ANNUAL REPORT
2025

DEŽELNA BANKA SLOVENIJE

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Deželna Banka Slovenije

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ANNUAL REPORT
DEŽELNA BANKA SLOVENIJE GROUP
2025

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I.1. KEY FINANCIAL DATA FOR THE DEŽELNA BANKA SLOVENIJE GROUP

	Deželna banka Slovenije Group	2025	2024	2023
1.	**Statement of financial position** (in EUR thousand)			
	Total assets	1,601,090	1,580,214	1,414,489
	Total deposits by non-banking sector measured at amortised cost	1,466,388	1,448,954	1,300,002
	- Corporates	411,686	473,188	364,858
	- Individuals	1,054,702	975,766	935,144
	Total loans to non-banking sector (not held for trading)	878,213	854,346	785,253
	- Corporates	580,551	592,799	537,699
	- Individuals	297,662	261,547	247,554
	Total equity	113,526	112,449	98,309
	Value adjustments and provisions for credit losses	(14,709)	(11,852)	(13,293)
	Off-balance sheet operations (B.1. to B.4.)	86,755	92,152	82,544
2.	**Income statement** (in EUR thousand)			
	Net interest income	40,214	53,408	48,172
	Net non-interest income	10,497	9,922	10,435
	Employee benefits cost, overhead and administrative expenses	(32,756)	(33,490)	(27,006)
	Depreciation and amortisation	(2,506)	(1,862)	(1,429)
	Impairments and provisions (credit losses)	(1,893)	1,133	(482)
	Profit/loss from continuous and discontinued operations before tax	13,359	28,981	27,997
	Corporate income tax from continuous and discontinued operations	(2,799)	(5,915)	(3,493)
3.	**Comprehensive income after tax** (in EUR thousand)			
	Comprehensive income for the year after tax	11,208	23,681	24,567
4.	**No. of branches** (at end of period)			
	No. of branches	76	76	76
5.	**No. of employees** (at end of period)			
	No. of employees	402	402	383
6.	**Shares**			
	No. of shareholders (at end of period)	201	201	204
	No. of shares (at end of period)*	4,231,682	4,231,682	4,231,682
	Par value (in EUR)	4.172926	4.172926	4.172926
	Book value (in EUR)	26.747188	26.421846	23.136229
7.	**Selected indicators**			
a)	**Capital adequacy** (in %)			
	Common equity tier I capital ratio	19.54	19.58	19.40
	Tier I capital ratio	19.54	19.58	19.40
	Total capital ratio	19.54	19.64	19.56
b)	**Quality of assets and commitments** (in %)			
	Non-performing (on- and off-balance sheet) exposures/Classified on- and off-balance sheet exposures	1.24	1.03	1.01
	Non-performing loans and other financial assets/Classified loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	2.24	1.94	1.83
	Non-performing loans and other financial assets/Classified loans and other financial assets (including balances at central bank accounts and sight deposits at banks)	1.55	1.24	1.26
	Value adjustments for credit losses/Non-performing loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	(42.30)	(43.78)	(46.32)
	Value adjustments for credit losses/Non-performing loans and other financial assets (including balances at central bank accounts and sight deposits at banks)	(42.30)	(43.78)	(46.32)
	Collaterals received/Non-performing loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	35.00	54.18	52.83
c)	**Profitability** (in %)			
	Interest margin	2.52	3.56	3.73
	Financial intermediation margin	3.18	4.22	4.54
	Return on assets (ROA) after tax	0.66	1.54	1.90
	Return on equity (ROE) before tax	12.06	27.69	32.28
	Return on equity (ROE) after tax	9.53	22.04	28.25
d)	**Operating expenses** (in %)			
	Operating expenses/Average assets	2.21	2.35	2.20
e)	**Liquidity**			
	Liquidity coverage ratio (in %)			
	- January-March	402.80	438.32	396.26
	- April-June	410.88	434.40	394.01
	- July-September	409.02	426.24	400.65
	- October-December	407.46	411.16	419.56
f)	**Net stable funding ratio** (in %)	213.79	196.57	184.01
g)	**Leverage ratio** (in %)	6.25	5.96	5.82

Note: The indicators have been calculated in compliance with the Bank of Slovenia Regulation on the Books of Account and Annual Reports of Banks and Savings Banks.
* The number of shares is in accordance with the records of the Slovene Central Securities Clearing Corporation KDD, less treasury shares.

I.2. KEY FINANCIAL DATA FOR DEŽELNA BANKA SLOVENIJE d. d.

