chain

		Positive Impact	Contribution to the protection and safeguarding of customers through suitable safeguards (cybersecurity and health and safety measures, effective channels for involving and managing complaints, protection from possible bank robberies)	Own operations; Downstream value chain;
		Positive Impact	Contribution to corporate integrity by ensuring the security of the Bank's IT and network systems for the benefit of customers through the implementation of cybersecurity policies and safeguards	Own operations
		Risk	Operational Risk arising from potential impacts related to information for consumers and end users (e.g. potential breach of IT systems, compromise of data, breach of customer privacy, limitation of access to clear and non-misleading information regarding the product/service offered, limitation of customers' freedom of expression)	Own operations
		Risk	Reputational risk arising from the limitation of access to clear and non-misleading information regarding the product/service offered, from the potential violation of privacy and from the limitation of the freedom of expression of customers and/or final consumers	Own operations
	Personal safety of consumers and/or end-users	Positive Impact	Contribution to the protection and safeguarding of customers through suitable safeguards (cybersecurity and health and safety measures, effective channels for involving and managing complaints, protection from possible bank robberies)	Own operations
	Social inclusion of consumers and/or endusers	Positive Impact	Increased access to products and services also thanks to digital innovation, financial education and the definition of an offer to support the productive and economic fabric, in compliance with fair, inclusive treatment of all social categories and non-discriminatory treatment of customers	Downstream value chain
	Social inclusion of consumers and/or endusers	Positive Impact	Increased ease of access to quality and non-misleading information, including through ethical and transparent business practices	Downstream value chain
G1 – Business conduct	Corporate culture	Positive Impact	Promotion of an ethical corporate culture based on: i) respect for human rights and internal and external regulations; ii) fight against tax evasion, money laundering and anti-competitive behavior; iii) principles of protection of corporate solidity, ensuring efficiency in the processes of generation and distribution of value to shareholders and stakeholders, through tools such as the code of ethics, the 231/01 model and anti-financial crime initiatives.	Own operations
		Risk	- Reputational risk arising from inadequate development and promotion of corporate culture (e.g. image damage linked to a lack of corporate values in employee behaviour or business practices (e.g. failure to establish safeguards against tax risk, money laundering))	Own operations; Upstream value chain

Corruption and bribery	Positive Impact	Prevention of corruption phenomena through the adoption of internal policies and strategies aimed at it (e.g. obtaining ISO 37001 certification)	Own operations
Management of relationships with suppliers including payment practices	Positive Impact	Contribution to the diffusion of ethical practices through the definition of internal policies and strategies aimed at promoting dialogue and compliance with payment deadlines towards direct suppliers and sub-suppliers	Upstream value chain
Political engagement	Positive Impact	Promotion of ethical and responsible practices through lobbying activities carried out according to the adopted ethical principles that can generate benefits for the community	Own operations
Protection of whistle-blowers	Positive Impact	Contribution to the protection of individuals who report violations (whistle-blowers) through measures that guarantee the anonymity of the whistleblower and allow for the avoidance of personal/professional repercussions on the whistleblower (e.g. post-report abuse reporting channels)	Own operations

During the reporting period 2025 a total of 359 IROs have been identified which is a reduction of 74 IROs identified when compared to the previous reporting period. The reduction of total IROs was done mainly by incorporating existing IROs under a broader macro category, alignment with the parent company or reconsideration of relevance. Below is a comprehensive overview and rationalization of these changes:

Impacts excluded as marginal and with low relevance to VUB core banking activities:

- Positive impacts: own operations (marine resources – E3); downstream value chain (gender equality and equal pay – S2)
- Negative impacts: own operations (water – E3, biodiversity and ecosystems – E4, waste and resource inflows – E5); social (security of a person – S4)

Risks excluded as low relevance or with limited transmission channels / marginal financial effects of risks concerned:

- Strategic risk: retained only for standard (E1)
- Credit risk: downstream value chain – diversity, inclusion, equal opportunities (S2); low likelihood of harm to counterparties
- Operational & reputational risk: upstream value chain – environmental (nature-related) and diversity topics (S2); supplier disruptions unlikely
- Liquidity risk: environmental, social, and governance topics; transmission channels largely residual

Opportunities excluded as not financially significant:

- Business Conduct IROs (G1)
- Own Workforce IROs (e.g., equal opportunities, working conditions)

Out of the total number of IROs evaluated 48 were material, compared to 55 material IROs from 2024. Below is a comparison of changes to material IROs between 2024 and 2025 reporting periods. Changes to evaluation are further described within the chapters of individual topics.

ESRS Standard	Impacts		Risks		Opportunities	
	2025	2024	2025	2024	2025	2024
Reporting year						
E1 – Climate change	5	5	3	2	1	1
E2 – Pollution	0	2	0	2	0	0
E5 – Resource use & circular economy	2	2	0	1	0	0
S1 – Own workforce	14	15	0	0	3	2
S3 – Affected communities	1	1	0	0	1	1
S4 – Consumers	10	8	2	2	0	0
G1 – Business conduct	5	6	1	5	0	0
Total	37	39	6	12	5	4

E1 – Climate Change

The adopted Climate Change Adaptation Plan has led to positive impacts on various VUB locations and operations. However, there are negative impacts from financed emissions (existing exposure) and direct energy consumption, mainly non-renewable energy use by the VUB Group physical infrastructure (the Bank's branch network, data centres supporting IT infrastructure, and its headquarters and administrative offices). Future potential positive impacts could

arise from financing energy efficiency and transition as well as climate change adaptation and mitigation initiatives of clients, and from financing linked to EIB and EU funds. Risks can arise from both lacking focus on climate change adaptation objectives, leading to business interruption consequences, and from not meeting defined objectives for climate change mitigation, such as those set by the Net Zero Banking Alliance. This leads to an opportunity to improve brand position to become a leader in climate action.

E5 – Circular Economy

The Group finances recycling and/or circular economy systems of clients via TERRA product line and EIB and EU funds, including promotion of use of alternative materials. Positive potential impact could be realized by the expansion of these towards recycling and reuse of materials, greater digitization of the offer itself, including the offer of products that allow for less use of non-recycled materials.

S1 – Own workforce

The Bank generates positive impacts thanks to a variety of policies already adopted to nurture a thriving and healthy working environment. This relates to further opportunities to attract talents, promote work-life balance and employee well-being, and to strengthen the principle of equal pay for equal work in the policies.

S3 – Affected Communities

The positive impact comes from supporting communities focused on economic, educational, social inclusion and youth employability flows through initiatives such as the Good Angel project, the VUB Foundation, Inspiring Girls initiative, Youth employability programs through the involvement of schools and universities, etc. The identified material opportunity concerns the increase of trust of the VUB Group's stakeholders by enhancing the initiatives to support positive social and environmental impacts within the affected communities, for example via the Enviro award Atlas and related grant programs, grants to nurture local cultural heritage and life.

S4 – Consumers and End-users

These are covered by the policies across consumer's data protection, complaints management, easy access of VUB products and services to all social categories, and others. Data and privacy might be exposed to potential operational and reputational risk in the event of breach of IT systems and data compromise.

G1 – Business Conduct

The Group maintains strong business conduct by enforcement of the existing policies related to, for example, corporate ethics and integrity, whistleblowing, corruption and bribery, and by implementing comprehensive cybersecurity safeguards. At the same time, this area remains very sensitive for the VUB Group as a financial institution, resulting in a potential reputational risk in case of failure to enforce all of those and address the incidents.

Due to the nature of the VUB Group's business activities and relationships, it remains central to its attention to keep and build stakeholders' trust, whether it be employees, who play a crucial role in enforcing the implementation of the VUB Strategy, or clients and society, for whom the Group creates value primarily through the provision of financial products and services. These are related to economic activities of actors across various sectors, which in turn through their operations generate the identified impacts of the VUB Group's lending activities.

The VUB Group has excluded certain activities that are deemed to have a significant negative impact on sustainability from its financing portfolio. Simultaneously, in line with the VUB Group's Strategy, it has increased its focus on the quality of the provided sustainable financing products not only to minimize the negative risks and impacts on people and environment, but also to address the opportunities related to increased focus on ESG and green transition, energy efficiency, combating climate change and innovation. Corporate lending portfolio represents the most substantial potential to better reflect the needs of the clients.

The VUB Group recognizes that customer behaviour plays a role in overall environmental impact, thus is actively promoting digital banking channels to reduce reliance on physical branches and paper-based transactions. The assessment reaffirmed the need to enhance efforts to simplify access to financing for individuals, social groups and enterprises, and to support local initiatives that benefit communities and the environment, in collaboration with a variety of organizations.

However, the Group must stay strong and inherent also in its own operations, to uphold responsible business conduct, corporate culture, cybersecurity and protection, and policy uptake. Recognizing the challenges of the Slovak labour market, the VUB Group reinforced its direction towards continuous improvement of the employee well-being.

The analyses carried out so far (ICAAP and ILAAP stress testing) have confirmed the resilience of the Group's Strategy and business model, also considering the fact that the potential negative impacts expected and associated with ESG risk factors are recognized within existing risk categories, which are managed through appropriate actions (developed and/or planned) aimed at mitigating risks, capitalizing on opportunities and allowing the Group's

sustainability within a long-term perspective. The main driver of resilience is support of clients in transformation by provision of sustainable loans and increase of their share within the portfolio as well as constant monitoring of the business environment for potential risks and opportunities. VUB has been conducting regular market analysis and surveys as well as receiving updates on macroeconomic trends, for example, as a result of regulatory changes or wider societal challenges (such as climate change or technological progress). These are considered in modelling of future developments and yearly update of financial plans. Apart from that, the Group uses the SWOT analysis to periodically reflect its strategic and business direction. The consistent integration of sustainability at all levels is secured by the strong organisational and internal control structure, where the responsible bodies and roles (e.g. the ESG Committee) propose strategic ESG issues and activities and verify the compatibility of the Group's strategic objectives and ESG positioning with the overall business plan. For the future, VUB recognizes the value of a comprehensive resilience analysis and intends to further develop it, especially in relation to more detailed climate scenarios.

Governance structure

Role and composition of the administrative, management and supervisory bodies and the governance of sustainability

The VUB Bank adopts a two-tier governance model, where the Supervisory and Management Board both contribute to performing strategic supervision functions, while responsibility for management function lies solely within the Management Board and control function within the Supervisory Board.

The activities of the Supervisory Board and the Management Board are governed by the Articles of Association of the Bank, under a system of clear division of duties and responsibilities and balanced distribution of powers.

The information on governance provided in this section is related to the section Corporate Governance Statement within this Annual Report. However, this section provides a full picture if read on a stand-alone basis.

The Management Board and the Supervisory Board: role and main characteristics

The Management Board serves as the statutory and executive body governing the executive management of the VUB Bank and is responsible for the performance of its duties to the Supervisory Board and the General Meeting. It is authorised to act on behalf of and to represent VUB in relations with third parties, in front of courts or other authorities. The Management Board has the authority to manage the operational and organizational activities and to decide on any matters of VUB, which are not transferred to the authority of other bodies by Legal Regulations and/or the Articles of Association.

In addition, the Management Board is responsible for policy-making and strategic direction of the Bank (and in general the VUB Group) and deliberates on all the most relevant corporate acts, with the power to carry out all the operations which are necessary, useful or otherwise opportune for the achievement of the corporate purpose, both of an ordinary and extraordinary nature. In specific cases and in the manner provided for by law and the Articles of Association, the most significant management decisions are submitted to the approval of the General Meeting.

The General Meeting is the main decision-making body with the powers exercised under the Articles of Association and the mandatory requirements of the Legal Provisions. It decides on amendments to the Articles of Association, decides on the amount and payment of dividends, regulates powers of the Management Board and Supervisory Board in relation to remuneration, and fulfils other duties related to financial operations and activities of VUB. It is represented by the Sole Shareholder of VUB, a.s., (Intesa Sanpaolo Holding International S.A.), exercising the powers of the General Meeting in accordance with Section 190(1) of Act No. 513/1991 Coll. Commercial Code as amended (the Commercial Code).

The Supervisory Board is the main control body which supervises the Management Board and the performance of the Group's business activities. It is bound by the decisions of the General Meeting to the extent permitted under the Legal Regulations. It verifies the procedures related to the Bank and reviews compliance of the VUB's business activity with the Articles of Association, Legal Regulations and the instructions of the General Meeting. In addition to other duties, it reviews the annual report to recommend for approval by the General Meeting and approves the Bank Remuneration Policies.

The Management Board and Supervisory Board have established the following committees to support them. Each committee has its own statute, and the role of the committees is described in the Operating Procedures of the committees. This document is approved by the Management Board after the Parent Company's approval. The Supervisory Board adopts the statutes of committees set up under its management.

Eight committees are established by the Management Board:

- Credit Risk Governance Committee
- Credit Committee
- Problem Assets Committee
- Assets & Liabilities Management Committee
- Operational Risk Committee
- Change Management Committee
- Internal Controls Coordination Committee
- Environmental Social and Governance Committee (ESG Committee)

Four committees are established by the Supervisory Board:

- Audit Committee
- Risk & Sustainability Committee
- Remuneration Committee
- Nomination Committee

VUB Generali (shareholders: VUB Banka together with Generali Česká pojišťovna a.s.) and VUB Operating Leasing have their own Management Boards and Supervisory Boards (without established committees), with members representing also the VUB Bank.

Composition of the Management Board and Supervisory Board

The rules governing appointment and removal of the members of the Bank's Management Board and Supervisory Board including chairmanship are laid down in the Articles of Association in compliance with the Commercial Code, as amended, Act No. 483/2001 Coll. on Banks, as amended, and Rules of the Intesa Sanpaolo Group.

The Management Board is in its present mandate represented by 6 (2024: 7) executive members, selected by the Supervisory Board. The members include the Chief Executive Officer (currently the Chairman of the Board), Deputy Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, Chief Operating Officer, and the Heads of Divisions (Corporate & SME and Retail). These executive functions are equally appointed and removed by the Supervisory Board in compliance with the Organizational and Competencies Rules of the Company.

The Supervisory Board is in its present mandate represented by 9 (2024: 9) non-executive members elected by the General Meeting, including the Chairman and Vice Chairman from the members. Out of them, 3 (2024: 3) members (one third) were elected by the employees as employee representatives. None of the Supervisory Board members is a member of the Management Board nor holds any other top managerial position in the Bank. Except for members of the Supervisory Board elected by VUB employees, a Supervisory Board member may not be an employee of VUB. 5 (2024: 5) members (55.5%) (2024: 55.5%) are internationally based in Luxembourg, Italy, Spain and Serbia. 2 (2024: 2) members are independent (22.2%) (2024: 22.2%).

The Committees under the Supervisory Board consist of 3 (2024: 3) members who are members of the Supervisory Board. It respectively appoints the Chairmans from among the members of the Committees. The Risk and Audit Committees have permanent invitees from the Intesa Sanpaolo Group with an advisory role in reason of their specific expertise, professional experience and corporate seniority.

The Committees under the Management Board are represented by various members from the Board itself and other Heads in Charge (e.g. Head of Compliance and AML, Credit Department, Risk Management Department, Branch VUB Praha, Treasury and ALM, HR and Organization, etc.).

All the Committees are chaired by the CEO, apart from the Internal Controls Coordination Committee chaired by the Head of Internal Audit Department, the ESG Committee and Change Management Committee, both chaired by the Deputy CEO (ESG Manager), and Credit Risk Governance Committee chaired by the Chief Risk Officer. The Committees also have permanent invitees without a voting right across governance areas, departments and offices.

Skills and diversity

The members of the Management Board have sufficient knowledge of the areas in which the Bank carries out its activities, but also for which they are not necessarily responsible. All members of the Bank's Management Board have practical experience in the field of financial markets or sufficient professional experience in the banking sector, acquired from their previous business/working activities. The members of the Supervisory Board are familiar with and able to supervise the performance of permitted banking activities, monitor the competency of the Management Board, and the carrying out of other activities of the Bank.

Based on the extensive applicable regulatory framework, VUB applies its Rules on Suitability requirements for Members of the Bank's Management Board, Supervisory Board and Key Function Holders in control and non-control functions to assess the competence and adequacy of the bodies and its members.

The composition of the Supervisory Board/Management Board is maintained sufficiently diverse to foster discussion and dialogue within the Board. This diversity ensures a range of approaches and perspectives in the analysis of the matters and in the decisions-making process, effectively support the company processes for the preparation of strategies, risk management activities, control over the work of senior management, and take into account the many interests that contribute to the sound and prudent management of the Bank.

At the time of appointment and, during the mandate, on an annual basis, the General Meeting/Sole Shareholder, with the support of the Nomination Committee, in line with the guidelines and principles defined by the Parent Company, assesses the adequacy of the Supervisory Board's composition, both in qualitative and quantitative terms, allowing for its correct and effective functioning. The same applies for the Supervisory Board towards the Management Board. The key criteria to consider include ensuring sufficient diversity of age, gender, geographical provenance and educational and professional background, suitability of the skills considered collectively in relation to the targets, sufficiency in number, reputation, independence of judgement and time commitment. In addition to other factors, the business model of the VUB Group and the ISP Group, the type of activity carried out, the VUB Group's and Intesa Sanpaolo Group's strategy and the associated risks should be taken into account.

The Boards shall have a sufficient number of members with adequate professional knowledge in these areas:

- Strategic planning;
- Financial markets;
- Banking and financial services and products;
- Human resources, organization and corporate governance structures;
- Risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk of the Bank and the Group, including ESG risks, and anti-money laundering and terrorist financing risk, considering the Board Member's responsibilities in those processes);
- Regulations in the banking and financial sector;
- Internal control systems;
- Accounting and financial information;
- Audit;
- Digital & information technology and cybersecurity;
- Financial intermediation;
- International experience and outlook.

In addition to these experience requirements, the areas of knowledge relating to the activities carried out by the Bank, as well as the related risks, including money laundering and terrorist financing risks and ESG risks, shall be met by the Boards on an overall basis. For each area of activity, there shall be a sufficient number of members of the Board with knowledge of the specific area to allow for constructive discussion of the decisions to be taken.

The skills matrix prepared for the Boards in its current mandate that reflects their actual composition in terms of overall experience was assessed to be adequate. Their members were ranked as high in their skill to set and implement the Bank's risk strategy, risk culture and risk appetite, in compliance policies and whistleblowing mechanisms, in social, ethical and professional standards, weighing the interests of all stakeholders in a decision-making process, development of the corporate culture, identifying the long-term interests of the Bank, and other areas.

With regard to gender diversification, the Management/Supervisory Board or General Meeting/Sole Shareholder, will approve the target proportion for the underrepresented gender set by the Nomination Committee and a plan for recovering the set target if it has not been met. The defined target for the representation of the underrepresented gender for the Management Board and the Supervisory Board is set as one third of the number of Members of each Board rounded down to the unit. Within the present mandate, in the Management Board, women represent 17% (2024: 14%), while men make up 83% (2024: 86%) (gender ratio is 0.2 (2024: 0.17))⁵. The Supervisory Board is composed of 56% (2024: 44%) women and 44% (2024: 56%) men (gender ratio is 1.25 (2024: 0.8)).

The Committees under the Supervisory Board are managed with a female to male ratio 1:2 (2024: 1:2), apart from the Remuneration Committee with 3 (2024: 3) male members. Out of the 8 (2024: 8) members across the Committees under the Management Board, who are not Board members, 25% (2024: 25%) are women and 75% (2024: 75%) men (gender ratio 0.33 (2024: 0.33)).

Despite the Group's best efforts, the current labour market conditions make it challenging to meet the gender balance criterion while maintaining high professionalism as a priority. The candidate's professional and personal qualities and broad range of experience complement the synergy of the members of both Boards very well. The VUB Group remains committed to pursuing gender balance in future Boards changes.

⁵ Understood as the number of women on the board compared to the number of men.

Induction and training

The VUB Bank places a strong emphasis on ensuring that members of the Management Board and the Supervisory Board continuously develop their skills and expertise in alignment with the strategic objectives of the VUB Group. In this context, the participation of Board Members in initiatives aimed at increasing knowledge of the Bank's business sectors, Group companies, corporate dynamics, and their evolution is actively organized and promoted. This includes an in-depth understanding of the principles of effective risk management, as well as the relevant regulatory and self-regulatory framework. Additionally, both formal and informal meetings are convened to facilitate the examination of strategic issues in depth.

Board Members are required to participate in educational activities delivered through e-learning modules or webinars on selected topics that enhanced their understanding of the Bank's direction and activities. In 2025, the training sessions covered a range of crucial subjects, including relevant ESG issues, the new EBA Guidelines on AML, digital threats and protection, as well as people security and resilience. Furthermore, professional development is reinforced by participation in expert conferences, professional clubs, and communities, where members can gain new insights and share experiences, either as participants or speakers. The Board Members are regularly informed about market trends and analysis from the ESG Committee. Before the adoption of the results of the Double Materiality Assessment, the members of the Committee were familiarized with the complete methodology and process flow including stakeholder engagement.

Leadership development is recognized as a critical factor in the successful transformation of the VUB Group and the cultivation of a progressive corporate culture and nurturing the innovation mindset. Therefore, in addition to technical and banking-related topics, the Board Members are actively supported to participate in educational initiatives focused on modern management approaches, such as agility and psychological safety. Each Board Member has access to individual coaching sessions facilitated by professional partners, as well as personalized leadership consultations. In 2025, Board Members were also provided with opportunities for individualized training on digital skills, the effective use of MS365 tools, and AI-based solutions such as Copilot.

Board Members are, in all cases, guaranteed the possibility of individually formulating specific training requests in areas they deem necessary for their role and to strengthen their area of competence. Additionally, continuous knowledge development is supported through regular updates on relevant business and regulatory topics, ensuring that the Board remains informed on emerging developments. This ongoing flow of information plays a fundamental role in enhancing decision-making capabilities and reinforcing the VUB Group's and Bank's commitment to high standards of governance and professional excellence. The induction plans are drawn up periodically following the first assessment carried out after appointment and the assessment carried out annually by the respective Board or General Meeting/Sole Shareholder. Apart from considering the results of the assessment, the plans are structured based on the recommendation of the Chairpersons of the Boards with the joint support of HR and Organization, Legal and Compliance and AML Departments and the competent corporate functions in relation to the subject-matter of the individual sessions.

The governance of sustainability

The main ESG responsibilities of the VUB Group's Bodies and Structures are listed below, in accordance with the provisions of the Statute, the Bodies' Regulations and the Group's internal regulations.

Main corporate bodies and functions related to the governance of sustainability

Management Board	<p>With reference to the sustainability issues, the Management Board, with the support of the relevant committees:</p> <ul style="list-style-type: none"> Defines and approves the strategic guidelines and policies on sustainability (ESG), including the social and cultural responsibility model and the fight against climate change, taking into account the objectives of solid and sustainable creation and distribution of value for all stakeholders; Defines and approves the risk objectives, including in the reference framework for determining the risk appetite also the risks in terms of sustainability (ESG), with particular reference to climate and environmental risks; Approves the Consolidated Sustainability Report, ensuring that it is drawn up and published in compliance with the provisions of the legislation in force; Examines the annual information presented by the Manager in Charge regarding the activities for monitoring sustainability information risk and the periodic reports presented by the corporate control functions; Approves the updates to the Code of Ethics and the Policy containing the Principles on Diversity, Equity & Inclusion. <p>To ensure an effective and efficient management and control system, strategic decisions on risk management at Intesa Sanpaolo Group level are overseen by the Board of Directors of Intesa Sanpaolo, in a capacity as Parent Company, which considers the Intesa Sanpaolo Group's overall operations and the risks to which it is exposed.</p>
ESG Committee	<p>It serves as a permanent consultative and decision-making committee with the main goal to coordinate and steer ESG related matters.</p> <p>It is headed by the ESG Manager (Deputy CEO), supported by Chief Risk Officer and Chief Financial Officer (Co-Heads), with participation of:</p> <ul style="list-style-type: none"> Head of Retail banking Division; Head of Corporate & SME banking Division; Head of Credit Department; Head of HR & Organization Department. <p>The Committee supports the Management Board in the exercise of the above-mentioned tasks, primarily in the following areas:</p> <ul style="list-style-type: none"> The strategic proposal for ESG issues and operational coordination of the implementation of initiatives, by defining priorities and monitoring the progress of activities; Contribution to the preparation of the Bank's business plan from ESG perspective; Coordination of specific and relevant inter-divisional and inter-functional projects aimed at implementing ESG issues in the VUB Group's strategies and operations, ensuring consistency and the development of synergies, in line with the Group's strategic guidelines and the full involvement of all units concerned; Review and approval of the results of the impact and financial materiality assessment (DMA) that identifies the aspects relating to environmental, social and governance sustainability that are relevant with regard to the impacts, risks and opportunities considered, in accordance with the applicable legislation; Oversight of the process of defining, approving and updating ESG sustainability guidelines and policies in the VUB Group; Highlighting the opportunities to launch new projects and initiatives, in line with defined priorities, in coordination with the Parent Company and considering ESG initiatives undertaken by other banking players or regulatory developments; Approval of the list of ESG-sensitive sectors relevant to the Group's financing activities, assessing them based on the analysis of the external context and consistent with the ISP Group's strategic and sustainability objectives; Review of the analysis of potential ESG risks and opportunities in the local market brought to it by the Bank's competent functions; Oversight of the contribution of the Bank for the ISP Consolidated Non-Financial statement; In cooperation with the ISP competent functions, provision of guidance regarding the Bank's participation in the regulatory consultation and oversight of the alignment with the internal and external regulatory framework; Responsibility for defining the Group's training needs on ESG and sustainability issues, also in cooperation with the other competent corporate functions. <p>The ESG Committee meetings are held bimonthly.</p> <p>The support offered by the Committee to the Board, in the exercise of strategic supervision functions in terms of sustainability, as well as for the definition and monitoring of climate and environmental risk objectives, is transversal and is also provided in the examination of the issues concerning risk governance and management, the business model and strategic directions and the most significant operations for the purposes of risk management procedures.</p> <p>In particular, the Committee monitored the progress of the activities related to the preparation of the VUB Group Consolidated Sustainability Report in compliance with the reference regulation, shared the VUB Group contribution to Intesa Sanpaolo Group ESG KPIs for the 2025 Budget, and streamlined the process of identifying and monitoring climate and environmental risks.</p> <p>The members of the ESG Committee are required to have knowledge, skills and experience, such as to be able to fully understand and monitor the Bank's risk strategies, impacts and orientations, including in terms of sustainability.</p>

ESG Manager (Deputy CEO)	<p>The Deputy CEO represents a point of reference for the development of the Bank's internal governance in line with the Group's strategic direction, as well as governance standards in full compliance with local regulations. He is responsible for overall coordination and supervision of information flows towards the Parent Company Group.</p> <p>He oversees the ESG Office in the exercise of his role as the ESG manager, participates in defining and managing the ESG strategy and coordinates the activities of internal bodies and cross-functional teams on the matter, in cooperation with the competent functions of the VUB Bank and the functions of the Parent Company. ESG Manager governs sustainability performance and exercises the power of proposal to the ESG Committee and Management Board for resolutions within its competence.</p>
Audit Committee	<p>With reference to the sustainability issues, the Audit Committee:</p> <ul style="list-style-type: none"> Monitors the process of reporting sustainability information, including the digital tagging of this information and the procedure applied by the Bank to identify the information included in the special part of the annual report, and making recommendations and proposals to ensure the integrity of this process; Monitors the effectiveness of internal control, internal audit, and risk management systems as they relate to the preparation of sustainability information reporting, including their digital tagging, while maintaining their independence; Monitors the progress and results of assurance in the area of sustainability information reporting concerning individual and consolidated sustainability information reporting, and taking into account the findings and conclusions of the Office for Audit Oversight; Reviews and monitors the independence of the statutory auditor or audit firm performing assurance in the area of sustainability information reporting in the Bank, especially the appropriateness of providing non-audit services; Informs the Management Board or Supervisory Board about the result of assurance in the area of sustainability information reporting, including an explanation of how assurance in the area of sustainability information reporting contributed to the integrity of this reporting and the role of the Audit Committee in this process. <p>The Audit Committee held six meetings during the 2025 financial year.</p>

More information about the individual responsible persons within the body overseeing impacts, risks and opportunities can be found starting on page 27 of the Annual Report.

Below are the internal governance structures involved in the management and control of ESG risks, designed to ensure their oversight in accordance with regulatory requirements and in line with the VUB Group's operations and the context in which the VUB Group operates.

Supervisory Board and Management Board Committees

Risk & Sustainability Committee	<p>With reference to the sustainability issues, the Risk & Sustainability Committee:</p> <ul style="list-style-type: none"> Provides recommending, advisory, and supporting functions to the Supervisory Board, focusing on risk monitoring and overall risk management, including ESG risks; Helps the Supervisory Board in fulfilling its strategic supervisory duties related to the risk management framework, risk appetite, risk policies, and other risk-related decisions within its legal remit. <p>The Committee meets at least twice a year.</p>
Credit Risk Governance Committee	<p>A permanent decision-making and advisory committee which ensures coordinated management of credit risk within the Bank's credit prerogatives, laws, and strategic guidelines. The Committee defines and updates credit risk strategic guidelines and credit management policies based on continuous portfolio monitoring.</p> <p>It analyses and assesses issues related to the launch and monitoring of products that involve credit risk, including sustainability related classification.</p> <p>It defines the maximum exposure and reviews regularly the credit portfolio and related credit risk reports as regards the ESG risks (e.g. transition risk, physical risk).</p>
Operational Risk Committee	<p>It is a permanent decision-making and advisory body which ensures competent management of operational risks, including ICT/cyber risks.</p> <p>It examines the main climate/environmental risk profiles, which are reflected or could be reflected, on the exposure to operational and reputational risks.</p>
Internal Controls Coordination Committee	<p>It is a permanent advisory body which facilitates the integration of risk management processes within its delegated authority. It examines reports submitted by the corporate control functions with respect to sustainability risks (ESG), examines the VUB Group risks and identifies sustainability issues (ESG) potentially relevant for the definition and updating of the materiality.</p>

In the area of material impacts, risks, and opportunities, the VUB Group generally achieves its goals primarily indirectly by minimizing activities that conflict with sustainability principles and simultaneously increasing the share of its sustainable portfolio.

Contributing to the Intesa Sanpaolo Group KPIs, the VUB Bank does pursue internal business KPIs set on local level, focusing primarily on the share of sustainable finance on the overall portfolio. The governance bodies regularly review the Bank's performance against these KPIs and assess the most significant individual impacts, risks, and opportunities to ensure alignment with its sustainability objectives and to drive continuous improvement in addressing material sustainability-related impacts, risks, and opportunities.

In December 2023, the ESG Manager role (Deputy CEO function) was established, reporting to the CEO, with the aim of guiding the Group's development strategies in the area of sustainability.

In support of the exercise of ESG activities within the Management Board, in 2023 the ESG Committee was established to serve its function of a permanent body providing decision-making and steering support to the ESG agenda. The Committee provides specific support to the Management Board with reference to the strategic proposal of guidelines, policies and initiatives on ESG issues, in the relative monitoring of the achievement of objectives as well as in the examination of any actions that may be deemed opportune or necessary for the purpose of achieving the results. The Heads of relevant divisions and departments participate on a permanent basis in the ESG Committee and, if necessary, based on the topics covered, the Heads of other VUB Group functions are invited.

The Chief Financial Officer co-chairs the ESG Committee together with the Chief Risk Officer. In a broader sense, the Chief Financial Officer Division verifies the compatibility of the VUB Group's strategic objectives and ESG positioning with the current Intesa Sanpaolo 2022-2025 Business plan.

In April 2024, the ESG Office has been established, supporting the ESG Manager in implementation of the VUB4ESG programme⁶.

The ESG Office has the following main functions:

- Act as a single point of contact for all ESG topics for the VUB Group and the functional departments of the Parent Company, ensuring the implementation of Intesa Sanpaolo Group strategies;
- Ensure the gradual implementation of the ESG framework methodology of the VUB Group in coordination with the relevant functions;
- Support the VUB ESG manager in monitoring the implementation of the VUB Group's ESG strategy and the implementation of planned initiatives and their economic and financial performance, proposing adjustments that could be appropriate to achieve the set results;
- Coordinate specific and relevant cross-divisional and cross-functional projects aimed at implementing ESG issues into the VUB Group's strategies and activities, ensuring consistency and development of synergies in accordance with the Intesa Sanpaolo and VUB Group's strategic guidelines and the full involvement of all departments concerned;
- Coordinate the preparation of all ESG reports required by internal departments or regulatory authorities, according to the guidelines set by the relevant functional departments of the VUB Group and ensure the availability of consistent data and information to data owners;
- Prepare a periodic action plan and monitor progress on activities, including responses to surveys;
- Support the ESG Manager in the assessment of loan proposals for which ESG impacts have been identified (sustainability flag) and send the most significant proposal to the relevant functional department of the parent company responsible for sustainable development for further assessment;
- Promote awareness of the application and integration of the Code of Ethics into the Bank's decision-making processes, also with regard to the principles of social and environmental responsibility in cooperation with the Human Resources and Organization Department;
- Coordinate all the VUB Group's departments involved in the collection of non-financial data, also with regard to ESG factors, in line with the Intesa Sanpaolo and VUB Group's approach to compiling the Consolidated Sustainability Report.

Furthermore, the HR and Organisation Department (Internal Communication and CSR Office) and PR and Marketing Department (also through the VUB Foundation) direct, govern and implement social impact initiatives and projects, promote the well-being and inclusion of people and the Community, and direct, coordinate and control initiatives to mitigate the direct environmental impacts generated by the VUB Group.

The Chief Financial Officer is responsible for preparing the Consolidated Sustainability Report, including monitoring and interpreting the evolution of European and national regulations on the subject, as well as defining and subsequently updating the consequent methodological rules.

The Chief Risk Officer (CRO) is responsible for defining, developing and updating the ESG risk management and assessment system. Within the Risk Appetite Framework, and for the purpose of subsequent presentation to the Corporate Bodies, a level of tolerance to ESG risk (including climate change) and reputational risk is proposed, and specific exposure limits, risk indicators, and actions to be monitored and updated are defined. The update of the Risk Appetite Framework is approved by the Management Board. The CRO is also responsible for the processes of identification, assessment and management of climate risks.

Finally, within the CRO Division, the Risk Management Department periodically reports the overall risk status of the

⁶ The programme VUB4ESG was launched in 2022 year, with the aim to implement the ESG framework in VUB Group and continually steer the Group towards the sustainability goals set by parent company and in general European Union (Green deal). The project consists of 4 pillars – ESG Governance, VUB Ecosystem, Sustainable lending and Sustainable investments.

VUB Group through the production of various risk reports, delivered and discussed on the Management Board or relevant Committees, including ESG Committee, and which incorporate a section dedicated to Reputational and ESG risks, to monitor compliance with risk propensity limits.

As highlighted by the ESG responsibilities of the Management Board and ESG Committee previously described, sustainability IROs are taken into consideration both in defining and monitoring the VUB Group strategy and in the context of risk management processes.

With regard to strategic assessment elements, it should be noted that during 2024 the Credit Risk Governance Committee approved the definition of new sectoral targets, continuing the Intesa Sanpaolo and Group's commitment to climate transition, and supported the definition of new operational tools to support communities to strengthen the Intesa Sanpaolo Group's positioning in terms of social responsibility.

The Management Board and the ESG Committee continuously address material sustainability IROs throughout the year, presenting them to the relevant bodies through various reporting structures (and any assisting structures where necessary) according to the type of relevant topic. In particular, during 2025, the role of rapporteurs on sustainability issues was mainly delivered by the following structures:

- ESG Office;
- Chief Financial Officer (CFO) Division;
- Chief Risk Officer (CRO) Division.

Below is the list of the main sustainability IROs discussed during the meetings held in 2025 by the Management Board and the Committees in charge of dealing with ESG issues:

- ESG Governance – ESG awareness and suitable corporate culture, DE&I issues, health and safety of workers, climate and environmental risks, governance of reputational risk, ESG client scoring, ESG related reporting (managerial and regulatory), ESG Data strategy, ECB Expectations on Climate and Environmental risks, etc.;
- VUB Ecosystem – carbon footprint and own emissions reduction, upstream value chain engagement (incl. supplier ESG scoring), support for communities, etc.;
- Sustainable lending – advisory for customers, financial solutions supporting clients' transition, product innovation;
- Sustainable investments – advisory for customers, Funds of Eurizon Asset Management, Funds of DSS pension scheme;
- Efficiency of internal control and risk management system;
- Other topics.

Integration of sustainability-related performance in incentive schemes

The Intesa Sanpaolo and VUB Group has adopted an incentive system linked to sustainability issues for members of the administrative, management and control bodies. Specifically, in the VUB Bank, as part of the Incentive System for CEO, Management Board members and all Managers, a cross-cutting non-financial/qualitative KPI 'Environmental, Social and Governance' has been confirmed among the strategic actions and targets.

Annual Incentive System structure

The Annual Incentive System is formalized through a Performance Scorecard, incorporating both economic-financial and non-financial KPIs. The KPIs are categorized under four key performance drivers: Growth, Profitability, Productivity, and Cost of Risk/Sustainability. Meanwhile, qualitative non-financial KPIs are aligned with strategic actions and projects that enable financial KPI attainment or contribute to the broader business objectives.

Among the non-financial KPIs, the transversal ESG KPI has been maintained for 2025, demonstrating continuity in sustainability-linked incentive structures. Each KPI is assigned a weight of at least 10% to ensure significance of the objective, while no individual KPI exceeds 30% of the total weight to maintain balance across objectives. The evaluation (accrual) period is annual.

The total bonus awarded to the CEO is assigned based on the evaluation of the results of the individual performance sheet according to a deterministic calculation.

In any case, the bonus is subject to verification of the activation conditions and the absence of individual so-called compliance breaches, as well as subject to corrective mechanisms.

The bonus is paid partly in cash and partly in units of Investment Certificates of VUB and is recognized over a deferral period of 5 years. Each deferred portion is subject to an ex-post correction mechanism – the so-called malus conditions. Furthermore, in the 5 years following the payment of the single portion (up-front or deferred) of variable remuneration, the company reserves the right to activate claw-back mechanisms.

Long-Term Incentive Plan structure

The VUB Bank CEO is also a beneficiary of the Performance Share Plan (PSP), a long-term incentive plan. The plan is based on shares recognized on a fixed-term basis upon achieving specific performance objectives with the Intesa Sanpaolo Group Business Plan (Operating Income/RWA, Cost/Income, NPL ratio and relative TSR) and whose target levels correspond to those set in the Plan itself.

The plan also features two de-multipliers:

1. ESG Composite KPI: Consists of sub-KPIs related to Environmental, Social, and Governance factors whose target level is defined within the Intesa Sanpaolo Group 2022-2025 Business Plan. Failure to meet these objectives can reduce the number of vested shares by 10-20%;
2. Capital Target: Ensures CET1 levels remain above the Intesa Sanpaolo Group's RAF target over the Plan's duration. Failure to meet this condition results in a 10% reduction in vested shares for each year of non-compliance, up to a maximum reduction of 40% over the entire Accrual Period.

The PSP remains subject to activation conditions, individual compliance evaluations, and risk oversight. 60% of any award accrued is deferred over a five-year period, with 60-55% of the shares subject to a retention period. Malus and claw-back provisions apply throughout this timeframe.

The ESG Component in CEO Incentive Plans (annual and long-term)

With reference to the variable remuneration of the CEO, the ESG component plays a central role in the Annual Incentive System through the establishment of a specific and well-defined KPI. This KPI – present since 2021 and which represents an evolution compared to the previous transversal KPI 'Diversity & Inclusion' – was assigned in the CEO's Performance Scorecard, in line with the Bank's ever-increasing commitment to social, cultural and environmental sustainability and with the aim of creating long-term value for its people, its customers, the community and the environment. In addition, the KPI forecast is in line with the increasingly significant attention on these issues by the Group's Regulators, Proxy Advisors, Shareholders and Stakeholders.

The CEO 'ESG KPI' (with a weight of 15%) is evaluated on the basis of specific drivers:

- Presence of Intesa Sanpaolo in the sustainability indices of specialized companies (number of presences);
- Promotion of an inclusive work environment through the identification and implementation of targeted management actions, with a particular focus on the achievement of the gender equality commitments assigned;
- Group ESG initiatives linked to support for the green economy and the circular economy, including credit development with a focus on ESG:
 - Support for the green economy and the circular economy: i) development of ESG-based employment; ii) definition of targets for the reduction of financed emissions in additional priority sectors; iii) reduction of exposure to ESG-risk sectors; iv) completion of the ESG Credit Framework;
 - Growth of Sustainable Investments through the incidence of ESG investments on total AuM (%);
 - Initiatives for youth orientation and employability.

The PSP long-term incentive plan includes a composite KPI which, in terms of sustainability, acts as a de-multiplier as anticipated in the previous paragraph. The KPI consists of a sub-KPI identified in the Business Plan for each of the 3 factors into which ESG is divided, namely:

- Environmental: new credit for the green/circular economy and the ecological transition with a particular focus on supporting the transition of Corporate/SMEs (weight 40%);
- Social: number of people who have successfully completed the re-skilling and up-skilling paths with relocation in the case of the former to landing jobs (weight 40%);
- Governance: percentage of women in new appointments for senior positions, i.e. -1 and -2 organizational levels below the CEO (weight 20%).

The Annual Incentive System and the Performance Share Plan (long-term incentive plan) are approved by the Supervisory Board, on the proposal of the Management Board supported by the Remuneration Committee. In addition, the Risk Committee, without prejudice to the prerogatives of the Remuneration Committee, supports the Supervisory Board and examines them in order to verify their connection with current and prospective risks.

Risk management and internal controls over sustainability reporting

As of 31 December 2025, the 'Guidelines for the Preparation of Consolidated Sustainability Reporting' identify the reference principles and regulate the process of preparing, approving and publishing the Consolidated Sustainability Report pursuant to the Amendment to the Act on Accounting 105/2024.

The Consolidated Sustainability Report:

- must be included in a separate section of the Management Report on the financial statements;
- must contain the information necessary for understanding the VUB Group's impact on sustainability issues as well as the information necessary for understanding how sustainability issues affect the Group's performance, results and position;
- is prepared on a sub-consolidated basis and includes the data of VUB Bank and the companies consolidated – VUB Operating Leasing and DSS VUB Generali.

The macro-stages of the process of preparing the Consolidated Sustainability Report are:

- preparation and allocation of roles and responsibilities;
- gathering of information and preparation of contributions;
- harmonisation and a 'sanity check';
- review of the Consolidated Sustainability Report by the Corporate Bodies, approval by the CEO and the Manager responsible for preparing the company's financial reports (CFO), and approval by the Corporate Bodies;
- certification by the Independent Auditor;
- publication.

Corporate Bodies and Structures are responsible, each to the extent of their responsibilities, for ensuring that the information included in the Consolidated Sustainability Report is provided in compliance with the provisions of the relevant regulations.

The Data Collection Model defines a standardized process for collecting, validating and delivering quantitative data required for ESRS/CSRD reporting. It outlines responsibilities, data flows, general timelines, validation procedures and classifications to ensure full compliance with the relevant legislation.

Accounting Department, consulting with ESG Office and Risk Management Department, conducts the impact and financial materiality analysis along the entire value chain.

The Management Board approves the results of the impact and financial materiality analysis that identifies those environmental, social and governance aspects that are relevant with regard to the impacts, risks and opportunities considered.

The ESG Committee monitors the effectiveness of the Bank's internal quality control and risk management systems and internal auditing.

Internal Audit ensures independent internal audit and oversight of the overall process of preparing and publishing the Consolidated Sustainability Report.

The Data Collection Model provides:

- first-level validation conducted by the Head of Office or Manager supervising the data provider;
- second-level validation conducted by the ESG Monitoring and Reporting Manager, including year-over-year consistency checks and identification of unexpected deviations.

The identified risk concerns the further enhancement and formalization of ESG data collection and reporting.

As of 31 December 2025, the VUB Group implemented the Guidelines for the Preparation of Consolidated Sustainability Reporting (Legislative Decree 125/2024), defining data ownership and responsibilities, standardizing collection and reporting processes, reinforcing key metric controls, and reducing operational risk.

General Risk mitigation within the reporting process is ensured through:

- defined roles and responsibilities of Corporate Bodies and Structures;
- impact and financial materiality analysis;
- the Monitoring and Reporting Manager responsible for preparing the CSRD/ESRS report;
- harmonisation and 'sanity check' of qualitative and quantitative contributions;
- independent audit certification of the Consolidated Sustainability Report;
- multi-level validation of quantitative data, including documentation of primary data source, handling type and validation confirmation.

The Consolidated Sustainability Report is subject to limited review by the Independent Auditors, who express their conclusions on compliance with the Act and with the disclosure requirements of Article 8 of Regulation (EU)

2020/852.

The process of contributing the required information involves identifying the Contributor, i.e. the Structure that holds the necessary quantitative and/or qualitative information, and the Validator, i.e. the Structure that checks that the information is correct.

Contributors submit the information into the reporting. Validators validate the submitted contributions, each for the content under their responsibility.

Accounting Department and ESG Office harmonise and perform a 'sanity check' to ensure the standardisation and consistency of the document and compliance with regulatory requirements.

The Manager responsible for preparing the company's financial reports carries out verification and monitoring activities to ensure that the Consolidated Sustainability Report has been prepared in accordance with the reporting standards.

The Management Board:

- approves the Consolidated Sustainability Report;
- examines the annual report submitted by the Manager responsible for preparing the company's financial reports on sustainability risk monitoring;
- examines the outcome of the auditors' check of the Consolidated Sustainability Report.

The ESG Committee monitors the process of Consolidated Sustainability Reporting and the effectiveness of the Bank's internal quality control and risk management systems in relation to the Report.

The CEO and the Manager responsible for preparing the company's financial reports provide the legally required certifications confirming that the Sustainability Report has been prepared in accordance with the reporting standards applied pursuant to the CSRD and the Act.

The Bank adopted an Integrated Internal Control System based on three levels. This model provides for the following types of control:

- Level I: Line controls that are designed to ensure that operations are carried out correctly (e.g. hierarchical, systematic and sample internal controls) and, where possible, are embedded into IT procedures. These controls are performed by the operational and business organisational units themselves (the 'Level I Functions') including through units that are exclusively dedicated to control tasks and that report to the head of the units or are performed as part of back-office operations;
- Level II: Controls on risks and compliance that aim to ensure, inter alia: (i) correct implementation of the risk management processes (both formal and substantial); (ii) respect of the operating limits assigned to the various functions; (iii) compliance of operations with laws, regulations and internal policies, rules and procedures. The functions responsible for these controls are independent from the business and operating functions and contribute to defining the risk governance policies and the risk management process. Level II includes the following Bank organizational structures: Compliance and AML Department, Risk Management Department and Internal Validation Office;
- Level III: Internal auditing controls, designed to identify violations of procedures and regulations and to periodically assess the comprehensiveness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and the IT system (ICT audit) at the VUB Group level, at pre-established intervals depending on the nature and severity of the risks.