	Deželna banka Slovenije d. d.	2025	2024	2023
1.	**Statement of financial position** (in EUR thousand)			
	Total assets	1,600,286	1,579,390	1,414,502
	Total deposits by non-banking sector measured at amortised cost	1,466,565	1,449,298	1,300,785
	- Corporates	411,863	471,461	365,641
	- Individuals	1,054,702	977,837	935,144
	Total loans to non-banking sector (not held for trading)	874,842	850,863	782,066
	- Corporates	580,300	592,091	536,740
	- Individuals	294,542	258,772	245,326
	Total equity	113,186	111,809	97,905
	Value adjustments and provisions for credit losses	(13,968)	(11,073)	(13,183)
	Off-balance sheet operations (B.1. to B.4.)	88,489	93,152	83,544
2.	**Income statement** (in EUR thousand)			
	Net interest income	39,561	51,949	47,196
	Net non-interest income	10,651	9,837	10,480
	Employee benefits cost, overhead and administrative expenses	(32,194)	(32,920)	(26,540)
	Depreciation and amortisation	(2,479)	(1,836)	(1,409)
	Impairments and provisions (credit losses)	(1,926)	1,797	(380)
	Profit/loss from continuous and discontinued operations before tax	13,522	28,610	27,776
	Corporate income tax from continuous and discontinued operations	(2,799)	(5,786)	(3,466)
3.	**Comprehensive income after tax** (in EUR thousand)			
	Comprehensive income for the year after tax	11,369	23,442	24,376
4.	**No. of branches** (at end of period)			
	No. of branches	76	76	76
5.	**No. of employees** (at end of period)			
	No. of employees	394	395	376
6.	**Shares**			
	No. of shareholders (at end of period)	196	201	204
	No. of shares (at end of period)*	4,231,682	4,231,682	4,231,682
	Par value (in EUR)	4.172926	4.172926	4.172926
	Book value (in EUR)	26.747188	26.421846	23.136229
7.	**Selected indicators**			
a)	**Capital adequacy** (in %)			
	Common equity tier I capital ratio	19.34	19.48	19.30
	Tier I capital ratio	19.34	19.48	19.30
	Total capital ratio	19.34	19.54	19.46
b)	**Quality of assets and commitments** (in %)			
	Non-performing (on- and off-balance sheet) exposures/Classified on- and off-balance sheet exposures	1.06	0.89	0.95
	Non-performing loans and other financial assets/Classified loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	1.91	1.68	1.74
	Non-performing loans and other financial assets/Classified loans and other financial assets (including balances at central bank accounts and sight deposits at banks)	1.32	1.08	1.20
	Value adjustments for credit losses/Non-performing loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	(45.15)	(46.33)	(48.64)
	Value adjustments for credit losses/Non-performing loans and other financial assets (including balances at central bank accounts and sight deposits at banks)	(45.15)	(46.33)	(48.64)
	Collaterals received/Non-performing loans and other financial assets (excluding balances at central bank accounts and sight deposits at banks)	31.83	51.31	50.46
c)	**Profitability** (in %)			
	Interest margin	2.48	3.46	3.66
	Financial intermediation margin	3.15	4.11	4.47
	Return on assets (ROA) after tax	0.67	1.52	1.88
	Return on equity (ROE) before tax	12.26	27.45	32.16
	Return on equity (ROE) after tax	9.72	21.90	28.15
d)	**Operating expenses (in %)**			
	Operating expenses/Average assets	2.18	2.31	2.16
e)	**Liquidity**			
	Liquidity coverage ratio (in %)			
	- January-March	399.73	434.44	392.55
	- April-June	407.95	430.66	390.20
	- July-September	407.25	422.22	396.94
	- October-December	406.12	408.05	414.18
f)	**Net stable funding ratio** (in %)	213.71	196.16	183.52
g)	**Leverage ratio** (in %)	6.36	5.97	5.83

Note: The indicators have been calculated in compliance with the Bank of Slovenia Regulation on the Books of Account and Annual Reports of Banks and Savings Banks.
* The number of shares is in accordance with the records of the Slovene Central Securities Clearing Corporation KDD, less treasury shares.

II. THE MANAGEMENT

II.1. REPORT OF THE MANAGEMENT BOARD

We entered 2025 with a new core banking system. Due to the scale of the project, the majority of staff were involved in parameterising the system and stabilising its operation during the first half of the year. The digitisation of business operations is one of the Bank's key strategic priorities.

Despite the challenges, the Bank ended 2025 with EUR 13.52 million in pre-tax profit and realised a 12.26% return on equity. The balance sheet total is 1.3% higher than in 2024, reaching EUR 1,600 million at the end of 2025.

DBS Group's overall capital requirement (OCR) reached 19.54% at the end of 2025, a decrease of 0.04 percentage points compared to the previous year. The Group met both CET1 and OCR capital adequacy ratios, including the capital guidance, the systemic risk buffer, and the countercyclical capital buffer, as well as MREL requirements. An adequate level of internal capital is ensured for all identified material Pillar II risks and for Pillar I capital requirements calculated in accordance with the CRR regulation, while the Group maintains an appropriate level of liquidity reserves and liquidity.

The Bank actively adapts its operations to the needs of the market and offers services that best suit customer expectations. In the area of active banking operations, lending to households remains one of the key strategic directions. The volume of loans extended to households increased by 5% compared to the previous year and amounted to EUR 417.68 million at the end of 2025. The Bank's investments into loans to non-financial corporations, the state and other financial corporations totalled EUR 457.17 million at the end of 2025. This was an increase by EUR 4.23 million compared to the year-end of 2024.

The bank maintained a stable customer deposit base in 2025 as well. Non-banking sector deposits increased by 1% in 2025, with the balance of collected funds from retail customers, including foreign entities and non-profit institutions serving households, increasing by 7% to EUR 1,145 million. Corporate deposits, including deposits by foreign entities, and deposits by the state, amounted to EUR 321.85 million as at 31 December 2025, a decrease of EUR 60.50 million compared to the previous year. The Bank's activities in relation to collecting corporate deposits were adjusted to the liquidity situation and market demand. In doing so, it kept a close eye on market conditions and investment opportunities. Corporate demand deposits, including deposits by the state and deposits by foreign entities amounted to EUR 125.65 million at the end of 2025, up 13% compared to the previous year.

In addition to the Bank and project company DBS Nepremičnine, the DBS Group comprises the subsidiary DBS Leasing, whose balance sheet total grew by 2.1%.

Last year also saw the launch of the strategic initiatives outlined in the Group's Strategy through 2027. During the implementation and as a result of the upgraded information system, the need to narrow down actual priorities became apparent. We have therefore reviewed all the initiatives, prioritised them, and identified the six main initiatives that will have the most significant impact on the Bank's operations, leading to improved efficiency, growth and sustainability for our Group.

Effective risk management remains one of the key objectives of the DBS Group, as it ensures stable and secure operations while contributing to greater efficiency and competitiveness. Throughout the year, the Bank pursued the goal of comprehensive and adequate risk management in all areas of operations. This was achieved by establishing and implementing a risk-taking and risk management strategy, which sets out the fundamental starting points and general guidelines for managing the key risks to which it is exposed.

Sustainable development is an integral part of our business strategy. In 2025, the Supervisory Board approved the Sustainable Development Strategy, which laid the groundwork for our day-to-day operations in this area as well. The key pillars that guide our business towards a responsible and sustainable future are sustainable management and strategy, responsible employment practices, sustainable products and services, and positive impact. It is our vision to remain a reliable and loyal partner in the transition to a sustainable, actively contributing to a more sustainable and responsible future through our activities.

Since the very beginning of its operations, the DBS Group has been an important financial pillar of Slovenian agriculture and rural areas, which is also reflected in its services tailored to agricultural activity. Long-standing relationships with farmers and young farming transferees require us to remain adaptable, flexible, and mindful of our responsibilities so that we can continue to be a trustworthy institution. To strengthen cooperation with agricultural cooperatives, last year we organised events with lectures for their members on the topic of succession issues in agricultural holdings, as farming transferees and the continuation of farming are crucial for the country's self-sufficiency and food independence.

Our slogan "Always near you" means that we are near both urban and suburban populations as well as rural areas. We are also always near at all major agricultural fairs and various events, where we greet our customers, introduce ourselves to potential new customers and thus strengthen awareness of our Bank. We were present at the St Gregory Fair, the spring and autumn fairs in Komenda and, of course, the largest fair in the sector, the agriculture and food fair in Gornja Radgona.

Being a partner of the Agribusiness project has been our tradition, through which we address farmers, cooperatives, the professional and business community, and we collaborate with them in creating solutions rather than simply offering services.

Our employees also seek solutions for the community through their generosity. Throughout the year, we collected over 250 kilograms of non-perishable food and hygiene products, as well as New Year's gifts for families struggling to make ends meet.

It is our employees who strengthen the foundations and mission of the DBS Group, demonstrating their commitment through their work and their activities outside of the workplace. Obstacles are challenges for them, whereas compliance and integrity are an integral part of their obligations. In addition, they are distinguished by their affiliation, professionalism, and efficiency, for which we would like to sincerely thank them.

In conclusion, I would like to thank all stakeholders, primarily customers, owners and business partners, who have showed trust in the bank and its operations. Banking is based on trust. We are confident that we will continue to build on this trust and long-term partnership in the future, despite challenging market conditions and fierce competition. This is precisely why we are stronger in the market, proving every day that we can do it.

BANK MANAGEMENT BOARD:

Member of the Management Board	Member of the Management Board	President of the Management Board
Maša Grgurevič Alčin	Andraž Grum, PhD	Gregor Rovanšek, MBA

DEŽELNA BANKA SLOVENIJE d.d.
LJUBLJANA
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II.2. REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of Deželna banka Slovenije d. d. monitors and oversees the Bank's management and its operations. The framework for its operation, as well as its powers and responsibilities, are based on the Banking Act, the Companies Act, Regulation on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks, other applicable regulations and the Bank's internal acts.

In 2025, the Supervisory Board has been composed of Ivan Lenart (President), Gregor Rovanšek, MSc (Deputy President), Iris Dežman, Nikolaj Maver, Gregor Sluga, MSc, Matija Gantar, MSc and Mladen Jovandić.

In 2025, the Supervisory Board met at six regular meetings as well as nine extraordinary and one correspondence meeting. Regular reports and other pressing matters as well as major issues related to the Bank's operations were discussed. Decisions were made regarding issues within the Board's competence. All meetings were quorate. In order to avoid conflicts of interest, some members of the Supervisory Board occasionally recused themselves from discussing certain items.

The following are the main topics that the Supervisory Board discussed in 2025:

The Bank's financial operations

The Supervisory Board regularly discussed the Bank's financial operations and the regular reports of the Bank and its subsidiaries on operations in 2025, and gave its consent to the plan for 2026.

Risk

The Supervisory Board reviewed and approved the Bank's risk profile. It took note of the risk analysis process, Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP), and with the report on the management of non-performing claims.

Human Resources

On 21 February 2025, the Supervisory Board was informed of the end of term of office of Management Board member Barbara Cerovšek Zupančič, and on 14 October 2025, of the resignation of the President of the Bank's Management Board, Jure Kvaternik. On 14 October 2025, the Supervisory Board appointed Maša Grgurevič Alčin as an alternate member of the Management Board for a period no longer than 6 months, and Andraž Grum, PhD as the President of the Management Board for a period no longer than 6 months. On 14 November 2025, the Supervisory Board appointed Gregor Rovanšek, MBA as President of the Bank's Management Board, subject to suspensive and resolutive conditions set forth in the Banking Act (obtaining a license). It appointed new members of the Nomination Committee.