The VUB Group has therefore equipped itself with a structured system of controls and responsibilities to ensure compliance of the Consolidated Sustainability Report with current legislation according to a risk-based approach, aimed at managing the risks associated with reporting sustainability information to third parties.

The structures involved in the control system carry out specific activities, detailed in the VUB Group's internal documents and aimed at ensuring the quality and compliance of the Consolidated Sustainability Report throughout all phases of the process. These control activities are directly correlated to the main types of risks identified and represent forms of mitigation of the latter.

Specifically:

- During the phase of defining the work plan and the structure of the Sustainability Report, the controls focus on the analysis and interpretation of the relevant legislation, on the correct definition of the consolidation perimeter and on verifying that the double materiality assessment is complete and accurate, with a clear identification of its results;
- During the collection of information and the preparation of contributions, control activities include the verification of data sources and the uploading of information through formal systems and procedures, aimed at verifying the completeness, precision, coherence and exhaustiveness of such information by the respective

- contributors and validators;
- In the aggregation and finalization phase of the Consolidated Sustainability Report, the outcomes of the contribution and validation process are verified, the correctness of the metrics is checked and the information relating to policies, actions and objectives is harmonized, ensuring that the final document meets the regulatory and quality requirements.

Furthermore, the Chief Financial Officer, through the reporting structures under her authority, conducts the verification and monitoring activities aimed at ensuring that the Consolidated Sustainability Report included in the Management Report has been drawn up in accordance with the reporting standards applied under the CSRD regulation.

This integrated system ensures effective and transparent management of Consolidated Sustainability Report, in line with regulatory requirements and quality standards defined by the VUB Group.

The risk assessment and internal controls related to sustainability reporting have therefore been integrated within the functions identified by the new internal regulatory framework defined by the VUB Group.

The results of the control and risk assessment activities will subsequently be communicated to the Administrative, Management and Control Bodies, as provided for in the aforementioned framework.

In particular, the Chief Financial Officer presents the annual report to the Management Board on the activities to monitor the sustainability disclosure risk, included in the Report on the system of internal controls relevant to financial reporting, while the corporate control functions submit their own periodic reports.

Environmental information

Reporting in accordance with the EU Taxonomy (EU Regulation 2020/852)

Regulation (EU) 2020/852 (so-called 'Taxonomy Regulation'), introduced as part of the Action Plan for financing sustainable growth of the European Union, provides that those activities that contribute to at least one of the following environmental objectives, without causing significant harm to the other objectives and carried out in compliance with minimum safeguards⁷ can be considered environmentally sustainable:

- Mitigation of climate change;
- Adaptation to climate change
- Sustainable use and protection of water and marine resources;
- Transition towards a circular economy;
- Prevention and control of pollution;
- Protection of ecosystems and biodiversity.

This Regulation has been supplemented over time by delegated acts that have defined, for each of the six environmental objectives, the economic activities that have the potential to contribute to these objectives (so-called 'Taxonomy-eligible' activities) and the technical screening criteria that make it possible to confirm the actual substantial contribution of these activities to the objectives themselves (so-called 'Taxonomy-aligned' activities). Regarding the content, methodology, and presentation of information on environmentally sustainable economic activities, Delegated Regulation (EU) 2021/2178 was amended by the European Commission in July 2025 and published in the Official Journal of the European Union on 8 January 2026 as Delegated Regulation (EU) 2026/73 (hereafter also 'Omnibus delegated act'). This act is part of the European Commission's 'Omnibus I' package to simplify sustainability regulations in key areas, including the EU Taxonomy, reducing reporting burdens for companies and financial intermediaries while safeguarding transparency and reliability of environmental information provided to the market.

The new Regulation applies from 1 January 2026 with reference to the 2025 financial year, with the possibility for companies subject to Taxonomy reporting to postpone application by one year if deemed appropriate. The VUB Group has chosen to report based on the provisions of Delegated Regulation (EU) 2026/73, applying it in full. Among the main changes introduced is the revision of the methodology for calculating the GAR, as well as the elimination of templates related to the disclosure of activities connected to nuclear energy and fossil gas, which are now reported in aggregate form in a single template.

In accordance with the current regulatory framework and in light of clarifications published from time to time by the European Commission⁸. For the financial year ended 31 December 2025, the VUB Group prepared the following indicators, using the appropriate tabular format where required:

- Green Asset Ratio (GAR);
- Key performance indicator relating to financial guarantees (FinGuar KPI);
- Key performance indicator relating to managed financial assets (AuM KPI);
- Key performance indicators for asset managers;
- Green Asset Ratio – Sectoral information including exposures of the banking portfolio to the ten main sectors covered by the Taxonomy using counterparty NACE codes, as well as aggregate information on activities in the nuclear and fossil gas sectors;
- Share of exposures in Taxonomy-aligned economic activities with reference to the other four environmental objectives and new economic activities introduced for the first two environmental objectives.

For more details on the tabular representation of these indicators, see Annex I – Taxonomy Template of this Consolidated Sustainability Report.

⁷ The minimum safeguards are procedures implemented by a company carrying out an economic activity in order to ensure that it is in line with the OECD guidelines for multinational enterprises and with the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established by the eight fundamental conventions identified in the International Labour Organization's declaration on fundamental principles and rights at work and by the International Charter of Human Rights.

⁸ In 2025, the Group analysed the provisions of the Commission Notice of 8 November 2024 published in the OJEU and the further set of clarifications published in draft format on 17 December 2025, defining the necessary actions to adhere to these indications on a best-effort basis considering the timing and data available. It should be noted that the draft FAQs are not binding.

TEMPLATE 0: Summary of KPIs that credit institutions must disclose pursuant to Article 8 of the Taxonomy Regulation

Disclosure reference period: 2025		Total exposure to Taxonomy-aligned activities (currency)		KPI (2) (%)		KPI (3) (%)	% coverage (over total assets) (4)	non assessed exposures (% of covered assets) (5) (%)	non assessed exposures (% of covered assets) (5) (%)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based	(%)	Turnover-based	CapEx-based	
Main KPI	Green asset ratio (GAR) – stock	1,766	1,938	11.42%	12.54%	57.91%	2.51%	2.51%	
<i>Additional KPIs</i>	<i>GAR (flow)</i>	232	301	6.34%	8.22%	13.74%	2.98%	2.98%	
	<i>Trading book(1)</i>								
	<i>Financial guarantees</i>	35	48	7.77%	10.46%				
	<i>Assets under management</i>	32	56	7.88%	13.72%				
	<i>Fee and commission income(1)</i>								

Previous reporting period

Disclosure reference period: 2024		Total exposure to Taxonomy-aligned activities (currency)		KPI (2) (%)		KPI (3) (%)	% coverage (over total assets) (4)	non assessed exposures (% of covered assets) (5) (%)	non assessed exposures (% of covered assets) (5) (%)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based	(%)	Turnover-based	CapEx-based	
Main KPI	Green asset ratio (GAR) – stock	1,534	1,768	10.39%	11.98%	58.60%	2.25%	2.25%	
<i>Additional KPIs</i>	<i>GAR (flow)</i>	75	121	2.62%	4.20%	11.41%	5.63%	5.63%	
	<i>Trading book(1)</i>								
	<i>Financial guarantees(6)</i>	29	41	3.41%	4.90%				
	<i>Assets under management(6)</i>	14	31	5.66%	12.41%				
	<i>Fee and commission income(1)</i>								

(1) Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2028

(2) based on the Turnover KPI of the counterparty

(3) based on the CapEx KPI of the counterparty

(4) % of assets covered by the KPI over banks' total assets

(5) in accordance with Article 7(8) of this Regulation

(6) KPIs of Financial Guarantees and AuM for 2024 have been calculated using exposures to Undertakings subject to CSRD disclosure obligations only

Note 1: Across the reporting templates: cells shaded in black should not be reported.

As illustrated in the introductory section, the VUB Group has chosen to report, for the 2025 financial year, the Taxonomy KPIs by applying Delegated Regulation (EU) 2026/73, which introduces significant methodological innovations. In particular, the main innovation concerns the revision of the GAR calculation logic, aimed at ensuring greater consistency between numerator and denominator. The new methodology provides, among other things, for the exclusion from the denominator, among other items⁹ of exposures to counterparties not subject to CSRD, resulting in an improved indicator value.

The Group has decided not to assess for environmental compliance those assets it determined to be insignificant, even though they are eligible assets with a known use of proceeds. Their cumulative value represents less than 10% of all balance sheet assets included in the denominator of the GAR indicator. These consist mainly of motor vehicle loans and other forms of financing provided to local governments.

The GAR stock Turnover-based of the VUB Group, equal to 11.42%, is made up of the following exposures:

- Loans to Households collateralized by residential properties that have been assessed as aligned with the

⁹ In addition to exposures to counterparties not subject to CSRD, the following assets are excluded from the GAR calculation: central administrations and supranational issuers, exposures to central banks, trading portfolio, derivatives, sight interbank loans, cash and liquid assets, other asset categories (e.g., goodwill, goods, etc.)

Taxonomy for the environmental objective of climate change mitigation based on compliance with the relevant technical screening criteria for buildings contained in Delegated Regulation (EU) 2021/2139 (9.28%).¹⁰

- Exposures aligned with the Taxonomy towards financial (0.44%) and non-financial counterparties (1.7%) subject to NFRD/CSRD.

Regarding comparative data¹¹ for the previous financial year, the VUB Group provides disclosure of 'Template 0 – Summary of KPIs that credit institutions must report under Article 8 of the Taxonomy Regulation', using the new methodology. The recalculated value as of the previous reporting period of 10.39% (7.12% under the old methodology) is comparable to the 11.42% recorded in 2025. The increase of about 9.9% is attributable to the component of loans to households secured by residential real estate and exposures towards non-financial counterparties subject to NFRD/CSRD.

With reference to the KPI related to financial guarantees, financial guarantees in support of loans, advances and debt securities that finance economic activities of financial and non-financial enterprises and local administrations¹² have been considered.

For the KPI related to managed financial activities, the consolidated investments of the VUB Bank and VUB Generali DSS, a.s. were considered. It should be noted that the value of this indicator should also be read considering that the managed financial activities are largely made up of exposures in investments in European and non-European companies not subject to CSRD, which are excluded from the calculation.

With reference to the methods of calculating the reported indicators, it is generally noted that:

- Exposures to financial and non-financial counterparties with 'use of proceeds not known' were weighted based on Taxonomy-eligible and Taxonomy-aligned Turnover and CapEx indicators for all environmental objectives, published by such counterparties in their non-financial statement ('actual' data)¹³ and obtained by the Bank through a specialized infoprovider;
- Exposures to financial and non-financial counterparties with 'use of proceeds known' were considered to the extent that the financed activities are Taxonomy-aligned economic activities for all environmental objectives. In particular, for the debt securities component, exposures were weighted based on the eligibility and alignment percentages for each ISIN and obtained by the Bank through a specialized infoprovider.

Taxonomy in business and financial strategy and in product design

The VUB Group, intends to continue creating value in sustainable way, further strengthening its performance in ESG issues together with a world-leading parent Intesa Sanpaolo Group.

The VUB Group is aware that the Taxonomy has been designed with the aim of assigning the European banking system a decisive role in stimulating the real economy to pursue the European Union's ambitious strategy for sustainable development and the transition to a low-carbon economy, increasing the level of transparency and comparability of markets. In this context, the VUB Group participates in the 'EU Taxonomy Green Enhancement' project of the parent company to respond to the regulatory requirements of the EU Taxonomy, assess the level of alignment of its exposures to the regulation, and dynamically steer the loan portfolio with particular attention to new disbursements through the identification of new business opportunities, including new products, and a revision of the pricing incentive system.

¹⁰ It is specified that the alignment checks also concerned compliance with the Do Not Significantly Harm (DNSH) criterion for the environmental objective of adapting to climate change (i.e. physical risk assessment).

¹¹ In addition to the provisions of Delegated Regulation (EU) 2021/2178 Article 8(3), the communication of EU Taxonomy KPIs in comparative form between year 'T' and year 'T-1' was addressed in FAQ#4 'Draft Commission Notice' published on 17 December 2025.

¹² For the 2025 financial year, financial guarantees attributable to local administrations are included in the calculation of the FinGuar KPI, in line with the new formulation of Template 1 Annex VI of Delegated Regulation (EU) 2026/73.

¹³ As foreseen by FAQ no. 3 (Commission Notice of 8 November 2024).

ESRS E1 – Climate Change

Introduction

Climate change is increasingly impacting our ecosystems, with disruptive effects on the social well-being, economic development, and financial stability of current and future generations. Transforming the economies toward sustainability requires not only reducing greenhouse gas emissions to prevent devastating global temperature increase and ecosystems collapse but also rapidly enhancing community resilience and also adapting the global consumption and production patterns. In this, the crucial role of financial institutions as enablers and catalysts of economy change, requires deep understanding of the commercial risks and opportunities, and knowing how to act on them.

VUB Group, with support of the parent Intesa Sanpaolo Group, is aware of both the negative and positive aspects in this area and internalized this commitment to support the green transition via supporting businesses and the circular economy as well as reducing its own emissions.

The VUB Group understands transition to sustainability as an innovation-driven process that promotes the transition to a system of regenerative production and consumption that has economic, social and environmental sustainability as its goal. Since 2022, the VUB Group brings on the Slovak market financial products that enable companies, public sector entities, and individuals in these transition initiatives.

Materiality assessment process on impacts, risks and opportunities related to climate change

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment.

The impacts, risks and opportunities in the ESRS E1 – Climate change are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of the context in which the VUB Group defines and implements its activities and business relationships in the field of climate change. This includes internal policies and initiatives supporting the climate neutrality and energy efficiency, as well as safeguards put in place to minimize the negative climate-related impacts within its own operations and across the upstream and downstream value chain. Additionally, the assessment considered the risks associated with climate change that the VUB Group may be exposed to. The mapping of impacts also reflects the views of external stakeholders (e.g. expert organizations in the community and environment).

For the purpose of impact materiality, the assessment of the identified impacts was conducted through interviews with the internal structures and external stakeholders, as well as through a detailed qualitative-quantitative analysis of the main relevant indicators related to climate change attributed to the VUB Group, and, where feasible, to individual locations. The assessment was carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediability nature of the impact and probability), In particular, with reference to:

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	Physical assets: owned/rented buildings, branches, offices, ATMs, vehicle fleet. Geographical scope: Slovakia & Czech Republic.	Material Contribution to climate change adaptation and energy efficiency in own operations through corporate policies and strategies. Direct energy consumption and non-renewable energy use
Upstream Value Chain	Review of procurement-related internal documentation (green procurement rules, ESG supplier evaluation, ESG questionnaire feedback).	-
Downstream Value Chain	Analysis of indirect impacts through financed portfolios, especially in climate-sensitive sectors. Consideration of credit, market, strategic risks and sustainability criteria.	Material Progressive reduction of indirect greenhouse gas emissions through adherence to dedicated initiatives such as Global Compact, NZBA, the adoption of internal financing/investment policies that include the selection of companies that have defined a Transition plan Reduction of energy consumption and increasing use of renewable energy by individuals/businesses

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed through a dual approach, quantitative and qualitative, applied to the identified perimeters.

A sustainability issue could be relevant from the short-, medium- or long-term perspective as defined in line with the time horizons used in the financial perspective:

Scenario Type	Reference Time Horizon
Short-term	1 year
Medium-term	Up to 5 years
Long-term	More than 5 years

Based on the time period, internal benchmarks were taken into consideration (e.g. documentation relating to the limits of the Group's Risk Appetite Framework, business plan projections, simulations and projections used for internal purposes for risk analysis consistent with the regulatory and prudential elements to which the Group is subject) and impacts, risk and opportunities were analysed. However, the results of Double materiality analysis are not formulated for specific time horizon expressing the urgency of all the matters.

The VUB Group applies a structured process to identify and assess climate related physical risks across its own operations and the upstream and downstream value chain. This process includes the identification of acute and chronic climate related hazards using geospatial climate data, sectoral heatmaps, and high emission climate scenarios. The Group evaluates the exposure and sensitivity of its assets, operational sites, supply chain partners and financed counterparties to these hazards to determine the extent of potential physical risks. The outcomes of this assessment support the integration of climate related physical risks into the Group's overall risk management framework and inform adaptation and mitigation measures.

With regards to physical climate risks in its own operations, along the value chain and within the financed portfolio, the VUB Group has established a process for identification and assessment, consisting of the following key steps:

- Identification of climate hazards – analysing potential climate-related physical risks, distinguishing between acute risks (e.g., floods, landslides, wildfires, wind gusts) and chronic risks (e.g., rising sea level, changes in average temperatures, changes in precipitation patterns);
- Identification of support tools and climate data (hazard sectorial heatmaps, geospatial analysis, climate models and the hazard probability of occurrence and impact for each geography). Climate scenarios with high physical risk are being used.
- Assessment of exposure and sensitivity for own operations – evaluating assets and operational activities to determine their level of exposure and sensitivity to identified climate hazards. This analysis considers the likelihood, potential severity, and duration of risks, incorporating the specific geographic coordinates of operational sites and high physical risk scenarios;
- Value chain analysis – engaging key suppliers and partners to map physical risks across the supply chain, assessing the vulnerability of critical assets, logistics infrastructure and strategic raw materials;
- Financed portfolio assessment – evaluating climate-related risks within the financed portfolio by analysing the exposure of counterparties to physical climate risks. This includes sector-specific and geographic assessments to identify vulnerabilities and potential financial impacts on lending and investment activities;
- Integration into risk management systems – incorporating assessment results into the company's risk management framework, establishing priorities and developing mitigation and adaptation strategies to minimize overall vulnerability.

With reference to the loan portfolio, the identification of physical risks and the assessment of exposure to these risks take into account climate projections based on the [NGFS \(Network for Greening the Financial System\)](#) climate scenarios characterized by a high physical risk and, in particular, the Hot House World scenario.

The VUB Group utilizes climate scenario analysis to assess physical risks, with a particular focus on collateral exposure to climate hazards. The analysis was conducted using hazard maps and geospatial data, aligned with NGFS (Hot House World) scenarios, to evaluate level of risk (low, medium, high, very high) of potential depreciation of residential and commercial real estate. The impact of climate-related hazards on financed non-financial corporate clients was assessed using sector-specific heatmaps, geolocation data across the relevant time horizons according to the maturity, applying NGFS and Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) scenarios, providing insights into the potential future exposure and physical risk.

To ensure a more precise risk assessment, loan portfolios were categorized based on maturity buckets (<5Y, 5-10Y, 10-20Y, >20Y) of the exposure. This approach, while distinct from the broader time horizons used in the Double Materiality Assessment (DMA), provides a more detailed perspective on risk distribution over time.

With reference to physical risks of own operations the effective operational losses caused by disasters and other related events (operational risk) were considered. This includes meteorological phenomena, earthquakes, and floods that could disrupt business continuity and cause financial losses.

Based on the assessment performed, physical climate risks have been consistently identified as low or very low across all time horizons and traditional financial risk categories (credit, market, liquidity, and operational risk), thus reinforcing a stable risk profile of the Group.

The VUB Group has established a structured process to identify and assess climate-related transition risks and

opportunities across its own operations and the upstream and downstream value chain.

This process includes identifying relevant climate-related transition events by applying at least one climate scenario aligned with limiting global warming to 1.5°C with no or limited overshoot. It also involves assessing how the Group's assets and business activities may be exposed or sensitive to these transition events, thereby determining potential transition risks or opportunities for the undertaking.

With reference to the transition risks, the following analyses were carried out for the different reference perimeters identified:

Value chain	Description
Own operations	Operational risks (e.g., regulatory changes, energy transition requirements) and reputational risks related to any initiatives that may not align with Group's own sustainability commitments and climate objectives were assessed. This included evaluating potential challenges in adapting our operations to mitigate climate change impacts effectively;
Upstream	Operational and reputational risks were evaluated concerning our suppliers. Specifically, the risk of engaging suppliers with insufficient or inadequate climate-related measures, such as inadequate management of greenhouse gas emissions. The potential for supply chain disruptions linked to the transition towards low-carbon alternatives were also examined;
Downstream	Downstream value chain: Credit, market, and liquidity risks potentially arising from exposure to transition risks, such as changes in consumer demand, regulatory pressures, or shifts in market sentiment were assessed. The reputational risks related to Group's products and services, especially in light of evolving sustainability preferences among customers and stakeholders were also considered. Additionally, liquidity risks arising from the potential loss of institutional investors in case of failure to meet climate-related expectations were analysed, as that could affect access to capital and the Group's financial stability.

The identified transition events and their potential impacts on assets and business activities are as follows:

- Short-term: Events such as increased pricing of GHG emissions, enhanced emissions-reporting obligations, and potential legal mandates on existing products or services. These events may lead to higher costs and changes in consumer behaviour;
- Medium-term: Risks related to the failure of counterparties to define a transition plan, such as market risks and credit risks. These may affect the value of corporate bonds and the ability of counterparties to service debts, particularly if they fail to transition to a low-emission economy;
- Long-term: The company may face reputational risks and potential exposure to litigation related to failure to meet climate targets or align with climate-related goals like those of the Net Zero Banking Alliance. These risks are linked to long-term exposure to regulatory changes and the transition to a low-carbon economy.

The assessment of transition risks and opportunities has been primarily based on:

- An analysis of real estate collateral and their EPC (Energy Performance Certificate) label, providing an overview of the energy efficiency distribution within the loan portfolio;
- ESG sectoral assessment approach for Non-financial corporations (NFCs). This approach, common for all members of the ISP Group, provides a prudent, worst-case-scenario estimate of the NFCs susceptibility to a set of risk drivers, including, among others, physical, transition and environmental risk. This approach is mainly based on qualitative external sources analysis (qualitative top-down element) complemented by leveraging the granular and forward-looking results of the scenario analysis (quantitative bottom-up element). The top-down element analyses economic sectors' vulnerability to C&E risks at large drawing on several external sources, thus leveraging on multiple perspectives in reaching a conversant evaluation. The bottom-up element leverages on climate stressed counterparty-level data, providing a more granular and forward-looking insight into the underlying vulnerabilities of the NFC portfolio. Together, these approaches help identify and qualify the risks economic sectors are exposed to;
- A similar screening of individual borrowers, assessing their performance in ESG area through internally developed ISP Group ESG score.

The Group identified several assets that need significant efforts to be compatible with a transition to a climate-neutral economy, especially within the 2030 milestone. These assets are mostly connected with downstream value chain namely financing operations to Non-financial corporations that did not develop transition plan nor committed to adequate GHG emission goals or loans collateralized by immovable property with low energy efficiency.

The assessment of exposure to transition events has been concluded as follows:

- Credit risk related to counterparties failing to define a transition plan is currently assessed as immaterial. The likelihood of such an event is considered low;
- Market risk arising from counterparties' failure to define a transition plan is also assessed as immaterial. This risk is not highly relevant within the business model of the VUB;

- Liquidity risk associated with assets not aligned with sustainability objectives has been assessed as immaterial. The assessment, including the HQLA relevance analysis, indicates that such assets are unlikely to be classified as High-Quality Liquid Assets (HQLA), meaning that their impact on overall liquidity is lower.

The assessment process is expected to evolve over time to incorporate additional forward-looking methodologies for evaluating transition risks and opportunities, especially further scenario-based analysis such as NGFS or IEA (International Energy Agency) climate scenarios.

The material risks identified in the double materiality assessment are described below.

Value Chain	Identified Risk
Upstream, Own Operations, Downstream	Material Reputational risk arising from failure to achieve targets set in support of climate change mitigation (e.g. failure to achieve targets set within the Net Zero Banking Alliance).
Downstream	Material Credit risk arising from the failure of counterparty companies to define a Transition Plan and the related inability to meet debts (e.g. costs for counterparties linked to a failure to define a transition plan towards a low-emission economy).
Value Chain	Material Credit risk arising from the failure to define energy efficiency objectives by the counterparty companies and the related inability to meet debts (e.g. costs for the counterparties linked to a failure to define an energy efficiency plan for the operating offices).

Changes to materiality of risks in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Material	Climate change mitigation	Downstream	Credit Risk arising from the failure of counterparty companies to define a Transition Plan and the related inability to meet debts (e.g. costs for counterparties linked to a failure to define a transition plan towards a low-emission economy)	Higher concentration of clients in NSF subsectors with potential impact
Material	Energy	Downstream	Credit risk arising from the failure to define energy efficiency objectives by the counterparty companies and the related inability to meet debts (e.g. costs for the counterparties linked to a failure to define an energy efficiency plan for the operating offices)	Higher concentration of clients in NSF subsectors with potential impact
Non-Material	Climate change adaptation	Upstream, downstream and own operations	Reputational risk arising from the lack of attention towards objectives supporting adaptation to climate change (e.g. reputational impacts linked to business interruption)	Re-evaluation, of the likelihood, which was lowered for 2025 when compared to 2024. Risk lowered since adaptation to climate change is embedded within internal processes

The material opportunities identified in the double materiality assessment are described below.

Value Chain	Identified Opportunity
Own Operations	Material Improved brand reputation/positioning resulting from the adequate definition and achievement of objectives in support of climate change mitigation (e.g. achievement of objectives resulting from membership of the Net Zero Banking Alliance)

There were no changes in materiality between 2024 and 2025 for impacts and opportunities.

In 2025, the VUB Group advanced its approach to climate resilience by conducting a materiality analysis as a first step toward a comprehensive climate-resilience assessment. This analysis helped identify priority climate-related impacts, risks and opportunities, and established the foundations for a more structured resilience framework in the coming years. Building on these results, the Risk Department will lead the development of a full resilience analysis during 2026, with the aim of progressively integrating more detailed climate scenarios and quantitative modelling capabilities.

- the assessment created a Risk Factor Inventory,
- the Risk Department developed a methodological structure aligned with ECB expectations,
- the work is intended to feed into later scenario-based resilience analysis.

Selected stress tests were performed to assess the potential impact of ESG-related risks on credit risk. These tests

are part of the 2025 ICAAP/ILAAP Adverse scenario and focused on estimating potential effects on risk-weighted assets (RWA) and profit/loss (P&L). The stress test methodology includes:

- Corporate portfolio: Economic sectors were classified by ESG sensitivity based on an internal methodology. The probability of default (PD) was adjusted according to sector classification;
- Retail mortgages: Energy Performance Certificates (EPC) were used as an indicator of transition risk, with adjustments applied to loss given default (LGD);
- Flood event scenario: Potential effects of flooding were modelled for the retail portfolio, considering increased PD for affected borrowers and higher LGD for unsecured loans.

The approach is based on expert judgment and does not use climate scenario models such as NGFS or IEA.

- The methodology is under development and may be expanded in the future to incorporate additional factors.
- The stress test analysis shows that the VUB Group is able to maintain a sound capital adequacy even under an adverse scenario.

VUB Group recognizes the value of a comprehensive resilience analysis and intends to further develop this approach in the future, especially in relation to more detailed climate scenarios.

The Group has conducted a partial assessment of the resilience of its business model as part of the DMA process, during which the main impacts, risks and opportunities related to climate change were identified. The results of the dual significance analysis are subsequently discussed with the executive management, which takes measures to reduce the adverse impacts of the identified risks. These measures will be gradually incorporated into the Group's long-term strategic plans.

For impacts and opportunities, there were no changes in significance between 2024 and 2025.

Connection to climate-related assumptions in financial statement

The company has utilized climate scenarios primarily for the identification and prediction of climate-related risks. Most assessed risks were determined to be immaterial, and as a result, no direct integration of climate scenario outcomes into financial statement assumptions has been made at this stage.

However, reputational risk related to climate targets and commitments were assessed as material, but they have not yet been quantified or directly linked to financial statement assumptions. To ensure proactive risk management, the company has established limits and early warning indicators to monitor potential future developments and reassess materiality if necessary.

Integration of climate-related performance in incentive schemes

The VUB Group, in line with ISP Group approach, considers it essential to address and monitor climate-related issues and therefore implemented intermediary objectives in the incentive system.

The ESG KPI (key performance indicator) was assigned in the 2025 Remuneration and Incentive Policies documentation to the CEO as well as all Risk Takers, Middle Managers in Business and Governance Functions of the VUB Group in Slovakia and the Czech Republic. The characteristics of the KPI are in line with the growing attention on these issues by the Group's Customers, Shareholders, Regulators and other Stakeholders.

With specific reference to the variable remuneration of the Managing Director and CEO, climate aspects are taken into account both in the Annual Incentive System (15% weight) and in the long-term incentive plan.

Specifically, the KPIs are linked to the financing of clients in transition to sustainability:

1. % of new production of Sustainable Loans to Retail Customers;
2. % of new production of Corporate & SME Sustainable Loans.

With reference to variable remuneration for Management – including the CEO, the remaining Top Management Risk Takers of the Group and other Group Risk Takers – climate-related aspects are also factored in through the Performance Share Plan (PSP). Within the PSP, the Composite ESG KPI directly influences the number of shares that vest. Underperformance against ESG targets may result in a 10–20% reduction of the vested portion.

More information on remuneration and incentive schemes can be found within ESRS 2 – Integration of sustainability-related performance in incentive schemes – Long-Term Incentive Plan structure.

Strategy for combating climate change

Policies related to climate change mitigation and adaptation

Climate change represents one of the most significant global challenges of our time, with far-reaching impacts on the natural environment, human health, and economic prosperity. Effectively combating this existential threat requires a well-crafted, multidimensional strategy that encompasses global collaboration, technological innovation, policy reform, and community engagement. The VUB Group, recognizing the crucial role that financial institutions can play in this area, has developed and adopted a series of policies governing its business operations, resource procurement, financing and investments to address climate change mitigation, adaptation, energy efficiency, renewable energy deployment, and transition to climate neutrality of the economy.

These policies incorporate the interests of stakeholders, collected through targeted surveys and dialogues, while also considering feedback from rating agencies and financial regulators.

In 2020, the VUB Bank, as a pioneer in the Group in Slovakia, published the [Green Manifest](#) where it declared its commitment to sustainability and environmental protection, as an integral part of its business DNA. With regards to climate change, Green Manifest declares supporting the transition to carbon neutral economy. The Bank is committed to supporting its clients by providing sustainable banking products and services while continuously enhancing internal standards and processes. It prioritizes energy efficiency, emphasizes the use of renewable energy sources, and collaborates with suppliers who share its commitment to sustainability and engages employees by fostering a culture of environmental responsibility. Furthermore, the Bank supports the non-profit sector through partnerships that promote environmental education, and climate change awareness in Slovakia. In this effort, VUB Bank is accompanied by its subsidiaries and strongly supported by the parent Intesa Sanpaolo Group.

The cornerstone of VUB Group's environmental policy is its Code of Ethics, a binding document outlining standards and principles for managing and controlling bodies, for employees and contracted third parties in line with the commitments made by the ISP Group in relation to international initiatives: UN Global Compact, the contribution to the Sustainable Development Goals, the Women's Empowerment Principles, the Net Zero Alliances as well as the PRB Principles for Responsible Banking, PRI Principles for Responsible Investment and PSI Principles for Sustainable Insurance Programs under the United Nations Environment Program Finance Initiative (UNEP FI). It promotes efficient and conscious resource use, sustainable decision-making, and fight against climate change. The Code also provides guidelines for management of indirect environmental impacts in value chain among others by promoting services and products to foster the development of a low-emission economy, also through the dissemination of renewable energy and energy efficiency improvement. It also specifies the principles of the process of managing purchases of goods and services:

- Transparency and fairness in the selection and qualification of suppliers throughout the entire supply chain, also evaluating local specificities, respect for the environment, human rights, working conditions, business ethics;
- The adoption of measures and tools aimed at minimizing negative impacts and promoting awareness of ESG risks and opportunities.

The document is publicly available on the Bank's website for all stakeholders ([Code of ethics | VUB Bank](#)).

The implementation of the Code of Ethics has resulted in supplementary policies and procedures aimed at specific areas of operations. For resource procurement, it is the Green Banking Procurement Rules that ensure responsible purchasing in areas such as energy, office materials, and sustainable renovations via identification of the best design solutions, products, or services from an environmental perspective throughout its life cycle, considering market availability. Key impacts considered include energy consumption and the resulting carbon dioxide emissions, waste generation, and the consumption of materials such as paper, toner, stationery, and office machines. The choice of supplier takes into account not only its specialization in the required product field and its economic and financial stability but also its reputational and sustainability profile across all ESG areas. This includes assessing potential external risks, such as ongoing judicial and insolvency proceedings.

In its operations, the Group adheres to the Environmental and Energy Policy of the Intesa Sanpaolo Group. This policy aims to minimize environmental impacts, manage ESG risks, and ensure compliance with regulations. It emphasizes efficient resource and energy use, careful supplier selection based on ethical, social, and environmental criteria, and the prevention of environmental harm.

The Guidelines for the Governance of environmental, social and governance (ESG) risks address climate change within the broader context of environmental risks across operations, the value chain, and the financed portfolio. These guidelines aim to mitigate material risks associated with climate change and support the transition to a low-carbon economy. The guidelines establish a framework for managing sustainability risks, stating key principles, specifying sectors sensitive to ESG or reputational risks, defining responsibilities, and monitoring mechanisms. The core focus is placed on limiting exposure to high-carbon industries, integrating ESG risk factors into credit policies, and promoting sustainable financing solutions. The effectiveness of the policy is monitored through internal limits,

ESG Committee oversight, and risk appetite thresholds.

The guidelines apply across the entire Group, including all banking activities, risk management processes, and financing operations. They cover both corporate and retail portfolios, ensuring ESG factors are assessed in client screenings and sectoral risk evaluations. Exclusions apply primarily to the coal mining and oil and gas sectors, where stricter rules aim at phasing out exposure for coal mining.

The policy aligns with international sustainability frameworks, including the UN 2030 Agenda, the European Commission’s Action Plan for Sustainable Growth, the EBA Guidelines, and ECB expectations.

The policy takes into account the interests of key stakeholders, including regulators, investors, and clients, by balancing financial stability with sustainability goals. In lending activities, sustainability-linked financing and advisory services are provided to help clients transition to greener business models.

The policy is integrated into internal governance frameworks and embedded in the Group’s risk appetite and credit policies, which define VUB Group’s lending portfolio strategy for each relevant sector based on ESG aspects, among others. Relevant guidelines are communicated to stakeholders through corporate reports, regulatory disclosures, and direct engagement with clients and investors.

In order to steer the development of financed portfolio, the Group equipped itself with Rules for the classification of sustainable credit products and operations. This regulation applies to Group companies and outlines various categories of environmentally sustainable activities, with internal criteria different from the European Taxonomy, in favour of both climate change mitigation and climate change adaptation. The classification categories of credit products and sustainable credit operations have been defined in line with the internationally recognized guidelines of the Loan Market Association (LMA) on Green Loan, Social Loan and Sustainability-linked Loan Principles. These principles provide a shared framework at a global level, promoting standardization and transparency of practices in the sustainable financial sector.

The Group publicly declares its commitment to the environment across all activities – from the creation of financial products, through procurement and negotiations with suppliers, to the impact of operating its own buildings and premises.

The above-mentioned internal policies are accessible to respective internal stakeholders via the Group’s intranet.

The main goal of the Environmental Social and Governance Committee (‘ESG Committee’), as a permanent consultative and decision-making committee of VUB Bank, is to coordinate and steer ESG related matters and to ensure the correct implementation of the ESG strategy, policies and respective ISP Group guidelines within the VUB Group. It also regularly evaluates policy effectiveness, reviews sustainability KPIs, and oversees risk mitigation measures.

It is headed by the Deputy CEO who acts as ESG Manager – the top management level responsible for the implementation of the policies in sustainability area.

ESG risk governance process

The ‘ESG Risk Governance Guidelines’ outline the ESG risk governance process of the Group (also on climate change adaptation issues), which is divided into 5 phases:

1. Identification: Identification and description of ESG risk factors, also in terms of transmission channels, with particular reference to climate and environmental risks (for example, ESG risk scenarios in Stress Testing processes);
2. Evaluation and measurement: Determination of exposure to ESG risks (e.g. the ESG & Reputational Risk Clearing process);
3. Monitoring and control: Outpost in the continuous evolution of exposure to ESG risks (regular reporting of ESG risks to ESG Committee, monitoring of established ESG KPIs in the Risk Appetite Framework);
4. Mitigation: Containment of ESG risks through appropriate actions and strategies, also preventive, aimed at reducing the severity of the impact of such risks (for example, defining remedial actions in case of exceeding ESG limits in the RAF, definition of Credit Strategies for all relevant sectors);
5. Communication: Preparation of suitable information flows aimed at ensuring adequate transparency and knowledge of exposure to ESG risks (for example, ESG risk reporting and ESG risk disclosures, including indicators that factor in physical climate risks).

In particular, with reference to the above-mentioned evaluation and measurement phase, the ESG & Reputational Risk Clearing process has been implemented. It aims to identify and assess ex ante the potential ESG and reputational risks (including climate and environmental risks) related to credit proposals, supplier/third-party selection connected to commercial agreements, equity investments, and extraordinary transactions.

The ESG & Reputational Risk Clearing process is therefore intended to represent the potential ESG and reputational

risk profiles related to a specific operation/counterparty or initiative, enabling an informed assumption of risk for the interested decision-making processes. A first level of clearing, carried out by the line functions, is aimed at analysing the main ESG and reputational risk factors and is performed by the structure that manages the relationship with the counterparty. In this context, credit proposals are subject to first-level clearing with differentiated methods based on sectoral assessments and the characteristics of the individual counterparty and operation. A second level of clearing, activated based on the results of the first level, is aimed at deepening and evaluating the critical issues that may have emerged from the first level and involves an expert analysis of these risk profiles. Generally, the outcome of the evaluation consists of an advisory opinion that includes an assessment of the main critical issues identified, the related mitigants, and the level of risk assigned based on proprietary metrics. In the presence of risk classes that are not consistent with the Group's risk propensity, specific escalation mechanisms are activated.

The implementation of the Equator Principles (EP) is situated within the broader framework of ESG risk assessment and management. These principles establish a framework for environmental and social risk management in the financing of large projects, thus strengthening the commitment to managing the impacts associated with customer business activities. The EPs are international guidelines that the Intesa Sanpaolo Group adheres to on a voluntary basis since 2007, using the latest updated version (EP IV) applicable to the financing of infrastructure and industrial projects that can have negative effects on people and the environment (such as energy plants, petrochemical plants, mines, infrastructure in the field of transport and telecommunications). These principles are based on the criteria of the International Finance Corporation (IFC) of the World Bank and concern, regarding to environmental issues: pollution prevention and the promotion of energy efficiency; the preservation of biodiversity and the sustainable management of natural resources.

The EP apply, regardless of the industrial sector in which the customer operates, when financing product is used to support the development of new projects and meet specific criteria:

The project evaluation process begins with the assignment of a risk category on three levels by the Group, which involves the integrated consideration of various factors. Proportionally to the assigned risk level, the requirements to be met are defined in terms of both documentations to be produced, and activities to be carried out by the customer. In this context, the Group incorporates environmental and social clauses into the financing documentation and verifies the correct implementation of the agreed clauses.

Management of sustainability issues in sensitive sectors

At the portfolio level and with reference to decarbonization objectives, the ESG Risk Management Guidelines also detail the ESG risk management model based on the materiality assessment of ESG risk factors with respect to the different risk families (credit risk, market risk, operational risk, liquidity risk, and reputational risk) and their integration into the various risk management areas. The materiality analysis (Climate/ESG Materiality Assessment) is an evaluation process that assesses the potential impacts of ESG and climate risks on the Group. This analysis is based on an organic and structured approach to risk assessment, which involves a granular breakdown of risk drivers and the integration of forward-looking elements. The aggregated analysis of the materiality of ESG risk factors at the sector level facilitates the establishment of an enhanced risk management framework for the sectors most exposed to ESG risks. This process includes defining sector-specific strategies and implementing specific measures within the Risk Appetite Framework (i.e., the RAF). These measures may consist of general criteria for limiting and excluding loans or a detailed criteria applicable to individual sensitive sectors through the application of specific sectoral rules.

GHG emissions reduction targets

The Intesa Sanpaolo Group, aware of the challenge posed by climate change, has committed to contributing to the achievement of global climate goals, by pursuing the Net-Zero goal by 2050 in terms of both own emissions and loans and investments portfolios, also by setting intermediate targets by 2030.

The VUB Group, as part of Intesa Sanpaolo Group, contributes and fully commits to fulfilment of the targets at the ISP Group level. Therefore, it has not set GHG emissions reduction targets or adopted transition plan at its own consolidation level. The Group aims to work toward the development of a transition plan. The exact scope and timeline will be determined in alignment with the parent company's consolidated approach and subject to the results of further internal discussions.

Nevertheless, the VUB Group is contributing to parent Intesa Sanpaolo Group's plan for the reduction of its 'own' emissions, adopted in 2022 and confirmed within a new Business plan for 2026-2029, called the 'Own Emissions Plan', which is compliant with Science Based Target Initiative (SBTi) protocol (validation obtained in January 2025).

In determining its decarbonisation levers, the Intesa Sanpaolo Group considers a diverse range of climate scenarios—including a baseline pathway compatible with limiting global warming to 1.5°C, as well as three additional reference scenarios (Hot House World, Orderly Transition and Disorderly Transition). The VUB Group aligns its approach with these Group-level scenarios.

The Own Emissions Plan progress is periodically shared during the meetings of the ESG Committee.

Other targets related to climate change mitigation and adaptation

Portfolio level

To achieve the objectives for reducing emissions and to accompany customers on their path towards decarbonization, intermediary 2030 emission reduction targets were set on the ISP Group level, which includes the VUB Group. These targets focus on sectors identified based on a materiality criterion among those with the highest emission intensity as per NZBA. The VUB Group has not set targets on its own consolidated level.

To support this objective, the VUB Group has identified several levers:

- Dedicated products and incentives, including:
 - Access to a credit ceiling dedicated to the circular economy, aimed at customers who adopt a circular business model with innovative methods, granting them supportive conditions for access to credit. The ceiling does not follow the technical screening criteria of the European Taxonomy, having been developed before its entry into force, in close partnership with the Ellen MacArthur Foundation;
 - Green financings aimed at financing projects with a significant environmental impact;
 - Sustainability-linked financing that provides a discount/bonus mechanism as an incentive for customers who meet predefined sustainability targets;
 - Advisory services to support customer decarbonization and accompany them in the utilization of proper ESG financial tools linked to their strategies and transition plans.

To ensure constant progress, internal KPIs have been set in both Retail and Corporate banking Divisions and their development is being monitored regularly by ESG Committee.

Actions and resources related to climate change

To support ISP Group in its climate change mitigation and adaptation objectives, the VUB Group has designed several action types:

- In 2025, the Group continued to strengthen these efforts, particularly through the improvement of its physical infrastructure — focusing on energy efficiency measures, increased use of renewable energy, and the reduction and avoidance of GHG emissions in the operation of its own buildings;
- Continued improvement of data—enriched also through in-house surveys among Group counterparties—and IT infrastructure, together with the ongoing enhancement and expansion of internal policies to ensure full alignment with the Intesa Sanpaolo Group’s frameworks and methodological standards;
- Continued development of the sustainable product portfolio by expanding financing options for small businesses—introducing the Green Profi Loan, Green Profi Mortgage and Green Car Finance—and by further broadening the range of sustainable investment opportunities offered through VUB Generali DSS and Eurizon. Eurizon Asset Management Slovakia, správ. Spol., a.s., is a fund manager and these funds are offered as products by the VUB Bank, but it is not a part of the VUB Group, to which this sustainability report applies. In addition, as part of our innovation efforts, we developed a Real Estate Simulator that helps homeowners estimate potential savings from energy-efficient upgrades, indicates expected EPC improvements, and supports informed decision-making; the tool is publicly accessible free of charge.
- Awareness raising and marketing support for dedicated financial products and incentives;
- VUB continues in its own ‘ATLAS’ series of conferences, discussions, and panel talks focused on good practices, innovation, and knowledge sharing, launched in 2022;
- Partnerships with professional organizations for knowledge sharing.

This involves both knowledge sharing for improvement of Group's own infrastructure, practices and strategies, as well as improvement of the sustainability of the overall economy, primarily in Slovakia and the Czech Republic. The Group is active in the following areas where awareness raising, education, best practice and knowledge exchange projects and events enable mitigation and/or adaptation to climate change:

- Sustainable buildings and their energy efficiency, sustainable construction and renovation; e.g. Buildings For Future, Slovak green building council;
- Sustainable urban planning, climate change adaptation of cities, and green infrastructure; e.g. Institute for Passive Houses, International Climate Adaptation Institute, Manifest2020;
- Circular economy, waste reduction, and sustainable procurement; e.g. Circular Slovakia, Sustainable e-shop project with VISA and Heureka;
- Sustainable and biodiversity friendly agriculture and food production; e.g. Living Farm project of Environmentalist association BROZ;
- Environmental education and support for innovation for children and young people, e.g. For Better Future of

- Earth, Lifbee Academy;
- Support for relevant programs and projects of VUB Foundation.

This includes financial support, provision of creative agency services, and covering marketing costs for projects and programs Envirogrants, and ATLAS Award to raise public awareness, motivate and foster the shift towards sustainability.

Climate change actions and resources at the own operation

In line with ISP Group commitment to addressing the climate change, the VUB Group has implemented and planned a series of key actions aimed at mitigating its environmental impact and achieving Group's medium- and long-term sustainability goals:

1. Energy Efficiency Initiatives:
 - VUB Group is progressively replacing obsolete and ineffective energy appliances – air conditioning and electrical systems at selected sites, specifically by LED re-lamping , refurbishment of HVAC systems, complete refurbishment of electricity consuming systems, replacement of heating and hot water preparation, replacement of windows and building envelope insulation
 - VUB Group is researching possibilities of replacing the cooling gases with ozone depleting potential (ODP) and high global warming potential (GWP) with environmentally friendly substitutes
2. Transition to Renewable Energy:
 - Installation of renewable energy sources (mainly photovoltaic panels and heat pumps) on the VUB Group's buildings,
 - Purchase of renewable electricity for owned buildings (started in 2025)
 - VUB Group is researching possibilities to purchase renewable electricity for rented premises via unbundled contractual instruments
3. Fleet and Mobility Enhancements:
 - The company car fleet is undergoing a gradual transition to hybrid and fully electric vehicles.
 - Installation of charging stations for electric vehicles at VUB Group's premises.
4. Infrastructure Improvements:
 - VUB Group is researching possibilities of buildings insulation and application of green roofs and green walls.
5. Paper and Material Usage Optimization:
 - The VUB Group has long sought and implemented strategies to reduce paper and material consumption. From 2024 onwards, all office paper is being procured exclusively from eco-friendly, sustainable sources, from 2025 only certifies recycled paper is used.
 - Digitalization of the banking services is the main action in paper use reduction.
6. Green procurement for selected materials and services:
 - IT and office machines
 - Bank cards from recycled plastics
 - Safe and sustainable events
 - Business travel

These actions are expected to contribute significantly to the reduction of the Group's negative impacts in medium-term and serve as building blocks for long-term sustainability extending to 2050 Medium-term objectives include completing infrastructure upgrades and expanding the deployment of sustainable technologies.