Management of the Bank

The Supervisory Board reviewed and approved the Bank's 2024 annual report and offered a positive opinion with respect to the certified auditor's report. Together with the Management Board, the Supervisory Board convened for 23 May 2025 the Bank's 42nd Annual General Meeting. It endorsed the Bank's Risk-taking and Risk Management Strategy and adopted the Sustainable Development Strategy.

Internal audit of the Bank

In 2025, the Supervisory Board reviewed the 2024 annual report on the Bank's Internal Audit Department and half-year reports on its activities in the second half of 2024 and the first half of 2025. Furthermore, it regularly monitored quarterly reports of the Internal Audit Department on outstanding recommendations. It also approved its Annual Work Plan for 2026.

Operations of subsidiaries

The Supervisory Board regularly discussed the financial performance of the subsidiary DBS Leasing d. o. o.

The Bank's internal acts

The Supervisory Board adopted amendments and supplements to the Securities Investment Policy, Disclosure Policy, Remuneration Policy, Criteria for concluding individual employment contracts for members of the Management Board and Dividend Payment Policy at DBS. Where required by the applicable regulations, the Board reviewed and gave its consent to amendments to the Bank's internal acts. Also in 2025, a number of the Bank's acts were renewed, including the Specific Risk Management Policies.

Other relevant activities

The Supervisory Board reviewed the letters from the Bank of Slovenia. It examined reports on the state of information and general security. It discussed various materials on the Bank's operations compliance and the prevention of money laundering and terrorist financing. It has been closely following important court proceedings in which the Bank is involved, and the Bank's immovable property portfolio and the procedures for the disposal of more valuable property. It was also briefed on the report regarding the progress of stabilization after the transition to the new core banking system and on the report regarding the Bank's sustainable development (ESG) activities. It decided on giving its consent to the decisions of the Management Board when so stipulated by the legislation and the Statutes, and discharged other required tasks.

Internal organisation of the Supervisory Board

In 2025, the Supervisory Board received expert support from the Audit Committee, Risk Committee and Nomination Committee. Members of committees are Supervisory Board members. The tasks and competences of each committee are laid down in the Bank's Statutes and in terms of reference and rules of procedure of each committee. Internal organisation of the Supervisory Board is presented in detail in the Chapter VI.4. Composition and operations of management and supervisory bodies and their committees.

Based on adequate and timely reports and information as well as additional clarifications and explanations provided by the Management Board at the meetings themselves, the Supervisory Board was able to monitor and oversee the management responsibly, and to base own conduct on what is in the Bank's best interest. The Board feels to have collaborated well and constructively with the Management Board, the Bank's expert departments, and its regular auditor. All this has contributed to the Bank's stable operations and strong operating result.

As at 3 April 2026, the Management Board provided the Supervisory Board with the Deželna banka Slovenije Group Annual Report for 2025, which consists of the business report and financial report, the latter containing audited standalone financial statements of the Bank and consolidated statements of the Group, along with the auditor's report. The auditor believes the financial statements with notes give a true and fair view of the financial position of the Bank and the Group as at 31 December 2025, as well as profit or loss and cash flow for the financial year ended in accordance with the International Financial Reporting Standards.

At its meeting on 10 April 2026, the Supervisory Board confirmed the Deželna banka Slovenije Group 2025 Annual Report.

President of the Supervisory Board
Ivan Lenart

III. GENERAL INFORMATION ON THE BANK

III.1. THE BANK'S ROOTS AND HISTORICAL DEVELOPMENT

The roots of Deželna banka Slovenije d. d. go back to the era of the early agricultural credit unions and savings and loan undertakings.

2023
- Sale of DBS Adria d. o. o.

2020
- Sale of Semenarna Ljubljana, d. o. o.

2014
- DBS Adria d. o. o.
- Semenarna Ljubljana, d. o. o.

2013
- DBS Nepremičnine d. o. o.

2005
- DBS Leasing d. o. o.

2004
- Deželna banka Slovenije d. d.

1990
- *The agricultural cooperative bank*
  Slovenska zadružna kmetijska banka d. d.

1971
- *The association of savings and loan undertakings*
  Zveza hranilno-kreditnih služb Slovenije

1954
- Cooperative savings banks
  (the first new cooperative savings bank in Kranj)

1949
- Savings and credit sections of agricultural cooperatives

1920
- *Cooperative business bank*
  Zadružna gospodarska banka

1883
- The first Slovenian cooperative association
  (Celje Slovenian Credit Union Association)

1872
- The first credit union in Ljutomer

III.2. BANK'S SERVICES

Deželna banka Slovenije d. d. is licensed to provide banking services, which include accepting deposits and other repayable funds from the public and lending for the banks' own account, and it is also licensed to provide mutually recognised and ancillary financial services.