An exact quantification of the emission reductions associated with individual actions within our own operations is not feasible, given the complex relationship between specific measures implemented and the resulting emission trends across operational sources.

The Bank leverages its annual capital budget cycle to ensure funding for these measures while strategically allocating resources to areas of the highest impact. Successful implementation is also contingent on access to appropriate technologies, employee expertise, and supportive regulatory frameworks.

Climate change actions and resources at the portfolio level

In line with the regulatory evolution on sustainability, the Group adopts a medium-long term strategy and a cross-cutting and holistic approach to ESG issues, which is based on:

- The definition of a Group ESG strategy;
- The integration of ESG factors into the general Risk Management framework, particularly within the Risk Appetite Framework, where a specific section is dedicated to ESG risks and climate change;
- The integration of ESG factors in credit processes and in the definition of credit strategies;
- A careful evaluation of ESG factors in the development of policies, products and services;
- The spread of ESG risk culture throughout the corporate organization.

With reference to climate change mitigation, the integration of ESG risks into the Risk Management framework takes place through various actions. In particular, the RAF integrates and translates into specific measures what is defined in terms of strategic guidelines, ESG/Climate Materiality Assessment and ESG Sectoral Colour Coding, identifying year by year limits, Key Risk Indicators, and specific actions aimed at containing ESG risks, with particular reference to the sectors most exposed to such risks.

- Specific limits with reference to exposure to the Coal Mining and Oil & Gas sectors, particularly for Coal mining the limit is revised annually in line with the objective of phasing out financing by 2025;
- The monitoring of new disbursements broken down by energy performance classes (EPC) with the aim of improving the quality of residential properties taken as collateral and, consequently, reducing the transition risk related to mortgage loans;
- Specific Risk appetite limits on share of collateral with EPC classes F and G and with Very high physical risk in the Retail Mortgage portfolio, with the aim of improving the quality of residential properties taken as collateral and consequently, reducing the risk of transition and physical risk related to mortgage loans. In particular, with reference to the lower energy performance classes (APE certifications) and areas with very high physical risk;
- Transactions with potentially high ESG risks undergo ESG & Reputational Risk Clearing process, utilizing the ESG profile and score of the counterparty and considerations on the impacts that physical and transition risk drivers can have.

Within the ESG & Reputational Risk Clearing process, where the ESG profile and score of the counterparty are used, which also includes considerations on the impacts that physical climate risk drivers might have.

The actions reported are implemented as an essential part of the Group's strategy for managing climate risks and do not require specific dedicated resources exclusively for these actions, as they are included in the general context of the Group's ESG strategy.

An exact quantification of the reduction of emissions associated with each action at portfolio level is not feasible, due to the complex connection between the actions taken and the trend of emissions in the reference sectors of the counterparties.

In 2025, the VUB Group continued its commitment to retail customers, both individual and small business, through the provision of mortgages and loans with environmental purposes.

Via Green mortgages, the VUB Bank incentivizes clients with a preferential interest rate for financing a purchase of a property with high energy performance class ('A'). Clients with other properties are encouraged to assess their energy efficiency and when they provide a valid EPC, they receive a reduction of loan granting fee. In addition to offering a new mortgage the VUB Group has implemented a series of activities aimed at collecting the information on the energy performance of the properties that guarantee existing mortgages, which further raises awareness among clients and allow the Bank to precisely manage the associated transition risk.

Green loan is a financial solution with incentive for clients who want to improve energy performance through, for example, the replacement of windows and high-yield boilers, insulation and the installation of solar and photovoltaic panels.

To support sustainable transition of SME and Corporate clients, the VUB Bank introduced the TERRA product line, offering loans with preferential interest rates to support sustainability in areas of environmental, social and governance sustainability. Within the TERRA Enviro two products are offered:

- GREEN S-LOAN+: Dedicated loan to support all types of corporate investments and projects capable of generating a positive environmental impact on processes, infrastructures, technologies, services and products in line with the LMA categorization (e.g., Renewable energies, Energy efficiency, Pollution prevention and control, environmentally sustainable management of natural resources, Clean transportation, Sustainable water and wastewater management, Climate change adaptation, Eco-efficient and/or circular economy, Green buildings or Projects aimed at activities with zero CO₂ emissions, such as electricity production using solar, wind, oceanic, hydroelectric technology). When granting the loan, the client also undertakes to complete project within the agreed deadline.
- ENVIRO LOAN: Dedicated loan supporting circular economy projects, including resource efficiency, extending the service life of products or materials, sustainable sourcing, recyclability, and green innovation. For these loans, individual ESG KPIs can be set up with the client.

Amount disbursed in Retail Business line relates predominantly to Mortgage loan with EPC A and B. The disbursed data of the financings are calculated using management balances.

The VUB Group supports sustainable choices of clients also in the area of investments. Please refer to the standard ESRS S4 – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices.

Actions and resources related to supply chain

To manage the impacts from value chain, each vendor undergoes a qualification process through the Supplier Portal. The evaluation of registered suppliers considers not only their economic-financial and technical-organizational characteristics but also aspects related to business ethics, respect for human rights, workers' rights, and the environment. This evaluation is based on specific questionnaires and/or the possession of certain certifications (including ISO 50001 and 14001, and the adoption of an energy management system compliant with ISO 50001 standards). Completing the ESG questionnaire became mandatory in 2024, as a prerequisite for participating in tenders or direct negotiations through the Supplier Portal and the ESG evaluation was incorporated into the technical assessment of the supplier's offer in the tender evaluation. VUB Group adopts actions continually to transform its supply chain to sustainable, in accordance with the Group's Green procurement rules.

The main activity in transformation of the supply chain to sustainability in 2025: VUB Group has started to procure 100% of the electric energy consumed in owned buildings from certified renewable energy sources since 2025, thus contributing to the ISP Group's objective of reaching 100% RES in 2030.

VUB Group also continues activities and negotiations with the landlords in order to ensure renewable electricity also for its rented buildings.

Metrics on energy consumption

The goal of the VUB Group is to reduce the consumption of primary energy in its own buildings as well as in rented branches. The total energy consumption consists of electricity consumption, including that of e-vehicles, natural gas consumption in own boiler rooms, and heat/cold taken from district heating/cooling supply in both owned and rented buildings, and fuel for diesel back-up generators, and company fleet. Within the individual energy components, the source from which the energy is produced is assessed.

The actions implemented by VUB Group in 2025 to transition to sustainable energy and contribute to the declared ISP Group's 2030 objective of 100% renewable energy:

- The electricity in owned buildings has been purchased from renewable sources bundled with contractual instruments – Guarantees of Origin (GOs) since 2025. The renewable electricity share on the total electricity purchase in 2025 thus represents 68.89%.
- VUB Group has commenced its own renewable electricity generation from photovoltaic power plant located on the roof top of the headquarters building in Bratislava in May 2025, and produced 66.31 MWh_{el} together in 2025, all of which has been consumed in the building.
- Fleet electrification is ongoing, and VUB Group has 18% of its fleet full electric or hybrid vehicles, comparing to 3% in 2024

Change of reporting methodology for 2025: In connection with the purchase of renewable electricity under guarantees of origin (GO), the remaining electricity consumed in leased premises (buildings and ATMs), where VUB Group has no operational control over the supply of electricity or information on the energy mix, is reported as electricity from fossil fuels in accordance with the GHG Protocol.

Energy consumption and mix

The energy consumption and mix for the current and the previous year are described below, including recalculation of 2024 data with the new methodological approach, for comparison.

Energy consumption and mix (in MWh)

	2025	2024 recalculated with 2025 methodology	2024
Total energy consumption	17,696	17,305	17,305
Total fossil energy consumption	12,263	16,929	10,367
Fuel consumption from coal and coal products	0	0	0
Fuel consumption from crude oil and petroleum products	2,459	2,629	2,629
Fuel consumption from natural gas	1,645	1,184	1,184
Fuel consumption from other fossil sources	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	8,160	13,116	6,554
Share of fossil sources in total energy consumption	69.30%	97.93%	59.91%
Consumption from nuclear sources	0	0	4,016
Share of consumption from nuclear sources in total energy consumption	0%	0%	23.21%
Total renewable energy consumption	5,433	376	2,922
Fuel consumption from renewable sources	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	5,366	376	2,922
Consumption of self-generated non-fuel renewable energy	66	0	0
Share of renewable sources in total energy consumption	30.70%	2.17%	16.88%
Non-renewable energy production	0	0	0
Renewable energy production	66	0	0
Total energy consumption from activities in high climate impact sectors	0*	0*	0*
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	0*	0*	0*

* No income from high climate impact sectors

Exposure in high climate impact sectors

The VUB Group doesn't have activity and revenues from high climate impact sectors.

Metrics on GHG emissions

Gross Scopes 1, 2, 3 and Total GHG emissions

VUB Group monitors and reports data on greenhouse gas emissions arising within its own operations, as well as at the level of the entire portfolio, covering scopes 1, 2 and 3. Below is an overview of emissions expressed in tCO₂ for 2025 and 2024.

GHG emissions (in tCO₂e)

	2025	2024 recalculated with 2025 methodology	2024
Greenhouse gas (GHG) emissions Scope 1			
GHG emissions Scope 1	1,210	949	949
Percentage of Scope 1 emissions from regulated emissions trading systems	-	-	-
Greenhouse gas emissions (GHG) Scope 2			
GHG emissions Scope 2 location-based	1,959	2,050	2,050
GHG emissions Scope 2 market-based	2,057	3,892	1,331
Percentage of contractual instruments Scope 2 emissions	36.47%	0%	18.87%
Greenhouse gas emissions (GHG) Scope 3			
GHG emissions Scope 3	2,435,216	3,500,080	3,506,887
Percentage of Scope 3 emissions calculated using primary data	16.01%	10.19%	8.9%
1. Purchased goods and services	85	81	81
2. Capital goods	264	254	254
3. Fuel and energy-related activities	1,211	1,477	704
4. Upstream transportation and distribution	1,069	823	823
5. Waste generated in operations	13	6	6
6. Business travel	7	-	-
7. Employee commuting	-	-	-
8. Upstream leased assets	-	-	-
9. Downstream transportation	-	-	-
10. Processing of sold products	-	-	-
11. Use of sold products	45	30	30
12. End-of-life treatment of sold products	-	-	-
13. Downstream leased assets	38	42	42
14. Franchising	-	-	-
15. Investments	2,432,483	3,497,365*	3,504,945
Total GHG emissions			
Total GHG emissions (location- based)	2,438,385	3,503,078	3,509,885
Total GHG emissions (market- based)	2,438,483	3,504,920	3,509,167

**The recalculation of the emissions from financing products is explained further below.*

Change of reporting methodology for 2025: Due to changes in the methodology of calculation of energy consumption, GHG emissions were recalculated as well. The values were recalculated for 2024. For more information related to the changes of the methodology refer to Metrics on energy consumption section.

The Group monitors and reports the financed emissions of the investment portfolio (Scope 3, category 15) also through country-specific metrics below.

Metric ton of CO2 equivalent (tCO2eq)		
	Slovakia	Other countries
Country split of GHG emissions from investments	2025	1,298,796
	2024 recalculated with 2025 methodology	2,137,167
	2024	2,144,747
		1,133,687
		1,360,198
		1,360,198

Greenhouse gas emissions are reported in line with the GHG Protocol Corporate Standard (GHG Protocol). The emission factors are used centrally across the whole ISP Group, including the VUB Group. To characterize the impacts, regional data were used, where possible, or average European/global scenarios. Country-specific 'residual mix' was used for electricity consumption (the International Energy Agency (IEA) is the source of emission factors for calculating the location-based emissions, and the Association of Issuing Bodies (AIB) is the source of emission factors for calculating the market-based emissions).

The emission factors of Ecoinvent 3.11 (2024: Ecoinvent 3.5 were used), and the IPCC 2021 (2024: IPCC 2013) equivalence factors were applied.

Due to the more prudent reporting approach, as described above in chapter on energy consumption metrics, the increasing the fossil energy component of the energy mix, and application of the new datasets of Ecoinvent and IPCC, resulted in the GHG emissions increase.

The methodologies for collecting and calculating the data in the significant categories of GHG emissions are detailed below:

Scope / Category	Emission Source	Methodology / Data Source
Scope 1	Direct emissions: natural gas (heating), fuel (fleet & generators), refrigerant leaks (F-gases)	Natural gas: meter readings; UNFCCC emission factors. Fuel: GPS mileage monitoring, fuel invoices (diesel, petrol, petrol-hybrid vehicles), regulatory infrastructure tests, emergency generator service logs; ISpra emission factors. F-gases: equipment maintenance service logs; IPCC emission factors
Scope 2	Purchased energy: electricity and district heating	Electricity: invoices, meter readings. Market-based approach: emission factor '2024 residual mix' for Slovakia, calculated by the parent company. Location-based approach: emission factor '2024 national mix' for Slovakia, obtained from the International Energy Agency. Thermal energy: natural gas consumption data from landlords; in the absence of data, average consumption values per m ² were used; UNFCCC emission factors.
Scope 3 – Cat. 1	Purchased goods & services: office paper, cloud data center services	Paper: UK gov. conversion factors, Ecoinvent 3.11, IPCC 2021 – Cloud: Scope 1, 2, 3 emissions reported by providers
Scope 3 – Cat. 2	Capital goods: IT and electronic equipment (e.g., PCs, laptops, ATMs, phones)	Based on most relevant equipment purchased in the year
Scope 3 – Cat. 3	Fuel/energy-related activities not in Scope 1 or 2	Includes fuel supply chain, infrastructure operations, transmission losses – Ecoinvent 3.11, IPCC 2021 used; regional/EU/global scenarios where possible
Scope 3 – Cat. 4	Upstream transportation & distribution: cash transport for ATMs	Modelled as van transport; includes entire lifecycle: fuel supply, combustion, vehicle production – Ecoinvent 3.11 used
Scope 3 – Cat. 5	Waste generated in operations	Special waste end-of-life, transport, treatment – Ecoinvent 3.11 and IPCC 2021 applied
Scope 3 – Cat. 6	Business travel	Based on the analysis performed, this category of scope 3 emissions was assessed as insignificant in the context of the VUB Group.
Scope 3 – Cat. 7	Employee commuting	Based on the analysis performed, this category of scope 3 emissions was assessed as insignificant in the context of the VUB Group.
Scope 3 – Cat. 8	Upstream leased assets	Based on the analysis performed, this category of scope 3 emissions was assessed as insignificant in the context of the VUB Group.
Scope 3 – Cat. 10	Processing of sold products	Based on the analysis performed, this category of scope 3 emissions was assessed as insignificant in the context of the VUB Group.
Scope 3 – Cat. 11	Use of sold products: banking services via internet/mobile	Est. average time & electricity per operation/device – Emission factors same as Scope 2
Scope 3 – Cat. 12	End-of-life of sold products	Based on the analysis performed, this category of scope 3 emissions was assessed as insignificant in the context of the VUB Group.
Scope 3 – Cat. 13	Downstream leased assets (IAS 40 properties)	Real data used, otherwise intensity factors CO ₂ e/m ² from similar buildings.
Scope 3 – Cat. 14	Franchises	Not applicable – no franchises
Scope 3 – Cat. 15	Financed emissions	Covered in separate chapter below

The Group's ability to obtain the necessary information from the upstream and downstream value chain for Scope 3, Categories 1-14 emissions calculation vary depending on various factors, such as the type of contractual agreements concluded by the Group, its purchasing power and the level of control exercised on operations outside its consolidation area. In addition, data obtaining may be difficult if counterparties along the value chain are not covered by the current sustainability reporting. In accordance with ESRS 1 regulatory forecasts, the VUB Group has made every reasonable effort to collect quantitative information related to its value chain. Where data provided directly by stakeholders in the value chain on greenhouse gas emissions was not possible, estimates were made based on variable media and other proxy sector derivatives.

No significant changes are reported regarding any effects of events and significant changes in circumstances (affecting GHG emissions) that have occurred between the reference date of this document and the reference dates of the entities included in the Group's value chain.

Financed Emissions

Reporting boundaries for the financed emissions are only VUB Bank and their portfolio.

Under Scope 3 category 15, emissions estimation of financed emissions is based on the PCAF standard. The methodology for individual calculations, along with exceptions such as unavailable data, is described below within the methodology for specific portfolios. The calculation of financed emissions is based on the Bank's activity data as of the date of the preparation of the annual report containing sustainability information, i.e., as of December 31, 2025.

The Group has analysed the possibilities of disclosing the carbon footprint for assets under management under ESRS E1.44 and 51, the GHG standard and the PCAF methodology, and has not yet disclosed this part of the carbon footprint.

1. Housing loans

According to the PCAF standard, this asset class includes balance sheet loans for specific consumer purposes—specifically for the purchase and refinancing of residential properties, including single-family homes and small multi-family housing units. Within the Bank's portfolio, Loans to Households collateralized by residential immovable property were considered, as they account for a significant portion of total assets and financed emissions.

Compared to the previous year, the bank expanded the available data through digitalization, which allowed for more accurate calculations. At the same time, it used a new calculation model for collaterals for which it did not have information on the energy classes of the properties. In these cases, it applied proxy data on the energy efficiency of the collaterals based on the primary energy factor and the total energy need.

2. Government bonds

Based on the World Development Indicators, data about GDP and CO₂ emissions of the country where government bonds are assigned and the accounting price of investment in the banking book of VUB Bank were used.

The final value of financed emissions for this asset class is calculated as the product of an attribution factor, expressed as the ratio of the book value of the security to the country's GDP at purchasing power parity (PPP), and the country's total emissions.

This approach allows us to estimate the financed emissions associated with securities based on their proportional economic footprint within each country.

3. Exposure to non-financial corporations

Exposure from Loans and Advances, Debt securities and Equity of Non-financial corporations within the banking book of the VUB Group were included. Emissions estimation is based on counterparty information and information on average emissions intensity by sector, in line with the methodology developed by the Partnership for Carbon Accounting Financials (PCAF). The share of emission data coming from company specific reporting is also disclosed.

The following table shows the Financed emission (in tCO₂e) expressed as Scope 3 category 15:

Bank's investments mapped to asset classes according to the PCAF		2025	2024 recalculated with 2025 methodology	2024
PCAF asset class	Bank portfolio	Amount of GHG (in tCO ₂ e)		
Mortgages	Housing loans	142,361	141,691	149,272
National debt	Government bonds	460,63	300,042	300,042
Business loans, Exchange-traded shares and corporate bonds	NFCs	1,829,492	3,055,632	3,055,632
% of GHG Scope 3, Category 15 calculated using primary data		16.04%	10.20%	10.20%

VUB Group has achieved a significant reduction of financed GHG emissions in 2025 due to reduction of exposure to several large emitters (companies) especially from Slovakia. Increase of emissions from government bonds is mainly driven by overall increase of the bond portfolio. Reduction of emissions from mortgages is driven mainly by increase of precision in estimation of energy efficiency of collaterals.

GHG emissions intensity

The table below provides net revenue used to calculate GHG intensity reconciling it with the balance sheet value. In calculating the intensity of greenhouse gas emissions, following formula was applied: total GHG emissions (tCO₂e)/net revenues.

Metric ton of CO ₂ equivalent per million EUR (tCO ₂ e/€ million)			
	2025	2024 recalculated with 2025 methodology	2024
Intensity of greenhouse gas emissions (according to the location-based method) per net revenue	2,000	2,763	2,768
Intensity of greenhouse gas emissions (according to the market-based method) per net revenue	2,000	2,764	2,767

The 'net revenue' to calculate intensity of GHG emissions in 2025 amounts to 1,219 million EUR (2024: 1,268 million EUR), and the definition of 'net revenue' to calculate intensity of GHG emissions was chosen in accordance with the definition of the directive on annual accounts and consolidated accounts of banks and other financial institutions. Specifically, it considered the following items of the income statement: Interest income, Fees and commissions income, Dividend income, Net trading income (only positive components), Other operating income, and Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method (only positive components).

ESRS E2 – Pollution

Materiality assessment process on impacts, risks and opportunities related to pollution

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment.

The impacts, risks and opportunities in the ESRS E2 – Pollution are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of the context in which the VUB Group defines and implements its activities, business relationships (for example, Rules on environmental and energy policy, Guidelines for the Management of VUB Group Environmental, Social and Governance (ESG) risks and Own emission plan) and safeguards put in place to minimize the negative impacts with reference to its own operations and to the upstream and downstream value chain, in addition to an assessment of risks related to the aspects of pollution to which the VUB Group could be exposed. It should be noted that for the purposes of the double materiality analysis, publications from The Ministry of the Environment of Slovak Republic, enviroportal.sk, European Commission (e.g. EU Soil Strategy for 2030) and others were reviewed, consultations were carried out with experts in environmental matters and opinions of external stakeholders were considered.

For the purpose of impact materiality, the assessment of the identified impacts was conducted through interviews with the internal structures and external stakeholders, as well as through a detailed qualitative-quantitative analysis, carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediability nature of the impact and probability). In particular, with reference to:

Value Chain	Scope & Assessment Method
Own Operations	Assessment based on qualitative drivers, including the adoption of internal policies and initiatives aimed at achieving pollution-reduction objectives.
Upstream Value Chain	Analysis of ESG questionnaires submitted to suppliers and review of their feedback.
Downstream Value Chain	Analysis of indirect impacts arising from exposures in the VUB Group's portfolios; consideration of exposure and share of VUB Group financing on total liabilities of counterparties in sectors with pollution-related impacts. Also includes review of investment definitions, financing criteria and counterparty evaluation strategies.

Changes to materiality of impacts in 2025

Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Non-Material	Microplastics	downstream	Release of substances of concern, very high concern and microplastics	Microplastics attributable to the bank is very limited (1,4%) evaluated as the share of financing provided by the bank
Non-Material	Pollution of soil	downstream	Contribution to pollution (of air, water and soil, living beings and food resources)	Only 4,18% can be attributed to VUB when the share of VUB financing on total liabilities (EVIC) of these sources is considered.

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed through a dual, quantitative and qualitative approach. This was applied to the identified perimeters through the following analyses:

Value Chain	Scope & Assessment Method
Own Operations	Evaluation of activities linked to the VUB Group's core business, including attributes and scale; supported by in-depth interviews with relevant departments.
Upstream Value Chain	Assessment of potential reputational risk arising from suppliers with insufficient controls related to pollution (e.g., pollution incidents, use of polluting substances, absence of pollution-reduction measures).
Downstream Value Chain	Assessment of credit risk, market risk and reputational risk related to pollution. Note: analysis based on evolving models and metrics, expected to improve with future methodological standards and more detailed data.

Changes to materiality of risks in 2025

Changed to:	Sub/sub-sub topic	Value chain	Description and Reasoning
Removed from assessment	Pollution of soil	downstream	Strategic Risk related to the loss of customers due to the failure to offer products aligned to the needs of counterparties (e.g. financing for the purchase and installation of low-emission technologies) is not considered as a risk since these products are offered to customers.
Removed from assessment	Pollution of air	downstream	Strategic Risk related to the loss of customers due to the failure to offer products aligned to the needs of counterparties (e.g. financing for the purchase and installation of low-emission technologies) is not considered as a risk since these products are offered to customers.

The double materiality assessment was conducted across all physical locations and business activities in which the VUB Group operates.

The identified stakeholders were engaged specifically on the topic of Pollution, and their responses formed part of the internal decision-making process. General information on stakeholder engagement can be found in ESRS 2 – Double materiality assessment – Engaging with the VUB Group's stakeholders.

The double materiality assessment did not identify any impacts, risks, or opportunities related to Pollution as material.

ESRS E3 – Water and marine resources

Materiality assessment process on impacts, risks and opportunities related to water and marine resources

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks and opportunities in the ESRS E3 – Water and marine resources are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of the context in which the VUB Group defines and implements its business activities and relationships in this area (for example, Rules for the environmental and energy policy, Group Guidelines for the governance of environmental, social and governance (ESG) risks and the controls implemented by the VUB Group. The VUB Group analysed scientific and professional studies, reports, and publications, to evaluate the status quo and assess risks related to the aspects of water management and use to which the VUB Group could be exposed. Especially publications from The Ministry of the Environment of Slovak Republic, enviroportal.sk, Copernicus program of the EU, Slovak hydrometeorological institute and others were considered, which represent current scientific and objective view on impacts on affected communities and environment.

The double materiality assessment was conducted across all physical locations and business activities in which the VUB Group operates.

The identified stakeholders were engaged specifically on the topic of Water and their responses formed part of the internal decision-making process. Consultations were carried out also with experts in environmental issues. General information on stakeholder engagement can be found in ESRS 2 – Double materiality assessment – Engaging with the VUB Group's stakeholders.

For the purposes of impact materiality, the assessment of the identified impacts was conducted through interviews with the dedicated internal structures as well as through a qualitative-quantitative analysis, carried out on the basis of the criteria required by reference legislation (i.e. scale, scope, irremediable nature of the impact and probability). In particular, with reference to:

Value Chain	Scope & Assessment Method
Own Operations	qualitative information such as the definition of internal policies, corporate strategies and initiatives aimed at the responsible use of water;
Upstream Value Chain	analysis of the ESG questionnaire collected by the VUB Group to suppliers and the related feedback provided by them on the matter;
Downstream Value Chain	An analysis was carried out on the indirect impacts conveyed through the exposures on the VUB Group's portfolios, in order to take into account the Group's exposure to counterparties/companies belonging to sectors considered to have an impact from the point of view of water and marine resources. Furthermore, the definition of investment, financing criteria and strategies for evaluating counterparties was taken into consideration.

For the purpose of determining financial materiality, the relevance of risks and opportunities was assessed through a dual, quantitative and qualitative approach. This methodology was applied to the identified perimeters with the following analyses:

Value Chain	Scope & Assessment Method
Own Operations	Consideration of the activities connected with VUB Group's core business, its attributes and magnitude and in-depth interviews with the dedicated structures;
Upstream Value Chain	The reputational risk to which the Group is potentially exposed was mainly assessed, in the event that it uses suppliers that adopt less structured controls with reference to water and marine resources;
Downstream Value Chain	The credit risk and market risk connected to the reference topic were assessed, including elements of risk from a reputational perspective.

With reference to the assessment of the financial materiality of the opportunities, the analyses focused on the downstream value chain in consideration of the type of business of the VUB Group and the peculiarity of the financial activities. In particular, in the assessment of the commercial development opportunities, the possible introduction of objectives and performance indicators attributable to the sustainability issues investigated into the strategy and planning of VUB Group and their benefits were assessed.

The VUB Group operates primarily in Slovakia, a landlocked country. Therefore, the relevance of E3 standard for VUB Group is limited to freshwater topics only. Any impacts and risks are prevented by all Group's premises being connected to the urban water supply and sewage system and operating in alignment with the respective legislation. Due to the specificity of the VUB Group's core business and following in-depth interviews with the dedicated structures, no material impacts have been identified. With reference to the upstream and downstream value chains, the concentration of exposures and suppliers that may present critical issues with respect to the topics in question is not significant.

Through loans from the TERRA product line, such as ENVIRO loan and GREEN S-LOAN+, VUB supports projects focused on sustainable water management, aquatic biodiversity, and wastewater treatment with preferential interest rates. But these initiatives are currently marginally relevant with respect to the overall business and therefore not significant for the purposes of specific disclosure in this document.

No changes to materiality have been identified for impacts, risks and opportunities in 2025, compared to 2024.

ESRS E4 – Biodiversity and ecosystems

Materiality assessment process on impacts, risks and opportunities related to biodiversity and ecosystems

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks and opportunities in the ESRS E4 – Biodiversity and ecosystems are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of the context in which the VUB Group defines and implements its business activities and relationships, the measures put in place by the VUB Group to promote and protect biodiversity and ecosystems, including through dedicated initiatives and projects as well as an assessment of the risks related to the biodiversity aspects to which the Group could be exposed.

The double materiality assessment was conducted across all physical locations and business activities in which the VUB Group operates.

The identified stakeholders were engaged specifically on the topic of Biodiversity and ecosystems, and their responses formed part of the internal decision-making process. General information on stakeholder engagement can be found in ESRS 2 – Double materiality assessment – Engaging with the VUB Group's stakeholders.

The double materiality assessment did not identify any impacts, risks, or opportunities as material.

Specific analyses were conducted to assess the VUB Group's dependencies and impacts in terms of biodiversity, ecosystems and related services. In particular, for the purposes of impact materiality research of available scientific literature, mainly from the sources of OECD – Environment performance review, European Commission, Ministry of Environment of Slovak Republic etc. was performed to map economic activities with their negative impacts specifically on the territory of Slovakia, the assessment of the identified impacts was conducted through interviews with dedicated internal structures and with expert stakeholders, including experts in environmental issues. This was complemented by a detailed qualitative-quantitative analysis, carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediable nature and probability). Specifically:

Value Chain	Scope & Assessment Method
Own Operations	qualitative drivers such as VUB Group internal policies and corporate strategies relating to this area (for example, Rules on biodiversity and nature, Rules for the environmental and energy policy; strategy for combating climate change, excessive land exploitation, etc.);
Upstream Value Chain	analysis of the ESG Questionnaire collected by the VUB from suppliers and the related feedback provided by them on the matter and in the context of Green banking procurement rules;
Downstream Value Chain	the indirect impacts conveyed through the exposures on the VUB Group's portfolios, in order to take into account the VUB Group's exposure to counterparties in sectors deemed to affect biodiversity, on the status of species, as well as on the extension and conditions of ecosystems. Furthermore, the definition of investment, financing criteria and strategies for the evaluation of counterparties was taken into consideration.

During the double materiality assessment (DMA), potential systemic risks related to biodiversity and ecosystems were also considered based on expert analyses. The assessment also included information obtained through a questionnaire from external stakeholders to engage communities and their perspectives. After performing the DMA, across all defined time horizons, no material impacts, risks or opportunities related to biodiversity and ecosystems were identified.

VUB Group does not own or have operational control over any relevant sites of shared biological resources, ecosystems or production or extraction of raw materials located in or near biodiversity-sensitive areas. For this reason, it does not carry out any activities that could have negative or potential negative impacts on biodiversity, ecosystems or affected communities.

As no such impact was identified, consultation with affected communities was not required. However, the DMA was expanded to include consultation with the scientific community and experts in the field of biodiversity and ecosystems.

Since all the VUB Group's premises are in urban areas, already built on areas, and the VUB Group's operations are of administrative character, it has very limited direct impact of the existing biodiversity. Similarly, the dependency of VUB's operational perimeter on the ecosystem services does not exceed the general overall dependency on the natural resources and the environment. Therefore, no material impacts were identified.

However, in 2025 the VUB Group is enhancing its operational rules and procedures for building operation, refurbishment, reconstruction or new construction, applying the same criteria as in financing.

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed using a dual approach, quantitative and qualitative, applied to the identified perimeters.

With reference to risks, the following analyses were conducted:

Value Chain	Scope & Assessment Method
Own Operations	Considering the specific nature of the VUB Group's core business, the fact that its offices are not located in protected areas or regions with high biodiversity, and based on in-depth analyses conducted by the relevant expert departments;
Upstream Value Chain	The reputational risk to which the Group is potentially exposed was assessed, in the event that it uses suppliers that adopt less structured safeguards with respect to biodiversity and ecosystems (for example, adoption of practices to mitigate the risk of environmental pollution with impact on biodiversity or definition of an environmental policy);
Downstream Value Chain	Credit risk and market risk potentially arising from threats to biodiversity and the balance of the reference ecosystems were mainly considered. This could also determine elements of risk from a reputational perspective.

VUB Group does not have sites located in or near biodiversity-sensitive areas.

The VUB Group does not carry out any activities related to sites in or near biodiversity-sensitive areas that would negatively affect natural habitats or species for which protected areas have been designated.

As a result, the VUB Group concluded that it was not necessary to implement biodiversity mitigation measures.

Through loans from the TERRA product line, such as ENVIRO loan and GREEN S-LOAN+, VUB supports projects focused on sustainable management of natural resources, soil and aquatic biodiversity with preferential interest rates.

No changes to materiality have been identified for impacts, risks and opportunities in 2025, compared to 2024.

ESRS E5 – Resource use and circular economy

Materiality assessment process on impacts, risks and opportunities related to resource use and circular economy

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks, and opportunities within the scope of ESRS E5 – Use of resources and circular economy are identified considering the specificities of the VUB Group. The mapping of such impacts, risks, and opportunities was carried out on the basis of the context in which the Group defines and implements its business activities and relationships (for example, Environmental Policy of the VUB Group, Group Guidelines for Environmental, Social and Governance (ESG) Risks, Green Procurement Rules, VUB Green Manifesto and Code of Ethics), the measures put in place by the VUB Group to contribute to the implementation of recycling systems and the use of recycled/recyclable materials, the renewal of partnerships related to this theme, in addition to an assessment of the risks related to circular economy aspects to which the VUB Group may be exposed.

To support the analysis, consultations were conducted with retail consumers and the public through a dedicated representative survey, measuring the importance of these topics (sorting and recycling of own waste, reducing the use of plastics, packaging goods in recycled or recyclable packaging, supporting sustainable local production, reduction of paper correspondence and documentation, offering the option of purchasing goods without packaging and receipts and invoices in electronic form).

In addition, various scientific and professional studies, reports and publications, especially Report on the State of the Environment of Slovak Republic in 2024 and enviroportal.sk have been analysed.

For the purposes of impact materiality, the assessment of the identified impacts was conducted through interviews with the competent internal structures of the VUB Group and with expert stakeholders, including experts in environmental issues, as well as through a detailed qualitative-quantitative analysis, carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediable nature of the impact and probability).

Following the analysis carried out, the following impact materiality outcomes emerged:

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	The assessment of impacts was carried out based on qualitative drivers such as the definition by the VUB Group of internal policies and corporate strategies relating to this area (for example, recycling systems and use of recyclable / biodegradable materials);	-
Upstream Value Chain	Assessment of impacts was carried out through the analysis of a dedicated questionnaire submitted by the VUB Group to suppliers and the feedback provided by them on the matter;	-
Downstream Value Chain	An analysis was carried out on the indirect impacts conveyed through the exposures on the Group's portfolios, in order to take into account, the VUB Group's exposure to counterparties/companies operating in sectors considered to have an impact from the point of view of the circular economy and the use of resources. Furthermore, the definition of investment/financing criteria/strategies for the evaluation of counterparties was taken into consideration.	Material Contribution to the recycling and reuse of materials through financing and investments

No negative material impacts have been identified as attributable to exposures to counterparties operating in sectors identified as relevant, such as plastic manufacturing, electronics industry, the mining and extractive industries, chemical industry, agriculture, and construction and demolition.

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed through a dual approach, quantitative and qualitative, applied to the identified perimeters.

With reference to risks, the following analyses were conducted:

Value Chain	Scope & Assessment Method
Own Operations	In consideration of the specificity of the VUB Group's core business and following in-depth analyses with the dedicated structures, no risks were identified relating to the topic of circular economy and use of resources;
Upstream Value Chain	Reputational risk to which the VUB Group is potentially exposed was mainly assessed, in the event that it uses suppliers who adopt less structured controls with respect to the topic in question (for example, lack of definition of an environmental policy);
Downstream Value Chain	Credit risk and the market risk potentially deriving from threats to the circular economy and the use of resources were mainly considered. This could also determine elements of risk from a reputational perspective.

Changes to materiality of risks in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Datapoint	Reasoning
Non-Material	Waste	Ustream and downstream	Reputational risk linked to the lack of definition of recycling / circular economy systems, also with reference to counterparts subject to financing / investment.	Low concentration of clients in subsectors with potential impact.

From the analyses conducted, for the purposes of financial materiality, no significant reputational risks relating to waste management in the production process were identified, for both downstream and upstream value chain.

With reference to the financial materiality of the opportunities, analyses were conducted mainly relating to the downstream value chain, taking into account the type of business of the VUB Group and the peculiarity of the financial activities. Analyses and evaluations of commercial opportunities were carried out in terms of financing of counterparties with the aim of improving their circular economy profiles and improving the efficiency of production processes. Additionally, the possible presence of objectives and performance indicators related to the VUB Group's Strategy was considered.

In light of the financial materiality analysis carried out, no significant opportunities emerged.

Policies, actions and objectives related to resource use and circular economy

Policies related to resource use and circular economy

The circular economy policies of the VUB Group are in line with Intesa Sanpaolo Group's strategy, focusing on resource efficiency, waste reduction, and value creation throughout the product life cycle. The goal is to facilitate the transition of businesses and territories to an inclusive circular economy, enhancing climate change mitigation, biodiversity restoration, and pollution reduction. This approach optimizes raw material use, regenerates natural resources, and fosters technological innovation, contributing to a sustainable, equitable, and resilient economic system. These policies cover all the VUB Group's activities, emphasizing internal resource management and financial support for circular business models, aligning with global sustainability trends and reducing resource price volatility risks.

The Code of Ethics of the VUB Group integrates the principles of circular economy through environmental protection, support for the development of the country thanks to the ecological transition and the adoption of circular economy models, as well as through responsible management of indirect environmental impacts.

Furthermore, the VUB Group adopted the following internal policies related to the circular economy:

In direct relation to the European Taxonomy, the Rules for the application of the European Taxonomy from a Green Asset Ratio (GAR) perspective, approved at Intesa Sanpaolo Group level and prepared in compliance with regulatory legislation, with the aim of outlining the rules necessary for the application of the EU Taxonomy and measurement of aligned economic activities with the fourth of the six environmental objectives set out in European legislation, namely 'Transition to a circular economy';

The Rules for the classification of sustainable credit products and lending transactions, which identifies a specific category in the field of environmental sustainability called 'Ecological efficiency and circular economy' assigned on the basis of the consistency of the credit transaction to a specific framework of five Circular Economy criteria, defined in collaboration with the Ellen MacArthur Foundation (EMF);

The ESG Scoring Rules outline how Intesa Sanpaolo Group and VUB Group evaluate the environmental, social, and governance (ESG) performance of its corporate clients, including SMEs that are often excluded from market ESG ratings. The ESG Score is a comprehensive rating based on multiple factors, including a specific focus on the circular economy. The ESG Score is used in key banking processes, such as:

- Credit Risk Appetite Framework – defines the Bank's willingness to take on risk for different customer categories;
- Credit Strategies Framework – guides credit portfolio growth to balance risk and return over time.
- Organizational Waste Management Directive, governing the waste hierarchy (prevention, preparing for re-use, recycling, other recovery, disposal), waste avoidance, minimization, separate collection and ways of disposal;
- The Green Banking Procurement Rules, addressing transitioning away from extraction of virgin resources, including increases in use of secondary (recycled) resources, sustainable sourcing and use of renewable resources is the internal rules for green procurement aiming to pursue sustainability objectives, and identifying the best design solution, product or service, taking market availability into account.

Key principles of green banking procurement within the VUB Group:

- mandatory environmental criteria for all key product categories (paper, stationery, toner, electricity, buildings, equipment, events)
- products via lifecycle-based environmental assessment, prioritising low energy use, low emissions, and reduced waste
- certified sustainable materials, such as recycled paper, FSC/PEFC wood, remanufactured toner, and eco-labelled products
- renewable electricity, progressively increasing the share toward 100% by 2030
- energy-efficient solutions in building renovations and office equipment purchases
- supplier compliance through required documentation and certifications
- monitoring and reporting of indicators annually

The Policies are available to relevant internal and external stakeholders through corporate communication channels, mainly via the Bank's intranet and bilateral communication with the clients and suppliers.

The VUB Group, as a part of Intesa Sanpaolo Group, integrates the principles of circular economy into its policies within the credit process, based on specific circular economy criteria established by parent company, VUB assesses and classifies individual credit transactions as sustainable based on specific procedures that apply to transactions as sustainable based on specific procedures that apply to transactions aimed at financing sustainable initiatives of corporate clients.

It should be noted that the internal framework does not appear to be completely superimposable on the criteria of the European Taxonomy on the Circular Economy and therefore the financing granted with this framework is not considered 'aligned' with the criteria of the taxonomy for the purposes of calculating the Green Asset Ratio.

Furthermore, in 2020 the VUB Bank has published the Green Manifest, which represents a pillar and inspiration for VUB Group's sustainable policies and strategies. In the Green Manifest, the VUB Group declared objective to support clients by offering banking products and services that promote sustainability, including financing for individuals and businesses focused on ecological innovations and circular economy initiatives.

In addition to guaranteeing full and total compliance with legislative provisions for the protection of the environment, the VUB Group aims to identify innovative and effective solutions in this field, to apply the best environmental standards and to promote and develop the concept of environmental responsibility, with a commitment to translating the international principles to which the whole Intesa Sanpaolo Bank Group has adhered, particularly the UNEP Financial Institutions Declaration and the Global Compact of the United Nations, into concrete actions.

The VUB Group is also open to dialogue and discussion with those stakeholders who represent the 'voice' of environmental concerns and focus on energy consumption. The ESG Manager (Deputy CEO of VUB Bank), is responsible for overseeing and implementing sustainability policies, including policies referring to resources use and circular economy. The VUB Group guarantees transparency towards stakeholders, making the main policies available through the company's communication channels.

Targets related to resource use and circular economy

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to resource use and circular economy

The VUB Group's transition to a circular economy is further supported through cooperation with the Intesa Sanpaolo Innovation Centre (ISPIC). VUB and ISPIC collaborate on identification of Slovak innovative companies in the area of circular economy and sustainability in order to provide them financial and non-financial support and networking.

The VUB Group supports circular economy practices by providing incentivized financing through 'VUB ENVIRO loan' aimed at financing of projects that support the circular economy. Eligible purposes were defined in collaboration with the Ellen MacArthur Foundation (in connection with the circular economy framework). The loan is financed by above mentioned credit plafond (CE and Green Plafond) created by Intesa Sanpaolo.

As part of the Intesa Sanpaolo Group's 2022-2025 Business Plan, an additional EUR 8 billion credit plafond has been allocated to support businesses transitioning to a circular economy. This initiative renews and expands upon the previous commitment from the 2018-2021 Business Plan, highlighting the long-lasting and constant commitment

to these issues.

Specifically, the eligibility criteria of the internal circular framework include:

- Solutions that extend the useful life of the product or the use cycles of goods and materials (circular design activities; application of modular design; implementation of reverse logistics programs; repair and regeneration or reconditioning of products; use of product-as-service, pay-per-use and/or sharing economy models);
- Procurement of secondary or sustainably sourced renewable resources and/or recycled material (including the use of renewable energy for self-consumption);
- Solutions that significantly increase the efficiency of resource consumption, within the company or along its value chain (application of industrial symbiosis principles and creation of an integrated value chain that transforms waste into production inputs; implementation of cycle closure models and/or application of eco-design and systemic design principles; implementation of processes based on natural principles for the capture and storage of CO₂ and/or the capture and use of CO₂, to support the achievement of decarbonization and net-zero impact objectives);
- Products that are totally reusable, recyclable or compostable, inserted in an efficient context of collection, separation and recovery after use;
- Innovative technologies and activities that enable circular economy models (e.g. Internet of Things solutions for the implementation of traceability systems, reverse logistics and/or predictive maintenance; Big Data, Artificial Intelligence and Cloud Computing in order to dematerialize services and develop markets for raw and/or secondary materials);
- Regenerative agriculture practices and/or hydroponic/aeroponic/precision agriculture technologies, to improve soil health, increase biodiversity, produce food close to the place of consumption and grow in unfavourable areas).

Clients also have access to GREEN S-LOAN⁺, which allows them to obtain an even more favourable interest rate for eligible circular purposes if they commit to completing the project within the agreed deadline.

The VUB Group is dedicated to promoting and supporting the circular economy through specific awareness-raising initiatives (ATLAS Talks), partnerships (Circular Slovakia), and business cooperations (Sustainable E-shop with VISA and Heureka.sk).

A project Sustainable E-shop (Udržateľný e-shop) was launched in 2023 in collaboration with Heureka and Visa to help e-shops operate sustainably and reduce their overall environmental footprint. E-shops are encouraged to adopt circular practices such as zero waste packaging, climate-neutral delivery, supporting local suppliers, and thorough recycling of all waste.

E-Shops can earn a sustainability label on Heureka.sk by passing questionnaire inspection designed in line with ESG principles by the Association for Social Responsibility and reviewed by the Institute of Circular Economy in Slovakia.

The project Sustainable E-shop (Udržateľný e-shop) also helps consumers make more informed and conscious purchasing decisions by highlighting sustainable e-shops. The action culminated in the 'Shop of the Year' competition, where the 'Sustainable E-shop Award' was introduced. For more details, visit www.udrzatelnyeshop.sk.

The VUB Group promotes the circular economy by organizing the VUB Atlas Fórum, focusing on financing green projects, ESG strategies, and sustainable development. The forum discusses current trends, legislative challenges, and the role of banks and investors in supporting ecological initiatives. Additionally, the Bank became an implementation partner of Slovakia's first Circular Summit, highlighting the potential of the circular economy for micro, small, and medium-sized enterprises, emphasizing the ecological and economic benefits of efficient resource management.

To promote and disseminate the circular economy paradigm, online sessions were organized throughout the year dedicated to the relationship managers of the Bank, with the aim of supporting customers in the transition process towards a sustainable and circular economy, also through the sharing of best practices at VUB Group level.

The efforts of VUB Group in its own operation not only promote circular economy but also foster a culture of sustainability among its stakeholders. Forums and summits organized by the VUB Group facilitate knowledge sharing and highlight economic benefits of the circular economy, sharing sustainable practices in both the upstream and downstream value chain.

Social Information

ESRS S1 – Own Workforce

Interests and views of stakeholders

VUB Group incorporates the interests, views, and rights of its own workforce into its strategy and business model through systematic materiality assessment, social dialogue, internal policies, and feedback mechanisms.

Materiality process on impacts, risks and opportunities and their interaction with strategy and business model

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks, and opportunities within the scope of ESRS S1 – Own workforce are identified taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks, and opportunities was carried out on the basis of the context in which the Group defines and implements its business activities and relationships (for example, Intesa Sanpaolo Business Plan 2022-2025, VUB Group Strategy, policies developed in various areas, etc.) and the measures put in place to minimize the negative impacts related to the topic with reference to its own operations, in addition to an assessment of the risks to which the VUB Group may be exposed with reference to its own workforce.