In 2025, the Bank was licensed to provide the following mutually recognised financial services under Article 5 of the Slovene Banking Act (ZBan-3):

Service

1. Accepting deposits and other repayable funds;
2. Lending, which includes:
   - Consumer credits,
   - Mortgage credits,
   - Factoring, with or without recourse,
   - Financing of commercial transactions, including forfeiting;
4. Payment transactions;
5. Issuing and managing other payment instruments (such as travellers cheques and bank bills) that do not fall under the services of the preceding item;
6. Issuing of guarantees and other commitments;
7. Trading for own account or for accounts of customers in:
   - Foreign exchange, including currency exchange transactions;

   Trading for own account:
   - Money market instruments,
   - Financial futures and options,
   - Foreign exchange and interest-rate instruments,
   - Transferable securities;
12. Safekeeping of securities and other services relating to safekeeping;
13. Credit rating services: collection, analysis and provision of information on creditworthiness.

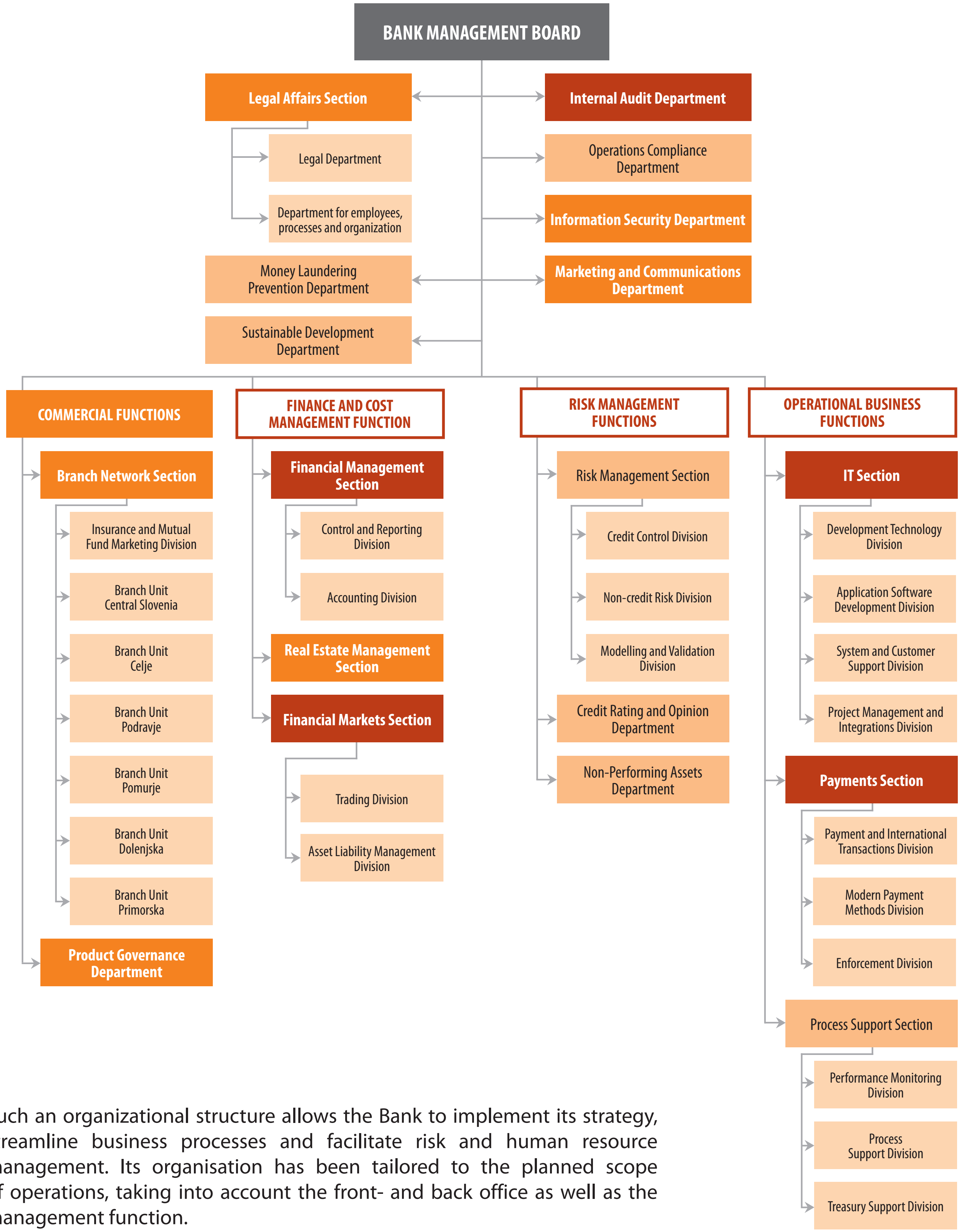
Pursuant to Article 6 of the Slovene Banking Act (ZBan-3), the bank may also provide additional financial services, such as:

Service

1. Insurance brokerage pursuant to the act governing the insurance business;
6. Other services or transactions, which, in terms of the method of provision and the risks to which the Bank is exposed in providing them, have similar characteristics to mutually recognised financial services or additional financial services:
   - brokering of financial leasing,
   - marketing of investment fund units.

III.3. ORGANISATIONAL CHART

Organisation chart as at 31 December 2025



Such an organizational structure allows the Bank to implement its strategy, streamline business processes and facilitate risk and human resource management. Its organisation has been tailored to the planned scope of operations, taking into account the front- and back office as well as the management function.

IV. DEŽELNA BANKA SLOVENIJE BANKING GROUP

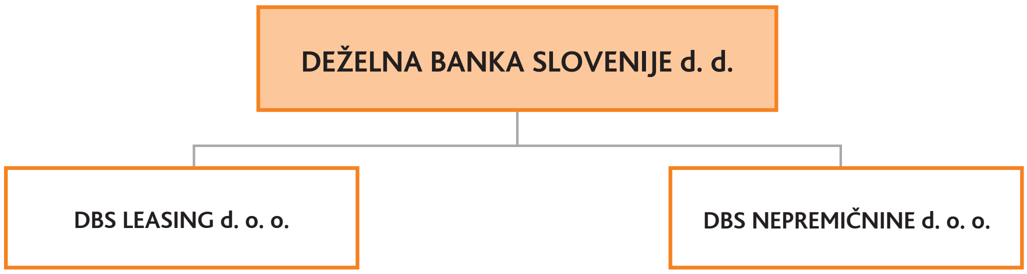
Deželna banka Slovenije d. d. is the controlling company in the Deželna banka Slovenije Group ("Group"). As at 31 December 2025, the Group included the following subsidiaries: the leasing company DBS Leasing d. o. o. ("DBS Leasing"), the real estate company DBS Nepremičnine d. o. o., which trades in the Group's property ("DBS Nepremičnine").

Deželna banka Slovenije d. d. draws up consolidated financial statements for the entire Group.

Group companies as at 31 December 2025

	Status	DBS's stake in %
DBS d. d.	Controlling company	-
DBS Leasing d. o. o.	Subsidiary	100
DBS Nepremičnine d. o. o.	Subsidiary	100

DBS Group organisation chart as at 31 December 2025



Performance indicators of the Group's subsidiaries for 2025

Company	DBS Leasing d. o. o.		DBS Nepremičnine d. o. o.	
	2025	2024	2025	2024
Total assets (in EUR thousand)	27,250	26,697	1,649	1,636
Equity (in EUR thousand)	3,841	4,061	1,636	1,618
Profit/loss before tax (in EUR thousand)	(220)	370	22	69
Income tax (in EUR thousand)	-	(124)	(4)	(6)
Profit/loss after tax (in EUR thousand)	(220)	246	18	63
Return on assets (ROA) before tax (in %)	(0.79)	1.50	1.34	4.29
Return on equity (ROE) before tax (in %)	(5.44)	9.48	1.35	4.33
No. of employees (at end of period)	8	7	0	0
Total assets/No. of employees (at end of period) (in EUR thousand)	3,406	3,814	-	-

DBS Leasing d. o. o.

Registered address: Kolodvorska ulica 9, 1000 Ljubljana, Slovenia
Registration number: 2160854
Activity: 64.910 Financial leasing
Initial capital: EUR 3,484 thousand
CEO: Jan Juvan

DBS Leasing is a small leasing company that offers movable property leases exclusively, thus complementing banking services and products with leasing services.

DBS Leasing offers its services to farmers, individuals and companies through the extensive network of bank branches, and partly through a network of suppliers. The predominant part of investments consists of financing for agricultural and forestry vehicles and machinery, followed by passenger cars, commercial vehicles and other movable property.

The company is included in prudential and accounting consolidation at the level of the DBS Group. Part of the support functions, such as risk management, IT and legal support, are performed for the company by its founder, and they also share some other functions. At the end of 2025, the company had eight employees.

A loss of EUR 220 thousand was reported for financial year 2025. The company's total assets in 2025 were up 2.1% to EUR 27.3 million. The majority of investments are finance lease receivables. The main sources of assets are equity and the founding company's loans.

DBS Nepremičnine d. o. o.

Registered address: Kolodvorska ulica 9, 1000 Ljubljana, Slovenia
Registration number: 6290540
Activity: 68.100 Buying and selling of own real estate
Initial capital: EUR 2,000 thousand
CEO: Tomo Sokolić

DBS Nepremičnine was founded in January 2013 and is wholly owned by DBS d. d. In the past, the company's core businesses was selling the Group's property, renting and developing real estate projects, whereas in recent years, the company's core businesses was other production of electricity.

A major part of balance sheet assets is a short-term loan to a subsidiary, and among sources of assets, it is equity.

In the financial year 2025, the company reported a net profit of EUR 18 thousand.

V. REPORT ON THE BANK'S PERFORMANCE IN 2025

V.1. GENERAL ECONOMIC ENVIRONMENT[1]

Global economic activity growth slowed slightly towards the end of 2025, particularly in the service and manufacturing sectors. According to data from the International Monetary Fund (IMF), it achieved 3.3% growth. The IMF forecasts that the global economy will grow by 3.3% in 2026 and 3.2% in 2027. The forecast for 2026 is 0.2 percentage points higher than the October forecast, which the IMF attributes mainly to increased investment in technology. Nevertheless, it warns that trade tensions and uncertainties continue to pose a risk to further growth. Geopolitical risks are also increasing. A prolonged persistence of the heightened geopolitical tensions and their spread into the wider Middle East could lead to higher prices for energy, food and transport, as well as disruptions in supply chains, which would hamper global trade.

Economic sentiment indicators in the euro area for the last quarter of 2025 indicate continued growth in economic activity. The average values of the composite purchasing managers' index (PMI) and the economic sentiment indicator reached their highest levels since the second quarter of 2023. Confidence has improved across all sectors and among consumers. In year-on-year comparison, it was noticeably higher in industry and construction.