Within the scope of the double materiality assessment, the VUB Group has considered all its own workers who fall under the definition of 'own workforce', including both its direct employees (those with permanent or fixed-term contracts) and workers engaged through staffing agencies or self-employed individuals performing tasks that would otherwise be carried out by employees of the VUB Group, on which it produces or may produce significant impacts, risks and opportunities.

For the purposes of material impact, the assessment of identified impacts was conducted through analysis of employee engagement surveys, interviews with internal structures and external stakeholders (e.g., trade unions feedback through dedicated questionnaire), as well as through a detailed qualitative-quantitative analysis carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediable nature of the impact and probability) on the perimeter of its own operations.

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	The impact assessment was carried out based on definitions implemented by the VUB Group regarding safeguards to working conditions, equal treatment and opportunities for all, and workforce privacy (e.g., recruitment plans, talent development programs, measures to ensure safe and healthy workplaces, safeguards to promote diversity and inclusion).	Material Contribution to the protection of work by guaranteeing fundamental rights of employees
		Contribution to the protection of work, through the prevention of discrimination and gender inequality phenomena (including harassment) and to the detriment of people with disabilities and promotion of diversity in all its forms through the adoption of policies/initiatives
		Support for training and skills development and valorisation of the potential and uniqueness of employees, also through the definition of talent management and development programs
		Contribution to the protection of workers through the definition of policies, union agreements and internal systems aimed at protecting the personal data of personnel (including cybersecurity measures), in order to prevent the intentional or unintentional use of confidential information for business purposes that could harm employees.
		Protection and increase of physical (health and safety) and psychological well-being of employees (work-life balance, corporate welfare)

Changes to materiality of impacts in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Material impact merged	Health and safety	Own operations	Personal safety equipment such as anti-panic devices and/or protective clothing, ergonomic workstations, air quality checks more frequently than the de minimis required by legislation, provision of training courses with periodic compulsory first aid simulation	Compared to 2024, the described positive impact was merged as part of a broader consolidation of similar topics.

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed using a dual approach, quantitative and qualitative, applied to the perimeter of own operations. In the process of mapping and assessing risks and opportunities that have or could have financial effects, the VUB Group took into account the connections of its impacts and dependencies with the risks and opportunities that may arise from said impacts and dependencies. For example, positive impacts resulting from the establishment of policies aimed at ensuring adequate working conditions, such as safe employment and adequate wages, and equal treatment, such as gender equality and inclusion, flexible work, work-life balance, could contribute to the emergence of opportunities to improve brand reputation, increase stakeholder trust and attract new talent.

Value Chain	Scope & Assessment Method	Identified Risks
Own Operations	The operational and non-compliance risks that could be generated in the face of inadequate preparation and implementation of policies aimed at protecting workers' rights were assessed. This could also lead to elements of risk from a reputational point of view.	Based on discussions with internal structures and involved stakeholders, as well as the analyses conducted, these risks did not appear to be relevant concerning the standard in question.

Compared to 2024, no changes in risks for the topic of own workforce were identified in 2025.

Considering the type of operations and business activities performed by the VUB Group, and countries/geographies in which the VUB Group operates, no significant risks of incidents related to forced, compulsory or child labour have been identified.

Value Chain	Scope & Assessment Method	Identified Opportunities
Own Operations	With regard to opportunities, the initiatives, safeguards, policies and processes in place and/or planned by the Group that could determine the opportunity to attract talent from outside and strengthen the Group's reputation, as well as the trust of stakeholders with reference to the protection of the rights of its own workforce, were analysed.	Material Increased trust among Group Stakeholders (e.g. employees), through the definition of appropriate policies aimed at ensuring gender equality and equal pay, the inclusion of all Group people and the prevention of violence and harassment in the workplace Attracting talent through the definition of adequate policies regarding employee working conditions

These opportunities are relevant in the short- and medium-term time horizons.

Changes to materiality of opportunities in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Material – new opportunity	Collective bargaining, including rate of workers covered by collective agreements	Own operations	Increased trust among Group Stakeholders (e.g. employees), through the definition of appropriate policies aimed at ensuring gender equality and equal pay, the inclusion of all Group people and the prevention of violence and harassment in the workplace	Expanding an existing datapoint to the topic of Collective bargaining, including rate of workers covered by collective agreements

Characteristics and composition of the VUB Group's employees

With reference to its workforce, the main characteristics of the VUB Group's employees are set out below.

The workforce shown is consistent with the provisions of the consolidated financial statements, limited to the corporate perimeter defined for the CSRD and with the exclusion of non-employee collaboration contracts (project and administration contracts). The data represents the total number of employees (in head count) and refers to the specific situation at the end of the reporting period.

As of December 31, 2025, the VUB Group's total workforce consisted of 3,450¹⁴ employees: the following table below shows the total number of employees, broken down by gender.

Gender	2025	2024
Female	2,367	2,506
Male	1,083	1,131
Other	0	0
Not reported	0	0
Total	3,450	3,637

Number of employees represents the total headcount including active employees and long-term absences.

The following table shows the total number of VUB Group employees as of December 31, 2025, broken down by gender (women and men) and by type of employment contract. As can be seen from the table, the vast majority of the VUB Group's employees have a permanent employment contract.

2025	Female	Male	Other	Not disclosed	Total
Number of employees	2,367	1,083	0	0	3,450
Number of permanent employees	2,101	992	0	0	3,093
Number of temporary employees	266	91	0	0	357
Number of non-guaranteed hours employees	0	0	0	0	0
2024					
Number of employees	2,506	1,131	0	0	3,637
Number of permanent employees	2,179	995	0	0	3,174
Number of temporary employees	327	136	0	0	463
Number of non-guaranteed hours employees	0	0	0	0	0

During the 2025 financial year, the total number of employees who left the Group is 460 (2024: 429) and the turnover rate for the same period stands at 14,25%, (2024: 14,09%). This turnover rate is calculated by relating the total number of departures to the average active headcount during the year, where departures refer to all employment relationships terminated during the year (resignations, terminations, retirements, departures, deaths, etc.).

It is reported that the only country where the VUB Group has a significant employment level (i.e. with 50 or more employees representing at least 10% of the total number of employees) is Slovak Republic with a total of 3,419 employees, which accounts for 99% of the total workforce. The VUB Group also has a small number of employees in the Czech Republic.

Country	Headcount 2025	Headcount 2024
Slovakia	3,419	3,606
Czech Republic	31	31
Total	3,450	3,637

¹⁴ The total active headcount of VUB Group is 3,215 employees, the difference represents employees on a long-term absence, such as maternity leave.

VUB Group's commitment to human rights

VUB Group is deeply committed to promoting and safeguarding human rights, ensuring that dignity, respect, and inclusion are embedded in our corporate culture. We actively work to protect the rights of our employees, uphold ethical business practices, and create a safe, fair, and inclusive work environment for all. Our approach aligns with internationally recognized human rights frameworks, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Due Diligence Guidance for Responsible Business Conduct.

The VUB Code of Ethics serves as the foundation for our human rights commitments, articulating the VUB Group's core values and guiding the behaviour of employees, management, and stakeholders. It is a living document, continuously updated to reflect evolving societal and business expectations. Alongside the Human Rights Principles, the Diversity, Equity & Inclusion (DE&I) Principles, and the Intesa Sanpaolo (ISP) Modern Slavery Statement, the Code of Ethics provides a comprehensive framework for ensuring that human rights are upheld in all aspects of our operations.

With the Human Rights Principles, VUB is committed not only to complying with Slovak and European legislation but also to proactively identifying, mitigating, and preventing human rights violations related to its activities. As a signatory to the UN Global Compact, VUB promotes sustainable business practices, ethical labour conditions, and responsible business conduct across its value chain.

The core principles of the VUB Group, enshrined in the Code of Ethics, and to which all the VUB Group's policies are aligned, are as follows:

Principle	Description
Listening and dialogue	The VUB Group values listening and dialogue to build trust, promoting internal communication and inclusion, and developing tools for sharing and discussion between the various corporate functions. In addition, it encourages managers to understand people's needs and to value suggestions for improvement and growth together
Transparency	The VUB Group aims to continuously develop the culture of transparency as the basis for building relationships between people, placing transparency at the base of its actions to enable anyone to make informed, aware and autonomous choices
Equity and inclusion	for the VUB Group, respect for individuality and human dignity is fundamental to creating an inclusive work environment with a commitment to avoiding any discrimination in behaviour and respecting every difference (gender, gender identity and/or expression, affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union affiliation, socio-economic status, nationality, language, cultural background, physical and mental conditions or any other characteristic of the person also related to the expression of one's thought)
Respect for people	The VUB Group is committed to preventing conduct that is detrimental to human dignity, guaranteeing assistance and confidentiality, and to promoting an inclusive work environment that respects privacy, is sustainable and attentive to the balance between personal and professional life
Protection of health and safety	The VUB Group is committed to identifying and controlling risks to health and safety in the workplace, adopting preventive and protective measures, and managing residual risks with emergency and intervention plans to improve people's well-being
Enhancement and motivation	The VUB Group recognises the strategic importance of the relational, intellectual, organisational and technical skills of each individual, considering them fundamental for enhancing and motivating people in relationships
Cohesion	The VUB Group is committed to strengthening the spirit of belonging by spreading its values, strategies and objectives, supporting leaders, providing forms of participation in successes and promoting solidarity initiatives
Management and personnel remuneration policies	in defining the remuneration policy, the VUB Group bases itself on the principles of fairness, merit and sustainability of results

To ensure maximum dissemination, the Code of Ethics is published both on the VUB Bank's website and on the company Intranet. In addition, relevant stakeholders (i.e. suppliers) are explicitly informed about the document and asked to follow the main principles.

To materialize the commitments and values set out in the Code of Ethics, and to ensure respect for the rights of each employee, the VUB Group, as part of the ISP Group, applies the Human Rights Principles, approved by the VUB Management Board, which take up and develop the values already present in the VUB Group's Code of Ethics. With the Human Rights Principles, the VUB Group, in addition to complying with the relevant legislation to which it is subject in all the countries in which it operates, undertakes to identify, mitigate and, where possible, prevent, potential human rights violations related to its activities, as recommended by the UN Guiding Principles on Business and Human Rights. The document is made available to all relevant stakeholder groups, including employees, on the VUB Group's website (www.vub.sk). Employees are also required to complete mandatory training that includes familiarisation with the content of the Group's Code of Ethics and Internal Code of Conduct.

In addition, the VUB Group, as part of the ISP Group, has also adopted Diversity, Equity & Inclusion Principles to

solidify its commitment to implementing and promoting a policy that supports the inclusion of all forms of diversity, both within the Group and in the wider community.

To demonstrate the VUB Group's strong commitment to the respect for human rights, the Bank – as part of the ISP Group – follows the ISP Group Modern Slavery Statement, which outlines the actions taken to prevent modern slavery in its operations and supply chain. For further details, please refer to the Intesa Sanpaolo Modern Slavery Statement document, available on the Intesa Sanpaolo Group's institutional website.

Human rights metrics in the workforce

The following table presents a set of indicators that allows for monitoring the presence of reports and incidents related to social issues and human rights concerning its employees:

- The indicator 'Number of incidents of discrimination' shows the number of reports received by the VUB Group in the form of labour lawsuits, criminal complaints or cases of non-compliance identified internally, all of which have as their main or secondary object issues of discrimination, including harassment;
- The indicator 'Number of complaints submitted through the appropriate channels set up for the company's own workers' measures the number of reports submitted by employees through the company channels set up, such as the Code of Ethics and Whistleblowing, to express concerns on issues of various kinds always related to human rights incidents;
- The indicator 'Number of complaints at the National Contact Points (NCPs) for OECD Multinational Enterprises' accounts for complaints sent to NCPs for OECD multinational enterprises, concerning the same issues as aspects such as working conditions, equal treatment and fundamental workers' rights as the previous indicator;
- The indicator 'Total amount of fines, penalties and compensation resulting from the incidents and reports referred to above' indicates the total amount of fines, penalties and compensation imposed due to violations of a social or human rights nature;
- The indicator 'Number of Serious Human Rights Incidents' indicator refers to the number of serious human rights incidents related to the workforce, including legal proceedings, official reporting via grievance channels, serious allegations reported in the media or in formal public reports (provided they are not disputed by the company), or other known significant impacts. Severity is assessed on the basis of the extent, scope and irreparability of the accident;
- The indicator 'Number of serious incidents constituting cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises' highlights the cases in which such incidents constitute a violation of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprise;
- The indicator 'Total amount of fines, penalties and reparations resulting from the human rights incidents referred to above' shows the total amount of fines, penalties and reparations imposed with reference to the serious human rights incidents mentioned above.

	2025	2024
Number of incidents of discrimination	0	0
Number of complaints filed through channels for own workers to raise concerns	1	1
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0	0
Number of severe human rights issues and incidents connected to own workforce	0	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0	0

It should be noted that there have been no serious incidents in the field of Human Rights or that constitute cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

With regard to the single recorded report of a breach submitted through the Whistleblowing mechanism, the case was reported in 2025 and is still under investigation. For this reason, it is not possible to provide further details on the subject of the report.

Working conditions

Policies related to employment protection and labour relations

The protection of the rights of the VUB Group's workers is governed by the general principles of the Code of Ethics, the Human Rights Policy, the Principles on Diversity, Equity and Inclusion and the collective bargaining system, which operates fully on two distinct and complementary levels, the first at the local level of the VUB Group and the second at the Intesa Sanpaolo Group level.

The VUB Group is committed to guarantee trade union freedoms and the right of association in representative bodies of VUB Group's workers, adopting complementary protection measures and recognising all individuals the possibility to express their individuality and creativity in their work, enhancing diversity and the specificities of each individual, as a drive for innovation and an essential contribution to the VUB Group's growth.

In line with the commitment enshrined in the Code of Ethics, the management model is based on agreements relating to bargaining. Compliance with these rules, along with legal requirements, contributes to fostering a positive work environment and continuously enhancing the quality of relationships between the company and its employees.

The Code of Ethics is made available both on the company intranet, for the Group's employees, and on the institutional website, for external stakeholders.

The employment relationship is also regulated, for the matters delegated, by collective bargaining. Dialogue with the trade unions is conducted regularly, with the aim of seeking solutions to improve the well-being of the Group's employees, particularly those in need, and positively contribute to productivity through activities in the areas of social security, assistance and services for families, education, and work-life balance.

The development of labour policies is managed by the HR and Organization Department, with the Head being responsible for their implementation, which has the task of defining trade union agreements and monitoring their implementation.

The VUB Group did not implement any specific policies addressing trafficking in human beings, forced labour or compulsory labour and child labour, as they are considered immaterial, also thanks to the regulation and controls in place that are enforced by the states in which VUB Group operates.

Policies related to compensation

VUB Bank has concluded Collective Agreement with the trade union organization represented by the Council of Trade Union Representatives of VUB, a.s. (ROZ) in accordance with the provisions of generally binding legal regulations, Act No. 2/1991 Coll. on Collective Bargaining, as amended, and Act No. 311/2001 Coll. the Labour Code, as amended. It regulates individual and collective labour relations between VUB, a.s. and its employees, including the right to adequate compensation.

The Bank adheres to the principle of equal treatment in all aspects of labour relations as established by Act No. 365/2004 Coll. on Equal Treatment in Certain Areas and on the Protection Against Discrimination, as amended (the Anti-Discrimination Act). VUB's obligation regarding non-discriminatory pay practices is also stipulated in the Collective Agreement. Differences in remuneration must not be based on gender, race, ethnicity, or other potentially discriminatory factors.

The VUB Group, provides employees with a salary for the work performed. Specifically, for VUB Bank remuneration is determined in accordance with the provisions of the Labour Code, under the conditions agreed upon in the collective agreement, and specific regulations related to performance evaluation of managerial, non-managerial and network population – VUB Remuneration and Incentives Policy, internal document Performance and Development Management System and the internal regulation Employee Remuneration System.

VUB Group is obliged to agree on the main principles, guidelines, and forms of employee remuneration with the representatives of Trade Union. The salary increase is agreed upon with the ROZ on annual basis even though the collective agreement is typically concluded for 3 years. The Bank's remuneration pay policy reflects the economic conditions in Slovakia.

The variable salary component is a motivational tool used by the Bank to increase the personal involvement of employees in achieving set tasks and to reward the quantity and quality of the work performed and the contribution to the Bank.

In particular, the VUB Group ensures that the definition of remuneration and incentive systems, as well as decisions related to remuneration, are based on merit and professional skills, regardless of gender or other forms of diversity, and are inspired by principles of fairness. For further information on the subject, reference is made to the Policies related to equal pay section of the Diversity, equity and inclusion section.

The development and implementation of the policies is entrusted to the Head of HR and Organization Department.

The Policies are available to all VUB Bank employees at the VUB's intranet.

Commitment to Human Rights and Ethical Standards

VUB Bank and the VUB Group are firmly committed to protecting the human rights of their employees and to upholding the highest ethical standards. This commitment is embedded in the Code of Ethics, the Human Rights Principles, the Diversity, Equity and Inclusion (DE&I) Principles, as well as in other internal policies governing labour conditions and equal treatment.

These documents are inspired by and aligned with internationally recognised frameworks, in particular:

- the United Nations Universal Declaration of Human Rights,
- the ILO Declaration on Fundamental Principles and Rights at Work,
- the OECD Guidelines for Multinational Enterprises,
- the OECD Due Diligence Guidance,
- the UN Guiding Principles on Business and Human Rights.

The Group actively promotes the principles of decent working conditions, a safe and healthy working environment, equal pay for work of equal value, the right to collective bargaining, and the rejection of discrimination, harassment, or any form of forced or child labour. These commitments are applied in everyday practice and form the foundation of all human resources processes within the Bank.

General Approach to Respect for Human Rights, Including Labour Rights

The VUB Group adopts a comprehensive and preventive approach to human rights. Respect for human rights is integrated into employment relationships, human resources management, management decision-making processes and risk management systems. The Bank:

- ensures equal opportunities,
- guarantees non-discriminatory treatment,
- promotes diversity and inclusion (including equal pay, gender equality, age diversity and the inclusion of persons with disabilities),
- ensures occupational health and safety,
- applies a zero-tolerance policy towards violence and harassment,
- provides employees with opportunities for professional and personal development through mandatory, professional and voluntary training,
- ensures transparency of internal processes, including performance management, remuneration, career development and job changes.

This approach is supported by due diligence processes and mechanisms for identifying, assessing, preventing and mitigating potential risks, in line with ESRS requirements.

General Approach to Engaging the Workforce

The Group actively involves its employees and their representatives in decision-making on matters that affect them. Engagement is carried out through a range of formal and informal channels, including:

- social dialogue and regular communication with trade unions,
- formally established Employee Councils,
- focus groups and consultations prior to the implementation of significant changes,
- climate and engagement surveys (with outcomes translated into concrete action plans),
- workshops, feedback tools, HR Info Briefings and other communication platforms,
- employee involvement in strategy development, process design and talent programmes.

The process also includes individuals who may be more vulnerable (e.g. employees with disabilities, parents returning from parental leave, older employees), in order to ensure non-discriminatory access to opportunities and fair working conditions.

General Approach to Measures for Providing or Enabling Remedy

The VUB Group operates a comprehensive system of grievance and remedy mechanisms that allows employees to safely report complaints, concerns and issues. This system primarily includes an internal whistleblowing mechanism, compliant with EU and Slovak legislation, enabling anonymous reporting, as well as other reporting channels, such as the possibility to report breaches of ethical conduct via etickykodex@vub.sk or codice.etico@intesanpaolo.com.

These remedy mechanisms are designed to:

- ensure a timely and fair response,
- prevent the recurrence of incidents,
- strengthen employee trust in the integrity of internal processes,
- foster a culture of transparency, respect and safety.

Metrics related to collective bargaining and social dialogue

As of 31 December 2025, 98% (2024: 98%) of the VUB Group's employees are covered by the Collective Agreement.

With reference to the Slovak Republic, which is the only country with significant employment level, the coverage by the Collective Agreement is 99% (2024: 99%).

There are no agreements providing for employee representation outside EEA. There are also no agreements in place with employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

	Collective Bargaining Coverage	Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. Representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
80-100%	Slovakia	Slovakia

Metrics related to adequate wages

The VUB Group is committed to ensuring an adequate salary for all its employees. In this regard, it should be noted that in every country in which the Group is present, all employees are paid more than the minimum wage set in the country by law¹⁵. This information were equally true for 2024 and 2025.

Engagement processes with own workers and their representatives

The industrial relations model adopted and developed by the VUB Group, in agreement with the Council of Trade Union Representatives of VUB, a.s. (ROZ), has constantly promoted discussion between the parties to identify the most suitable solutions and tools to face and manage the various phases of growth and reorganization. Concrete evidence of the ways in which trade union relations are articulated and enhanced in the VUB Group is also given by the work of bilateral company/trade union bodies, created with the aim of analysing, researching and proposing positive actions, solutions and tools in the field of equal opportunities, welfare, safety and sustainable development. The function responsible for ensuring the operational involvement of workers' representatives is that of HR and Organization Department.

The dialogue with the Trade Unions on company projects is constant, timely and aimed at identifying mutually agreed solutions that address the various needs brought forward by both parties.

Remediation processes with own workers and their representatives and channels to raise concerns

The VUB Group has set up several confidential company channels to report requests, needs, and inconveniences, for example, the Code of Ethics mailbox and the whistleblowing channel. The Code of Ethics mailbox allows you to report any non-compliance via email, ensuring maximum confidentiality and protection from any form of retaliation, discrimination or penalization. Furthermore, the whistleblowing channel allows any authorized person (employees, collaborators, suppliers, consultants, etc.) to report suspected violations, both actual and potential, through specific channels available 24 hours a day. For further information on the Code of Ethics reporting channel and the whistleblowing procedure, please refer to the section Policies related to protection of whistleblowers and Policies related to corporate culture in the standard G1 Business conduct.

Targets related to employment protection

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

¹⁵ For countries in the European economic area, reference is made to Directive (EU) 2022/2041 on adequate minimum wages in European Union.

Actions related to employment protection and labour relations

The VUB Group protects employment by considering it one of the key elements of its strategic plan. In the context of the generational turnover amid technological transformation with a resilient and sustainable business model in the scenario of digitalization and artificial intelligence, VUB focuses at enabling service and offer models oriented towards greater simplicity and effectiveness for customers.

In line with the ISP Group strategy, the VUB Group is working towards the rejuvenation of the workforce to ensure smooth generational change, kicking off the Early Retirement Plan, fully voluntary program aimed at colleagues already in retirement age, or max 2 years prior to retirement. The aim is to offset the program by acquiring or developing the new talent potential, while optimizing workflows through technological solution, thus gaining more time for people to focus on more value-added activities. This includes freeing up time to dedicate to professional development activities through various training activities for upskilling/reskilling, to better address the need for new widespread digital skills and new professions.

In terms of development, full-fledged digital skills academy, as well as the wide-ranging People for Future program, featuring analytical, interpersonal, technology or leadership skills development was setup in 2023 and is an ongoing activity aimed to requalify or upskill the workforce capacity towards new priority initiatives.

The VUB Group is also strongly focused on implementing the actions towards the New Way of Working, implementing Smart Work principles to support the wellbeing of employees and offer the possibility to accommodate to both professional and private responsibilities and expectations.

The VUB Group commitment to fair compensation ensures that its employees are paid adequately for their work, in line with company values, legal requirements, and social responsibility. Salaries are structured based on job grades, roles, responsibilities, and market benchmarks.

The VUB Group and specifically the VUB Bank regularly benchmarks its pay practices against other banks and other companies in Slovakia to maintain adequate remuneration. The Bank benchmarks its Critical population to 75 percentile of the market, while Specialists, Flexible and Core population is benchmarked to the median of market remuneration; differentiated according to the professional family to which they belong. This is crucial for attracting and retaining talent, as employees often compare their compensation packages against industry standards. Competitive salaries help prevent turnover and make the company an attractive place to work.

A process of annual salary revision has been established to ensure compensation of its employees remains competitive and reflects changes in market conditions, cost of living, and inflation. It is important to emphasize the Bank's commitment to target salaries meeting the 'living salary' standard rather than just the legal minimum salary. The Bank's current minimum salary is nearly 47% higher than legal minimum salary in Slovakia. Compared to minimum legal requirements, VUB Bank has set up higher minimum base salaries for all work difficulty degrees stipulated in Section 120 of the Labour Code.

In addition to base salaries, the Bank motivates employees through performance-based bonuses, aiming to reward personnel for outstanding performance and to align their success with the company's success.

VUB Bank performs analysis of existing gender pay gaps and addresses them also within annual salary revisions and with EU Directive 2023/970, coming into force in June 2026, the Bank is planning a revision of its pay structures. The aim is to introduce a policy where employees are made aware of the salary range for their role or Department. Transparency around pay scales and salary bands is expected to foster trust and reduce feelings of inequity or favouritism among employees.

All these actions ensure that pay is fair, competitive, and aligned with employees' contributions, fostering an environment of trust, motivation, and long-term employee satisfaction.

Diversity, Equity and Inclusion (DE&I)

Policies related to DE&I

The VUB Group adopts the Diversity, Equity and Inclusion Principles (hereinafter 'the DE&I Principles') to specify its commitment to promoting and disseminating, both internally and externally, an inclusive policy that enhances all forms of diversity. In this sense, in the DE&I Principles, the Intesa Sanpaolo and the VUB Group explicitly states its inclusive approach to all forms of diversity, based on respect for all people, enhancement of talents, meritocracy and equal opportunities, also assuming concrete commitments to promote an inclusive environment and defining the expected behaviours from all the Group's staff. A specific section is dedicated to gender equity commitments, aimed at ensuring equal opportunities in hiring processes, promotion to roles of responsibility, appointments to management and in the succession plan for top roles. The policy explicitly states the principle of zero tolerance for

any discrimination and non-compliance with what is established must be reported to the channel indicated in the document. Periodic monitoring of the commitments made by the Intesa Sanpaolo Group is entrusted to the Intesa Sanpaolo DE&I Steering Committee.

The DE&I Principles aim to create a work environment characterized by plurality and respect, protecting every form of diversity, whether it be gender, gender identity or expression, affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union affiliation, socio-economic status, nationality, language, cultural background, physical and mental conditions, physical appearance or any other characteristic of the person, even related to the manifestation of thought. This goal is considered an ethical duty towards all people in the Intesa Sanpaolo and the VUB Group and towards every stakeholder. It is also a business and sustainability priority, as the integration of diverse ideas and skills stimulates innovative solutions and more effective decision-making processes. Furthermore, it enhances the reputation of the corporate brand, improving retention, motivation of people and attractiveness to the best talents. Moreover, it maximizes the creation of value for stakeholders, gathering improvement suggestions from certifying bodies, international indices and stakeholders in general, which contribute to defining best practices in terms of inclusion.

With reference to the commitment to ensuring gender equity, the following principles are taken into consideration:

- Annual intake balanced by gender;
- The pools of candidates for first appointment in managerial roles, on an annual basis, balanced by gender;
- The pools of candidates for management on the annual total balanced by gender;
- The pools of candidates for senior leadership roles (1° line managers and Head of department), foresee at least one application from the less represented gender for each position.

Additionally, specific commitments and positive actions are planned to promote inclusion, including:

- Promoting the accessibility of spaces, communications, information and training;
- Ensuring equal treatment of same-gender unions in company regulations;
- Spreading the value of inclusion through training addressed for DEI ambassadors, awareness-raising and the use of inclusive language;
- Creating an inclusive environment based on trust, respect and enhancement of cultural and personal diversity;
- Combating every form of discrimination and harassment;
- Promoting inclusion also in the territories and socio-economic contexts in which the company operates.

The DE&I Principles apply to everyone within the VUB Group, guiding their interactions with internal and external stakeholders and to the people who make up the corporate administrative and control bodies. As for the people who collaborate with the VUB Group without an employment relationship (for example, non-dependent financial agents/consultants, suppliers and sub-suppliers) respect for the values and principles expressed here is required by taking knowledge of specific information dedicated to them. The VUB Group also undertakes to support and promote the adoption of diversity, equity and inclusion values and principles by customers – particularly Business and Corporate customers – in the context of their ESG policies.

In line with the DE&I Principles, the VUB Group undertakes to intensify dialogue with stakeholders who bring specific instances and proposals for improvement, with an approach of openness and constructive exchange, also through the design and launch of shared actions.

The person holding the role of Head of HR and Organization identifies objectives and strategies for their achievement and ensures that the commitment of all VUB Group structures is adequate and consistent with what is established in the DE&I Principles. Additionally, monitoring related to the Principles' chapter Commitments on gender equity is carried out on a quarterly basis and on a yearly basis is submitted to the Management Board for the status report and to set corrective initiatives.

The Rules for Combating Sexual Harassment express the VUB Group's strong commitment to preventing and combating any form of sexual harassment to ensure full respect and maximum protection of human dignity. They demonstrate zero tolerance towards any type of harassment. The goal is to create the conditions for episodes of sexual harassment to be reported, ensuring an effective and detailed process for managing reports that guarantees maximum rigor and maximum protection of the privacy of those involved.

The aforementioned Rules apply to all dependent staff of the VUB Group in their activities within and outside the Group; to non-dependent agents and financial consultants/collaborators in their interactions with internal and external interlocutors; to people with a temporary work contract; to participants in internship/traineeship initiatives; commercial partners of the Group in any activity of contact with the Group.

The Rules also apply on the occasion of social events, business trips, training and activities that take place outside the usual workplaces but are related to the professional sphere, as well as outside this work context in cases where both the perpetrator of the sexual harassment and the victim fall within the applicable categories. For the Rules, the

role of guarantor of the complaint management process is entrusted to the Head of the HR and Organization Department.

The Principles on Diversity, Equity and Inclusion and the Rules for the fight against sexual harassment are also inspired by the main existing national and international guidelines on corporate social responsibility (e.g. UN Universal Declaration of Human Rights, UN International Covenant on Civil and Political Rights, Declaration on Fundamental Principles and Rights at Work (ILO), ILO Convention 190 of 21 June 2019 and ILO Recommendation No. 206 on the Elimination of Violence and Harassment in the World of Work).

The commitment to the inclusion of people with disabilities is not only a legal obligation but also a core principle of our corporate culture. VUB Group actively promotes an inclusive work environment and implements policies that support equal opportunities for employees with disabilities. The obligation to employ disabled citizens is regulated by Act No. 5/2004 Coll. on Employment Services and on Amendments and Additions to Certain Acts, as amended (hereinafter referred to as the 'Employment Services Act').

Beyond fulfilling the legal requirements, the VUB Group is committed to providing meaningful employment opportunities for people with disabilities, ensuring workplace accessibility, and fostering an inclusive and supportive environment. We actively engage in initiatives that facilitate professional growth, equal career development, and workplace adjustments tailored to individual needs.

The Principles on Diversity, Equity and Inclusion and the Rules for combating sexual harassment are published on intranet page.

Metrics related to diversity by gender and age

In the table below is reported the distribution of employees by age group, in number of people and in percentage, on the total employees of the VUB Group as of 31 December, 2025.

Distribution of employees by age groups	2025	2025%	2024	2024%
Under 30 years old	371	11%	448	12%
Between 30 and 50 years old	2,162	63%	2,310	64%
Over 50 years old	917	26%	879	24%

In terms of gender distribution among employees at the top management level (managerial level) as of 31 December 2025, the total number of employees is 10, of which 80% are male and 20% are female. In particular, the table below shows the distribution of employees in top management positions by gender, in number of people and as a percentage of the total, as of 31 December 2025.

It is specified that the top management includes CEO, Deputy CEO, Advisor to CEO, Members of Management Board and Executive Directors of daughter companies.

Number of employees at the top management level	2025	2024
Female	2	2
% of total at the top management level	20%	17%
Male	8	10
% of total at the top management level	80%	83%
Other gender	0	0
% of total at the top management level	0	0
No data	0	0
% of total at the top management level	0	0
Total	10	12

Policies related to equal pay

The VUB Group adopts gender-neutral remuneration and incentive policies which contribute to pursuing complete parity among staff. They ensure that, for equal work, VUB Group personnel have an equal level of remuneration, including in terms of conditions for its recognition and payment.

In particular, the VUB Group ensures that the definition of remuneration and incentive systems and the adoption of decisions related to remuneration are independent of gender (as well as any other form of diversity such as affective-sexual orientation, marital status and family situation, age, ethnicity, religious belief, political and trade union affiliation, socio-economic status, nationality, language, cultural background, physical and mental conditions or any other characteristic of the person also related to the expression of one's thought), are based on merit and professional skills and are inspired by principles of equity.

In order to make it possible to apply gender-neutral policies and to evaluate their effectiveness, the Intesa Sanpaolo and VUB Groups adopt:

- Organizational position measurement systems, taking into account the responsibilities and complexity managed by the different roles. In particular, for the managerial population, the VUB Group has adopted the Global Banding system, which is based on the grouping into homogeneous bands of managerial positions that are comparable in terms of complexity/responsibility levels managed, measured through the international role evaluation methodology International Position Evaluation (IPE). The non-managerial population is segmented based on the career title assigned according to certain criteria, including seniority, autonomy, complexity but also skills, economics, impact and exposure. This segmentation aims to enhance the level of professional contribution within their operations and the progressive specialization of skills – or the professional figure of belonging, also taking into account the role system defined in the second-level collective bargaining;
- For the managerial population, market salary references are associated with each Global Banding range and differentiated based on the professional family of belonging and geography. As for the population of non-managerial positions, career title levels are associated with market trend references differentiated based on the professional family of belonging and geography;
- Incentive/reward systems linked to objective parameters that allow merit and performance to be recognized.

The VUB Group adheres to the principle of equal treatment in all aspects of labour relations as established by Act No. 365/2004 Coll. on Equal Treatment in Certain Areas and on the Protection Against Discrimination and Amending and Supplementing Certain Laws (the Anti-Discrimination Act). VUB's obligation regarding non-discriminatory pay practices is also stipulated in the Collective Agreement. Differences in remuneration must not be based on gender or other potentially discriminatory factors.

As the VUB Group belongs to Intesa Sanpaolo Group, the VUB Supervisory Board acknowledges on annual basis the Intesa Sanpaolo Group's framework on remuneration, composed of Intesa Sanpaolo Group Remuneration Discipline and the Intesa Sanpaolo Report on the remuneration policy and compensation paid. Both documents have been prepared in accordance with the sector regulations in force and provide general regulatory framework for the Bank's remuneration policy.

On an annual basis, the VUB Supervisory Board, with the support of the Remuneration Committee, analyses the neutrality of the policies with respect to gender and verifies the gender pay gap and its evolution over time according to the methodology defined by sector regulations. In summary, the gender pay gap is calculated for positions of equal value and country by country, distinguished by: (i) Risk Takers, excluding members of the Management Bodies; (ii) the members of the Management Board; (iii) the members of the Supervisory Board; (iv) the remaining staff.

It is important to note that all changes to the remuneration and incentive system of the Bank are subject to negotiation and final approval of the Council of Trade Union Representatives of VUB, a.s.

On an annual basis, the VUB Supervisory Board with the support of the Remuneration Committee analyses the neutrality of policies with respect to gender and verifies the gender pay gap and its evolution over time according to the methodology defined by sector regulations. It should be noted that the reasons for the gender pay gap are properly documented and, where necessary, corrective actions are taken.

For detail on the Policies see Policies related to compensation section.

Metrics related to equal pay and remuneration

Looking at the overall pay differences between men and women across the entire organization, in line with the methodology required by CSRD the gender pay gap within the VUB group has been calculated, for 2025, to be at 36,3% (in the year 2024 gender pay gap calculated by the same methodology was 35,4%, while previously published gender pay gap was 34%).

CSRD methodology requires to calculate the male-female pay gap – regardless of their roles. No objective factors are considered within the methodology, therefore a more accurate metric to identify the principle of equal pay for equal work would be the adjusted pay gap, which is essential to classify employees into homogeneous groups performing the same work within the same job role, representing work of equal value, and then comparing their compensation, after accounting for factors such as job role, education, and experience that determine pay. VUB is and will be part of the Equal Pay project of ISP group in 2025-2027.

As of today, further analysis highlights the following:

- Employees in both the Retail and Corporate Business Network are paid almost equally, with the percentage of the pay gap being close to zero;
- At the Headquarter, there is a slight difference, with men earning moderately more than women. This dynamic is driven by the structure of Headquarter positions, with a higher percentage of men occupying more specialized and IT roles.

- Among managerial positions, the compensation is nearly balanced between genders.

These observations show that the gender pay gap, as per roles distribution, is to be considered minimal.

In fact, it is crucial to highlight that the composition of the VUB group's workforce is predominantly female, accounting for 67% (2024: 67%) of the active population.

A significant portion of this female workforce, 46% in 2025 (45% in 2024), is employed within the Retail Business Network branches. These positions, independently from the gender, are generally associated with lower income levels compared to unique roles at the Headquarter. Furthermore, women represent 83% (2024: 83%) of the Retail Business Network's population, emphasizing the concentration of female employees in lower-paying roles.

The above mentioned detailed breakdown helps in understanding the nuances and underlying reasons for the overall gender pay gap within the VUB group. It is crucial to continue monitoring these disparities and implementing strategies to address and mitigate the pay inequalities effectively.

For the 2025 financial year, the VUB Group recorded a total remuneration rate of 27,75 (year 2024 with the same methodology used represented 22,93, while originally published remuneration ratio was 18,89). This ratio is defined as the ratio of the total annual remuneration of the person receiving the highest salary to the median total annual remuneration of all employees (excluding the highest paid individual).

It should be noted that for both metrics represented in this section, no correction factors are applied to the compensation paid, taking into account the cost of living in the country of reference.

Engagement processes with own workers and their representatives

The workforce engagement process in VUB Group is coordinated by the Director of Human Resources and Organization and is conducted through multiple complementary channels. These include the involvement of trade union representatives, ongoing dialogue with internal communities, regular employee satisfaction and engagement surveys, as well as ad hoc initiatives focused on active listening, including individual meetings, workshops and events aimed at obtaining employees' opinions and expectations, especially from a diversity and inclusion perspective.

The Director of Human Resources and Organization, in cooperation with the internal communication and CSR departments, act as internal and external ambassadors who actively support the principles of diversity and inclusion and raise awareness of their benefits within the organization and towards external stakeholders.

Group-wide surveys are conducted every two years, alternating. First is focused on assessing the overall atmosphere in the company and employee satisfaction (Corporate Climate Survey, conducted in 2025). The second survey, without a fixed periodicity, is devoted to the topics of diversity, equality and inclusion (DE&I). In addition, one-off surveys are also conducted, such as the Short Engagement Survey, feedback from internal events and activities is regularly evaluated, and targeted surveys are conducted focused on specific projects or teams.

The DE&I structure is continuously available to internal communities and employees in cases where they have suggestions or when a topic that directly concerns them is being addressed. In such situations, a preliminary discussion takes place on the possibilities of their involvement in further steps. Representatives of trade unions are involved monthly, not only within the scope of collective bargaining topics, but also on issues that are not directly regulated by the collective agreement.

Individual forms of employee engagement serve as the basis for output reports that assess the level of response and acceptance of specific initiatives, projects or events. The results are processed in an aggregated and anonymized form and used to set future measures.

The DE&I structure remains open to always receiving suggestions, which can also be sent via a dedicated email box. Additional information is also obtained through regular surveys. Diversity and inclusion are also supported through internal and external communication channels, with employees having access to relevant information on the intranet, including an overview of available services and support options.

Remediation processes with own workers and their representatives and channels to raise concerns

Employees of the VUB Group have access to two main processes for reporting concerns, doubts or suspected violations of rights or conduct: either through the process for reporting breaches of the Code of Ethics and/or through the whistleblowing process. The objective of both mechanisms is to enable the timely handling of reports and the remediation of any potential adverse impacts. Further details on these mechanisms are set out in ESRS G1 – Business Conduct.

The Diversity, Equity and Inclusion (DE&I) principles provide for the use of the Code of Ethics mailbox for reporting breaches related to DE&I matters.

Given the highly sensitive nature of such issues, reports concerning sexual or any other form of harassment are

handled through the whistleblowing process. Within this framework, the roles and responsibilities of the Ethics Committee and the cooperating departments are clearly defined, and reports are thoroughly investigated by a multidisciplinary working group. Where any breach is confirmed, appropriate remedial measures are taken.

The effectiveness of these mechanisms is supported by regular monitoring, timely acknowledgement of reports and the protection of whistleblowers against any form of retaliation.

Employees also have access to support in relation to disabilities through the Human Resources and Organisation Department, which acts as a contact point for reporting related concerns. Since 2023, a specialised programme focused on the employment of neurodivergent individuals has been in place, under which job opportunities have also been created within the VUB Group for people on the autism spectrum.

Targets related to diversity, equity and inclusion

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to diversity, equity and inclusion

In 2025, VUB Group continued to strengthen its commitment to diversity, equality and inclusion (DE&I) through the development of policies, targeted programs and a supportive corporate culture. DE&I activities were directed at all employees without distinction and aimed at ensuring fair conditions, equal opportunities and a respectful working environment.

Updating the principles and governance framework

During the year, the process of updating the Diversity, Equality and Inclusion Principles continued in line with the requirements of the Intesa Sanpaolo Group. The updated version of the document brings more precise commitments in gender equality, for example, adjusting the rule on the representation of the underrepresented gender in the list of candidates for management positions. Supervision of the fulfilment of commitments was strengthened in the form of regular quarterly reporting to the parent company.

Training, awareness activities and employee development

2025 brought several mandatory and voluntary trainings, supporting a fair and safe working environment. Mandatory trainings on the Group's Internal Code of Conduct and Whistleblowing Policy were completed by thousands of employees (more than 98% of employees by 31.12.2025), which contributed to the expansion of awareness of rights, protection of whistleblowers and prevention of unwanted behavior as a predisposition for further expansion of DEI initiatives in the Group.

In addition, during 2025, VUB Bank focused on further expanding employee competencies in ESG through webinars and open dialogues. Diversity and inclusion are an integral part of setting up internal processes and procedures related to 'Social & Governance', therefore the entire chapter was dedicated to understanding the group's operations in the context of equal employment rights in the approach to performance evaluation, growth and development or benefits, as well as the bank's socially responsible activities. VUB Bank makes great efforts to ensure a psychologically safe environment, where every employee has the right to be heard and the right to equal access regardless of their differences. It makes great efforts to support mental health in the workplace, which was also recognized by receiving the 'Zlaté duše' certificate from the League for Mental Health (Liga za duševné zdravie) in June 2025. This confirmed the group's interest in creating a safe environment and developing employees in mental health, raising awareness and providing effective assistance, for example in the form of a 24/7 accessible helpline. The program also includes the development of the management population to create an inclusive work environment. The bank implemented an intensive development program focusing on the management of the sales network, while continuing the 'Psychological Safety' (Psychologické bezpečie) program designed for specific teams. Among other initiatives, it is worth highlighting participation in the Intesa Sanpaolo group program, which in 2025 was focused on supporting balance and setting healthy boundaries and kindness or mindfulness towards other people. Together, we promote the values that are anchored in the basic governing documents and guidelines of VUB, a. s.

The use of gender-inclusive language is considered a standard of communication at VUB both internally and externally.

Support for inclusion and disadvantaged groups

The DEI working group implemented several specific measures in 2025 to support employees with health disabilities. Based on feedback from a specialized survey, new support mechanisms were introduced – from ergonomics to work environment adjustments to work flexibility. At the same time, a separate contact point was established for this topic. The bank also continued to cooperate on the Profesia Lab program, which supports the employment of neurodivergent colleagues, where it is among the TOP employers on the market.

Equal opportunities

The principles of equality in terms of equal opportunities and remuneration are further reviewed in the context of local and European regulations. VUB has taken steps to align remuneration in order to reduce the gap between the wage assessment of men and women. This commitment is supported by a commitment to have a gender-balanced succession list for senior management positions and a program to specifically develop women in their leadership skills so that they are prepared to apply for management positions.

DEI in governance, reporting and CSR

DEI remains an integral part of ESG governance. Responsibilities for data collection, reporting and coordination have been adjusted for 2025, with the internal communication, CSR and DEI agendas being unified. The year also included regular inputs into CSRD reporting, updating internal data and working with internal audit to transparently report any breaches of desired employee behavior.

Actions related to the inclusion of people with disabilities

The VUB Group supports the inclusion of persons with disabilities through targeted measures aimed at creating an inclusive and accessible working environment. Particular emphasis is placed on removing barriers, promoting equal opportunities and accommodating the individual needs of employees.

One of the key initiatives is VUB Bank's participation in the ProfesiaLab project, through which the Bank creates opportunities for internships and, subsequently, for permanent employment for individuals with neurodivergent conditions. The project also includes training for managers and employees on topics related to fostering an inclusive workplace, with the objective of supporting acceptance, understanding and effective collaboration within teams.

Employees with disabilities or with deteriorated health conditions may request specialised work equipment designed to increase comfort and facilitate job performance. In addition, the VUB Group has introduced the possibility of remote work of up to 100%, enabling better alignment of work requirements with health-related needs and expanding employment opportunities for individuals with health limitations.

In the area of employing persons with disabilities, VUB Bank fully complies with all applicable legislative requirements in the Slovak Republic. At the same time, it ranks among employers that actively create favourable working conditions for persons with disabilities and support their long-term integration and sustainability in the labour market.

An integral part of an inclusive and safe working environment is a strong focus on mental health. The VUB Group systematically develops activities in this area and is among the leaders in the Slovak labour market in implementing modern tools for the prevention of mental health issues and the promotion of employee well-being.

VUB is an active member of the Employers' Coalition for Mental Health, thereby committing to raising awareness, reducing stigma and supporting open dialogue about mental health in the workplace. A key element of this strategic approach is a comprehensive mental health prevention programme, which includes regular lectures, discussions and expert-led webinars held on a monthly basis and accessible to all employees.

The VUB Group has also implemented the certified Mental Health First Aid programme, which provides employees with practical tools to recognise warning signs, support colleagues in challenging situations and guide them towards professional help. In addition, employees have access to a free 24/7 assistance helpline, through which they can anonymously use psychological counselling services.

In recognition of its systematic efforts in this area, VUB became the first bank in Slovakia to receive the Golden Souls Certificate awarded by the League for Mental Health - a prestigious recognition for organisations demonstrating an exceptional approach to caring for employees' psychological well-being.

As psychological safety in the workplace is one of the core pillars of modern inclusive leadership, VUB also addresses this topic within the training and development of managers. Training programmes focus on building trust, open communication, mutual respect and a sensitive approach to the individual needs of team members.