Euro area economic growth strengthened in 2025 and exceeded expectations despite the escalation of global trade tensions. According to Eurostat's initial estimate, it was 1.5%. Based on the latest forecasts from international institutions, GDP growth is expected to be 1.3% for 2026, and to increase slightly to 1.4% in 2027 and 2028. Growth will continue to be driven by domestic demand, supported by higher real wages, high employment, a gradual decline in the savings rate, and higher spending on infrastructure and defence, particularly in Germany. Euro area export growth is expected to remain relatively weak due to tighter trade policies, competitive pressures, particularly from Asian countries, and the appreciation of the euro. The forecasts continue to be surrounded by great uncertainty, mainly related to geopolitical conditions and US trade policy.

Data from the domestic economy point to a relatively favourable end to 2025 and start to 2026. This is confirmed by the gradual improvement in the economic climate, significantly higher year-on-year construction activity stimulated by state investments, positive results in tourism, and favourable spending indicators on the domestic market, which coincide with the payment of the mandatory Christmas bonus. Amid weak demand and increased international uncertainty, conditions in manufacturing remained challenging, but companies were more optimistic than a year ago and further raised their estimates of expected production. The value of the economic sentiment indicator improved in December.

After slowing growth in previous years, the number of employees fell in 2025 (–0.4%). The decline was primarily driven by further reductions in construction, manufacturing, and certain market service activities, while employment in public service activities was increasing, particularly in health care and social assistance, as well as in education. Year-on-year, the number of unemployed was slightly higher (0.3%), especially among young people, which may indicate a slowdown in demand for labour. Nevertheless, companies still report labour shortages, which are being partially alleviated by increasing recruitment of foreign workers.

In Slovenia, GDP growth slowed to 1.1% in 2025 from 1.7% in 2024. After a decline in the first quarter, economic activity increased in the following quarters. Since the second quarter, growth has been mainly driven by construction investments, mostly state and infrastructure, and household consumption. Trends in the export sector have slowed down significantly. Exports of goods stagnated throughout the year and failed to keep pace with the growth in foreign demand, while value added in manufacturing declined. Economic growth in 2025 slightly exceeded autumn expectations (0.8%), with investments in particular being higher. According to the central scenario, which

[1] Sources:
Institute of Macroeconomic Analysis and Development of the Republic of Slovenia (IMAD): Spring Forecast of Economic Trends 2026, Slovenian Economic Mirror 1/2026.
Bank of Slovenia: Review of macroeconomic developments, January 2025, Monthly report on bank performance with commentary up to October 2025, December 2025.
Websites.

does not anticipate long-term increased oil and gas prices or supply constraints, GDP growth in Slovenia will strengthen in 2026 (2.0%), and remain at a similar level in the following two years.

Inflation in 2025 was, much higher than in the previous year, 2024. Annual price growth was 2.7% (1.9% in 2024), and the average annual price growth was 2.4%. Prices of services rose by 3.6% on average over the year, while prices of goods rose by 2.3%. Price increases in food and non-alcoholic beverages increased inflation by 0.8 percentage points, higher prices in the housing, water, electricity, gas and other fuel groups contributed 0.5 percentage points, and price increases in the restaurants and hotels category and the health care category contributed 0.3 percentage points. For 2026, inflation is still expected to be 2.6%, mainly due to the anticipated above-average growth in prices for services and food, partly as a result of higher labour costs. In the coming years, in the absence of shocks, inflation is expected to decline toward 2%

Year-on-year growth in the volume of loans to domestic non-banking sectors in November remained at the level of the previous month (6.3%). Growth in loans to companies and non-financial corporations (4.5%) and households (7.6%) did not change significantly. For households, growth in housing loans continues to strengthen (8.1%), accounting for almost two-thirds of all loans to households. The volume of new lending in the form of housing loans increased by half in the first eleven months of 2025 compared to the same period the previous year. However, consumer loan growth continued to gradually slow down and, at 9.6%, was the lowest since October 2023. Year-on-year growth in deposits by non-banking sectors (6.3%) is also maintained, driven mainly by growth in overnight deposits (8.6%). These account for more than 80% of all deposits by non-banking sectors. Deposits from businesses and non-financial corporations (7%) are growing slightly faster than deposits from households (5.9%).

The quality of bank investments deteriorated in the last few months of 2025. The share of NPEs in the total Bank portfolio stood at 1.6% in December, slightly moving away from the historically low levels (1.0%), which were reached in June 2025.

The assessment until the end of 2025 indicates a favourable and stable trend in capital adequacy at the banking system level. Despite a decline in the values of certain indicators, the liquidity of the banking system remained strong.

The ECB has kept interest rates unchanged since June 2025, and markets currently do not expect them to change this year either. The ECB is also continuing to normalize monetary policy in other areas.

V.2. THE BANK’S BUSINESS OPERATING POLICY

In December 2023, the Bank's Management Board adopted a new business strategy for the Deželna banka Slovenije Group for the period 2024–2027, and the Bank's Supervisory Board gave its consent to it. The Strategy sets the guidelines for the operations of the Bank and of DBS Leasing and DBS Nepremičnine, and defines the vision, mission, values and key strategic directions.

The Bank’s vision is to be the first choice for homebuyers, entrepreneurs, and the agricultural sector.

Retail banking is a key part of our business, and we intend to strengthen our market position by offering optimised digital banking services and new products (bundled offers and quick loans). We will also focus on business banking, while agriculture remains a segment to which we have traditionally been closely tied.