Training and skill development

Policies related to training and development

Training and communication are two fundamental levers for engaging all individuals within the VUB Group in a process of continuous growth and enhancement with the aim of guaranteeing them the best professional experience. In line with the Intesa Sanpaolo Group 2022-2025 Business Plan, and VUB Group Strategy, the Intesa Sanpaolo and VUB Groups continue to invest in its people, creating a unique ecosystem of skills suitable for both the current context and its future evolution.

In the belief that continuous development and training of its people represent an important distinguishing and value-enhancing factor, the Intesa Sanpaolo and VUB Group has committed to further strengthening its presence in compulsory training, thus also responding to the requests of the Supervisory Authorities.

The approach of the VUB Group to the Learning and Development of its employees is integrated to the Bank's strategy, ensuring employees possess the skills necessary to achieve business objectives and are pivotal in engaging all employees with VUB's commitment to Environmental, Social, and Governance (ESG) principles. This approach caters to various target groups within the organization, fostering an understanding and awareness of these principles, their significance, and alignment with VUB's values and strategic goals.

VUB equips employees with the knowledge and skills to integrate sustainability, agility, innovation, and customer-centric principles into daily banking operations. The training strategy focuses on sustainable banking proficiency, ensuring employees understand and apply responsible financial practices. A strong emphasis is placed on leadership development programs promoting sustainable banking values, inclusivity, and employee well-being. Digital literacy and cybersecurity training ensure operational security, aligning with modern banking practices. Additionally, employees must complete mandatory training ensuring regulatory compliance, professional development, and adherence to supervisory requirements.

With particular attention to ESG, training follows a phased approach, covering environmental protection, biodiversity, climate action, and governance topics such as diversity, inclusion, and ethical conduct. The internal awareness campaign reinforces these principles. Training also ensures compliance with regulations on anti-money laundering, terrorism financing, antitrust, GDPR, and conflict of interest management, supporting a zero-tolerance approach to corruption and reinforcing transparency. In line with the VUB Group's commitment to employee ESG skill development, various training formats have been implemented, tailored to the specific needs of the departments, roles, or management structures involved:

Employee Group	Training Format & Details
All Employees	Voluntary online ESG e-course providing an overview of ESG principles, key aspects, objectives, and EU guidelines. Internal campaign on ESG topics
Special Needs Groups	In-depth online or face-to-face training tailored to specific needs. Workshops and practical problem-solving sessions for employees responsible for implementing ESG measures.
Professionals and ESG Task Force	Consultations and advisory services for selected groups. Training ambassadors who mentor others on specific topics such as climate change and creating an inclusive work environment.
Managerial Population	Focused on leadership culture development. Emphasizes acquiring ESG knowledge and procedures to ensure sustainable leadership and effective employee management.

Intesa Sanpaolo Group Rules Concerning Mandatory Training outline the rights, obligations, and conditions for mandatory training. VUB ensures employees have unlimited access to the training platform and the opportunity to complete their training during working hours. Retail employees can request two home-office days for this purpose. Line managers are responsible for ensuring their teams fulfil training requirements, while HR monitors and reports on compliance.

In compliance with the Slovak legislation, the VUB Bank provides specialized financial education for its branch network employees and selected positions, certified for basic and intermediate levels of professional competence.

This training programme is delivered remotely via e-learning courses. Upon successfully completing the requirements of each module, participants receive a certificate of completion in specialised financial education, valid for one year. This certification ensures that employees are authorised and competent to deliver professional and high-quality financial advice to clients, with all associated costs covered by the Bank.

To ensure comprehensive coverage, training needs are identified annually through collaboration with relevant governance structures and HR functions. These needs are regularly reviewed to address new regulations, supervisory authority findings, and evolving business priorities. The management of training requests, impacts, risks and opportunities related to them is ensured through the establishment of comprehensive training priorities. These

priorities include differentiated training initiatives according to the role, the areas covered and the associated responsibilities.

The Learning and Development priorities and target groups are defined on an annual basis by the HR and Organization Department following requests from business and supporting units. The specific skills or knowledge development needs are managed on-demand, based on the current needs of teams or individual experts, considering the rapidly changing environment and these individual requests are defined, managed and monitored through the involvement of the competent company structures.

The VUB Group also includes into the training plan the interventions of the parent company training plan, indicated with Group value, integrated with the initiatives defined and implemented independently on the basis of local and/or sectoral regulations as well as the related business needs.

Engagement processes with own workers and their representatives

The process of analysing needs and the model of training delivery is guaranteed by the HR and Organisation Department, which interfaces with Bank's functions and the Intesa Sanpaolo Group's structures for the detection, analysis and alignment of training needs.

Professional development is managed by line managers, who have access to a dedicated training budget. This allows them to arrange external training programs or engage internal trainers based on the specific learning needs of their teams. All employees have access to a self-service system via LMS VUB Academy. The system allows them to request training programs from external partners in line with their development plan.

All employees are required to complete mandatory training covering essential knowledge and skills necessary for their roles. In addition, VUB Bank offers a wide range of both mandatory and voluntary training programs to support skill enhancement and continuous learning. New employees follow a structured adaptation plan designed to facilitate a smooth onboarding process.

Strategic skills development, aligned with the Bank's long-term vision, is targeted at selected employee groups based on predefined criteria. Additionally, employees can enrol in open internal and external training programs to further enhance their competencies.

To support continuous learning, all managers have access to the Seduo online platform, which offers a wide range of soft skills development courses.

Furthermore, all employees have access to VUB Academia and LEA, two digital learning platforms offering various training programs relevant to their work. Employees can also explore the Learning and Development section, which provides access to recordings of past webinars and a wealth of development resources for further inspiration.

For any inquiries related to training and development, employees are encouraged to consult with a dedicated development consultant, who can provide guidance on tailored learning opportunities and address individual development needs. This ensures that employees receive personalized support when enhancing their skills and career growth. Additionally, employees may use this channel to voice any concerns or dissatisfaction regarding their professional development experience.

For technical issues, general inquiries, or specific requests related to training programs, employees can contact the dedicated support team via email at akademia@vub.sk or seek assistance from the AI-powered chatbot for immediate guidance.

Comprehensive information on learning and development opportunities, including training catalogues, guidelines, and updates, is readily accessible on the dedicated intranet portal under the Learning and Development section.

Targets and metrics related to the development of the VUB Group's people and talent management

The Intesa Sanpaolo and the VUB Group pursues the goal of providing its employees with growth paths based on training as an engine for the development of the talents present in the Intesa Sanpaolo and VUB Groups, as well as the ability to attract people from outside. Consequently, it has established qualitative objectives related to the provision of cross-training hours to all employees, along with specific learning and collaboration methods.

In this context, the safeguards established by the VUB Group enable continuous monitoring and addressing of these issues, making it possible to achieve the set objectives even without a precise definition of quantitative and measurable targets within a limited time horizon.

Actions related to training and development of VUB Group's people

The VUB Bank recognizes skill development and employee education as the most crucial enabler essential for achieving its strategic ambitions. Accordingly, continuous education and professional growth are embedded as integral components of the group's overarching strategy. The Bank offers a wide range of training formats designed

to meet the diverse needs and preferences of its employees. The multi-dimensional approach reflects VUB Bank's commitment to fostering a culture of continuous learning and professional growth. By offering diverse resources and opportunities, the Bank empowers employees at every level to advance their skills, achieve excellence, and contribute meaningfully to the organization's success.

Employees benefit from access to two robust LMS platforms: LEA Platform, managed by the parent company, Intesa Sanpaolo (ISP) and VUB Academy, the Bank's primary Learning Management System (LMS). For managers, the LMS platform offers a comprehensive overview of team training achievements. Managers are empowered to promptly address skill gaps by leveraging allocated budgets for professional education and requesting external training or attendance at the conference, when necessary, thereby aligning employee development with evolving organizational needs.

In addition, the VUB Bank provides managers with access to an advanced online platform containing on demand e-courses and live webinars, Seduo, designed to enhance personal development and leadership capabilities. For all employees, the Bank has established specialized intranet pages that serve as a comprehensive hub for training and development opportunities. These pages offer detailed information about educational programs, curated content for inspiration, and a regularly updated calendar of training events. Furthermore, employees have the opportunity to book personalized consultations with development experts, who provide tailored guidance for crafting individual development plans.

In 2025, the total number of hours of training used was about 164,045 (2024: 170,228) of which 123,965 (2024: 126,083) in digital mode (e-learning).

In today's fast-paced technological world, navigating and leveraging digital processes is crucial. The VUB Bank focuses on cultivating a digital mindset and enhancing digital skills through its Digital Academy, which offers specialized training on Office 365 tools.

The Digital Academy provides self-paced e-courses and interactive webinars covering Office 365 functionalities, helping employees work more efficiently.

In 2025, we launched the Digital and AI Literacy Program, which included initiatives such as the Digital and Power Platform Skills Academy and the AI Academy. The Data Skills Academy program focused on developing talent and deepening expertise in key specialist roles. The initiative supports the automation of routine tasks, increased work efficiency, and the development of a digital mindset among employees.

AI is central to VUB Bank's strategy, with Copilot enhancing productivity by assisting in various tasks. The AI Academy supports the development of an AI mindset and a deeper understanding of artificial intelligence. The Innovation Fair event showcases digital solutions for team management and process optimization, fostering engagement with digital innovation.

To further digital proficiency, the VUB Bank promotes continuous learning through internal ambassadors and monthly DigiTalks on market innovations. AI-powered solutions like My Buddy, SOFIA, at the same time, the bank is gradually introducing AI-powered digital assistants (chatbots) to streamline both customer-facing and internal communication.

The VUB Bank addresses emerging technology risks with a special training program on cyber threats. In 2024, employees completed specialized training on emerging threats. The Cyber Security program offers practical insights for professional and personal application.

By combining theoretical knowledge with practical applications, the VUB Bank ensures employees are prepared for digital era challenges and opportunities, driving personal and organizational success.

The VUB Bank has significantly strengthened its framework for educating employees on Environmental, Social, and Governance (ESG) topics. This commitment is evident in the initiatives carried out in 2025 and the planned activities for 2026, which aim to enhance employee knowledge, foster engagement, and embed ESG principles into the Bank's practices. The primary objective of ESG education in 2025 was to ensure that VUB employees gained a clear understanding of the Bank's ESG strategy and priorities. Employees were encouraged to participate in e-learning courses available on the LEA platform, addressing fundamental aspects of sustainability, including the Circular Economy, the EU Taxonomy, and the 'ISP4ESG: Our Contribution to the Future' initiative.

Additionally, a year-long awareness campaign was conducted to reinforce ESG understanding among employees, utilizing diverse communication channels, educational events, and active encouragement to foster participation and dialogue. In 2025, the VUB Bank placed a strong emphasis on delivering targeted training programs for teams and departments directly responsible for implementing the Bank's ESG strategy. Specialized training programs were designed for the Credit Risk team, which participated in an advanced program developed by the Bank's parent company, Intesa Sanpaolo (ISP). Similarly, tailored training sessions were offered to other support departments, including Human Resources, Risk Management, and Operations. Employees further strengthened their expertise by

participating in industry conferences, which provided valuable insights and inspiration for driving innovation and sustainable business practices.

To support deeper engagement and specialized knowledge sharing, ESG specialists and members of the Bank's ESG task force became active participants in the ESG Club, allowing for consultations on highly specialized topics and the exchange of best practices and experiences with peers from various sectors.

In the Social dimension of ESG, the VUB Bank continued key initiatives aimed at fostering an inclusive and supportive work environment. These initiatives included Diversity, Equity, and Inclusion (DEI) Training for Ambassadors, 'First Aid for Mental Health' Program, Psychological Safety Program, Podcast Series: 'How to Feel Good' and Resilience Academy. In the Governance dimension, the VUB Bank reinforced compliance with regulatory and organizational standards through structured training programs and leadership development initiatives. Employees participated in mandatory training on Ethical Code principles, GDPR compliance, Workplace Safety and Fire Protection, Prevention of Money Laundering and Terrorist Financing (AML), Anti-Corruption Practices, Regulatory frameworks for foreign banks (embargoes), Fraud Detection, and Cyber Security. These programs ensure that employee behaviours align with the highest ethical and operational standards.

In 2024, the Bank introduced corrective mechanisms in its incentive system to reinforce the completion of mandatory training within the required timeframe and continued this practice in 2025. This measure strengthens accountability and ensures continuous compliance across all levels of the organization.

In total, 3,267 employees completed the mandatory trainings via both the LEA platform and VUB Academia.

As part of the Intesa Sanpaolo Group's Talent Management strategy, the VUB Bank actively participates in the 'Leader of the Future' program, which is designed to develop a new generation of managers and professionals with a strong international and cross-functional perspective. This initiative supports the objectives of the Group's 2022-2025 Business Plan, ensuring the continuous development of internal talent and the long-term sustainability of leadership capabilities. The program consists of two key initiatives: International Talent Program, three-year program aims to foster leadership potential and managerial skills through personalized learning paths (2 VUB employees participating), and Key People, initiative focusing on strengthening middle management by identifying and developing high-potential professionals for future leadership roles (6 VUB employees joined this program).

In addition to these key development initiatives, the VUB Bank also focuses on onboarding new employees and managers, as well as the development of senior managers. The Bank ensures that new hires are welcomed with a comprehensive introduction to the organization through immersive onboarding programs, while managers benefit from tailored adaptation plans to equip them with the necessary tools and knowledge for their roles. Furthermore, senior managers are provided with continuous professional development opportunities, including individualized coaching, participation in strategic forums or conferences focusing on fostering innovation and leadership within the Bank.

Comparison of training hours	2025	2024
total number of training hours (h)	164,045	170,228
training hours in digital mode (h)	123,965	126,083
employees which completed mandatory trainings via both the LEA platform and VUB Academia	3,267	3,411*

*The value for 2024 has been adjusted to the above. The original value of 3,331 represented the number of employees who completed mandatory training on the topic of Anticorruption and Bribery.

Health and safety

Policies related to health and safety

The occupational health and safety structure ensures the monitoring the risk of non-compliance regarding health and safety at the workplace in accordance with the Slovak legislation 124/2006 Coll.

The principles and procedures to be followed and applied to ensure a safe working environment are regulated by VUB in the following documents: Guideline to ensure occupational health and safety and Physical security architecture (reporting of incidents to the Management Board).

The purpose of documents relating to the Policies aim at formalizing, concretizing and disseminating the strong and shared values of integrity, excellence, transparency, respect for specificities, equity, value of the person and responsibility in the use of resources and the principles of conduct that govern the relationship with its stakeholders outlined in the Code of Ethics and the Internal Code of Conduct.

The VUB Group's rules on health and safety at work summarise the 'System of Tasks and Responsibilities', which

involves multiple parties based on specific professional skills or certain functions. These rules also identify the main activities related to the management of prevention in the workplace.

While the Bank has no certification with regard to international standards (e.g. ISO standards), in the field of occupational health and safety, by adopting the Intesa Sanpaolo Group Rules it has effectively implemented the main principles stemming from said standards.

The responsibility for implementation lies within the Head of Information security, antifraud, BCM, corporate and physical security Department. The policies are made available through Bank's intranet.

Engagement processes with own workers and their representatives

The VUB Group is committed to providing all employees with a safe working environment, ensuring compliance with occupational health and safety regulations, and fostering a culture of wellbeing. Mandatory training in occupational health and safety and fire protection is delivered through the local LMS VUB Academy platform and must be successfully completed with a final test and certification. In addition to mandatory training, the VUB Group also implements wellbeing and preventive initiatives aimed at supporting employees' physical and mental health. In addition to these mandatory trainings, specialized personnel participate in professional training programs and certification courses to stay informed about the latest safety requirements and best practices.

Beyond regulatory training, the Bank offers optional courses on First Aid and Protection Against Active Threats, allowing employees to voluntarily enhance their preparedness for emergency situations. In times of crisis, the VUB Bank also provides psychological support through expert consultations, ensuring that employees have access to professional assistance when needed.

To promote mental well-being in the workplace, the Bank has introduced the Mental Health First Aid program, creating a network of trained and certified employees who offer peer support. Additionally, one of the Bank's core educational initiatives is Psychological Safety Training, which is conducted at the team level, including managerial participation. This program aims to foster an inclusive and supportive work environment where every employee feels valued and accepted.

Through these comprehensive initiatives, the VUB Bank reinforces its commitment to employee safety, resilience, and well-being, ensuring a healthy and secure workplace for all.

Remediation processes with own workers and their representatives and channels to raise concerns

The management of material impacts on the VUB Group's employees in the area of occupational health and safety is regulated by specific internal procedures. These outline the approach to management of identified deficiencies through control activities and any corrective measures to be implemented.

These regulations also define the communication channels that are available to employees to receive information and communicate with the relevant health and safety functions. This process is managed and is the responsibility of the Security Officer function.

In addition to reporting under the Code of Ethics and whistleblowing, a channel is available to all employees to report risks and incidents through the Physical Security Office, as well as through trade unions.

Activities for monitoring and assessing risks to the employees in the field of occupational health and safety are in addition defined in Collective agreement, which also identifies the different structures responsible for these processes.

Targets related to health and safety

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to health and safety

In the area of occupational health and safety, VUB Bank has for many years implemented a wide range of initiatives that go beyond statutory requirements and place a strong emphasis on prevention, early diagnosis and the support of employees' overall physical and mental well-being. One of the most significant instruments is the International Healthcare Programme, which was renewed again in 2025. The programme offers employees with permanent employment contracts access to expert medical consultations in the form of a second medical opinion and, in the case of serious diagnoses, access to treatment at international centres of excellence, including full coverage of

treatment and related costs. The programme has also been expanded to include support in life-threatening illness situations, under which the Bank provides 100% income replacement during temporary incapacity for work, representing substantial support for employees during the most challenging periods of their lives.

An important element of health care provision is the regular organisation of Health Days, which take place several times a year at VUB and focus on various aspects of prevention. Employees have the opportunity to undergo basic health screenings, measure stress levels or benefit from professional skin mole checks. Special attention is also given to specific health topics—activities for women focus on breast cancer prevention, including education on self-examination techniques and discussions on menopause. In 2025, the entire month of November was dedicated to men's health, with a focus on testicular cancer prevention and related awareness-raising activities. Preventive support also includes free influenza vaccination directly at the workplace, which was extended to include vaccination against hepatitis A within the branch network, in response to increased incidence of the disease in certain regions.

As already mentioned, systematic care for mental health also plays a key role. VUB addresses this topic through the comprehensive 'Banka s dušou' (Bank with a Soul) programme, which integrates preventive activities, education and accessible forms of support. Each month, expert lectures and discussions are held in cooperation with the Employers' Coalition for Mental Health, creating space for dialogue on topics that significantly affect employees' lives and their well-being at work. Within the certified Mental Health First Aid programme, more than 5% of employees have already been trained to recognise signs of mental distress among colleagues and to guide them towards appropriate forms of professional support. A crucial element ensuring the accessibility of support is the free 24/7 assistance helpline, which employees can use anonymously at any time. In recognition of its activities in this area, VUB became the first bank in Slovakia to receive the prestigious Golden Souls Certificate awarded by the League for Mental Health.

Employee health care is further complemented by additional benefits. Through the Employee Discounts programme, the Bank facilitates preferential prices for medical aids, examinations and services aimed at supporting physical and mental fitness. Another important measure is the possibility to use additional days off in cases of short-term illness, allowing employees to recover without unnecessary stress and supporting faster regeneration of the workforce.

All of the above initiatives reflect the Bank's commitment to creating a working environment that supports not only physical health but also psychological safety. This is an essential component of an inclusive corporate culture, which the Bank actively promotes through the development of managers and team collaboration.

Metrics related to health and safety

By 31 December 2025, 100% of employees are covered by the Occupational Health and Safety Management System. For the VUB Group, the system follows the Intesa Sanpaolo Group Rules, which have been adopted by VUB.

The following table presents the main indicators regarding work-related injuries and fatalities that occurred in the VUB Group during the year.

	2025	2024
Percentage of people in its own workforce who are covered by the health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	8	6
	2025	2024 *
Rate of recordable work-related accidents for own workforce	1,52	1,11

*For 2025, we used a more accurate calculation of worked hours based on actual hours worked, taking into account vacation and paid leave. The year 2024 was recalculated using the updated, more accurate worked-hours calculation. The original reported value in 2024 was 0.82.

The number of recordable injuries includes both the injuries that occurred to employees at work and those in transit, based on the accident reports submitted.

The injury rate is calculated as the number of injuries in the year on the total hours worked, multiplied by a coefficient equal to 1,000,000.

VUB provides the Trade Union with an overview of all OHS relevant information (e.g. the number of work accidents, the number of robberies, the number of deficiencies at workplaces, the number of deficiencies removed, the opex

for protective personal work equipment, the opex for the elimination of deficiencies).

Work-life balance and working time

Policies related to work-life balance

In order to ensure a good balance between personal and professional life for its employees, the VUB Bank has established rules and policies that also serve to manage impacts, risks, and opportunities related to this issue. These are regulated through the Code of Ethics and the Working Hours Directive with the Smart Work Annex, both aligned with national and international standards for respecting human rights related to work-life balance (e.g., the Declaration on Fundamental Principles and Rights at Work).

The Code of Ethics, available on the company website for customers and external stakeholders, addresses the principle of conduct ‘respect for people’ and, among other objectives, aims to promote policies that facilitate the balance between personal and professional life. It encourages flexibility and implements initiatives to reconcile work and private commitments, recognizing that this balance is fundamental to the well-being of each individual.

The Rules on Flexible Work, as part of the Working Hours Directive with the Smart Work Annex, are available on the company intranet in the HR regulatory section of the #People portal. These rules summarize all current provisions related to flexible work and, together with the Code of Ethics, aim to facilitate employees' work-life balance. For example, VUB Bank introduced flexible work models, redesigned office spaces, and piloted a ‘short week’ with four nine-hour days. Smart Working 2.0 introduced the possibility to use flexible working arrangements also for specialised roles within the branch network. The responsibility for implementing the aforementioned policies and rules lies within the HR and Organisation Department Head and are made available to Bank’s employees through the intranet.

Policies related to working time

The VUB Group is committed to fostering a work environment that supports both professional achievement and personal well-being. The Bank recognizes that work-life balance is essential for maintaining motivation, productivity, and long-term engagement. To this end, VUB has implemented a structured approach that combines flexible working arrangements, respect for employees’ personal time, and a comprehensive leave policy. VUB’s approach to work-life balance is supported by clear internal regulations that define working time arrangements and leave policies. These guidelines are developed in alignment with legal requirements and best practices, ensuring transparency and consistency in their application.

The management of working time in relation to employee well-being is governed by the Working Time Directive, along with its annexes Occasional Work and Telework and Smart Work 2. These regulations outline the principles of flexible work arrangements and remote work opportunities, enabling employees to optimize their professional and personal commitments. All related policies have been reviewed and approved in consultation with the Council of Trade Union Representatives of VUB, a.s.. In addition to working time policies, the framework for employee holiday and additional free days is regulated by the Benefits Directive and the Collective Agreement. These documents define the conditions under which employees can access various types of leave, ensuring a structured and equitable approach to work-life balance across the organization.

All these directives, in compliance with the law, are consistently guided by the aim of avoiding any active or passive discrimination against the people of the VUB Group. By establishing clear guidelines and engaging in continuous dialogue with employee representatives, VUB reinforces its commitment to fostering a supportive and sustainable work environment.

VUB embraces Smart Work as a modern approach to work organization, allowing employees to perform their duties in a hybrid manner while maintaining efficiency and collaboration. This model is based on flexibility, mutual trust, and a results-oriented mindset, ensuring that employees can effectively manage their professional and personal commitments.

Key principles of Smart Work at VUB include:

Key principle of Smart Work at VUB	Description
Hybrid Work Opportunities	Employees can combine remote and in-office work to optimize productivity and teamwork, up to 100% time of remote work upon approval for 12 months.
Flexible Working Hours	Work schedules can be adjusted within reasonable limits to accommodate individual needs while ensuring business continuity.
Results-Oriented Approach	Performance is evaluated based on employees' outcomes rather than time spent at the workplace.
Right to Disconnect	Employees are not required to engage in work-related communication outside of designated working hours, except in urgent situations.

Additionally, the VUB Bank offers employees the option of a four-day work week as an alternative to the traditional five-day schedule. Employees at the headquarters and selected specialized roles in the retail network can flexibly choose on a weekly basis whether to work extended hours over four days (9.6 hours per day) or follow the standard five-day week (7.75 hours per day). This arrangement provides an additional day off each week, allowing employees to focus on personal activities and rest. Up to two-thirds of the workweeks in a year can be shortened.

The Bank also supports an extended working hours framework, where employees are required to complete their 7.75 hours of work per day but have the flexibility to distribute these hours according to their agreement with their manager, respecting fix time between 9.00 and 15.00 o'clock, or opening hours in the network. This means employees can work in blocks of time that suit their individual schedules, promoting greater autonomy and efficiency.

Furthermore, the VUB Bank allows employees to work from anywhere within Slovakia. This flexibility is particularly beneficial for those who may need to relocate temporarily or prefer to work from different locations for personal reasons.

To further support employees' well-being, VUB offers a structured leave framework that provides flexibility for personal and family-related matters. The Bank ensures compliance with applicable labour regulations while also offering additional benefits to promote work-life balance.

Types of leave available at VUB include:

Type of leave	Description
Annual Leave	Employees are entitled to a set number of paid vacation days, which can be scheduled flexibly.
Special Leave	Additional time off is available for parental responsibilities, family care, education, birthday celebration and personal matters.
Sick Leave	Employees are supported during health-related absences in accordance with legal and beneficial provisions; above that, the Bank offers up to 6 additional free 'Sick Days' to support physical and mental health.
Extra Free Days (paid and unpaid)	In addition to official public holidays, VUB grants additional days of in line with the Slovak legislation such as for purpose of wedding, funeral, reallocation etc.
Unpaid Leave and Sabbaticals	Employees have the option to take extended leave periods under specific conditions.

All leave policies are reviewed regularly to align with evolving business needs and legislative developments. Employees have access to up-to-date information through the company intranet, HR portal, dedicated Sharepoint site and supported by internal campaign to raise awareness of flexibility, ensuring transparency and ease of planning.

VUB continually invests in initiatives that promote a healthy and supportive work environment. This includes well-being programs focused on mental and physical health, professional development opportunities, and a workplace culture that respects employees' personal time.

By integrating flexible work arrangements with a comprehensive leave policy, VUB reaffirms its commitment to creating a sustainable and employee-centred work environment.

Human rights policy commitments

All internal regulations of the VUB Group governing flexible forms of work, smart working and access to employee benefits are implemented in full compliance with applicable human rights legislation and are designed to respect diversity and the varied needs of employees, without any form of discrimination.

Engagement processes with own workers and their representatives

VUB's industrial relations model adopted and developed by VUB, in agreement with the Council of Trade Union Representatives of VUB, a.s. (ROZ) also provides the basis for bilateral discussions related to well-being topics. For more details, see the section Employment protection and labour relations – Engagement processes with own workers and their representatives.

Additionally, the Smart Work framework was developed as an employee-driven initiative, ensuring that the needs and expectations of various employee groups were taken into account. The process began with a survey to

understand employee expectations, followed by an in-depth analysis of the specific needs of different target groups, such as parents, Generation Z, and senior employees. A dedicated working group, composed of employee representatives, then collaborated to design the framework, laying the foundation for its effective implementation.

Remediation processes with own workers and their representatives and channels to raise concerns

For matters relating to working hours, VUB Group employees can first contact their HR manager of reference as well as use a specific assistance section within the HR portal to receive technical assistance on the application of the relevant legislation. Additionally, employees have the option to independently use the various reporting channels made available to employees, i.e. the so-called active listening systems, which include:

- The formal report to their manager, to the Personnel Function or to the company figure of reference for personal matters;
- Whistleblowing, for further information please refer to the standard ESRS G1 – Business conduct, section Policies, objectives and actions related to protection of whistleblowers; all employees receive initial training on whistleblowing on their first day of employment, thereafter, they are required to complete a mandatory e-learning refresher course every two years;
- The other procedures dedicated to reporting to the competent structures, including specialised ones, any non-application or incorrect or discriminatory application of the legislation relating to the employment relationship (including that relating to working hours) with reference to particular thematic areas such as: the Code of Ethics, DE&I, sexual harassment, violations of the Employment regulation, etc.

The VUB Bank guarantees whistleblowers from any form of retaliation, discrimination or penalization and ensures maximum confidentiality, without prejudice to legal obligations.

The handling of complaints/reports by VUB Group's employees is set out in the relevant company regulations, including those dedicated to particular channels (see, for example, the Whistleblowing Policy) as well as in the Group's Internal Code of Conduct. This Code specifies the various ways in which employees can report violations, non-applications or discriminatory applications of the legislation concerning the employment relationship, including issues related to working time.

Targets related to work-life balance and working hours

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to work-life balance

The VUB Group supports work-life balance through measures that take into account the diversity of employees' life situations and individual needs. The aim is to create flexible working conditions, support recovery and contribute to the long-term satisfaction and performance of employees.

A core instrument is the Smart Work concept, which introduces flexible forms of work, including the possibility of reduced working arrangements. Employees may work in either a four-day or five-day working regime and can divide their working day into several time blocks according to their needs. The shared core availability time is set between 9:00 a.m. and 3:00 p.m., enabling better alignment of work responsibilities with private life. Smart Work also allows employees to work from anywhere within Slovakia, either in the form of occasional remote work (up to 10 days per year) or telework (up to 80% of working time performed remotely). VUB also enables 100% home office arrangements, which are reviewed annually to ensure the employee's health and well-being.

The VUB Group actively promotes planning and regular use of leave. In addition to statutory annual leave, employees have access to additional benefit days off, such as days for health care, a day for oneself and family, a birthday day off, or leave related to significant life events. Administrative burden has also been reduced in cases of medical appointments or accompanying a family member. Support for work-life balance is further reinforced through targeted internal communication and expert lectures.

As a preventive measure against burnout, the VUB Group offers the option of a sabbatical, providing employees with time for rest, recovery and personal development. Sabbatical leave may be taken after five years of service, for a duration of one to three months.

An important role is also played by the Care Lab prevention programme, focused on supporting healthy nutrition, physical activity, emotional well-being and family care. The programme offers practical tools and recommendations, including access to applications such as #stepbystep or Petit BamBou, which promote mental well-being and healthy

habits.

Employees may also draw inspiration from colleagues' experiences through the internal podcast *Ako sa mať dobre* ('How to Feel Well') or during internal wellbeing conferences, which provide a platform for sharing practical tips and proven approaches.

To support the reconciliation of work and family responsibilities, the VUB Group organises a children's summer camp for children up to the age of 13 during the summer months, helping employees arrange childcare during school holidays.

Support for a healthy lifestyle is further strengthened through sports activities, exercise sessions, lectures and discussions. Employees can benefit from discounts on sports facilities and recreational activities through benefit programmes such as MultiSport and UpBalance.

Employee benefits also include a recreation voucher, enabling employees to plan discounted stays focused on rest and recovery.

Training and Development Supporting Employee Well-being

As part of its commitment to employee satisfaction, VUB Bank provides a range of training programmes aimed at strengthening professional and personal resilience. A key initiative in this area was the 'Resilience Skills' training, made available to all employees in the form of 30-minute morning kick-off sessions focused on enhancing adaptability and stress management in the workplace, as well as a resilience programme for managers and teams offered on demand.

Learning activities also focus on developing leadership competencies that support the principles of Smart Work. As managers play a key role in overseeing employees' working time, well-being and the creation of a productive work environment, managerial training programmes included, in particular:

- managing hybrid teams to ensure efficiency and engagement in flexible working conditions;
- creating a psychologically safe environment that enables open communication and trust within teams;
- delegation and empowerment, encouraging employees to take responsibility for their work and fostering a culture of accountability;
- building autonomous teams and improving collaboration and decision-making at all levels.

Smart Work and work-life balance are closely linked to the effective use of digital technologies. VUB therefore implements a comprehensive programme focused on developing digital skills and the use of AI technologies, ensuring that employees can fully leverage modern tools for remote collaboration, efficiency and communication.

All of these well-being-related initiatives are aimed at creating positive impacts that ultimately lead to a significant improvement in employees work-life balance.

Privacy of the VUB Group's people

Policies related to privacy of VUB Group's people

VUB has always maintained a high and constant commitment to the protection of employees' and collaborators' personal data, ensuring the collection and processing of data in full compliance with current legislative provisions. The regulatory framework for the protection of personal data is Regulation (EU) 2016/679 (GDPR) which came into force on 25 May 2018, the new precepts of which have been assimilated by the Bank and formalised in the main internal governance documents consisting of the Group's Code of Ethics and the Group Internal Code of Conduct which define the conduct that the VUB Group's employees and collaborators are required to observe in order to ensure the correct data processing.

In addition, VUB also requires its suppliers to comply with the policies, regulations and standards relating to the protection of personal data, defining their subjective role in the processing activities, assessing the existence of the necessary guarantees, formalising the contractual conditions, and carrying out compliance and adequacy assessments. In particular, the GDPR has introduced the so-called principle of accountability which requires the owner of personal data to put in place regulatory, organizational and technological interventions to ensure that the processing of personal data takes place in accordance with and in the light of the criteria defined in the Regulation itself such as: privacy by design, privacy by default, appointment of the Data Protection Officer ('DPO'), privacy impact assessment, register of processing activities, subjective role of Third Parties and management of data breaches.

VUB also complies with local regulations in accordance with the provisions expressly provided for by them regarding the protection of personal data. VUB has issued specific Governance documents that give precise instructions on the

conduct that employees and collaborators must adopt to ensure the correct collection, use and protection of personal data, in compliance with current national and international legislation and the principles that guide personal data processing in the VUB Group. These requirements are set out in the Data Processing Policy of VUB.

The Policy defines the model for managing the risk of non-compliance with regard to the protection of the personal data of all natural persons with whom VUB interacts, outlining the general principles and setting out the roles and responsibilities of the corporate bodies and structures involved, the macro-processes of risk oversight and control, as well as the policy and coordination model of the VUB Group. It is promulgated in full compliance with external legislation, internal governance documents and in compliance with the provisions of the European Data Protection Board (EDPB), made up of representatives of the national supervisory authorities on the protection of personal data of the various European countries. It applies both to VUB and its subsidiaries. As a rule, it is reviewed on an annual basis and, before being approved by the Management Board, is subjected to a concordance process involving various company functions.

Pursuant to Article 37 of the GDPR, the Management Board also appoints the Data Protection Officer who, in carrying out his activities, is supported by the IT Security Officer (the Privacy Function in VUB is covered by DPO and IT Security Officer).

The Data Protection Officer, supported by IT Security Officer, is entrusted with the following tasks:

- Monitoring compliance with the GDPR;
- Prior verification of the compliance of new products, initiatives and services involving the processing of personal data;
- Risk assessment for the rights and freedoms of individuals when starting or changing any processing of personal data (Privacy Impact Assessment), in accordance with Article 35 of the GDPR;
- Evaluation of the subjective privacy role played by the Suppliers/Third Parties and drafting of the appointment letter;
- Management of customer requests regarding the exercise of the rights of data subjects;
- Management of feedback to the Data Protection Authority and data subjects following reports or complaints submitted to the Authority itself;
- Role of guidance, coordination and control over the companies belonging to VUB Group;
- Keeping and updating the Records of Processing Activities, as required by Article 30 of the GDPR, in which all the personal data processing activities carried out are tracked. It indicates the purposes of each processing, the method of data storage, the security measures applied and other information on the processing activities carried out;
- Assessment of non-compliance events and data breaches;
- Updating the list of third parties that process personal data of employees;
- Supervision of training courses on Privacy.

Data Processing Policy of VUB also details the topics and provisions relating to the activities carried out by all parties authorised to process data, providing precise operating instructions to comply with the provisions of the GDPR. The Policy applies to VUB and according to the guidance, coordination and control model VUB shall ensure that all its subsidiaries implement the ISP Guidelines on the Protection of Personal Data of Natural Persons and provides guidance on their coordination.

The internal regulatory documents, including the VUB Data Processing Policy, are published in a special internal VUB portal to which all employees and collaborators have access.

Engagement processes with own workers and their representatives

The adoption and governance mechanisms defined in the Code of Ethics are aimed at integrating company strategies, policies and procedures with ethical principles and values through the maximum sharing and dissemination of the contents of the Code itself, monitoring knowledge and awareness. As a rule, the involvement of workers takes place indirectly and is guaranteed through trade union representations and regulated by sector provisions and the protocol of Industrial relations.

In the area of privacy, employees are involved directly when the employment relationship is established, through the provision of the privacy policy by HR and Organisation Department and made available on the VUB website and VUB internal portal. As required by the legislation and the VUB Data Processing Policy, the information is drawn up in a concise, transparent, intelligible, easily accessible form and in simple and clear language to communicate to the data subjects the information necessary to ensure correct and transparent processing. If it is updated, the information is made available on the VUB website as well as in VUB internal portal in its new version and the data subject is asked to read it. All documents that fall within the scope of privacy protection are available on the VUB internal portal and can be consulted by all VUB Group employees at any time.

The effectiveness of the involvement of its employees is also assessed through the provision of compulsory training

courses administered in e-learning mode on data protection issues to allow staff to learn the regulations in practice and continuously update. At the end of the courses, a final test is scheduled and the Bank monitors both the completion rates and passing percentages.

Remediation processes with own workers and their representatives and channels to raise concerns

The VUB Group has adopted a model for the management of critical events that precisely defines the activities aimed at efficient incident management, providing for the involvement of different functions depending on the nature of the specific case. In this scenario, the Data Protection Officer manages non-compliance events by providing assistance and collaboration to ensure that actions are identified and implemented to eliminate or mitigate the effects of the event. If the event constitutes a data breach, the Data Protection Officer is called upon to assess the impacts in terms of concrete risk to the rights and freedoms of natural persons: if the risk is high, he notifies the Authority and, in the event of a particularly high risk, also notifies the data subjects.

VUB adopted specific Governance documents that give precise instructions on the conduct that employees and collaborators must adopt to ensure the correct collection, use and protection of personal data, in compliance with current national and international legislation and the principles that guide VUB Group, formalized in the Code of Ethics and in the Group's Internal Code of Conduct.

In 2024, VUB Data Processing Policy was updated, which outlines the model for managing the risk of non-compliance in the field of personal data protection by establishing the general principles and setting out the roles and responsibilities of the corporate bodies and structures involved.

Failure to comply with external or internal legislation relating to the protection of privacy by an authorised person will result in the activation of a process aimed at verifying the actual unlawful conduct. In the event of ascertained and unjustified violations, the departments in charge are always informed for the initiation of disciplinary proceedings which normally ends with the imposition of one of the measures provided for by the Disciplinary Code against the defaulting party.

In the event of reports relating to privacy issues or requests to exercise rights, data subjects may contact the Data Protection Officer, with the contact details both in the information provided to all data subjects and on the VUB website.

Requests can be transmitted electronically (email, certified email, or through a special form available on the website that transmits the request directly to the Privacy function) or on paper; in both cases, an adequate level of confidentiality and protection of data of data subjects involved is guaranteed. The monitoring of the receipt of requests is the responsibility of the Privacy function, which manages the reports and requests received and ensures their timely processing according to the terms provided for by the legislation.

As part of the integrated system of internal controls, the Control Functions carry out checks with different depths and periodicities, relating to the compliance of the activities with the regulatory requirements on the protection of personal data and the correct fulfilment of the measures issued by the Data Protection Authority on these issues. The results are reported to the Management Board.

In this context, the Chief Audit Officer carries out periodic audit activities defined, as well as on the basis of specific regulatory obligations on the subject, from a risk-based perspective, also taking into account the evidence reported by the other corporate control functions.

In general terms, the independent Internal Audit checks are aimed at ascertaining the completeness, adequacy and functionality of the data protection risk management model, reporting any irregularities relating to the processing of personal data to the responsible corporate structures, to the Data Protection Officer and reporting them to the Management Board. The Data Protection Officer, in compliance with the GDPR and the VUB Data Processing Policy, is responsible for preparing a report, at least annually, to report to the Management Board on data protection issues of particular importance. This commitment allows, through the adoption of appropriate measures, the mitigation of reputational and non-compliance risks in the context of the processing of personal data also with reference to the lawfulness and correctness of the processing, the purposes of the processing and the relevance, completeness and compliance with the principle of data minimisation of the data collected.

Targets related to privacy of VUB Group's people

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to privacy of VUB Group's people

Privacy supervision is ensured by the Data Protection Officer, identified according to the criteria of Article 37 of the GDPR and appointed by the Management Board and by the IT Security Officer.

The Data Protection Officer monitors, according to a risk-based approach, the risk of non-compliance by ensuring the application of the principles of Privacy by Design, i.e. data protection already in the initial stage of the project, and Privacy by Default, i.e. standard data protection, to ensure that the risk of non-compliance with privacy legislation is monitored both in the design or substantial modification phases of the processing of personal data, and during processing by adopting, by default, the appropriate technical and organisational measures to ensure an adequate level of security.

In 2025, awareness-raising activities aimed at Group's employees and relating to data protection issues continued. This awareness takes place through the provision of compulsory training courses in e-learning mode that include a final test and the provision of new modules to allow staff to learn the legislation in practice and continuously update. VUB and its subsidiaries monitor both the completion rates and passing percentages.

In addition to mandatory e-learning training, the Privacy Function provides training and education in data protection area to employees of individual departments and through the projects on which the Privacy Function works. This education is applied in practice in such a way that after writing a statement on individual cases or answering questions regarding data protection, the issue is explained. It always reflects on the understanding of the employees to whom the issue is explained and ensures that they understand the topic. For this purpose, if necessary, the principles of the GDPR in accordance with Art. 5, the legal bases in accordance with Art. 6 of the GDPR, the provisions relating to the e-privacy directive in the case of marketing processing issues, or other information related to the given project / statement are explained.

This ongoing training is repeated, and the results can be gradually seen. In the case of projects or questions to the Privacy function where the issue is similar or the same, the responsible employees have basic knowledge in the field of data protection and use the knowledge gained from previous communication.

ESRS S3 – Affected Communities

Interests and views of stakeholders

In 2025, we conducted a survey aimed at assessing the significance of impact among organisations supported by grants within the programmes of the VUB Foundation, with the objective of obtaining relevant feedback. At the same time, we collected unstructured qualitative feedback through sectoral meetings, conferences, individual consultations with organisations, as well as through our engagement in professional associations.

Materiality process on impacts, risks and opportunities and their interaction with strategy and business model

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks and opportunities within the ESRS S3 – Affected Communities are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of an analysis of the initiatives implemented by the VUB Group to support, protect and enhance the Community of the territory in which it resides and operates, as well as an analysis of the programs and controls put in place in order to minimize the negative impacts connected to the topic in question, with reference to its own operations and to the upstream and downstream value chain, in addition to an assessment of the risks linked to the aspects of the Community of the territory to which the VUB Group could be exposed.

VUB Group identifies affected communities as companies and individuals impacted by its operations, including customers and stakeholders benefiting from or influenced by its activities. The VUB Foundation further supports communities through targeted financial aid for social, environmental, and cultural initiatives.

For the purposes of impact materiality, the assessment of the identified impacts was conducted through interviews with internal structures and external stakeholders, as well as through a detailed qualitative-quantitative analysis, carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediable nature of the impact and probability). In particular, with reference to:

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	Qualitative drivers linked to initiatives supporting communities via protection/enhancement of their territory	Material Support for communities through the development of locally supported infrastructure and services (housing support, initiatives to promote access to food resources and hygiene/health conditions, economic and educational development and increased security of the territories)
Upstream Value Chain	Analysis of VUB Group's business context and supplier categories	-
Downstream Value Chain	Analysis of indirect impacts via VUB Group's portfolio exposures to sectors affecting community impact	-

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed using a dual approach, quantitative and qualitative, applied to the identified perimeters.

With reference to risks, the following analyses were conducted for the various reference perimeters identified with regard to:

Value Chain	Scope & Assessment Method	Identified Risks
Own Operations	An in-depth analysis via a survey and qualitative dialogue	Material Increased stakeholder trust resulting from the definition of targets on economic, social and cultural rights of communities
Upstream Value Chain		-
Downstream Value Chain		-

VUB Group focuses on supporting Slovak non-governmental and non-profit organizations, schools and leisure-time centres, as well as local municipalities, towns, and other public institutions. The Group's attention to the interests of communities is reflected in the importance attributed to the social needs of the community within the VUB Group strategy and the Intesa Sanpaolo Group 2022-2025 Business Plan. In this regard, the VUB Group has defined objectives to support communities, to address their social needs, combat inequalities and promote their social,

educational and cultural inclusion. The essential rights of every citizen, such as the availability of food and housing, access to care and medicines, and educational opportunities, including financial ones, are supported by the Intesa Sanpaolo and VUB Group through an extensive policy of investments in the community. The territorial initiatives have the dual objective of generating a positive impact, responding to the needs of stakeholders, and pursuing significant opportunities with a view to positioning themselves among the leading companies in terms of social impact, also through collaborations with Third Sector entities.

These initiatives, particularly those supporting vulnerable groups, have a meaningful impact across short, medium, and long-term horizons. VUB continuously assesses community needs to ensure its support effectively contributes to social well-being, reinforcing its commitment to ethical and responsible business practices.

No changes to material impacts, risks or opportunities have been identified in 2025, compared to 2024.

Communities affected by own operations

Policies related to communities affected by own operations

The VUB Foundation is a non-governmental organization focused on support within its strategic areas, one of which is the promotion of social objectives and initiatives in line with the values of the Intesa Sanpaolo Charitable Fund. It operates independently from VUB Bank's business activities, it receives funding primarily through the state's 2% tax allocation mechanism. In addition, the Bank contributes to the Foundation's initiatives by providing creative, design, and marketing services through subcontracted agencies, helping to promote its projects and increase their impact.

The Equator Principles (EP) are international guidelines to which the Intesa Sanpaolo and VUB Groups have voluntarily adhered since 2007, applicable to the financing of infrastructure and industrial projects that could have negative impacts on the environment and people. These pay particular attention to the consultation of local communities, the protection of the rights of indigenous peoples and the preservation of local cultural heritage.

These principles are based on the Performance Standards (PS) on environmental and social sustainability of the International Finance Corporation of the World Bank, and on its guidelines dedicated to Environment, Health and Safety (EHS Guidelines).

The Equator Principles Guidelines apply to financial products¹⁶ supporting the development of new projects issued by the VUB Group and are valid in all countries in which the Group operates and for all countries in which the Group carries out financing activities.

The function responsible for the implementation of the Equator Principles, responsible for reviewing and monitoring their application, is the structure that is organisationally located within Chief Risk Officer Area.

In addition to what is established by the Equator Principles, the Group also regulates these issues through internal policies such as Group Guidelines for the Governance of environmental, social and governance (ESG) risks and the Rules on ESG & Reputational risk clearing process. For further details on the Guidelines and the process mentioned above, please refer to the E1 standard – Climate Change.

The application of the Equator Principles includes assessing social risks, ensuring respect for the rights of local communities and indigenous peoples in the context of funded projects. The VUB Bank, in assessing the projects, assigns a risk assessment that takes into account the impacts on human rights and the potential critical issues related to the aspects considered by the IFC's Performance Standards (so-called sensitive issues) that specifically refer to respect for indigenous communities. Based on the risk assigned, in addition to providing the necessary documentation, the client is required to involve the community, indigenous peoples, workers and stakeholders through a continuous, structured and culturally appropriate process. In addition, the client is required to report assessments of the potential negative impacts and human rights risks identified, in accordance with the United Nations Guiding Principles. For projects affecting indigenous peoples, VUB's application of the Equator Principles requires that the client's engagement process ensures the project's development fully respects their human rights, dignity, aspirations, culture and livelihoods based on the natural resources. In addition, if mitigation and compensation measures are implemented, they will have to take into account the laws, institutions and customs of these communities.

The VUB Group not only provides financial support to community initiatives but also actively engages its employees in various projects, including volunteering, expert volunteering, donations, and collections, strengthening its commitment to social responsibility.

¹⁶ The EPs apply, regardless of the industrial sector in which the customer operates, to the financial products listed below when they are used to support the development of new projects and meet specific criteria: Project Finance Advisory Services, Project Finance, Loans to businesses linked to projects (Project-Related Corporate Loans), Bridge Loans, Refinancing and Acquisition operations linked to Projects.

The VUB Group, through its VUB Foundation, undertakes not only to comply with the relevant laws and legal norms of the Slovak Republic but also to go beyond the law and follow the principles that give an ethical dimension to its activities and outcomes.

The VUB Group selected three areas for the VUB Foundation to dedicate the financial and human resources effectively and achieve significant impact:

- Art and preservation of cultural heritage;
- Environment;
- Classical charity and philanthropy.

VUB Group's commitment to community rights

The VUB Group recognises its commitment to human rights through the Code of Ethics, which is also inspired by the main national and international guidelines on corporate social responsibility, including: the UN Universal Declaration of Human Rights; the Declaration on Fundamental Principles and Rights at Work (ILO) and other fundamental labour conventions, in particular the right of association and collective bargaining, the prohibition of forced and child labour, non-discrimination in employment; the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the anti-corruption principles established by the United Nations. This commitment is formally outlined in the Code of Ethics.

The VUB Group plays an active role primarily in Slovakia, with the Code of Ethics serving as a regulatory reference point for its relationship with local communities. The Code defines principles for addressing key impacts and opportunities, such as adequate housing, nutrition, and territorial development. It guides the activities of the VUB Group in promoting social cohesion, inclusion of disadvantaged groups, and protection of cultural and artistic heritage. Additionally, it defines commitments to third-sector organizations through partnerships that support social enterprises, solidarity, and economic support for local communities.

The principles apply to all initiatives dedicated to communities, youth, and vulnerable groups, as well as collaboration with voluntary associations, foundations, and non-profit entities.

Further information on the application of the Code of Ethics and its alignment with main existing national and international corporate social responsibility guidelines can be found in the standard ESRS G1 – Business conduct, section Policies related to corporate culture.

The Group also collects reports on all cases of non-compliance related to communities. In the reported year, no cases concerning the relevant communities were recorded. Additionally, no serious incidents in the area of human rights occurred.

VUB bases its relationship with the community on the principles of listening and dialogue with the various areas of civil society, in fact the Company encourages constant dialogue with community representative organisations, recognising their strategic importance for developing its activities in a sustainable way. For this reason, it undertakes to:

- Maintain a constant channel of communication with organizations representing the interests of stakeholders and promote a structured dialogue with the aim of cooperating in respect of mutual interests;
- Listen to and take into account the expectations and propositions expressed by the different components of civil society;
- Analyse needs and identify areas of intervention with a high social, cultural and civil impact for communities;
- Define actions consistent with the listening and dialogue activities developed.

With specific reference to the support of initiatives with social value, the VUB Group is engaged in charitable activities and charitable donations, which are based on the careful selection of beneficiary entities and contributions to the community, in particular regarding respect for human rights.

In line with its human rights commitments, the Group monitors compliance with OECD international guidelines and the principles enshrined in the ILO's core conventions, committing itself to protecting human rights in accordance with the principles of the Universal Declaration. The Group also collects reports on any episodes of non-compliance involving communities. No cases involving the communities concerned were detected in the reporting year. Furthermore, there have been no serious human rights incidents in this area.

Engagement processes with affected communities

The VUB Group carefully considers the opinions of the affected communities, supporting structured and continuous dialogue and discussion with stakeholders and community representatives, including entities of the civil economy operating in reference areas. All this is aimed at identifying areas of intervention and initiatives with high social, cultural, and civic impact, combating inequalities, and supporting young people and employability.

The Group's engagement with communities is carried out both indirectly through membership in dedicated professional associations, and directly through meetings, event organization, and through the activation of collaborations, partnerships, listening campaigns, and information exchange with local stakeholders. Additionally, the VUB Foundation serves as the primary vehicle for the Group's initiatives in these areas. The meetings and interactions do not have a set periodicity and are conducted continuously and on a need to basis.

The implementation of initiatives takes place in cooperation with third sector entities. Supported NGOs are required to submit a report detailing the project's implementation, including achieved qualitative and quantitative goals, along with a financial report documenting expenditures. Selected projects undergo additional monitoring through site visits to ensure alignment with agreed objectives.

The VUB Group and its parent company, Intesa Sanpaolo, ensure that affected communities and other stakeholders have access to confidential and secure channels to report concerns related to potential violations of the Code of Ethics. Reports can be submitted via dedicated email addresses (etickykodex@vub.sk or codice.etico@intesasanpaolo.com), with a guarantee of confidentiality and protection against retaliation.

At the local level, reports are handled by the Internal Communication & CSR Office, while at the Group level, the ESG Steering structure oversees the process. The Chief Audit Officer ensures the effective functioning of the reporting system. These mechanisms allow stakeholders, including employees, suppliers, and community members, to raise concerns, which are then assessed and addressed through established procedures.

The VUB Group ensures transparency by publishing information on the reporting channels on its corporate website and intranet portal. Safeguards are in place to protect whistleblowers from retaliation or discrimination. Each report is verified by the relevant structures, ensuring that concerns are addressed appropriately.

The Group protects anyone reporting cases of non-compliance in good faith from any form of retaliation, discrimination or penalisation, and ensures maximum confidentiality, except in cases otherwise indicated by law.

The Group promotes continuous listening and dialogue with its stakeholders, including communities, to ensure their expectations are understood and integrated into responsible decision-making.

Within the portfolio of the VUB Group the Bank receives specific documentation to support the performance of these engagement activities and monitors the correctness of the customer's actions with respect to the obligations connected to the application of the Equator Principles. If the communities impacted by the financed project need to report serious problems or negative impacts on them, the Bank interfaces directly with its customer to verify that the implementation and effectiveness of the necessary remedial measures is ensured.

VUB Group is committed to monitoring, analysing and appropriately addressing the reports that arrive through sharing reports or direct communications from non-governmental organizations or other entities acting as representatives of the communities concerned.

For further information on the Code of Ethics reporting channel, please refer to the standard ESRS G1 – Business conduct, Policies, objectives and actions relating to corporate culture.

Targets related to communities affected by own operations

The VUB Group focuses on qualitative rather than quantitative targets. Qualitative targets allow us to effectively direct assistance to where it is currently needed, without the limitations that strict quantitative targets might impose.

The VUB Group's support for territories and communities occurs through multiple methods, in terms of tools and initiatives.

In its 2025 strategy, the VUB Group aimed to strengthen support in all the pillar of Hope, focusing on charity and social assistance. As a result, a significant portion of the resources – 51% – as directed toward charitable initiatives, ensuring greater impact in assisting those in need.

Actions related to communities affected by own operations

Social impact on the community

The VUB Group, in collaboration with Third Sector Entities, promotes the well-being of communities through initiatives aimed at generating a positive impact. The purpose of the collaboration between the VUB Bank and the VUB Foundation, and non-profit organizations is to promote the well-being of communities and social inclusion and cohesion through initiatives aimed at generating a positive impact. The Bank and the Foundation thus demonstrate its commitment to inclusiveness, supporting projects that aim to combat poverty in its various dimensions, reduce inequalities and encourage youth employability and in general to promote sustainable and inclusive development. In this way, it offers concrete support to the communities involved, while helping to strengthen the Group's reputation.

The VUB Foundation is the key tool of the VUB Group for support of the affected communities.

Volunteer Days

VUB employees also contribute to various communities through the annual Volunteer Days initiative. In May 2025, 212 employees participated in volunteer activities across four Slovak cities, covering 16 different locations. Their efforts included:

- Cleaning national parks and protected areas;
- Maintaining hiking trails and rivers;
- Assistance work in a rehabilitation and family center;
- Supporting community gardens and vineyards.

Financial literacy and educational volunteering

VUB expert volunteers actively support financial literacy projects, educating primary and secondary school students in a field that is insufficiently covered by the national education system.

Key educational activities of 2025 in collaboration with Museo di Risparmio, Turin, Italy:

- Cybersecurity Lab: Internet and Payment Security Lectures: Focused on educating primary school students;
- Money Master Challenge: A financial quiz conducted in two series;
- S.A.V.E. Ambassadors: Promoted circular economy education for high school students.

These projects reached a total of 4,323 students, with the support of 95 VUB Bank colleagues acting as educators and mentors.

Charity allowance

VUB Group, through its Foundation, provided financial support to various charitable initiatives in 2025, with a particular focus on social assistance, education, and healthcare.

Commitment to culture

The VUB Group and the VUB Foundation are committed to promoting initiatives that enhance access to art and culture, recognizing the value that these elements bring not only to the individual, but to society as a whole. Through active collaboration with cultural bodies and institutions, the company aims to enrich the social context and promote the well-being of the community of reference, creating opportunities for dialogue, learning and collective growth.

The effectiveness of the actions undertaken is assessed through ongoing dialogue with the communities and stakeholders involved. The supported actions not only specifically respond to the needs of the communities in the respective areas but also represent an opportunity to enhance the reputation of the VUB Group.

As quantitative information on the actions towards communities impacted by the companies in the portfolio is not yet available or can be found, the VUB Group has not set specific objectives in this regard. However, monitoring the effectiveness of the actions undertaken is strictly connected with the application of the Equator Principles according to the methods described above.

ESRS S4 – Consumers and end-users

Interests and views of stakeholders

The VUB Group integrates the interests, views and human rights of its consumers and end-users into its strategy and business model through continuous dialogue, robust data-protection and consumer-protection measures, and systematic assessment of risks, opportunities and customer feedback.

Materiality process on impacts, risks and opportunities and their interaction with strategy and business model

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment. The impacts, risks and opportunities in the ESRS S4 – Consumers and end-users are identified by taking into account the specificities of the VUB Group. In particular, the mapping of such impacts, risks and opportunities was carried out on the basis of an analysis of the internal protection measures, policies and measures aimed at safeguarding/protecting and guaranteeing the confidentiality of customer data, also in order to minimize the negative impacts associated with the topic in question. This analysis was carried out with reference to its own operations and to the upstream and downstream value chain, as well as including an assessment of the risks and opportunities related to the aspects of consumers and end-users to which the VUB Group could be exposed.

As part of the double materiality analysis, the VUB Group has taken into consideration all categories of consumers and end-users, who suffer or could suffer significant impacts from the VUB Group itself and its products.

Consumers and end-users, who may be impacted in various ways, include institutional, corporate and retail customers, including private individuals.

The assessment of the identified impacts was conducted through interviews with dedicated internal structures and external stakeholders (i.e. surveys, questionnaires conducted with retail clients – Green Manifest and corporate clients – dedicated online ESG Questionnaire), as well as through a detailed qualitative-quantitative analysis, carried out on the basis of the criteria required by the reference legislation (i.e. scale, scope, irremediable nature of the impact and probability). In particular, with reference to:

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	qualitative drivers, including internal protection policies aimed at data confidentiality, and safeguarding customers' health and physical safety.	Material Contribution to the protection and safeguarding of customers through suitable safeguards (cybersecurity and health and safety measures, effective channels for involving and managing complaints, protection from possible bank robberies) Contribution to corporate integrity by ensuring the security of the Bank's IT and network systems for the benefit of customers through the implementation of cybersecurity policies and safeguards
Upstream Value Chain	in-depth analyses with dedicated structures	-
Downstream Value Chain	Considered consumer protection and safeguarding in product/service offerings (e.g., website accessibility, fair treatment, ethical business practices), and investment/financing criteria.	Material Protecting customer rights through easy and transparent access to clear and complete information Increased access to products and services also thanks to digital innovation, financial education and the definition of an offer to support the productive and economic fabric, in compliance with fair, inclusive treatment of all social categories and non-discriminatory treatment of customer Increased ease of access to quality and non-misleading information, including through ethical and transparent business practices Contribution to the protection and safeguarding of customers through suitable safeguards

Changes to materiality of impacts in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
New Material Impact	Privacy	own operation	Contribution to corporate integrity by ensuring the security of the Bank's IT and network systems for the benefit of customers through the implementation of cybersecurity policies and safeguards	Magnitude of the Risk increased for 2025, which made an identified risk material.

For the purpose of determining financial materiality, the relevance of risks and opportunities was assessed through a dual approach (quantitative and qualitative), in line with the standard perimeter-based methodology outlined above. The analysis determined that in the own operations, the operational risk related to privacy is significant. Consequently, a potential reputational risk stemming from this operational risk could have a material impact on the VUB Group's image over short- and medium-term time horizons.

Value Chain	Identified Risks
Own Operations	<p>Material</p> <p>Operational Risk from potential impacts related to information for consumers and end users</p> <p>Reputational risk from the limitation of access to clear and non-misleading information regarding the product/service offered, from the potential violation of privacy and from the limitation of the freedom of expression of customers and/or final consumers</p>

There were no changes to materiality of risk or opportunities in 2025 when compared to 2024 reporting period. The double materiality assessment did not reveal any mapped opportunities as material.

The VUB Group is committed to protecting customers' personal data in full compliance with legislation. A critical event management model mitigates reputational risks related to data processing, ensuring lawfulness, accuracy, and transparency. The Group values customer feedback, including complaints, to improve products and services. In this process, by allocating adequate capacity to evaluate each single input, the VUB Group is able identify characteristics, context and activities that may increase the risk of harm to certain consumers, ensuring that its offerings remain safe, accessible and respond to their needs.

The Group's commitment to human rights

The VUB Group is committed to upholding human rights across all products and services, ensuring fairness, transparency, and respect in its relationships with customers. These commitments align with the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, as embedded in the Code of Ethics, corporate regulations, and the Group's strategic framework.

To support these principles, the Group ensures the following:

- Ongoing dialogue with customers, consumer associations, and representative bodies to understand expectations and enhance financial inclusion;
- Protection of privacy and personal data, applying privacy by design principles, assessing risks, and ensuring compliance with national and international regulations;
- Non-discrimination, ensuring equal access to financial services regardless of gender, age, ethnicity, religion, political affiliation, or other personal characteristics;
- Security and data protection, implementing safeguards to ensure reliability, confidentiality, and business continuity;
- Timely response to queries and complaints, strengthening customer trust and service quality.

The Group also requires stakeholders to comply with its data protection policies and integrates human rights principles into its governance and business practices. Through these commitments, the VUB Group fosters ethical business conduct, minimizes risks, and strengthens long-term stakeholder trust.

The Group monitors compliance with the OECD Guidelines for Multinational Enterprises and ILO fundamental conventions, ensuring alignment with Slovak regulations and international human rights standards. It is committed to identifying, mitigating, and preventing human rights violations, guided by the Universal Declaration of Human Rights.

To ensure accountability, the Group has established reporting mechanisms for non-compliance. In the reporting year, no cases involving customers were detected, and no serious human rights violations occurred. These commitments are embedded in the VUB Code of Ethics, reinforcing fairness, transparency, and non-discrimination.

A compliance framework is in place to address privacy, security, and ethical concerns, ensuring transparency and fair treatment in all customer interactions and monitor incidents. During the reporting period, no severe human rights issues related to consumers or end-users were identified.

Information-related impacts for consumers and/or end-users

Policies related to Access to (quality) information and Freedom of expression

In the context of correct and transparent relationships between VUB Group and customers, the VUB Group ensures that information intended for customers is presented clearly and understandably at all stages of the relationship, through simple language, transparent information and the alignment of conditions within the different documents referring to the same product/service.

The main documents of the offer, drafted according to the requirements of clarity and comprehensibility, are present, in addition in the branch, also on the institutional website of the VUB Group, in the 'Information services' and 'Legal information', as well as dedicated product and service-related sections, which contain information sheets, specific guides and information documents of the conditions offered to the customers.

Respect for customer rights in all stages of the contractual relationship is also ensured through organizational and compliance control measures with the regulations on customer protection (e.g. consumer protection/investor protection), and through behaviours characterized by transparency and correctness in the marketing stage, contractual stage and during the relationship as well.

In the area of investments, the VUB Bank offers customers the high level of protection. With respect to transactions relating to financial products or investment services, personalized recommendations under investment advisory service are formulated that are consistent with the financial profile of the customer. In this sense, a system of specific rules is fully operational to which the VUB Bank's personnel must refer, in particular, Policy for providing advisory service and other investment services, which identify the behaviours to be followed, and the safeguards applied in the provision of the advisory service to customers and other investment services.

Furthermore, the drafting of this policy was carried out in coherence and alignment with the European Directives (MiFID II) and with the national regulatory framework for their implementation. Finally, this policy is available to employees through the VUB Intranet. The policy was approved by the Management Board and owner of the policy is the Compliance and AML Department.

Since MiFID II entered into force, the regulatory framework for investor protection has been significantly strengthened. VUB Group has therefore introduced requirements for the management of financial instruments, the professional competence of persons providing investment services and obligations to inform clients about costs, fees and incentives. The advisory model has been updated to also include sustainability (ESG) preferences in accordance with ESMA recommendations. Clients receive information on the ESG characteristics of financial instruments and these elements are part of regular reports. All new products, services and their subsequent changes go through the Product Governance process, in which the relevant departments of VUB Group are involved. The aim is to ensure that each product complies with legislation, has a clearly defined target group and that the interests of clients are protected.

The process includes the phases of concept, feasibility analysis, approval and follow-up monitoring. Compliance ensures that all internal and external regulations, including ESG criteria, are adhered to. Regular monitoring after the product is launched on the market verifies that the product still meets the target group and the defined parameters.

The Client Complaints Resolution Process is based on the principles of transparency, fairness and compliance with legislative deadlines. The Bank reviews all circumstances reported by the client and the conduct of the staff to ensure a fair resolution of the complaint. The procedure is published in the 'Legal Information' section of the Bank's website, along with information on how the client can file a complaint and within what time frame they will receive a response.

Subsequent assessments are based on legal regulations, internal rules and the principles of the Code of Ethics.

The Customer Care and Complaints Department submits a summary report at least once a year on the status of complaint handling, types of submissions, as well as the adequacy of processes and measures taken.

Freedom of expression – Customer engagement processes

The Group has adopted a service model focused on business areas, with an organizational structure that ensures coverage in Slovakia and in the Czech Republic where it operates. This model aims to enhance service quality through various channels, in order to make the commercial offer more effective for the different types of customers.

Customer satisfaction and the quality of the service offered are monitored and overseen by the structures that deal with Customer Satisfaction and Customer Experience in the various functions, with a focus on the VUB Bank.

In this regard, in order to ensure a high level of customer satisfaction, PR & Corporate Communication, together with parent company, and Retail and Corporate & SME Divisions, has developed a listening system, capable of promptly detecting areas for improvement and activating concrete actions. This system is based on these key tools:

- NPS (Net Promoter Score): Measures the customer's propensity to recommend the Bank in a concise and effective way through a survey aimed at specific segments;
- ECSI (European Customer Satisfaction Index): Measures the level of customer satisfaction with regard to the most important moments of their interactions with the Bank;
- ESG Pulse Check: A tool designed to provide a general overview of clients' strengths and weaknesses, to identify their 'ESG story', interests and needs.

All three surveys are performed with annual frequency.

In addition, the customer also has the opportunity to contact the Bank through the contact channels available in the specific section of Internet Banking and website 'Contact' and indicated in the information sheets provided to customers and in the contracts (email address, certified email, ordinary mail, fax).

The management of complaints, the drafting and updating of such documents and the contents of the site are regulated by specific internal regulations.

Effectiveness of the engagement is assessed through a trend analysis of NPS, ECSI and ESG Pulse Check results, leading to adjustments in survey methods and customer communication strategies. Heads of the Retail and Corporate and SME Divisions oversee the engagement processes and ensure that results are integrated into business and service strategies.

Freedom of expression – Remediation processes and channels to raise concerns

Complaints are managed through a dedicated internal procedures, which describes in full detail the whole process of handling complaints – starting from registering complaints (the client can file a complaint with the Bank in person through retail/corporate branches, by calling the digital branch, by filling out the contact form on the Bank's website or by e-mail at: kontakt@vub.sk or rieseniepodnetov@vub.sk), informing customer about taking the complaint for investigation, process of investigation with all involved parties, preparing the response with result of investigation for customer. Every complaint is held in 'complaint register' in complaints system. Via the complaints system it is possible to trace all the steps of the complaint management process and to monitor compliance with current legislation with reference to response times.

Each complaint is carefully investigated, taking into consideration all the facts the customer mentioned, and all the facts and data gained in the process of investigation. The response is prepared in simple, clear and understandable language, and transmitted promptly, in any case respecting the time periods provided by legislation. Upon receipt of the complaint, the customer receives a communication confirming that the report is being addressed of. If the in-depth information necessary for the preparation of the response makes it impossible to comply with the regulatory deadlines, the customer is promptly informed by means of specific communication.

At the end of the complaint procedure, the Bank sends the complainant a written response. This feedback always includes:

- If the complaint is deemed unfounded: A clear and exhaustive explanation of the reasons for the rejection;
- If the complaint is considered well-founded or partially founded: A description of the measures taken in favour of the customer, with detailed indications on the methods and times necessary for the recognition of any refunds or compensation.

For more information on the processes by which VUB Group promotes and supports the availability of channels for its clients to raise concerns, as well as the policies adopted to protect individuals from retaliation when using these channels, please see the standard ESRS G1 – Business conduct, section Policies related to corporate culture.

Targets related to Access to (quality) information and Freedom of expression

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to Access to (quality) information and Freedom of expression

One of the fundamental aspects of the culture of quality concerns the continuous process of improving the customer experience.

The VUB Group has therefore defined a series of actions, as well as policies, to protect the quality of the services provided, which allow for the implementation of continuous monitoring and addressing of the issue, allowing for the achievement of high standards in terms of quality of the services offered.

Furthermore, the VUB Group uses key tools such as the NPS and ECSI in its customer engagement process, as represented in the section Customer engagement processes, to monitor the effectiveness of its actions.

The Complaints Handling Office monitors customer complaints and repetitions. To promptly intercept any emerging phenomena, this structure sends regular reports to the identified business owners monthly, to receive feedback on the actions activated or to be activated to mitigate the critical issues encountered by customers.

The actions implemented include customer recontact initiatives, which allow the relationship to be strengthened, the NPS, ECSI and ESG Pulse Check data collected to be valorised and the risk of dissatisfaction and complaints to be reduced thanks to active listening. These actions are part of a continuous improvement cycle, with periodic reviews aligned with the VUB Risk Appetite Framework.

In 2025, the VUB Bank conducted Mystery shopping at its branches to gather valuable information about the quality of customer service. The survey was repeated a year later to assess improvements in the specified areas compared to the previous year. The results were positive; we achieved improvements in the client greeting phase and approach to the client. We also improved in offering additional products to clients. The results from the mystery shopping are a valuable source of information for the next year, so we can continue to improve our products and services for our customers.

Regarding the management of complaints, periodic training activities are carried out for both the staff of the Complaints Management Office and the network staff.

The Complaints Management Office prepares a regular report on the overall situation of complaints, disallowances, complaints to supervisory authorities and appeals to alternative dispute resolution bodies as well as the trend in customer complaints for the Management board on a semi-annual basis.

The dynamics of the complaints are also monitored monthly, to verify compliance with the early warning thresholds, defined on an annual basis in the VUB 'Risk Appetite Framework'. The processing times of the complaints are constantly monitored by the function responsible for overseeing compliance with the reference regulatory provisions and are reported in the aforementioned report, as well as reported in the following section Metrics – Response to customer complaints.

Complaint processing times are continuously monitored by the Complaints Management Office. Average resolution times are reported in the monthly complaint statement.

Metrics related to Access to (quality) information and Freedom of expression

Number of branches

The number of branches divided by segment/geographical area is shown below:

Geography	Segment	# of branches 2025	# of branches 2024
Slovakia	Retail	121	123
	Corporate	30	30
Czech Republic	Corporate	1	1

Response to customer complaints

Average times for resolving complaints are constantly monitored and are mostly in line with the deadlines set by legislation. The main reasons for the extension of deadlines are mainly the time needed to obtain expert opinions.

At the VUB level, they are represented below in four types of complaints – Investment Services, Insurance Services and Products, Payment Systems and Banking Services, whose average time for resolving a complaint in relation to the reference legislation is calculated using the average of the days between the date of resolution of the complaint and the date of its submission to the client. This time is calculated in calendar days (in this regard, it should be noted that the maximum deadline set by the reference legislation is set in calendar days, with the exception of payment services, for which business days are indicated).

Type of complaint	Average processing times (calendar days)		Maximum deadline provided for by the legislation (calendar days, working days for Payment Services)
	2025	2024	
Banking services	10	9	60
Investment services	14	14	45
Insurance services and products	11	13	15
Payment systems	12	10	60

Surveys in the bank are an important tool for obtaining feedback from customers with the aim of improving products and services. Surveys are carried out in the form of online questionnaires, telephone interviews and focus groups. We carry out ad hoc surveys, surveys in cooperation with the parent company, but also through external research companies. Based on the survey results, VUB Bank implements the necessary changes, such as product adjustments, improved customer service or new marketing strategies.

Policies related to Privacy

The VUB Group is committed to ensuring the highest level of protection for customers' personal data and assets, maintaining compliance with Regulation (EU) 2016/679 (GDPR), national laws, and anti-fraud frameworks. The Group's Code of Ethics outlines the principles and values on which the Group basis its choices and activities, Internal Code of Conduct defines the conduct that the Group's employees and collaborators are required to observe to ensure the correct processing of data, Group's Data Processing Policy defines governance principles for privacy risk management, while the Fraud Risk Charter outlines measures to prevent fraud related to payment cards, remote services, and personal data misuse.

To uphold these commitments, VUB:

- Monitors compliance with external and internal regulations, including GDPR, the European Data Protection Board (EDPB) guidelines, and ISP Group's governance frameworks;
- Implements safeguards such as privacy by design, privacy by default, and fraud detection systems to protect customer data and assets;
- Conducts regular risk assessments, internal audits, and compliance reporting to identify and mitigate potential risks.

These policies apply to VUB and its subsidiaries, covering all personal data processing and fraud risk management activities. The Group also ensures supplier compliance, requiring third parties to adhere to strict data protection and security standards.

The Data Protection Officer (DPO) supported by the IT Security Officer, oversees privacy protection measures. The Chief Operating Officer is accountable for cybersecurity and fraud prevention, ensuring the Fraud Risk Charter is implemented and regularly updated.

VUB's customer protection policies align with internationally recognized standards, including:

- GDPR (Regulation (EU) 2016/679);
- European Data Protection Board (EDPB) guidance;
- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights;
- ILO Fundamental Conventions;
- Payment Services Directive (PSD2) in relation to fraud prevention.
- Privacy and Electronic Communications Directive 2002/58/EC and its implementation into the Slovak legal order through Act No. 452/2021 Coll. on Electronic Communications.

VUB integrates customer rights and security into its policies by ensuring transparency in data processing and customer communication, providing effective complaint resolution mechanisms, and implementing fraud prevention measures to enhance digital trust and financial security.

The Data Processing Policy and Fraud Risk Charter are available internally via the company intranet and are regularly updated. Customers can access Claim Guidelines and privacy-related information on the Bank's website, including details on how to submit queries and complaints.

The VUB Bank enforces GDPR compliance through structured governance processes that ensure continuous monitoring, risk management, and accountability (for example trainings and regular audits). Furthermore, the Bank has established internal disciplinary mechanisms, in line with the ISP Group framework, which among others include the processes of investigation and implementation of remediation actions.

Privacy – Human rights commitments

According to Article 8 of the Charter of Fundamental Rights of the European Union, *'Everyone has the right to the protection of personal data concerning him or her. Such data shall be processed properly for specified purposes on the basis of the consent of the person concerned or on another legitimate basis laid down by law. Everyone has the right of access to data concerning him or her which have been collected and the right to have them rectified. Compliance with these rules shall be subject to control by an independent authority.'*

Based on the above, other legal regulations have been adopted that expand this right in a more detailed manner, including, for example, the General Data Protection Regulation and Directive 2002/58/EC and its implementation into the Slovak legal order in the form of the Electronic Communications Act No. 452/2021 Coll. These legal regulations define in more detail the rights of natural persons referred to as data subjects, whether they are clients, employees, or any persons concerned by the right to privacy and protection of personal data.

The rights relating to privacy and protection of personal data themselves are enshrined primarily in the principles of these legal provisions. Articles 12-22 of the General Data Protection Regulation No. 2016/679 enshrine the rights of natural persons relating to transparency, as well as other requirements in relation to personal data processed about them. Natural persons have the right to request from those entities that process personal data about them information to a specified extent, or to request the deletion of this data unless there is a legal or other justified requirement for their further storage, and they also have the right to object to the processing of this data, or to their transfer or restriction.

Directive 2002/58/EC as well as the Electronic Communications Act reflect modernization and newer technologies and therefore regulate privacy from the perspective of requirements for the processing of cookies and regulate more detailed rules for the marketing processing of personal data of natural persons and their addressing for this purpose.

Privacy – Customer engagement processes

The VUB Group makes the privacy policy available to all natural persons with whom it interacts. In fact, the privacy policy for customers is available on the VUB Group's website, which provides all the information necessary to ensure correct data processing. These include the categories of data processed, the purposes and legal basis of the processing, storage times, the recipients of the data, the rights of the data subjects and the methods of exercise, as well as the DPO's contacts.

A special privacy policy was designed for the users of VUB mobile application, as well as users of DSS mobile application 'Dôchodok (Pension)'. All the information necessary is therefore available directly in the mobile application. For customers interacting with the Bank in branches, privacy policy is available in branches.

In the event of reports relating to privacy issues or requests to exercise rights, data subjects may contact the Data Protection Officer, using the channels described in the paragraph Remediation processes and channels to raise concerns.

Privacy – Remediation processes and channels to raise concerns

The VUB Group has adopted a model for the management of critical events that precisely defines the activities aimed at efficient incident management, providing for the involvement of different functions depending on the nature of the specific case, contributing to the mitigation of reputational risks related to the processing of personal data, also with reference to the lawfulness, correctness and purpose of the processing, as well as relevance, completeness and non-excess of the data collected.

In this scenario, the Data Protection Officer manages non-compliance events by providing assistance and collaboration to ensure that actions are identified and implemented to eliminate or mitigate the effects of the event. If the event constitutes a data breach, the Data Protection Officer is required to assess the impacts in terms of concrete risk to the rights and freedoms of natural persons: if the risk is high, he/she notifies the Data Protection Authority and, in the event of a particularly high risk, also notifies the data subjects. For more details on this, please refer to the Metrics related to customer privacy section.

In 2024, the VUB Data Processing Policy was updated to outline the model for managing the risk of non-compliance with regard to the protection of personal data, establishing the general principles and setting out the roles and responsibilities of the corporate bodies and structures involved.

In the event of reports relating to privacy issues or requests to exercise rights, data subjects can contact the Data Protection Officer, with the contact details both in the information provided to all data subjects and on VUB Bank and VUB Generali website.

Requests can be transmitted electronically (email, certified email, or through a special form available on the website that transmits the request directly to the Privacy function) or on paper. In both cases, an adequate level of confidentiality and protection of the data of the data subjects who use it is guaranteed. The monitoring of the receipt

of requests is the responsibility of the Privacy function in charge, which manages the reports and requests received and ensures their timely processing according to the terms provided for by the legislation.

The careful and timely management of requests to exercise rights is of crucial importance to consolidate the relationship of trust and address critical situations. VUB has structured itself to respond quickly to customer requests in accordance with the requirement set out in Article 12 of the GDPR, which requires the data controller to take appropriate measures to provide the data subject with all information relating to the processing, without undue delay and, in any case, at the latest within one month of receipt of the request itself, or within two months in the cases envisaged, informing the data subject.

VUB treats data subjects who lodged a data subject request according to GDPR fairly. The response to the requests is provided free of charge while Article 12 of the GDPR allows the data controller to charge a reasonable fee taking into account the administrative costs of providing the information or communication or taking the action required where requests from a data subject are manifestly unfunded or excessive, in particular because of their repetitive character.

As part of the Integrated System of Internal Controls, the Control Functions carry out checks with different depths and periodicities, relating to the compliance of activities with the regulatory requirements on the protection of personal data and the correct fulfilment of the provisions issued by the Data Protection Authority on these issues. The results are reported to the Management Board.

In this context, the Chief Audit Officer carries out periodic control activities that are defined based on specific regulatory obligations on the subject, from a risk-based perspective, also taking into account the evidence reported by the other corporate control functions.

In general terms, the independent Internal Audit checks are aimed at ascertaining the completeness, adequacy and functionality of the data protection risk management model, reporting any irregularities relating to the processing of personal data to the responsible corporate structures, to the Data Protection Officer and reporting them to the Management Board.

The Data Protection Officer, in compliance with the GDPR and the guidelines, has the task of preparing a report, at least annually, to report to the Management Board on data protection issues of particular importance. This commitment allows, through the adoption of appropriate measures, the mitigation of reputational and non-compliance risks in the context of the processing of personal data also with reference to the lawfulness and correctness of the processing, the purposes of the processing and the relevance, completeness and compliance with the principle of data minimisation of the data collected.

For more information on how the VUB Group promotes and supports the availability of channels for its clients to raise concerns, as well as the policies adopted to protect individuals from retaliation when using these channels, please see the standard ESRS G1 – Business conduct, section Policies related to corporate culture.

Targets related to Privacy

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to Privacy

The VUB Group has prepared a series of policies and actions to protect customer data, which allow for continuous monitoring and addressing of this issue, allowing for the achievement of high standards in terms of customer protection, even without a precise definition of quantitative and measurable targets.

In addition, the Group has equipped itself with a model for the management of critical events that the activities aimed at efficient management of incidents and solutions that provide for continuous analysis of the events that have occurred and threats, using metrics to evaluate the performance and effectiveness of its actions (represented in the sections Metrics related to customer privacy and Metrics related to anti-fraud customer protection).

Privacy supervision is ensured by the Data Protection Officer, identified according to the criteria of Article 37 of the GDPR and appointed by the Management Board, and by the IT Security Officer.

The Data Protection Officer monitors the risk of non-compliance using a risk-based approach, ensuring the application of the principles of Privacy by Design and Privacy by Default. This involves integrating data protection into the design and substantial modification phases of personal data processing, as well as during the processing

itself. By adopting appropriate technical and organizational measures by default, the Data Protection Officer aims to maintain an adequate level of security and monitor compliance with privacy legislation effectively.

In 2025, awareness-raising activities aimed at VUB Group employees and relating to data protection issues continued. This activity takes place through the provision of compulsory training courses in e-learning mode that include a final test and the provision of new modules to allow staff to learn the legislation in practice and continuously update. VUB monitors the percentage of use of the courses and the passing of the related tests.

In 2025, monitoring of third parties continued, through the administration of self-assessment questionnaires distributed to individual suppliers. Overall, the activity recorded a positive outcome with most suppliers obtaining a medium/high level of supervision.

In 2025, the periodic updating of the Records of Processing Activities continued.

In relation to the activity of guidance, coordination and control special meetings with the representatives of the Privacy function of Intesa Sanpaolo were held which were dedicated to the presentation of privacy processes, the discussion of relevant issues and the sending and analysis of periodic information flows. In relation to the activity of guidance, coordination and control, special meetings with the representatives of the Privacy function of VUB were held for individual VUB Group entities.

The fraud trend in 2025 highlights the use of increasingly advanced and complex techniques by fraudsters, including:

- Frauds involving the use of mixed techniques of Phishing and Social Engineering aimed at stealing customer data in order to carry out fraudulent provisions, mainly impacting Retail customers;
- Fraud perpetrated through the use of malicious software (Malware), especially to allow NFC tunnelling;
- Fraud, i.e. manipulations carried out by the fraudster to the detriment of the payer in order to induce him to carry out a payment transaction in favour of a beneficiary that he considers legitimate but which later turned out to be fraudulent;

To combat the above-mentioned fraudsters, the Bank uses specific solutions which, in summary, provide for continuous analysis of events and threats to understand the risks and types of fraud in order to increase the ability to detect and prevent the phenomena; and initiatives and limitations to protect the customers most at risk. The main activities that were carried out during the year include:

- Carrying out a behavioural analysis (Behavioural Customer Monitoring – BCM) which assesses the riskiness of the Client's transaction based on its financial habits. This activity will continue in 2026;
- Implementation of a solution that progressively eliminates the use of SMS in favour of QR code and deep link that are more complicated to be stolen by fraudsters;
- Conducting an analysis of fraudulent phenomena with monitoring and insertion of ad-hoc rules aimed at preventing the malicious action of fraudsters (Rules Optimization);
- The initiative for implementation of data analytics logics and the use of machine learning and AI tools in collaboration with the parent company. These activities will continue in 2026.
- Participation on common initiative to implement solution allowing data exchange related to fraudulent operations among Slovak banks under Slovak Bank Association
- Various activities and campaigns in media to increase clients awareness about current frauds and scams schemes

For more details on blocked fraudulent transactions, please see the Metrics related to Privacy (Fraud prevention) section.

Metrics related to Privacy

In 2025, 4 cases of loss or theft of VUB customer data were reported to and assessed by the VUB Data Protection Officer (4 case also reported in 2024). The cases assessed were confirmed as data incidents and were handled in accordance with VUB Data Processing Policy. Following the full analysis of the cases, measures were taken to prevent similar cases in the future.

Metrics related to Privacy (Fraud prevention)

During 2025, in the face of attempted attacks involving the financial system, Bank stopped fraudulent transactions for approximately 2,7 million euros for private and corporate customers. Thanks to the countermeasures taken, fraud rate was at 0.0016% in 2025.

fraudulent transactions blocked	
2025	2024
2.7 mln/€	2.5 mln/€
fraud rate	
0.0016%	0.0017%

Personal safety of consumers and/or end-users

Policies related to Health and safety (including security of a person)

The protection of the safety of customers, their assets and their information is not only a primary duty of the VUB Group but is also the basis of the relationship of trust that we want to continuously develop over time, as required by the Code of Ethics.

VUB protects the right to health and safety of people, including customers or suppliers, by acting on two distinct but complementary levels. Operational Health and Safety (OHS) at the VUB Group is implemented on operation level (operational safety of premises – against injuries such as falls, slips and others), as well as for external incidents (bomb threats, robberies and others).

To this end, VUB Bank has issued internal guidelines – Guideline to ensure occupational health and safety and Incidents in physical security, issued by Logistics Department. The aforementioned internal regulations are inspired by the constitutional principles and regulatory provisions that underline the value and dignity of work and of the person and are published on Bank's intranet.

Health and safety (including security of a person) – Customer engagement processes, Remediation processes and channels to raise concerns

Among the principles and reference values of the Code of Ethics, the value of the person stands out: the Group takes care of the health and safety of people for the purpose of a professional experience that respects physical and psychological well-being.

In particular, the VUB Group protects the health and safety of all the people who work and pass through it by implementing operational rules and technological security measures, supported by information and culture dissemination tools on the subject. The protection of people is essential and therefore the issues of corporate and physical security play an indispensable role, regulated by specific guidelines and internal rules that also protect customers, allowing everyone to operate in full effectiveness, efficiency and safety.

To this end, the Code of Ethics provides for the possibility of sending reports of alleged non-compliance with what it establishes also by customers through a specific email address, ensuring timely feedback on questions and complaints and aiming for a substantial and not formal resolution of disputes

Specifically for physical safety, the VUB Group identified a series of actions aimed at overseeing and monitoring the health and safety of the customers in VUB premises, as explained in the dedicated section. In the case of Operational Health and Safety incident, it is also reported to and dealt with the appropriate function – Physical Safety. The Head of Physical Safety Office ensures engagement with customers on health and safety matters. The effectiveness of engagement is assessed through incident reporting, internal evaluations, and follow-ups on customer safety concerns.

For more information on how the VUB Group promotes and supports the availability of channels for its clients to raise concerns, as well as the policies adopted to protect individuals from retaliation when using these channels, please see the standard ESRS G1 – Business conduct, section Policies related to corporate culture.

Targets related to Health and safety (including security of a person)

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to Health and safety (including security of a person)

The VUB Group has prepared a series of policies and actions to protect customer health and safety, which allow for continuous monitoring and addressing of this issue, even without a precise definition of quantitative and measurable targets.

With regard to actions aimed at the safety of personnel and assets, but which also have a potential indirect effect on customer protection, the VUB Group develops its actions starting from risk analysis, an activity conducted by the function responsible for corporate and physical security, on the basis of the applicable regulation.

These analyses allow the definition of prevention strategies and adequate measures, ranging from training and organizational interventions to the use of advanced technological solutions.

Evaluating the effectiveness of actions is an integral part of the process. The VUB Group tracks data relating to all criminal events, committed and attempted, on the Slovak and Czech Republic territory. The data for the current year show substantial stability in these events compared to previous years, demonstrating the positive impact of the measures adopted.

Additionally, in 2024, the VUB Bank, in cooperation with the Slovak Banking Association and the Police Force, introduced the categorization of email threats. Three categories of threats and corresponding countermeasures for the banking sector have been defined. The aim is to respond appropriately to threats and thus protect employees and clients.

Social inclusion of consumers and/or end-users

Policies related to products and services, Non-discrimination and Responsible marketing practices

The VUB Group is committed to building relationships with its customers based on trust and meeting their expectations, offering high-quality products and services, with an approach based on constant listening and dialogue. The VUB Group values inclusion and accessibility, avoiding any form of discrimination and promoting solutions suitable for all social groups.

Access to credit and financial inclusion are fundamental tools for social progress. The VUB Group is committed to supporting vulnerable customers and encouraging the creation of new entrepreneurial activities, promoting economic and social growth in the countries in which it operates, supporting innovation, ecological and digital transition, and the development of sustainable projects.

With the launch of specific initiatives, the VUB Group also aims to promote gender equality and inclusion, recognizing the social and productive value of the role of women in the economic context. Initiatives such as these, aimed at reducing inequalities and supporting equality, contribute to strengthening the Intesa Sanpaolo Group's role as a point of reference in social sustainability at the European level.

Furthermore, the VUB Group is committed to ensuring an inclusive and personalized experience for its customers, promoting the use of digital channels and ensuring a transparent and proactive consultancy service.

The Intesa Sanpaolo Group 2022-2025 Business Plan is in line with what is outlined above. The Intesa Sanpaolo and VUB Groups have reaffirmed their commitment to create sustainable and inclusive economic values, allocating significant funds to social lending to facilitate access to credit for vulnerable categories.

On the basis of specific internal VUB Group regulations relating to credit products and credit transactions classified as 'sustainable', this paragraph illustrates products and offers related to sustainability. These include, for example, loans to support socio-economic advancement and empowerment. These internal regulations apply to VUB Bank, as well as the Group's companies (as applicable).

The definition of products and services aimed at customers is the result of a collaborative process between various departments and regulatory principles, with the aim of ensuring respect for rights, transparency, and privacy. These departments are called upon to evaluate and validate the proposals of product/service owners, ensuring that they comply with internal regulations and processes.

Credit products and transactions are defined according to specific classification processes, which include the assessment of the purposes of the underlying investment, as well as any applicable conventions, covenants, and KPIs, distinct for each Business Division. These products and credit transactions are carried out in accordance with the ESG framework, which provides for specific classification categories, including 'social sustainability'. In particular, credit products are classified as sustainable when they are recognized as such by special working groups and approved by the Credit Risk Governance Committee, while credit transactions can be classified as sustainable if one of the following conditions is met:

- The credit intervention is intended for investment in a specific economic activity falling within the classification categories;
- The credit intervention involves the achievement of sustainability objectives, linked to specific KPIs, which are in line with the company's sustainability strategies.

The sustainability attribute is assigned during the investigation phase. After the disbursement of the loan, verification and monitoring of the sustainability attribute, if relevant, is conducted by the operational and business functions for the entire duration of the loan.

The VUB Group considers investments to be a priority as well, with a view to offering opportunities to its customers, providing specialized solutions through dedicated business units that meet the needs of investments and private banking. The Bank and VUB Generali are committed to the offer of innovative financial products and services, together with increasingly targeted ESG advice, to support informed investment decisions and promote sustainable well-being for families and businesses in the long term.

Access to products and services, Non-discrimination and Responsible marketing practices – Customer engagement processes

The VUB Group is committed to promoting clear and transparent access to its channels, encouraging customer awareness in economic and financial management. Through organisational structures and in collaboration with trade associations, it develops products and services capable of responding to the needs of customers in continuous evolution.

To best respond to customer needs, advanced listening tools are adopted, deepening emerging needs and assessing the level of satisfaction with existing products and services to maintain an offer that is always in line with the expectations of companies and individuals. In the design of agreements, loans, and other initiatives in favor of customers, moments of direct engagement with beneficiaries are organized, integrating feedback and suggestions to continuously improve their initiatives. By way of example, the Bank helps organize and participates in various conferences, seminars, and workshops with clients, facilitating both face-to-face and remote sessions to discuss and better represent the non-economic effects of the interventions implemented by the VUB Group.

The analysis of end-customer needs is based on market surveys (e.g. Eurostat) and the support of research institutes with specific focus groups.

From the product design stage, customer behaviour and market benchmarks are analysed to identify potential needs. Annual customer satisfaction surveys and ongoing customer experience surveys following interactions at physical and digital locations highlight areas of satisfaction and dissatisfaction, allowing immediate action to be taken to optimize the offering.

Listening to customers is enriched by the contribution of feedback from branches, who provide feedback on processes and services, suggesting improvements for a more immediate usability and a more transparent relationship.

Customer engagement is overseen by the Management Board members responsible for Retail, and Corporate and SME Division, ensuring insights inform the Bank's approach.

Access to products and services, Non-discrimination and Responsible marketing practices – Remediation processes and channels to raise concerns

The VUB Group maintains a constant dialogue with customers to guarantee an excellent service. Each customer has the opportunity to submit a complaint in different ways, such as the online format, paper mail, or e-mail, through the Call Centre. Timely and careful handling of complaints is crucial to building trust and resolving any critical issues. The regulations in force require that the Customer Complaints function in charge provide periodic information, on the management of selected client complaints and the effectiveness of the procedures adopted.

Furthermore, the Code of Ethics provides for the possibility of addressing reports of alleged non-compliance with what it establishes also by customers through a specific email address, ensuring timely feedback on questions and complaints and aiming for a substantial and not formal resolution of disputes.

Targets related to Access to products and services, Non-discrimination and Responsible marketing practices

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

While the VUB Group did not set any specific quantitative targets for 2025 year related to social inclusion, it actively contributed through its incentivized financing to social and environmental sustainability and is committed to enhancing and expanding its offerings in the future.

Actions related to Access to products and services, Non-discrimination and Responsible marketing practices

The VUB Bank repeatedly launches campaigns for its products, which can be supported by favourable financing if project/loan is provided for sustainable purposes, or if specific sustainability KPIs are used. Through campaigns, the clients are made aware of the ESG theme, the options for transitioning to a sustainable business, and is provided with advice and discounted financing according to their specific needs.

Likewise, corporate sector conferences such as ATLAS or conferences for specific sectors (AGRO, Municipality, etc.) are regularly organized, where clients are informed about the trends in sustainability, the need for transformation, they are familiarized with the various surveys, market opportunities as well as product offerings in the field of sustainability.

The VUB Bank provides targeted financial support through products designed to enhance social inclusion. The social aspect of these products is defined by fulfilling specific sustainability features, such as submission of relevant documentation or by meeting clearly defined conditions or criteria (e.g., client's age). Within this scope, targeted groups include young clients purchasing their first home or clients with children.

Mortgages for young clients benefit from reduced interest rates in the initial repayment period, supporting financial accessibility for younger demographics. Due to strong demand, additional sales incentives for this product are currently not required.

Mother loans offer favourable interest rates and fee structures to support parents facing increased childcare expenses when returning to work. These products are structured to provide financial relief and encourage long-term financial stability for eligible clients.

As regards the SME and Corporate clients, the VUB Bank provides a wide range of credit products, with the aim of helping to find solutions in the ESG field. In relation to social inclusion issues, VUB can provide loans based on rules of sustainable credit transactions in areas such as: Affordable Basic Infrastructure, Access to Essential Services aimed at infrastructure of the communities, access to education & culture, proper integration of disadvantaged groups, Affordable Housing, Job creation and preservation, Food Security and sustainable food systems including reduction of food losses and resilient agricultural practices, waste, socioeconomic advancement, projects focused on vulnerable groups etc.

With a focus on community support or employee well-being, VUB offers the S-LOAN loan with a preferential interest rate (details below).

The VUB Bank supports EU targets through Bridge Loans with EU Funds, helping SMEs and corporates access non-repayable financial contributions for social projects within the current operational programs/instruments. The main objective is to support education, employment, social inclusion, and vulnerable groups in the labour market.

The VUB Bank also collaborates with the European Investment Bank Luxembourg to finance corporate and public sector projects, supporting business development, climate action, and social projects while reducing regional disparities in line with EU cohesion policy. Loans allocated from the MBIL facility focus on energy infrastructure, renewables, energy efficiency, and environmental sustainability. Allocations follow internal VUB procedures.

To achieve ESG targets, the VUB Bank introduced the TERRA product line, offering loans with preferential interest rates to support sustainability.

With the focus on Community Support or Employees Welfare, VUB offers S-LOAN with preferential interest rate. These sustainability-linked are provided to clients who meet specific sustainability targets, in area of community support or employee welfare. Compliance is monitored and disclosed in financial statements.

These financing solutions align with VUB's ESG strategy and support sustainable business practices.

Furthermore, as illustrated above, in the current context it is essential to support initiatives that contribute to supporting the productive fabric, as well as the economic and social growth of the areas in which the VUB Group operates, through the offer of products and services in the field of environmental, social and other sustainability (for which please refer to the section Actions related to Access to products and services, Non-discrimination and Responsible marketing practices – Actions related to sustainability-conscious investments for details). For a complete representation of the range of products and services offered for this purpose, with particular reference to climate/environmental issues, see also the standard ESRS E1 – Climate Change, section Actions and resources related to climate change.

Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices

For the purpose of greater internal and external transparency regarding products and operations considered sustainable, the VUB Group has decided to draw up specific rules for the classification of credit products and sustainable credit operations. From 2024, reporting conforms to these rules, including the classification financing falling under the categories of environmental sustainability, social sustainability, and other sustainability.

In particular:

Sustainability Category	Description	Included Products/Credit Operations
Environmental sustainability	Products and credit operations classified as sustainable based on environmental criteria.	Financing for Private Individuals, Companies, Third Sector, Corporate & Project Finance, SME, Corporate
Social sustainability	Products and credit operations considered sustainable under the social category.	Anti-usury loans, products for vulnerable social classes, financing for the Third Sector, other social loans, SME, Corporate
Other forms of sustainability	Activities not directly purpose-driven but linked to sustainability-related covenants or KPIs involving ESG aspects.	Credit exposures with covenants including environmental, social, or governance aspects; related to Companies, Third Sector, Corporate & Project Finance; not eligible under EU Taxonomy, SME Corporate

Sustainable loans disbursed in the reporting year

Below is a summary of the total amount disbursed during the 2025 financial year, broken down by type of financing.

Retail

Type of funding	2025 disbursed amount (€ mln)	2024 disbursed amount (€ mln)
Financing in the field of environmental sustainability	712.3	599.2
Financing in the field of social sustainability	267.5	182.7
Total amount disbursed	979.8	781.9

Corporate

Type of funding	2025 disbursed amount (€ mln)	2024 disbursed amount (€ mln)
Financing in the field of environmental sustainability	306.9	187.4
Financing in the field of social sustainability	22.9	7.6
Financing falling under the category 'other sustainability'	158.9	233.2
Total amount disbursed	488.7	428.3

Governance Information

ESRS G1 – Business Conduct

Materiality assessment process on impacts, risks and opportunities related to business conduct matters

The methods for identifying material topics for the VUB Group is described in detail in the chapter ESRS 2 – General Disclosures – Double Materiality Assessment.

The impacts, risks, and opportunities within the scope of ESRS G1 – Business Conduct are identified taking into account the VUB Group's specificities. In particular, the mapping of such impacts, risks, and opportunities was carried out on the basis of the context in which the VUB Group defines and implements its business activities and relationships, and the internal safeguards in this area, with reference to its own operations and the value chain upstream and downstream, in addition to an assessment of the risks to which the VUB Group may be exposed.

For the purposes of impact materiality, the assessment of the identified impacts was conducted through interviews with internal structures and external stakeholders (i.e. dedicated questionnaire involving selected suppliers, clients, investors, NGOs, etc.), as well as through detailed qualitative-quantitative analysis, carried out on the basis of the metrics required by the reference legislation (i.e. scale, scope, irremediable nature of the impact and probability). In particular, with reference to:

Value Chain	Scope & Assessment Method	Identified Impacts
Own Operations	Qualitative drivers based on internal controls, including dissemination of corporate culture (e.g., ethical and responsible practices).	Material Promotion of an ethical corporate culture Prevention of corruption phenomena through the adoption of internal policies and strategies aimed at it (e.g. obtaining ISO 37001 certification)
		Contribution to the protection of individuals who report violations (whistle-blowers)
		Promotion of ethical and responsible practices through lobbying activities carried out according to the adopted ethical principles that can generate benefits for the community
Upstream Value Chain	Analysis of ESG questionnaire responses from suppliers and their feedback.	Material Contribution to the diffusion of ethical practices through the definition of internal policies and strategies aimed at promoting dialogue and compliance with payment deadlines towards direct suppliers and sub-suppliers
Downstream Value Chain	Analysis of indirect impacts through exposures in VUB Group's portfolios, considering sectors with high corporate ethics impact (e.g., human rights, anti-tax evasion, anti-money laundering, anti-competitive behaviour).	-

Changes to materiality of impacts in 2025				
Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Non-Material	Corporate culture	Own operations	Positive impact on corporate integrity by ensuring the security of the Bank's IT and network systems for the benefit of customers through the implementation of cybersecurity policies and safeguards	The impact was reclassified to the S4 DMA assessment and became non-material, as its likelihood decreased following re-evaluation. This is due to the VUB Group's robust IT and client-security policies, protocols, and controls, which prevent the impact from being material under current conditions.

For the purposes of determining financial materiality, the relevance of risks and opportunities was assessed through a dual approach, quantitative and qualitative, applied to the perimeters identified above.

Specifically, with reference to risks, the following analyses were conducted:

Value Chain	Scope & Assessment Method	Identified Risks
Own Operations	Assessed operational risk, non-compliance risk, reputational risk, especially cybersecurity and potential sanctions linked to VUB Group's operations. Internal policies and strategies supporting corporate culture, integrity principles, whistleblowing, political engagement, lobbying and the fight against corruption were also taken into account.	Material Reputational risk arising from inadequate development and promotion of corporate culture (e.g. image damage linked to a lack of corporate values in employee behaviour or business practices (e.g. failure to establish safeguards against tax risk, money laundering) (also covering Ustream Value Chain)
Upstream Value Chain	Assessed reputational risk from suppliers potentially having less structured controls (e.g., Code of Ethics, anti-corruption policies), feedback from the ESG questionnaire); ethical policies and procedures in managing relationships with suppliers and responsible management of payment practices were also assessed.	-
Downstream Value Chain	Assessed credit risk, market risk, strategic risk, and reputational risk related to commercial relations with counterparties, exposure to sectors with high ethical impact (human rights, compliance, anti-tax evasion and anti-money laundering) was taken into account; investment/financial criteria and strategies were evaluated.	-

Changes to materiality of risks in 2025

Changed to:	Sub/sub-sub topic	Value chain	Description	Reasoning
Material risk merged	Management of relationships with suppliers including payment practices	downstream	Credit Risk – exposure to counterparties with inadequate supply-relationship management and poor payment practices, which may disrupt the value chain and impair their ability to repay debt.	These risks were assessed as irrelevant because effective safeguards, internal policies, and legal compliance mechanisms are already in place; if any of these risks were to materialize, it would indicate that the VUB Group's controls or policies had fallen below legally mandated minimum standards required for its operation. One reputational risk was retained as material, specifically the potential inadequate development and promotion of corporate culture, which encompasses and sufficiently covers the underlying risks identified.
Material risk merged	Corruption and bribery	upstream and downstream	Reputational Risk – absence or failure of policies to prevent and detect active or passive bribery, including violations of anti-bribery and anti-corruption procedures.	
Material risk merged	Corporate culture	own operation	Operational Risk – inadequate cybersecurity safeguards that may compromise the security of the Bank's computer and network systems for customers and stakeholders.	
Material risk merged	Protection of whistleblowers	Upstream and own operation	Reputational Risk – insufficient safeguards for whistleblower protection, potentially reducing employee trust and discouraging reporting of misconduct.	

It should be noted that, specifically in the process of identifying and assessing risks related to business conduct, the VUB Group has adopted an integrated approach that considers specific criteria relating to the location, type of activity, sector and structure of the operations performed. In particular, in relation to own operations, potential sanctions arising from violations of regulations and procedures are monitored. For relation to the upstream value chain, suppliers are monitored and selected according to criteria that promote corporate solidity and compliance with ethical standards via dedicated ESG questionnaire for suppliers, the results of which are part of the evaluation process of the suppliers. In relation to the downstream value chain, compliance of counterparties with regulations is checked prior to the activation of products and services, as part of the client evaluation procedure, business relation and the specific trade. The analyses just mentioned took into consideration the countries and areas of activity in which the VUB Group mainly operates, its suppliers and the counterparties financed and in which it invests.

Regarding the financial relevance of the opportunities, the analyses focused on the company's own operations in terms of business conduct. The materiality analysis did not reveal the mapped opportunities to be material in 2025 when compared to 2024.

Policies, targets and actions related to corporate culture

The corporate culture of the VUB Group is systematically supported through clearly defined policies aimed at ensuring consistent, ethical and responsible behaviour across the entire organization. The cornerstone of these policies consists of the Code of Ethics and the Internal Code of Conduct of the VUB Group, which together establish a framework for decision-making, everyday employee behaviour, and relationships with all stakeholders.

Policies Related to Corporate Culture

The Code of Ethics represents the fundamental policy governing corporate culture. It defines the values, principles and standards of conduct that are binding for all companies within the Group and guide relationships with employees, customers, business partners, shareholders and society as a whole. The Code is aligned with key national and international corporate social responsibility frameworks, including:

- the OECD Guidelines for Responsible Business Conduct and Multinational Enterprises,
- the United Nations principles on combating corruption,
- the Council of Europe Convention on preventing and combating violence against women (the Istanbul Convention),
- the Charter of Fundamental Rights of the European Union.

Through this alignment, the Code ensures a consistent approach to issues such as human rights, decent working conditions, environmental protection and the prevention of corruption.

The Internal Code of Conduct builds upon the Code of Ethics by translating its principles into concrete rules and expectations for everyday behaviour. It serves as a practical guide that helps employees and collaborators identify appropriate conduct, prevent conflicts of interest, and act professionally, honestly and responsibly within their roles.

Both documents are regularly updated in line with changes to the overarching Code of Ethics of the Intesa Sanpaolo Group, as well as developments in the legislative and regulatory environment. Updates are promptly implemented into local documentation and transparently communicated to relevant stakeholders, ensuring consistency of rules across the Group.

Responsibility for the implementation and monitoring of compliance with the Code of Ethics lies with the Human Resources and Organization Department, in cooperation with Internal Audit. Compliance is reviewed through regular annual audits planned on the basis of risk assessments.

Targets Related to Corporate Culture

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions Related to Corporate Culture

The objective of the Code of Ethics and the Internal Code of Conduct is to shape, over the long term, a corporate culture founded on trust, transparency and responsibility. Through these policies, the Group seeks to:

- ensure the consistent application of ethical principles across the organization,
- promote responsible decision-making at all levels of management,
- prevent unethical behaviour and reputational risks,
- strengthen employee awareness of expected conduct and personal accountability,
- create a safe and inclusive working environment based on mutual respect.

To ensure the effective application of the Code of Ethics and the Internal Code of Conduct, the VUB Group carries out a range of supporting activities. A key instrument is a mandatory training programme that provides employees with practical knowledge of ethical principles, standards of conduct and mechanisms for their application in everyday work.

Implementation is further supported by oversight and control mechanisms that enable monitoring of compliance with the Codes and identification of potential risks. Employees and other stakeholders have access to secure channels for reporting violations (etickykodex@vub.sk or codice.etico@intesanpaolo.com). The Group ensures the protection of whistleblowers and the confidentiality of reported cases.

The principles of the Codes are also actively promoted through internal communication, which ensures their regular reinforcement and clear explanation. Through these measures, the values of the Code of Ethics and the Internal

Code of Conduct are integrated into the organization's daily operations and contribute to a sustainable corporate culture over the long term.

In line with the values and principles set out in the Code of Ethics and the Internal Code of Conduct, the VUB Group has implemented a mandatory training programme designed to ensure that all employees understand the expected standards of behaviour and are able to apply these principles in their day-to-day practice. The programme is delivered digitally through two online learning platforms – VUB Academy and LEA – Learning Everyday Anywhere.

The VUB Academy platform is primarily used for the delivery of periodic mandatory training. It currently offers nine compulsory courses that provide detailed explanations of the rules and procedures arising from the Code of Ethics and the Internal Code of Conduct. These courses are regularly refreshed at one- to two-year intervals to ensure the continued relevance of the content and the long-term reinforcement of ethical principles within the organization. Overall, in 2025, 98% of individuals working for the VUB Group, including employees engaged under non-standard employment arrangements (temporary or part-time contracts), successfully completed the mandatory training delivered via the VUB Academy platform.

The second learning platform, LEA – Learning Everyday Anywhere, is used to assign mandatory training to employees on an annual basis for each calendar year. New employees are required to complete not only the current year's mandatory courses but also all relevant training from previous periods, ensuring a consistent level of knowledge and awareness across the entire organization.

The thematic focus of mandatory training is continuously updated in line with the Group's priorities. In 2024, the primary emphasis was placed on the Code of Ethics, while in 2025 the training activities focus mainly on the Internal Code of Conduct and related topics, including the whistleblowing process and reporting mechanisms. The objective is to strengthen employee awareness of available protection tools and of their personal responsibility in identifying and reporting potential breaches.

To ensure a high level of familiarization with the Codes, completion of selected mandatory training courses is linked to the remuneration system. In cases where prescribed training deadlines are not met, sanctioning measures are applied in accordance with the Group's internal regulations. This approach reinforces employee accountability and underlines the importance of ethical principles as an integral part of the corporate culture.

Training programmes covering the Code of Ethics, the Internal Code of Conduct, anti-corruption prevention and whistleblower protection are systematically reviewed and enhanced. Through these measures, the VUB Group consistently strengthens the values that underpin its corporate culture and ensures their uniform application across all processes and initiatives.

Policies, targets, actions and metrics related to the prevention of corruption and bribery

Policies related to the prevention of corruption and bribery

Internal Audit (Whistleblowing Team) performs an initial check to confirm the relevance and completeness of the report and informs the Designated Person of its receipt. The Designated Person oversees the integrity of the process and decides on the further course of action. Relevant reports are then assigned—based on their subject matter—to the competent department, which carries out the investigation while ensuring confidentiality of all involved. The investigating function gathers facts, evaluates evidence, consults Legal Department and HR if needed, and prepares a formal recommendation for the Ethics Committee. The Ethics Committee reviews the findings and decides on the outcome, including any disciplinary or corrective actions. The whistleblower receives feedback within the legally required timeframe.

The VUB Group carries out its activities with the aim of providing banking and financial services to its customers in compliance with the value of integrity, which in turn is expressed in the principles of professionalism, diligence, honesty, fairness and responsibility, and in line with the values and restrictions contained in the Code of Ethics and the Code of Conduct.

In this context, the Anti-Corruption Guidelines establish the principles, identify the sensitive areas and define the roles, responsibilities and macro processes for managing the risk of corruption and define the commitment to comply with the regulatory provisions aimed at combating corruption in all its forms (the principle of 'zero tolerance'). Moreover, the VUB Group, in the context of its active collaboration in the fight against corruption and in order to safeguard its image among all key stakeholders, monitors the operations in which it takes part as a mere executor of customer instructions. This is achieved with an anti-money laundering and terrorist financing risk control system, provided for the management of the obligations arising from the applicable legal framework, such as Slovak Act No. 91/2016 Coll. on corporate criminal liability and on modification and amendment of certain acts.

In particular, the Anti-Corruption Guidelines define the areas in which the risk is the highest, i.e. which may be instrumental in the commission of corrupt conduct:

- Gifts and entertainment expenses;
- Charities and sponsorships;
- Relations with third parties (suppliers and other parties that collaborate with the VUB Group);
- Purchase, management and sale of shareholdings and other assets;
- Hiring of personnel;
- Purchase, management and sale of real estate.

Furthermore, the aforementioned Guidelines offer the opportunity to deepen the knowledge of the counterparts with whom the VUB Group engages in its activities, while simultaneously safeguarding the maintenance of credibility and trust towards all stakeholders.

The monitoring process of the principles of the Anti-Corruption Guidelines is developed in the following activities:

- Analysis of the evolution of the regulatory context;
- Risk assessment;
- Definition of first and second level controls;
- Verification of the application of the Guidelines;
- Quality assurance.

The principles and provisions of the Anti-Corruption Guidelines must be respected by the VUB Group's Officers and all the personnel of the VUB Group. Also required to observe the principles contained in this document, if applicable, are the external stakeholders (suppliers, agents, consultants, professionals, business partners, self-employed or quasi-employees, etc.) that assist the Group in the execution of its activities ('third parties'). For this reason, the Group transmits the principles to all relevant stakeholders in a bilateral way, during the commercial relationship set-up and before any contract signing. In any case, the compliance with anti-corruption principles is part of the General conditions, which represent an integral part of the contract.

The Management Board is responsible, within its competences and prerogatives, for ensuring adequate control of non-compliance risks to which the VUB Group is or may be exposed. Its tasks and responsibilities are defined in the relevant regulations and the internal control system, under the oversight of the Supervisory Board and the Audit Committee. The Head of Compliance and AML Department prepares and proposes to the Management Board the Anti-Corruption Guidelines and ensures supervision of the risk of corruption through the AML Office which provides support in control, governance and reporting activities with the task of overseeing corruption risk at the VUB Group level. To this end, the Office is independent of the operating units, given its reporting to the Deputy CEO, and has qualitatively and quantitatively adequate financial and human resources for its duties. The Head of AML Office is assigned the role of Group Head of Anti-Corruption.

At the operational level, VUB Group personnel must immediately report violations of the provisions of the Guidelines to their Manager; the latter, in turn, is obliged to transmit the report received to the VUB Group Head of Anti-Corruption and the Internal Audit for the appropriate assessments. This is without prejudice to the possibility of using the reporting systems provided for by the Whistleblower policy.

In this context, it should be noted that the Intesa Sanpaolo and VUB Group's approach to combating corruption is inspired by the founding principles contained in the relevant conventions as well as by international best practices (OECD, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', United Nations Organization, 'Convention Against Corruption, Global Compact'; Council of Europe, 'Criminal Law Convention on Corruption' and 'Civil Law Convention on Corruption', Council of the European Union). Moreover, the areas at greatest risk of corruption are also defined according to the approach advocated by the ISO 37001:2016 Anti-bribery management systems standard as well as taking into consideration the findings of the annual corruption risk assessment.

Targets related to the prevention of corruption and bribery

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to the prevention of corruption and bribery

The main actions taken in the context of corruption prevention consist of the constant revision of the Intesa Sanpaolo Group Anti-Corruption Guidelines, the updating of the Intesa Sanpaolo Group Rules on the management of gifts and entertainment expenses, and the planning of the adaptation to the recommendations of the certification body for the purposes of ISO 37001:2016. Intesa Sanpaolo Group obtained the renewal of the aforementioned certification in 2025. VUB Group is part of this certification as it is a subsidiary of Intesa Sanpaolo and was audited in connection with this certification in 2025.

Updated version of these documents were approved by the Management Board and implemented in 2025. The review of the Anti-Corruption Guidelines takes place annually, typically in December.

Aligned with the Parent Company methodology, the VUB Group adopts a risk assessment model considering the operational and business peculiarities of the individual companies, based on a qualitative/quantitative methodology that derives from an assessment of the residual risk in relation to the risk inherent risk in the vulnerability of the organizational system and controls:

- The assessment of the inherent risk is based on seven risk factors consistent with the areas identified by the Guidelines, as well as the geographic factor, assessed on the basis of a set of quantitative indicators (e.g. amount of orders to third parties);
- The assessment of the vulnerability of the organizational system and controls is based on thirteen categories of vulnerability developed on the basis of a qualitative questionnaire that recalls the macro-processes defined in the Anti-Corruption Guidelines and a set of quantitative indicators developed by correlating the risk mitigation elements (e.g. number of employees who have completed training courses).

For the purposes of issuing the aforementioned ISO 37001:2016 certification, checks were conducted on the areas at higher risk of corruption by the Head of Compliance and AML Department, which include both first-level controls (including enhanced due diligence activity) and second-level controls.

In addition, VUB Bank monitors the operations in which it intervenes as an executor of customer provisions, making use of the system to monitor the risk of money laundering and terrorist financing.

The VUB Group is committed to protecting those who in good faith report a violation of the Code of Ethics from retaliation, discrimination or punishment, and to ensure the utmost possible discretion, unless otherwise required by law. In this regard, the Whistleblower Policy provides that the function responsible for investigation (mostly Internal Audit) is determined based on the decision of the Designated person, a function directly required by the Slovak law and appointed by the Management Board (currently assigned to the Chief Operating Officer).

The results of the investigation, formalized in the final report, are then submitted to the Ethics Committee (composed by Designated person, the Head of Human Resources and Organization, member of the Management Board not managing the division to which a report pertains) which ultimately decides on the outcome of the report and subsequent corrective actions taken.

The reporting to the Management Board on anti-corruption matters is an integral part of the reports prepared by the Compliance and AML Department. These include, on an annual basis, the identification and assessment of risks of non-compliance and the scheduling of management interventions and, on a half-yearly basis, reports of actual results, a description of the activities performed, critical issues noted, and remedies identified.

Furthermore, the Bank implements specific training initiatives on the subject for company representatives and staff members who are most exposed to the risk of corruption.

The planned initiatives include mandatory Anti-Corruption and Anti-Bribery trainings for all employees are mandatory and traceable and aim to (a) grasp the salient aspects of the regulatory provisions aimed at combating corruption and (b) apply the Guidelines, acting in accordance with the provisions contained therein.

E-learning and certification are renewed annually and in occasion of substantial revisions of the Anti-Corruption Guidelines, by providing specific refreshed content, and by preferring the digital channel, which guarantees the achievement of the perimeters and functions/resources of the VUB Group. Specific provisions established that failing to meet the expected levels for the timely participation in mandatory training in the reference period may affect the determination of the amount of the annual performance bonus.

The training contents incorporate the regulations in force at a general level (Guidelines) and in response to the operations of the Business Units (Rules and Processes); in the case of updates during the year, the necessary additions are made available.

As part of the management of corruption risk, the Bank provides training to 100% of the structures involved in the sensitive areas identified as having the highest risk of corruption. These include External Communication Department, Real Estate and Logistics Department, HR and organization Department, Procurement Department.

The Anti-Corruption and Anti-Bribery annual training courses dedicated to employees are also available for the members of the Management Board.

Metrics related to the prevention of corruption and bribery

As of December 31, 2025, there were no convictions and/or sanctions against the Bank for violation of anti-corruption and anti-bribery laws and consequently the total of sanctions is zero, same as in 2024. No actions were needed to address breaches.

Policies, targets and actions related to protection of whistleblowers

Policies related to protection of whistleblowers

VUB Whistleblowing policy is governed by Act No. 54/2019 Coll. on Protection of Whistleblowers and on amendments to certain acts (Act on Whistleblowing; notification about serious or other anti-social activity, incl. crimes and corruption). It describes the methods and channels of communication that the whistleblower may use as well as the reporting process that takes place when a report is submitted. It also indicates the various stages of the process, the persons involved, including their roles and responsibilities as well as reporting.

According to this Policy, an individual who can file a report on a breach (whistleblower) is a natural person who, in good faith, makes a notification to the authority responsible for receiving the notification or to the employer. In this context, the system is intended for: employees and self-employed workers who carry out or have carried out their work at the VUB Group; workers or collaborators who supply goods or services or who carry out works for third parties and carry out or have carried out their work at the VUB Group; freelancers and consultants who carry out or have carried out their work at the Group; volunteers and trainees; shareholders (natural persons); persons with administrative, control, supervisory or representative functions. The Policy includes queries by employees about mobbing, bossing, sexual harassment and queries of third parties in connection with the procurement as well.

The Policy is disclosed and available to all persons who work in the VUB Group via intranet. Additionally, the information about the reporting channel for potential whistleblowers is also disclosed on the VUB Bank's website.

The process of handling queries under Whistleblowing is overseen by the Designated person (a Management Board Member), appointed by Management Board. The Ethics Committee (composed of Designated person, Head of Human resources and additional independent Management Board Member) acts as a collective body. It makes decision on resolution of queries based on results of investigations. Internal Audit (Whistleblowing Team) is responsible for organizing, handling, and maintaining records of whistleblowing complaints.

Time periods for investigation and communication to whistleblower in compliance with the Act on Whistleblowing is as follows:

- Notice upon receiving report – within 7 days 'acknowledgement of receipt';
- Feedback to whistleblower – within 90 days from acknowledgement of receipt; or
- In the absence of such notice – within 90 days from expiry of 7 days from the submission of the report.

Whistleblowing allows the VUB Group's employees and third parties to report violations using an e-mail podnety@vub.sk, with absolute confidentiality. The VUB Group puts in place special safeguards to protect all those involved. In particular, it ensures the confidentiality of the information received and the identity of the whistleblower and the identity of the person concerned, which is known only to those authorized to access the dedicated channels and can only be revealed with his/her consent. It protects the whistleblower and concerned person from retaliatory or discriminatory conduct, even if only attempted or threatened, resulting from the report.

Reporting violation through channels is available 24 hours a day (by e-mail or by post to the attention of the Designated person and/or the VUB Bank's Head of Internal Audit dept.). Apart from main dedicated e-mail channel managed by Internal Audit, there are also in place backup channels in case of any conflict of interest (e.g. if a query is concerning Head of Internal Audit or specific Management Board member). The whistleblower may also request a personal meeting to make the report. Submission of anonymous report is also possible.

The subjects who manage the reports are the recipients of specific training initiatives on the subject.

Targets related to protection of whistleblowers

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the

Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to protection of whistleblowers

The ISP and VUB Groups have adopted rules, procedures, and behaviours regarding internal reporting systems for violations. Additionally, it conducts mandatory training on reporting potential violations. Furthermore, the VUB Group manages the follow-up activities related to the reports and provides feedback within the established timelines, ensuring the protection of the whistleblower from possible retaliation. Finally, although there is no precise definition of quantitative targets within a specific time frame, the set of policies and actions implemented by the VUB Group proves effective and aligned with the goal of protecting whistleblowers and handling reports efficiently.

In 2024, the VUB Bank's Whistleblower policy was updated to ensure compliance with the Parent Company update of Group Rules on Internal System for Reporting Violations (Whistleblowing). It was approved by Bank's Corporate Bodies and implemented.

In 2025, 277 newcomers (including temporary workers) completed mandatory training on Whistleblowing policy. Additionally, 3,166 employees completed the mandatory training on Ethical Code, which includes also section on Whistleblowing policy.

	2025	2024
newcomers which completed mandatory training on Whistleblowing policy (including temporary workers)	277	437
employees which completed the mandatory training on Ethical Code	3,166	3,287

Policies, targets, actions and metrics related to management of relationships with suppliers

Policies related to management of relationships with suppliers

With regard to the strategy and actions related to supply chain management, the VUB Group highlights several policies and rules that apply in a timely manner.

Through this Code of Ethics, the VUB Group aims to guide behaviours consistent with the highest international and national ethical standards in the performance of its activities and in business management. The Code also includes and recognizes sustainability principles as fundamental to guide the VUB Group strategy and have a positive impact on the future of the planet and society, with the awareness that consideration of social and environmental issues also contributes to minimizing exposure to risks and strengthening reputation, in line with the principles of sustainable development and adhering to important international initiatives (for example, UN Global Compact).

The Internal Code of Conduct emphasizes the set of values and principles set out in the Code of Ethics aimed at guiding the behaviour of the suppliers, as well as the ways in which the suppliers intend to pursue their mission in compliance with legal and social obligations. It defines the standards of behaviour that the suppliers are required to observe both in the workplace and externally, pursuing the interests of the VUB Group with professionalism, diligence, honesty and fairness, acting in any case with transparency and in full respect for the dignity and integrity of individuals. The exercise of decision-making powers and activities must, therefore, always be based on the values and principles following traceability criteria.

The processing of invoices by the VUB Group is governed by the internal procedure Operational accounting. The procedure, together with the principles defined in Code of Ethics, ensures that all invoices are processed on-time and without discriminating any supplier.

Targets related to management of relationships with suppliers

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to management of relationships with suppliers

The suppliers registered in the Intesa Sanpaolo Group's Supplier Register are also evaluated in relation to their ESG propensity, thanks to the completion of a specific ESG questionnaire, established in 2022. During 2025, the mapping of suppliers in terms of social, environmental and governance sustainability continued to strengthen the criteria for evaluating and choosing the best suppliers. The completion of the questionnaire is mandatory for all new suppliers. The ESG score, which results from the completion of the questionnaire and the possession of certain certifications

in line with the ISP Group's criteria, expresses the quality of the supplier on ESG issues and can influence the choice of the best suppliers, in relation to specific purchasing needs. It follows that, in relation to specific product categories with a greater environmental or social impact, suppliers who do not comply with the minimum requirements may be excluded from negotiation events.

For further information, reference is made to the standard ESRS E1 – Climate change, section Strategy for combating climate change.

Metrics related to management of relationships with suppliers

During the 2025 financial year, the VUB Group recorded a weighted average time of 10 days (2024: 16 days) for the payment of invoices for which it is responsible. This figure represents the average number of days that have elapsed from the start of the contractual or legal payment term until the actual settlement.

Absence of a single payment standard: for the VUB Group, the practice provides that payments are subject to negotiation in the contract and, only where otherwise specified, the payment in 30 days is entered into the registry.

It should also be noted that during 2025 (same as in 2024), all payments were processed with full compliance with contractual terms and as of 31/12/2025, the VUB Group was not involved in any legal proceedings concerning late payments of invoices for which it is responsible.

It was considered appropriate to use a sample of internal bank accounting that processes the majority of the operational agenda of incoming invoices. This sample was deemed representative of the VUB Group, covering most of the volumes in terms of both the number and the amount of invoices.

Policies, objectives, actions and metrics related to political influence and lobbying activities

Policies related to political influence and lobbying activities

The VUB Group adheres to strict internal policies regarding corporate political engagement and institutional relationships. As specified in the Anti-Corruption Guidelines, the VUB Group does not conduct its own lobbying activities and maintains a neutral stance towards political parties, prohibiting any form of donations, sponsorships, or financial support to political entities.

While the VUB Group does not engage in lobbying, it monitors regulatory developments that could impact its business operations. In this regard, the VUB Group ensures that its institutional relations remain transparent, structured, and aligned with legal requirements. This approach is supported by internal policies that govern interactions with regulatory bodies, supervisory authorities, and financial market institutions.

The VUB Group represents its corporate interests and perspectives exclusively through official/recognized trade associations (as a member), which are subject to appropriate internal rules. For example, the VUB Group participates in consultations and initiatives within the Slovak Banking Association, ensuring that its engagement in regulatory matters is conducted through official, transparent channels.

The monitoring of compliance with policies set is in responsibility of the Compliance and AML Department.

Targets related to political influence and lobbying activities

VUB Group has not set targets yet, as these are defined, approved and monitored at the level of the parent company, Intesa Sanpaolo, within the framework of the Group's consolidated strategy and governance structure.

As a subsidiary, VUB Group aligns with these Group-level objectives, ensures their implementation in its operations, and provides relevant performance data for the purpose of consolidated reporting. The applicable targets, methodologies, and disclosures on progress are therefore included in the consolidated reporting published at the Intesa Sanpaolo Group level, of which VUB group forms part.

Actions related to political influence and lobbying activities

The Bank plays a proactive role in regulatory processes, monitoring regulatory proposals (and, where appropriate, actively participating in the related discussions through official associations, mainly within Slovak Banking Association) for issues that may have direct and indirect repercussions for the Bank group, with reference to banking and financial regulations.

As mentioned in the previous section the Bank does not conduct its own lobbying activities. It should be noted that the Bank represents and promotes its interests and opinions exclusively through official associations (as a member), which are regulated by appropriate internal rules.

Metrics related to political influence and lobbying activities

The Bank is not registered in the EU Transparency Register; however Intesa Sanpaolo Group is registered in the EU Transparency Register, with registration identification code 24037141789-48.

The Bank emphasizes that no members of administrative, management and supervisory bodies has held a position in the public administration in the two years prior to taking up his current mandate, comparable to a position in administrative, management and control bodies.

The Bank does not provide any kind of financial or in-kind political contributions.

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ESRS 2 SBM-2 – Interests and views of stakeholders	Materiality process on impacts, risks and opportunities and their interaction with strategy and business model	341
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Materiality process on impacts, risks and opportunities and their interaction with strategy and business model	341

Disclosure requirement	Section	Page
MDR-P – Policies adopted to manage material sustainability matters S4-1 – Policies related to consumers and end-users	The Group's commitment to human rights	342
	Policies related to Access to (quality) information and Freedom of expression	343
	Policies related to Privacy	346
	Policies related to Health and safety (including security of a person)	350
S4-2 – Processes for engaging with consumers and end-users about impacts	Policies related to products and services, Non-discrimination and Responsible marketing practices	351
	Freedom of expression – Customer engagement processes	343
	Privacy – Customer engagement processes	347
	Health and safety (including security of a person) – Customer engagement processes, Remediation processes and channels to raise concerns	350
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Access to products and services, Non-discrimination and Responsible marketing practices – Customer engagement processes	352
	Freedom of expression – Remediation processes and channels to raise concerns	344
	Privacy – Remediation processes and channels to raise concerns	347
	Health and safety (including security of a person) – Customer engagement processes, Remediation processes and channels to raise concerns	350
MDR-A – Actions and resources in relation to material sustainability matters S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	Access to products and services, Non-discrimination and Responsible marketing practices – Remediation processes and channels to raise concerns	352
	Actions related to Access to (quality) information and Freedom of expression	345
	Actions related to Privacy	348
	Actions related to Health and safety (including security of a person)	350
MDR-T – Tracking effectiveness of policies and actions through targets	Actions related to Access to products and services, Non-discrimination and Responsible marketing practices	353
	Targets related to Access to (quality) information and Freedom of expression	344
	Targets related to Privacy	348
	Targets related to Health and safety (including security of a person)	350
MDR-T – Tracking effectiveness of policies and actions through targets	Targets related to Access to products and services, Non-discrimination and Responsible marketing practices	352
	Governance information	
	G1 Business conduct	
	ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	Policies related to corporate culture
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Materiality assessment process on impacts, risks and opportunities related to business conduct matters	355
MDR-P – Policies adopted to manage material sustainability matters G1-1 – Business conduct policies and corporate culture	Policies related to corporate culture	357
	Policies related to the prevention of corruption and bribery	358
	Policies related to protection of whistleblowers	361
	Policies related to management of relationships with suppliers	362
	Policies related to political influence and lobbying activities	363
G1-2 – Management of relationships with suppliers	Policies related to management of relationships with suppliers	362
MDR-A – Actions and resources in relation to material sustainability matters	Actions related to corporate culture	357
	Actions related to the prevention of corruption and bribery	360
	Actions related to protection of whistleblowers	362
	Actions related to management of relationships with suppliers	362
	Actions related to political influence and lobbying activities	363

Disclosure requirement	Section	Page
G1-3 – Prevention and detection of corruption and bribery	Actions related to the prevention of corruption and bribery	360
MDR-T – Tracking effectiveness of policies and actions through targets	Targets related to corporate culture	357
	Targets related to the prevention of corruption and bribery	359
	Targets related to protection of whistleblowers	361
	Targets related to management of relationships with suppliers	362
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G1-4 – Confirmed incidents of corruption or bribery	Metrics related to the prevention of corruption and bribery	361
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G1-6 – Payment practices	Metrics related to management of relationships with suppliers	363

Entity-specific disclosures	Chapter	Page
No. of people completed mandatory internal trainings	S1 – Own Workforce – Actions related to training and development of VUB Group's people	324
No. of branches	S4 – Consumers and end-users – Metrics related to Access to (quality) information and Freedom of expression – Number of branches	345
Average days/response time to customer complaints: Investment products and services / Insurance products and services/Payment services/Ordinary services	S4 – Consumers and end-users – Metrics related to Access to (quality) information and Freedom of expression – Response to customer complaints	345
€/million fraudulent transactions blocked	S4 – Consumers and end-users – Metrics related to Privacy (Fraud prevention)	349
No. of reported cases of customer data loss or theft	S4 – Consumers and end-users – Metrics related to Privacy	349
Social sustainability financing: Retail	S4 – Consumers and end-users – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices	354
Social sustainability financing: Corporate	S4 – Consumers and end-users – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices	354
'Other sustainability' financing: Corporate	S4 – Consumers and end-users – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices	354
Environmental sustainability financing: Retail	E1 – Climate Change – Climate change actions and resources at the portfolio level	290
	S4 – Consumers and end-users – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices	354
Environmental sustainability financing: Corporate	E1 – Climate Change – Climate change actions and resources at the portfolio level	290
	S4 – Consumers and end-users – Metrics related to Access to products and services, Non-discrimination and Responsible marketing practices	354

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR ¹⁷	Pillar 3 ¹⁸	Benchmark Regulation ¹⁹	EU Climate Law ²⁰	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x		267
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		267
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				247
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		250
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		250
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		250
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		250
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	No transition plan yet
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		No transition plan yet
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x		288
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				293
ESRS E1-5 Energy consumption and mix paragraph 37	x				293
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				293
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		294
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		297
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	Non-material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Unreported information for 2025
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		x			Unreported information for 2025

¹⁷ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

¹⁸ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation 'CRR') (OJ L 176, 27.6.2013, p. 1).

¹⁹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

²⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Disclosure Requirement and related datapoint	SFDR ¹⁷	Pillar 3 ¹⁸	Benchmark Regulation ¹⁹	EU Climate Law ²⁰	Page
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		x			Unreported information for 2025
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			Unreported information for 2025
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			x		Unreported information for 2025
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	x				Non-material
ESRS E3-1 Water and marine resources paragraph 9	x				Non-material
ESRS E3-1 Dedicated policy paragraph 13	x				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				Non-material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x				Non-material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x				Non-material
ESRS 2 – SBM 3 – E4 paragraph 16 (a) i	x				Non-material
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	x				Non-material
ESRS 2 – SBM 3 – E4 paragraph 16 (c)	x				Non-material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Non-material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Non-material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x				Non-material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				Non-material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				Non-material
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	x				Non-material
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	x				Non-material
ESRS S1-1 Human rights policy commitments paragraph 20	x				311
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			x		313
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	x				Non-material
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	x				326
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	x				312 331
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x		328

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR ¹⁷	Pillar 3 ¹⁸	Benchmark Regulation ¹⁹	EU Climate Law ²⁰	Page
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				Unreported information for 2025
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		319
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				319
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				312
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	x		x		312
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Non-material
ESRS S2-1 Human rights policy commitments paragraph 17	x				Non-material
ESRS S2-1 Policies related to value chain workers paragraph 18	x				Non-material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		Non-material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			x		Non-material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				Non-material
ESRS S3-1 Human rights policy commitments paragraph 16	x				338
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	x		x		338
ESRS S3-4 Human rights issues and incidents paragraph 36	x				338
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				342
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		342
ESRS S4-4 Human rights issues and incidents paragraph 35	x				342
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				358
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	x				361
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		361
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x				358

Annexes

Annex – Taxonomy templates

Template for the KPIs of credit institutions

Template 1: Assets for the calculation of GAR stock (Turnover)

Stock in Million EUR	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing nonmaterial activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1 GAR – Covered assets in both numerator and denominator																
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	15,455	11,680	1,766	1,677	89	-	-	-	-	1,434	136	137	387	-	-	387
3 Financial undertakings	1,149	593	68	68	-	-	-	-	-	-	4	49	-	-	-	-
4 Loans and advances	867	552	55	55	-	-	-	-	-	-	1	44	-	-	-	-
5 Debt securities, including UoP	282	40	13	13	-	-	-	-	-	-	4	5	-	-	-	-
6 Equity instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Non-financial undertakings	1,948	1,044	263	174	89	-	-	-	-	-	131	88	-	-	-	-
8 Loans and advances	1,440	627	207	147	60	-	-	-	-	-	104	70	-	-	-	-
9 Debt securities, including UoP	508	417	56	27	29	-	-	-	-	-	27	18	-	-	-	-
10 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Households	12,128	10,043	1,434	1,434	-	-	-	-	-	1,434	-	-	158	-	-	158
12 of which loans collateralised by residential immovable property	10,001	10,001	1,434	1,434	-	-	-	-	-	1,434	-	-	-	-	-	-
13 of which building renovation loans	43	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 of which motor vehicle loans	158	-	-	-	-	-	-	-	-	-	-	-	158	-	-	158
15 Local governments financing	230	-	-	-	-	-	-	-	-	-	-	-	230	-	-	230
16 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other local government financing	230	-	-	-	-	-	-	-	-	-	-	-	230	-	-	230
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Total GAR assets	15,455												387			387
21 Assets not covered for GAR calculation	11,232															
22 Central governments and Supranational issuers	3,067															
23 Central banks exposure	1,820															
24 Trading book	164															
25 Undertaking and entities not subject to CSRD	5,327															
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	4,627															
27 Loans and advances	4,576															
28 of which loans collateralised by commercial immovable property	1,083															
29 of which building renovation loans	49															
30 Debt securities	51															
31 Equity instruments	-															
32 Non-EU country counterparties not subject to CSRD disclosure obligations	350															
33 Loans and advances	350															
34 Debt securities	-															
35 Equity instruments	-															
36 Derivatives	89															
37 On demand interbank loans	42															
38 Cash and cash-related assets	288															
39 Other categories of assets (e.g. Goodwill, commodities etc.)	435															
40 Total assets	26,687															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																
41 Financial guarantees	455	115	35	35	-	-	-	-	-	-	6	20	-	-	-	-
42 Assets under management	409	173	32	31	-	-	-	1	-	-	5	18	-	-	-	-
43 Of which debt securities	116	35	12	12	-	-	-	-	-	-	4	6	-	-	-	-
44 Of which equity instruments	293	138	20	18	-	-	-	1	-	-	1	13	-	-	-	-

Template 1: Assets for the calculation of GAR stock (CapEx)

	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1 GAR - Covered assets in both numerator and denominator																
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	15,455	11,992	1,938	1,904	34	-	-	-	-	1,434	85	314	387	-	-	387
3 Financial undertakings	1,149	608	145	144	-	-	-	-	-	-	2	118	-	-	-	-
4 Loans and advances	867	573	135	135	-	-	-	-	-	-	1	113	-	-	-	-
5 Debt securities, including UoP	282	35	10	10	-	-	-	-	-	-	2	4	-	-	-	-
6 Equity instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Non-financial undertakings	1,948	1,340	359	325	34	-	-	-	-	-	83	197	-	-	-	-
8 Loans and advances	1,440	880	276	253	24	-	-	-	-	-	83	129	-	-	-	-
9 Debt securities, including UoP	508	460	83	72	11	-	-	-	-	-	-	67	-	-	-	-
10 Equity instruments	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Households	12,128	10,043	1,434	1,434	-	-	-	-	-	1,434	-	-	158	-	-	158
12 of which loans collateralised by residential immovable property	10,001	10,001	1,434	1,434	-	-	-	-	-	1,434	-	-	-	-	-	-
13 of which building renovation loans	43	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 of which motor vehicle loans	158	-	-	-	-	-	-	-	-	-	-	-	158	-	-	158
15 Local governments financing	230	-	-	-	-	-	-	-	-	-	-	-	230	-	-	230
16 Housing financing	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other local government financing	230	-	-	-	-	-	-	-	-	-	-	-	230	-	-	230
18 Collateral obtained by taking possession: residential and commercial immovable properties	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Exposures included on a voluntary basis	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Total GAR assets	15,455	-	-	-	-	-	-	-	-	-	-	-	387	-	-	387
21 Assets not covered for GAR calculation	11,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Central governments and Supranational issuers	3,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Central banks exposure	1,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Trading book	164	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Undertaking and entities not subject to CSRD	5,327	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	4,627	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Loans and advances	4,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 of which loans collateralised by commercial immovable property	1,083	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 of which building renovation loans	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Debt securities	51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Equity instruments	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Non-EU country counterparties not subject to CSRD disclosure obligations	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Loans and advances	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Debt securities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Equity instruments	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Derivatives	89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 On demand interbank loans	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Cash and cash-related assets	288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Other categories of assets (e.g. Goodwill, commodities etc.)	435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Total assets	26,687	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																
41 Financial guarantees	455	121	48	45	-	-	2	-	-	-	10	13	-	-	-	-
42 Assets under management	409	180	56	55	-	-	1	-	-	-	8	29	-	-	-	-
43 of which debt securities	116	47	23	23	-	-	-	-	-	-	6	12	-	-	-	-
44 of which equity instruments	293	133	33	32	-	-	1	-	-	-	2	17	-	-	-	-

1. The following accounting categories of financial assets shall be taken into account: financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily measured at fair value through profit or loss and real estate acquired by credit institutions by taking ownership in exchange for debt cancellation.
2. Credit institutions shall duplicate this template for reporting stocks for the calculation of the GAR indicator (stock), and for reporting new assets for the calculation of the GAR flow.
3. Credit institutions shall duplicate this template for turnover-based and capital expenditure-based (CapEx) statements.
4. in accordance with Article 7(8)(a) and (b) of this Regulation
5. in accordance with Article 4(8)(a) and (b) of this Regulation 1a of this Regulation
6. in accordance with Article 7(3) of this Regulation

Template 1: Assets for the calculation of GAR flow (Turnover)

Flow in Million EUR	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing nonmaterial activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1 GAR - Covered assets in both numerator and denominator																
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	3,666	2,139	232	208	24	-	-	-	-	82	98	24	109	-	-	109
3 Financial undertakings	115	40	19	19	-	-	-	-	-	-	-	5	-	-	-	-
4 Loans and advances	77	18	1	1	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	38	22	18	18	-	-	-	-	-	-	-	5	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Non-financial undertakings	813	302	132	107	24	-	-	-	-	-	98	19	-	-	-	-
8 Loans and advances	642	200	121	97	24	-	-	-	-	-	98	8	-	-	-	-
9 Debt securities, including UoP	172	102	11	11	-	-	-	-	-	-	-	11	-	-	-	-
10 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Households	2,693	1,797	82	82	-	-	-	-	-	82	-	-	65	-	-	65
12 of which loans collateralised by residential immovable property	1,792	1,792	82	82	-	-	-	-	-	82	-	-	-	-	-	-
13 of which building renovation loans	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 of which motor vehicle loans	65	-	-	-	-	-	-	-	-	-	-	-	65	-	-	65
15 Local governments financing	45	-	-	-	-	-	-	-	-	-	-	-	45	-	-	45
16 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other local government financing	45	-	-	-	-	-	-	-	-	-	-	-	45	-	-	45
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Total GAR assets	3,666												109			109
21 Assets not covered for GAR calculation	19,301															
22 Central governments and Supranational issuers	1,592															
23 Central banks exposure	15,363															
24 Trading book	11															
25 Undertaking and entities not subject to CSRD	2,320															
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	2,059															
27 Loans and advances	2,021															
28 of which loans collateralised by commercial immovable property	29															
29 of which building renovation loans	20															
30 Debt securities	37															
31 Equity instruments	-															
32 Non-EU country counterparties not subject to CSRD disclosure obligations	13															
33 Loans and advances	13															
34 Debt securities	-															
35 Equity instruments	-															
36 Derivatives	13															
37 On demand interbank loans	1															
38 Cash and cash-related assets	-															
39 Other categories of assets (e.g. Goodwill, commodities etc.)	-															
40 Total assets	22,967															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																
41 Financial guarantees	85	32	10	10	-	-	-	-	-	-	1	7	-	-	-	-
42 Assets under management	127	56	19	13	5	-	-	-	-	57	13	-	-	-	-	-
43 Of which debt securities	38	19	9	7	2	-	-	-	-	15	7	-	-	-	-	-
44 Of which equity instruments	89	37	10	6	4	-	-	-	-	42	6	-	-	-	-	-

Note 1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow. Credit institutions shall duplicate this template for turnover based and CapEx based disclosures.

4. in accordance with Article 7(8)(a) and (b) of this Regulation
5. in accordance with Article 4(1a) of this Regulation

Template 1: Assets for the calculation of GAR Flow (CapEx)

Flow Million EUR	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties (4)	Of which exposures financing counterparties reporting in accordance with Article 7(9)	Of which not assessed considered non-material by the credit institution (5)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
1 GAR - Covered assets in both numerator and denominator																
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	3,666	2,261	301	275	26	-	-	-	-	82	137	40	109	-	-	109
3 Financial undertakings	115	49	30	30	-	-	-	-	-	-	-	2	-	-	-	-
4 Loans and advances	77	19	2	2	-	-	-	-	-	-	-	1	-	-	-	-
5 Debt securities, including UoP	38	31	28	28	-	-	-	-	-	-	-	1	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Non-financial undertakings	813	416	189	163	26	-	-	-	-	-	137	38	-	-	-	-
8 Loans and advances	642	319	158	132	26	-	-	-	-	-	137	7	-	-	-	-
9 Debt securities, including UoP	172	97	31	31	-	-	-	-	-	-	-	31	-	-	-	-
10 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Households	2,693	1,797	82	82	-	-	-	-	-	82	-	-	65	-	-	65
12 of which loans collateralised by residential immovable property	1,792	1,792	82	82	-	-	-	-	-	82	-	-	-	-	-	-
13 of which building renovation loans	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 of which motor vehicle loans	65	-	-	-	-	-	-	-	-	-	-	-	65	-	-	65
15 Local governments financing	45	-	-	-	-	-	-	-	-	-	-	-	45	-	-	45
16 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other local government financing	45	-	-	-	-	-	-	-	-	-	-	-	45	-	-	45
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Exposures included on a voluntary basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Total GAR assets	3,666	-	-	-	-	-	-	-	-	-	-	-	109	-	-	109
21 Assets not covered for GAR calculation	19,301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Central governments and Supranational issuers	1,592	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Central banks exposure	15,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Trading book	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Undertaking and entities not subject to CSRD	2,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	2,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Loans and advances	2,021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 of which loans collateralised by commercial immovable property	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 of which building renovation loans	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Debt securities	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Non-EU country counterparties not subject to CSRD disclosure obligations	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Loans and advances	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Derivatives	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 On demand interbank loans	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Other categories of assets (e.g. Goodwill, commodities etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Total assets	22,967	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																
41 Financial guarantees	85	27	12	12	-	-	-	-	-	-	1	4	-	-	-	-
42 Assets under management	127	61	25	18	7	-	-	-	-	56	18	-	-	-	-	-
43 Of which debt securities	38	21	10	8	2	-	-	-	-	16	8	-	-	-	-	-
44 Of which equity instruments	89	40	15	10	5	-	-	-	-	41	10	-	-	-	-	-

1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.

3. Credit institutions shall duplicate this template for turnover based and CapEx based disclosures.
4. in accordance with Article 7(8)(a) and (b) of this Regulation
5. in accordance with Article 4(1a) of this Regulation

Template 2: GAR sector information (Turnover)

Breakdown by sector - NACE 4 digits level (code and label) (Million EUR)		Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	N77.11 - Rental and leasing of cars and light motor vehicles	305	239	18	18	-	-	-	-	-
2	L68.20 - Rental and operating of own or leased real estate	256	416	94	5	89	-	-	-	-
3	D35.11 - Production of electricity	172	62	62	62	-	-	-	-	-
4	D35.13 - Distribution of electricity	144	35	32	32	-	-	-	-	-
5	H49.20 - Freight rail transport	120	106	31	31	-	-	-	-	-
6	C29.10 - Manufacture of motor vehicles	41	24	4	4	-	-	-	-	-
7	H49.10 - Passenger rail transport, interurban	38	33	5	5	-	-	-	-	-
8	F41.20 - Construction of residential and non-residential buildings	32	24	2	2	-	-	-	-	-
9	C26.11 - Manufacture of electronic components	25	-	-	-	-	-	-	-	-
10	C30.91 - Manufacture of motorcycles	25	2	-	-	-	-	-	-	-
11	Nuclear activities(4)	172	62	62						
12	Fossil gas activities(5)	2	1	-						
13	Of which non-assessed exposures(6)									

Template 2: GAR - sector information (CapEx)

Breakdown by sector - NACE 4 digits level (code and label) (Million EUR)		Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	N77.11 - Rental and leasing of cars and light motor vehicles	305	260	67	67	-	-	-	-	-
2	L68.20 - Rental and operating of own or leased real estate	256	491	36	4	32	-	-	-	-
3	D35.11 - Production of electricity	172	76	76	76	-	-	-	-	-
4	D35.13 - Distribution of electricity	144	89	84	84	-	-	-	-	-
5	H49.20 - Freight rail transport	120	116	34	34	-	-	-	-	-
6	C29.10 - Manufacture of motor vehicles	41	16	8	8	-	-	-	-	-
7	H49.10 - Passenger rail transport, interurban	38	37	3	3	-	-	-	-	-
8	F41.20 - Construction of residential and non-residential buildings	32	3	-	-	-	-	-	-	-
9	C26.11 - Manufacture of electronic components	25	2	-	-	-	-	-	-	-
10	C30.91 - Manufacture of motorcycles	25	22	-	-	-	-	-	-	-
11	Nuclear activities(4)	172	76	76						
12	Fossil gas activities(5)	2	1	1						
13	Of which non-assessed exposures(6)									

Note 1. Credit institutions shall disclose in this template information on top ten exposures in the banking book towards top ten sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template. Credit institutions shall duplicate this template for turnover based and CapEx based disclosures.

4. referred to in Sections 4.26, 4.27, and 4.28 of Annexes I and II to Delegated Regulation 2021/2139

5. referred to in Sections 4.29, 4.30, and 4.31 of Annexes I and II to Delegated Regulation 2021/2139

6. in accordance with Article 7(8) of this Regulation

Template 3: GAR KPI stock (Turnover)

	% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures (3)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	GAR - Covered assets in both numerator and denominator													
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75.58%	11.42%	10.85%	0.57%	-	-	-	-	9.28%	0.88%	0.89%	15.12%	2.51%
3	Financial undertakings	3.84%	0.44%	0.44%	-	-	-	-	-	-	0.03%	0.32%	11.55%	-
4	Loans and advances	3.57%	0.36%	0.36%	-	-	-	-	-	-	-	0.29%	9.97%	-
5	Debt securities, including UoP	0.26%	0.09%	0.09%	-	-	-	-	-	-	0.03%	0.03%	33.29%	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	13.06%	-
7	Non-financial undertakings	6.76%	1.70%	1.13%	0.57%	-	-	-	-	-	0.85%	0.57%	25.19%	-
8	Loans and advances	4.06%	1.34%	0.95%	0.39%	-	-	-	-	-	0.67%	0.45%	33.00%	-
9	Debt securities, including UoP	2.70%	0.36%	0.17%	0.19%	-	-	-	-	-	0.17%	0.12%	13.43%	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Households	64.99%	9.28%	9.28%	-	-	-	-	-	9.28%	-	-	14.28%	-
12	of which loans collateralised by residential immovable property	64.71%	9.28%	9.28%	-	-	-	-	-	9.28%	-	-	14.34%	-
13	of which building renovation loans	0.28%	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	1.02%
15	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	1.49%
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	1.49%
18	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Exposures included on a voluntary basis (4)	-	-	-	-	-	-	-	-	-	-	-	-	-
20	GAR - Total GAR assets	75.58%	11.42%	10.85%	0.57%	-	-	-	-	9.28%	0.88%	0.89%	15.12%	2.51%

Template 3: GAR KPI stock (CapEx)

	% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures (3)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1	GAR - Covered assets in both numerator and denominator													
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	77.59%	12.54%	12.32%	0.22%	-	-	-	-	9.28%	0.55%	2.03%	16.16%	2.51%
3	Financial undertakings	3.94%	0.94%	0.93%	-	-	-	-	-	-	0.02%	0.76%	23.78%	-
4	Loans and advances	3.71%	0.87%	0.87%	-	-	-	-	-	-	-	0.73%	23.58%	-
5	Debt securities, including UoP	0.23%	0.06%	0.06%	-	-	-	-	-	-	0.01%	0.03%	27.14%	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	15.27%	-
7	Non-financial undertakings	8.67%	2.32%	2.10%	0.22%	-	-	-	-	-	0.54%	1.27%	26.80%	-
8	Loans and advances	5.69%	1.79%	1.64%	0.15%	-	-	-	-	-	0.54%	0.84%	31.41%	-
9	Debt securities, including UoP	2.98%	0.54%	0.47%	0.07%	-	-	-	-	-	-	0.43%	17.97%	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Households	64.99%	9.28%	9.28%	-	-	-	-	-	9.28%	-	-	14.28%	1.02%
12	of which loans collateralised by residential immovable property	64.71%	9.28%	9.28%	-	-	-	-	-	9.28%	-	-	14.34%	-
13	of which building renovation loans	0.28%	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	1.02%
15	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	1.49%
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	1.49%
18	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Exposures included on a voluntary basis (4)	-	-	-	-	-	-	-	-	-	-	-	-	-
20	GAR - Total GAR assets	77.59%	12.54%	12.32%	0.22%	-	-	-	-	9.28%	0.55%	2.03%	16.16%	2.51%

Note 1. Institution shall disclose in this template the GAR KPIs on stock of exposures calculated based on the data disclosed in template 1, on covered assets. Credit institutions shall duplicate this template for turnover based and CapEx based disclosures

3. in accordance with Article 7(8) of this Regulation

4. in accordance with Article 7(3) of this Regulation

Template 4: GAR KPI flow (Turnover)

	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Nonassessed exposures (3)
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 GAR - Covered assets in both numerator and denominator													
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58.34%	6.34%	5.67%	0.67%	-	-	-	-	2.22%	2.67%	0.65%	10.86%	2.98%
3 Financial undertakings	1.08%	0.52%	0.52%	-	-	-	-	-	-	-	0.14%	47.70%	-
4 Loans and advances	0.49%	0.04%	0.04%	-	-	-	-	-	-	-	-	7.86%	-
5 Debt securities, including UoP	0.60%	0.48%	0.48%	-	-	-	-	-	-	-	0.13%	80.45%	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	13.06%	-
7 Non-financial undertakings	8.25%	3.60%	2.93%	0.67%	-	-	-	-	-	2.67%	0.52%	43.60%	-
8 Loans and advances	5.46%	3.30%	2.64%	0.67%	-	-	-	-	-	2.67%	0.22%	60.43%	-
9 Debt securities, including UoP	2.79%	0.29%	0.29%	-	-	-	-	-	-	-	0.29%	10.59%	-
10 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Households	49.00%	2.22%	2.22%	-	-	-	-	-	2.22%	-	-	4.54%	1.76%
12 of which loans collateralised by residential immovable property	48.87%	2.22%	2.22%	-	-	-	-	-	2.22%	-	-	4.55%	-
13 of which building renovation loans	0.13%	-	-	-	-	-	-	-	-	-	-	-	-
14 of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	1.76%
15 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	1.22%
16 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	1.22%
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Exposures included on a voluntary basis (4)	-	-	-	-	-	-	-	-	-	-	-	-	-
20 GAR - Total GAR assets	58.34%	6.34%	5.67%	0.67%	-	-	-	-	2.22%	2.67%	0.65%	10.86%	2.98%

Template 4: GAR KPI flow (CapEx)

	% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives					Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures (3)	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)						Biodiversity and Ecosystems (BIO)
1	GAR - Covered assets in both numerator and denominator													
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	61.68%	8.22%	7.50%	0.71%	-	-	-	-	2.22%	3.74%	1.08%	13.32%	2.98%
3	Financial undertakings	1.34%	0.83%	0.83%	-	-	-	-	-	-	0.04%	61.84%	-	
4	Loans and advances	0.51%	0.06%	0.06%	-	-	-	-	-	-	0.02%	11.05%	-	
5	Debt securities, including UoP	0.83%	0.77%	0.77%	-	-	-	-	-	-	0.02%	92.74%	-	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	15.27%	-	
7	Non-financial undertakings	11.34%	5.17%	4.45%	0.71%	-	-	-	-	-	3.74%	1.04%	45.55%	-
8	Loans and advances	8.70%	4.32%	3.61%	0.71%	-	-	-	-	-	3.74%	0.19%	49.64%	-
9	Debt securities, including UoP	2.64%	0.85%	0.85%	-	-	-	-	-	-	-	0.85%	32.05%	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Households	49.00%	2.22%	2.22%	-	-	-	-	-	2.22%	-	-	4.54%	1.76%
12	of which loans collateralised by residential immovable property	48.87%	2.22%	2.22%	-	-	-	-	-	2.22%	-	-	4.55%	-
13	of which building renovation loans	0.13%	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	1.76%
15	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	1.22%
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	1.22%
18	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Exposures included on a voluntary basis (4)	-	-	-	-	-	-	-	-	-	-	-	-	-
20	GAR - Total GAR assets	61.68%	8.22%	7.50%	0.71%	-	-	-	-	2.22%	3.74%	1.08%	13.32%	2.98%

Note 1. Institution shall disclose in this template the GAR KPIs on stock of exposures calculated based on the data disclosed in template 1, on covered assets. Credit institutions shall duplicate this template for turnover based and CapEx based disclosures

3. in accordance with Article 7(8) of this Regulation

4. in accordance with Article 7(3) of this Regulation

Template 5: KPI off-balance sheet exposures stock (Turnover)

	% (compared to corresponding total off-balance sheet assets)	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	25.35%	7.77%	7.72%	0.01%	-	0.04%	0.01%	-	-	1.22%	4.47%	-
2	Assets under management (AuM KPI)	42.29%	7.88%	7.49%	0.02%	0.01%	0.34%	0.02%	-	-	1.27%	4.49%	-

Template 5: KPI off-balance sheet exposures stock (CapEx)

	% (compared to corresponding total off-balance sheet assets)	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	26.62%	10.46%	9.86%	0.06%	-	0.53%	-	-	-	2.18%	2.80%	-
2	Assets under management (AuM KPI)	44.06%	13.72%	13.44%	0.06%	0.01%	0.19%	0.03%	-	-	1.88%	7.17%	-

Template 5: KPI off-balance sheet exposures flow (Turnover)

	% (compared to corresponding total off-balance sheet assets)	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	37.06%	11.89%	11.86%	0.01%	-	0.01%	-	-	-	1.18%	7.82%	-
2	Assets under management (AuM KPI)	44.11%	14.68%	10.37%	4.06%	0.01%	-	0.23%	0.01%	44.54%	9.96%	0.35%	-

Template 5: KPI off-balance sheet exposures flow (CapEx)

	% (compared to corresponding total off-balance sheet assets)	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures (4)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1	Financial guarantees (FinGuar KPI)	31.80%	14.15%	13.69%	0.02%	-	0.44%	-	-	-	0.82%	4.44%	-
2	Assets under management (AuM KPI)	47.92%	19.57%	14.11%	5.36%	0.02%	-	0.08%	0.01%	44.28%	13.89%	0.18%	-

Note 1. Institution shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

4. in accordance with Article 7(8) of this Regulation

Template for the KPI of asset managers

Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)

Disclosure reference date		31.12.2025	
Exposures		%	Million EUR
1	Total AUM	100%	3,939
2	Assets covered by the KPI	86.96%	3,425
% of covered assets		% Turnover based	% CapEx based
3	Taxonomy eligible	5.04%	5.25%
4	Nuclear activities ⁽¹⁾	0.04%	0.02%
5	Fossil gas activities ⁽²⁾	0.19%	0.11%
6	Taxonomy aligned	0.94%	1.64%
7	Undertakings subject to Article 19a and 29a of Directive 2013/34/EU	0.94%	1.64%
8	of which Non-financial undertakings	0.89%	1.56%
9	of which Financial undertakings	0.05%	0.07%
10	Other covered counterparties and real estate assets	-	-
11	Exposures included on a voluntary basis ⁽³⁾	-	-
12	Transitional activities	0.15%	0.22%
13	Enabling activities	0.54%	0.86%
14	Nuclear activities ⁽¹⁾	0.04%	0.02%
15	Fossil gas activities ⁽²⁾	-	-
Taxonomy aligned per objective		% Turnover based	% CapEx based
16	Climate Change Mitigation (CCM)	0.89%	1.60%
17	Climate Change Adaptation (CCA)	-	0.01%
18	Water and marine resources (WTR)	-	-
19	Circular economy (CE)	0.04%	0.02%
20	Pollution (PPC)	-	-
21	Biodiversity and Ecosystems (BIO)	-	-
22	Non-assessed exposures	-	-
23	Exposures financing non-assessed non-material activities of counterparties ⁽⁴⁾	-	-
24	Non-assessed exposures considered non-material by the reporting entity ⁽⁵⁾	-	-
25	Exposures to counterparties reporting in accordance with Article 7(9) of this Regulation ⁽⁶⁾	-	-
Breakdown of covered assets		%	Million EUR
26	Undertakings subject to Article 19a and 29a of Directive 2013/34/EU	11.92%	408
27	of which Non-financial undertakings	9.07%	311
28	of which Financial undertakings	2.85%	97
29	Other covered counterparties and real estate assets	88.08%	3 017
30	Exposures included on a voluntary basis ⁽³⁾	-	0

(1) referred to in Sections 4.26, 4.27, and 4.28 of Annexes I and II to Delegated Regulation 2021/2139

(2) referred to in Sections 4.29, 4.30, and 4.31 of Annexes I and II to Delegated Regulation 2021/2139 (3) in accordance with Article 7

(3) of this Regulation

(4) in accordance with Article 7(8)(a) and (b) of this Regulation

(5) in accordance with Article 3(1a) of this Regulation. Figures should be the same in both columns.

(6) Figures should be the same in both columns.

Annexes

Information on Securities issued by the Bank

Debt securities issued by the Bank

ISSUE NAME	ISSUE DATE	MATURITY DATE	DENOMINATION	NOMINAL VALUE	PIECES	COUPON	COUPON PAYMENTS
Mortgage bonds VUB, a.s., XXX.	5 September 2007	5 September 2032	EUR	33 193.92	1 000	5.00%	annually
Mortgage bonds VUB, a.s., 31	29 November 2007	29 November 2037	EUR	33 193.92	600	4.90%	annually
Mortgage bonds VUB, a.s., 67	29 November 2011	29 November 2030	EUR	50 000.00	300	5.35%	annually
Mortgage bonds VUB, a.s., 72	21 June 2012	21 June 2027	EUR	100 000.00	250	4.70%	annually
Mortgage bonds VUB, a.s., 85	14 November 2014	14 November 2029	EUR	100 000.00	500	2.25%	annually
Mortgage bonds VUB, a.s., 90	29 October 2015	29 October 2030	EUR	100 000.00	1 000	1.60%	annually
Mortgage bonds VUB, a.s., 94	27 April 2017	27 April 2027	EUR	100 000.00	2 500	1.05%	annually
Covered bonds VUB, a.s., 2	5 October 2018	15 December 2027	EUR	100 000.00	500	1.50%	annually
Covered bonds VUB, a.s., 4	26 June 2019	26 June 2029	EUR	100 000.00	5 000	0.50%	annually
Covered bonds VUB, a.s., 6	24 March 2021	24 March 2026	EUR	100 000.00	5 000	0.01%	annually
Covered bonds VUB, a.s., 7	22 March 2022	22 March 2027	EUR	100 000.00	5 000	0.875%	annually
Covered bonds VUB, a.s., 8	13 April 2023	13 October 2026	EUR	100 000.00	5 000	3.50%	annually
Covered bonds VUB, a.s., 9	5 September 2023	5 September 2028	EUR	100 000.00	5 000	3.875%	annually
Covered bonds VUB, a.s., 10	20 March 2024	20 March 2031	EUR	100 000.00	5 000	3.25%	annually
Covered bonds VUB, a.s., 11	20 May 2025	20 May 2032	EUR	100 000.00	5 000	3.00%	annually

All debt securities issued by the Bank are bearer bonds in a book-entry form. No person has taken any guarantee for the repayment of their nominal value and/or payment of the proceeds. The debt securities are transferable to another holder without restriction and have been issued without the possibility of early redemption.

The rights associated with the debt securities are based on the terms and conditions of issue and the relevant securities prospectus and in the applicable legal regulations of the Slovak Republic, in particular Act No. 530/1990 Coll. on Bonds as amended, Act No 483/2001 Coll. on Banks as amended, Act No 566/2001 Coll. on Securities and Investment Services as amended.

As of 31 December 2025, the Bank has not issued or decided to issue bonds with pre-emption rights or convertible rights associated therewith.

Investment certificates issued by the Bank

ISSUE NAME	ISSUE DATE	MATURITY DATE	DENOMINATION	NOMINAL VALUE	PIECES	COUPON	COUPON PAYMENTS
Investment certificates VUB, a.s., 2026	30 June 2021	30 June 2026	EUR	1.00	10 200	0.00%	-
Investment certificates VUB, a.s., 2027	30 June 2022	30 June 2027	EUR	1.00	25 800	0.00%	-
Investment certificates VUB, a.s., 2028	28 June 2023	28 June 2028	EUR	1.00	54 480	0.00%	-
Investment certificates VUB, a.s., 2029	26 June 2024	26 June 2029	EUR	1.00	100 080	0.00%	-
Investment certificates VUB, a.s., 2030	26 June 2025	26 June 2030	EUR	1.00	264 900	0.00%	-

During the accounting year 2025, the Bank issued the Investment certificates VUB, a.s., 2030. The reason for issuing investment certificates was to fulfil the obligations arising from the Act on Banks no. 483/2001 Coll. as amended in conjunction with Regulation EU No 2019/876, amending Regulation 575/2013 on prudential requirements for credit institutions and investment firms (CRR) and the internal procedure of VUB, a.s. – Remuneration Policy. Based on these documents, part of the variable component of total compensation, severance payments, retirement allowances and other compensation payable to selected personnel acc. to Section 23a par. 1 of the Act on Banks is provided in the form of securities or other financial instruments.

Investment certificates issued by the Bank are registered securities in a book-entry form and they are issued without the possibility of early redemption. No person has taken any guarantee for the repayment of their nominal value and/or payment of the proceeds. No pre-emption or convertible rights are associated with investment certificates.

Investment certificates are not transferable to another holder. The rights associated with the investment certificates are based on the applicable legislation of the Slovak Republic, in particular Act No 566/2001 Coll. on Securities and Investment Services as amended, and in the relevant terms and conditions of issue of the investment certificates.

List of VUB Retail Branches

Name	Postcode	Address
Regional Retail Business Network West region		
Bratislava – Dolné Hony	821 06	Kazanská 41
Bratislava – Dúbravka	841 01	Sch. Trnavského 6/A
Bratislava – Rača	831 06	Detvianska 22
Bratislava – OC Aupark	851 01	Einsteinova 18
Bratislava – OC Avion	821 04	Ivánska cesta 16
Bratislava – OC BORY MALL	841 03	Lamač 6780
Bratislava – OC Vivo	831 04	Vajnorská 100
Bánovce nad Bebravou	957 01	Nám. L. Štúra 5/5
Bytča	014 01	Sidónie Sakalovej 138/1
Čadca	022 24	Fraňa Kráľa 1504
Dubnica nad Váhom	018 41	Nám. Matice slov. 1712/7
Handlová	972 51	SNP 1
Hlohovec	920 01	Podzámska 37
Holíč	908 51	Bratislavská 1518/7
Ilava	019 01	Mierové nám. 77
Kysucké Nové Mesto	024 01	Nám. slobody 184
Malacky	901 01	Záhorácka 15
Myjava	907 01	Nám. M. R. Štefánika 525/21
Nové Mesto nad Váhom	915 01	Hviezdoslavova 19
Partizánske	958 01	L. Svobodu 4
Pezinok	902 01	Štefánikova 24
Piešťany	921 01	Nám. slobody 11
Považská Bystrica	017 01	Nám. A. Hlinku 23/28
Prievidza	971 01	Nám. slobody 10
Prievidza – Bojnická cesta	971 01	Bojnická cesta 15
Púchov	020 01	Nám. slobody 1657
Senica	905 33	Nám. oslobodenia 8
Skalica	909 01	Potočná 20
Stará Turá	916 01	SNP 275/67
Topoľčany – Moyzesova	955 19	Moyzesova 585/2
Trenčín – Legionárska	911 01	Legionárska 7158/5
Trenčín – OC Laugarício	911 01	Belá 7271
Trnava – Dolné bašty	917 01	Dolné bašty 2
Trnava – OC Arkadia	917 01	Veterná 40/A
Žilina	010 01	Na bráne 1
Žilina – OC Dubeň	010 08	Vysokoškolákov 52
Magnifica Centres		
Trenčín – Magnifica	911 01	Legionárska 7158/5
Trnava – Magnifica	917 01	Dolné bašty 2
Žilina – Magnifica	010 43	Na bráne 1
Bratislava – MC BORY MALL	841 03	Lamač 6780

Mortgage Centres

Bratislava – OC Aupark	851 01	Einsteinova 18
Trnava	917 01	Dolné bašty 2
Trenčín	911 01	Legionárska 7158/5
Žilina	010 43	Na bráne 1

Regional Retail Business Network Central region

Bratislava – Centrum	811 06	Nám. SNP 15
Bratislava – Herlianska	821 03	Komárnická 11
Bratislava – OC Centrál	821 08	Metodova 6
Bratislava – OC Eurovea	811 09	Pribinova 8
Bratislava – Páričkova	821 08	Páričkova 2
Bratislava – Petržalka City	851 01	Rusovská cesta 50
Bratislava – Ružinov	827 61	Kaštieľska 2
Banská Bystrica	975 55	Nám. slobody 1
Banská Bystrica – OC Európa	974 01	Na troskách 26
Banská Štiavnica	969 01	Radničné nám. 15
Detva	962 11	M. R. Štefánika 65
Dunajská Streda	929 35	Alžbetínske nám. 328
Filákov	986 01	Biskupická 2
Galanta	924 41	Mierové nám. 2
Komárno	945 23	Tržničné nám. 1
Krupina	963 01	Svätotrojčné nám. 8
Levice	934 01	Štúrova 21
Lučenec	984 35	T. G. Masaryka 24
Nitra – Tabáň	949 01	Štúrova ulica 10
Nitra – OC Centro	949 01	Akademická 1/A
Nová Baňa	968 01	Nám. slobody 11
Nové Zámky	940 33	Hlavné nám. 5
Senec	903 01	Nám. 1. mája 25
Sereď	926 00	Cukrovárska 3013/1
Šaľa	927 00	Hlavná 5
Šamorín	931 01	Hlavná 64
Štúrovo	943 01	Hlavná 59
Šurany	942 01	SNP 25
Veľký Krtíš	990 20	Novohradská 7
Vráble	952 01	Levická 1288/16
Zlaté Moravce	953 00	Župná 10
Zvolen	960 94	Nám. SNP 2093/13
Želiezovce	937 01	Komenského 8
Žiar nad Hronom	965 01	Nám. Matice slov. 21

Magnifica Centres

Bratislava – MC Eurovea	811 09	Pribinova 8
Banská Bystrica – Magnifica	975 55	Nám. slobody 1
Nitra – Magnifica	949 01	Štúrova ulica 10

Mortgage Centres

Bratislava – Centrum	811 06	Nám. SNP 15
Bratislava – Páričkova	821 08	Páričkova 2
Nitra	949 01	Štúrova ulica 10
Banská Bystrica	975 55	Nám. slobody 1

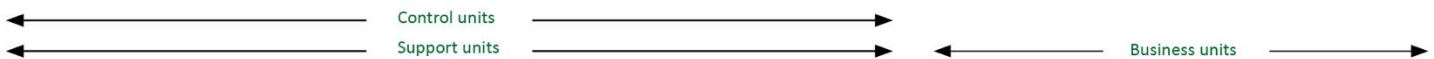
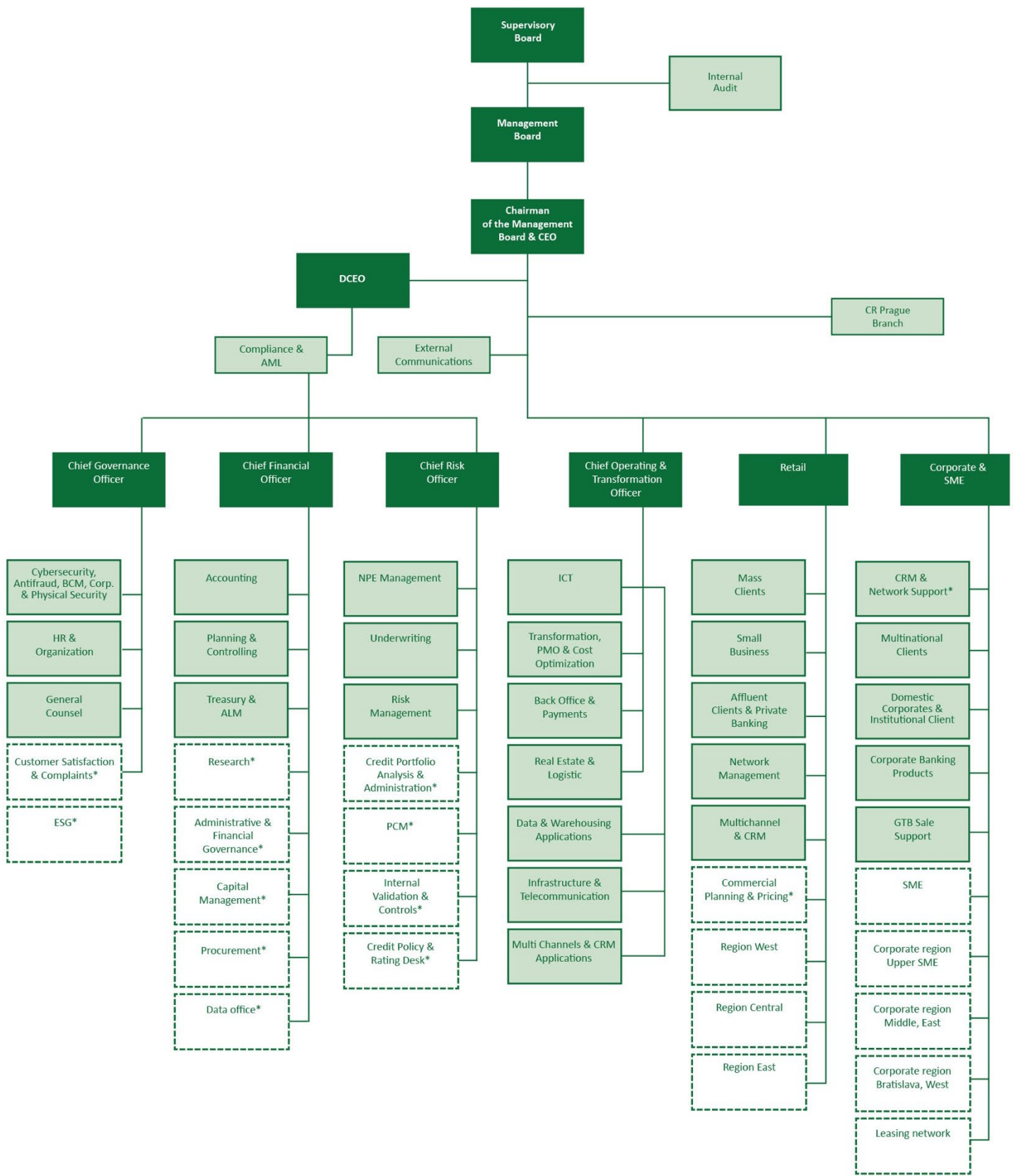
Regional Retail Business Network East Region

Bardejov	085 01	Kellerova 1
Brezno	977 01	Boženy Němcovej 1/A
Dolný Kubín	026 01	Radlinského 1712/34
Humenné	066 01	Nám. slobody 26/10
Kežmarok	060 01	Hviezdoslavova 5
Košice – Štúrova	040 01	Štúrova 27/A
Košice – Hlavná 1	042 31	Hlavná 1
Košice – Letná	040 01	Letná 40
Košice – OC Aupark	040 01	Nám. osloboditeľov 1
Košice – OC Galéria	040 11	Toryská 5
Košice – OC Optima	040 11	Moldavská cesta 32
Krompachy	053 42	Lorencova 20
Levoča	054 01	Nám. Majstra Pavla 38
Lipany	082 71	Nám. sv. Martina 2
Liptovský Mikuláš	031 31	Štúrova 19
Martin	036 01	M. R. Štefánika 2
Martin – OC Tulip	036 01	Pltníky 2
Medzilaborce	068 10	Mierová 289/1
Michalovce	071 80	Obchodná ulica 6/A
Moldava nad Bodvou	045 01	Hviezdoslavova 13
Námestovo	029 01	Hviezdoslavovo nám. 200/5
Poprad	058 17	Mnoheľova 2832/9
Poprad – OC Forum	058 01	Nám. sv. Egídia 3290/124
Prešov	080 01	Masarykova 13
Prešov – Hlavná	080 01	Hlavná 61
Prešov – OC Eperia	080 01	Armádneho Generála L. Svobodu 25
Revúca	050 01	Nám. slobody 3
Rimavská Sobota	979 13	Francisciho 1
Rožňava	048 73	Šafárikova 21
Ružomberok	034 01	Podhora 48
Sabinov	083 01	Nám. slobody 90
Snina	069 01	Strojárska 2524
Spišská Nová Ves	052 14	Letná 33
Stará Lubovňa	064 01	Nám. sv. Mikuláša 27
Stropkov	091 01	Mlynská 692/1
Svidník	089 27	Centrálňa 584/5
Trebišov	075 17	M. R. Štefánika 3197/32
Trstená	028 01	Nám. M. R. Štefánika 15
Turčianske Teplice	039 01	Hájska 3
Tvrdošín	027 44	Trojčinné nám. 191
Veľké Kapušany	079 01	Sídl. P. O. Hviezdoslava 79
Vranov nad Topľou	093 01	Nám. slobody 6
Magnifica Centres		
Košice – Magnifica	042 31	Štúrova 27/A
Prešov – Magnifica	081 86	Masarykova 13
Mortgage Centres		
Košice	042 31	Štúrova 27/A
Poprad	058 17	Mnoheľova 2832/9
Prešov	081 86	Masarykova 13

List of VUB Corporate Branches

Corporate Business Centre Bratislava BRATISLAVA	Ivánska cesta 16	0904 751 310
Corporate Business Centre Trnava TRNAVA	Dolné bašty 2	0904 750 026
SENICA	Nám. oslobodenia 8	0904 756 420
Corporate Business Centre Nitra NITRA	Štúrova 10	0904 751 379
TOPOĽČANY	Moyzesova 585/2	0904 750 543
LEVICE	Štúrova 21	0904 757 796
Corporate Business Centre Nové Zámky NOVÉ ZÁMKY	Hlavné námestie 5	0904 750 611
KOMÁRNO	Tržničné nám. 1	0904 751 514
GALANTA	Mierové námestie 2	0904 755 804
DUNAJSKÁ STREDA	Alžbetínske nám. 328	0904 751 514
Corporate Business Centre Trenčín TRENČÍN	Legionárska 7158/5	0904 750 356
POVAŽSKÁ BYSTRICA	Nám. A. Hlinku 23/28	0904 750 009
PRIEVIDZA	Námestie slobody 10	0904 750 140
Corporate Business Centre Žilina ŽILINA	Na bráne 1	0904 750 828
MARTIN	M.R.Štefánika 2	0904 751 242
ČADCA	Fraňa Kráľa 1504	0904 755 443
DOLNÝ KUBÍN	Radlinského 1712/34	0904 755 762
Corporate Business Centre Banská Bystrica ŽIAR NAD HRONOM	Nám. Matice slovenskej 21	0904 751 097
ZVOLEN	Námestie SNP 2093/13	0904 755 400
BANSKÁ BYSTRICA	Námestie slobody 1	0904 755 400
LUČENEC	T.G. Masaryka 24	0904 751 152
RIMAVSKÁ SOBOTA	Francisciho 1	0904 751 152
Corporate Business Centre Poprad POPRAD	Mnoheľova 2832/9	0904 755 925
LIPTOVSKÝ MIKULÁŠ	Štúrova 19	0904 755 533
SPIŠSKÁ NOVÁ VES	Letná 33	0904 750 900
Corporate Business Centre Prešov PREŠOV	Masarykova 13	0904 750 680
BARDEJOV	Kellerova 1	0904 750 680
HUMENNÉ	Námestie slobody 26/10	0904 751 428
Corporate Business Centre Košice KOŠICE	Štúrova 27/A	0904 750 258
MICHALOVCE	Obchodná ulica 6/A	0904 751 307

Organization Chart of VUB as at 31 December 2025



*Department in the direct reporting line to the Chief Executive.

Scope of business

Pursuant to Article 2 of Act No. 483/2001 Coll. on Banks, the Bank carries out, apart from taking deposits and providing loans, the following activities:

1. The provision of payment services and clearing;
2. The provision of investment services, investment activities and auxiliary services under the Act on Securities, and investing in securities for account;
3. Trading activities for the Bank's account:
 - a) Financial instruments of the money market in EUR or foreign currency, including currency exchange services;
 - b) Financial instruments of the capital market in EUR or foreign currency;
 - c) Precious metal coins, commemorative coins and banknotes, sheets of banknotes and sets of circulation coinage;
4. The management of claims on behalf of clients, including advisory services;
5. Financial leasing;
6. The provision of guarantees, opening and endorsing of letters of credit;
7. The provision of business advisory services;
8. The issuance of securities, participation therein, and the provision of related services;
9. Financial intermediation;
10. The safe custody of assets;
11. The renting of safe deposit boxes;
12. The provision of banking information;
13. Mortgage transactions pursuant to Article 67(1) of the Act on Banks;
14. Performance of the functions of a depository under a separate regulation;
15. The processing of banknotes and coins;
16. The issuance and administration of electronic money;
17. Financial intermediation under a special regulation as an independent financial agent in the insurance and reinsurance sector, provision of loans, housing loans and consumer loans, and as a tied financial agent in the supplementary pension savings sector.

Pursuant to Article 79a and Article 6 of Act No. 566/2001 Coll. on Securities and Investment Services and on changes and amendments to some acts (Act on Securities).

Pursuant to Article 79a(1) and Article 6(1) and (2) of Act No. 566/2001 Coll. on Securities and Investment Services, the investment of securities on own account, the provision of investment services, investment activities and ancillary services in accordance with Article 79a(1) and in conjunction with Article 6(1) and (2) of the Act on Securities, within the following scope:

- (i) Reception and transmission of client orders in relation to one or more financial instruments with respect to the following financial instruments:
 - a) Transferable securities;
 - b) Money market instruments;
 - c) Fund shares or securities issued by foreign collective investment entities;
 - d) Options, futures, swaps, forwards and other derivatives related to securities, currencies, interest rates or yields or other derivative instruments, financial indexes or financial rates which can be settled by delivery or in cash;
 - e) Options, swaps and forwards related to commodities which must be settled in cash or can be settled at the option of one of the parties; this does not apply if the settlement is carried out due to insolvency or another

event resulting in contract termination;

- f) Options and swaps related to commodities which can be settled in cash, if traded on a regulated market or within a multilateral trading system;
- g) Options, swaps and forwards related to emission licences, inflation rate which must be settled in cash or can be settled at the option of one of the parties, for a reason other than due to insolvency or another event resulting in contract termination.

(ii) Execution of orders on behalf of clients with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities;
- d) Options, futures, swaps, forwards and other derivatives related to securities, currencies, interest rates or yields or other derivative instruments, financial indexes or financial rates which can be settled by delivery or in cash;
- e) Options, swaps and forwards related to commodities which must be settled in cash or can be settled at the option of one of the parties; this does not apply if the settlement is carried out due to insolvency or another event resulting in contract termination;
- f) Options and swaps related to commodities which can be settled in cash, if traded on a regulated market or within a multilateral trading system;
- g) Options, swaps and forwards related to emission licences, inflation rate, which must be settled in cash or can be settled at the option of one of the parties, for a reason other than due to insolvency or another event resulting in contract termination.

(iii) Dealing on own account with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities;
- d) Options, futures, swaps, forwards and other derivatives related to securities, currencies, interest rates or yields or other derivative instruments, financial indexes or financial rates which can be settled by delivery or in cash;
- e) Options, swaps and forwards related to commodities which must be settled in cash or can be settled at the option of one of the parties; this does not apply if the settlement is carried out due to insolvency or another event resulting in contract termination;
- f) Options and swaps related to commodities which can be settled in cash, if traded on a regulated market or within a multilateral trading system;
- g) Options, swaps and forwards related to emission licences, inflation rate, which must be settled in cash or can be settled at the option of one of the parties, for a reason other than due to insolvency or another event resulting in contract termination.

(iv) Portfolio management with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities;
- d) Options, futures, swaps, forwards and other derivatives related to securities, currencies, interest rates or yields or other derivative instruments, financial indexes or financial rates which can be settled by delivery or in cash.

(v) Investment advice with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities.

(vi) Underwriting or placing of financial instruments on a firm commitment basis with respect to financial instruments:

- a) Transferable securities,
- b) Fund shares or securities issued by foreign collective investment entities.

(vii) Placing of financial instruments without a firm commitment basis with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities.

(viii) Safe custody and administration of financial instruments for the account of clients, including custodianship and related services, such as cash/collateral management with respect to financial instruments:

- a) Transferable securities,
- b) Money market instruments,
- c) Fund shares or securities issued by foreign collective investment entities.

(ix) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the provider of the credit or loans is involved in the transaction.

(x) Advice on capital structure and business strategy, and advice and services relating to the merger, consolidation, transformation or splitting of undertakings or the purchase of undertakings.

(xi) Foreign exchange transactions where these are connected to the provision of investment services.

(xii) Investment survey and financial analysis or the other forms of general recommendation relating to transactions in financial instruments.

(xiii) Services related to the underwriting of financial instruments.

(xiv) Receipt and transmission of clients' orders concerning one or more financial instruments, execution of clients' order on their own account, trading on own account related to underlying derivative instruments – forwards related to emission licenses which must be settled in cash or can be settled at the option of one of the parties for a reason other than due to insolvency or other event resulting in contract termination, provided that they are connected with the provision of investment services or ancillary investment services for these derivatives.