Our mission is to remain a Slovenian-owned universal bank that is sustainability-oriented and builds on tradition and values. We are a reliable life partner, standing by our customers through all significant life and business events. We offer a full range of banking and financial services and are the financial partner of choice for the agri-food sector, rural communities, and cooperatives.

The values that underpin our decisions and actions are: putting people first; satisfaction and trust; responsibility; affiliation; and sustainable development.

Based on an analysis of the economic environment, the banking market, technology trends and customer expectations, as well as a SWOT analysis, we have defined four key strategic priorities for our operations:
- Improving the Bank's efficiency,
- Growth,
- Sustainable operations,
- Technological transformation.

Growth is our key strategic priority, whereby we aim to grow our volume of business by focusing on three key pillars: SMEs, population and the agri-food sector.

To achieve our planned business growth, we are improving the Bank's efficiency and implementing a technological transformation.

Understanding sustainability as one of the core priorities of our strategy is key to our long-term success. Our commitment to sustainable practices is not only a response to growing environmental challenges, but also an opportunity to create value for all our stakeholders.

To implement the strategy, we have identified 21 strategic initiatives, In order to focus on key strategic initiatives that have a significant (strategic) impact on the Bank's operations, we carried out a prioritization of strategic initiatives in 2025. We are implementing 6 key initiatives as strategic initiatives, while other initiatives that are less complex are being carried out as work tasks.

In 2024 and 2025, our priority was technological transformation. We implemented an important part of it in 2025, when we successfully transitioned to a new core banking system. From the beginning of 2025, our customers have been able to use the new mobile and online banking services.

V.3. THE BANK'S PERFORMANCE

V.3.1. CORPORATE BANKING

Corporate lending

The main principles used in soliciting new customers are: knowing the company well, understanding its operations, understanding the risks the Bank is exposed to doing business with the company and identifying the company's needs for financing and other banking products. Based on this, the Bank cross-markets all its services in the areas of corporate banking, treasury, payment transactions and modern payment solutions.

The Bank has pursued a conservative investment policy and dispersed its exposure among family-owned companies, SMEs and cooperatives operating in the manufacturing industry, high-tech industries, ecology-related industries, the energy sector, the tourism industry and the agri-food sector. Sales efforts were dispersed selectively, with the Bank allowing exposure to corporates and cooperatives with adequate credit ratings and operations that generate enough cash-flow to repay loans. Attention was devoted to acquiring adequate exposure collateral. In 2025, the banking market again showed an exceptional orientation of banks towards micro and medium-sized enterprises. In the area of corporate lending, the Bank was confronted with very low interest rates from competing banks, which were at the same time relaxing their requirements for adequate collateral for loans. With regard to lending to this segment, the Bank has consistently remained within the parameters of its risk management framework, in compliance with regulations.

With customers identified as posing increased risk, the Bank intensified action for recovery or demanded additional collateral, which is in accordance with the policy of collateralisation and protection of the Bank's value.

The Bank’s investments into loans to non-financial corporations, the state and other financial corporations totalled EUR 457,165 thousand at the end of 2025. This was an increase by EUR 4,232 thousand compared to the year-end of 2024. The increase was primarily a result of increasing exposure to municipalities.

At the end of the year, non-performing exposures at solo level amounted to EUR 17,440 thousand, representing a 1.06% share. At consolidated level, they amounted to EUR 20,446 thousand, representing a 1.24% share. The Bank maintains its current method of dealing with non-performing exposures, which involves an individual approach, analysis of the causes of the customer's problems, consideration of options and acting in accordance with the findings. Where restructuring is reasonable, the Bank follows the Slovenian restructuring principles adopted by the Bank Association of Slovenia and the recommendations of the Bank of Slovenia. However, if the analysis shows that restructuring is not reasonable, the Bank pursues intensive pre-trial and judicial recovery.

Running accounts and DBS PRONET electronic banking for legal entities, sole proprietors and associations

At the end of 2025, the number of active transaction accounts held by legal entities was comparable to that of 2024. The DBS PRONET online banking service was used by 90% of legal entities, sole proprietorships, and associations that held an active transaction account with the bank.

At the end of the year, 46% of legal entities used mobile banking, which means that this digital channel is also becoming increasingly popular among business users.

Payment transactions

In 2025 the Bank followed trends in state-of-the-art developments in payment transactions and complied with legal requirements. In addition to individual credit transfers and instant payments, it offers its customers SEPA mass payments, SEPA direct debit, payment cards, and the issuing and paying of e-invoices. By joining the TIPS payment system for instant payments between bank accounts in the EU and BIPS IP for instant payments, the Bank enables traders to receive instant payments at sale outlets.

In accordance with the Revised Payment Services Directive (PSD2), the Bank offers a payment ordering service and an account information provisioning service within open banking and has security mechanisms in place for online payments, having introduced strong authentication to ensure the Bank's compliance with the before-mentioned directive.

The Bank integrates into modern payment systems by maintaining and upgrading sophisticated IT support, thereby ensuring itself access to central-bank money, while providing high-quality services to its customers. The majority of the Bank's corporate payment traffic was handled by the BIPS IKP, BIPS IP, and TARGET2 internal and domestic payment systems, as well as by the SEPA EKP international and cross-border payment system. In 2025, the volume of instant payment transactions increased, as the bank adapted its solutions and offered customers a new service on digital channels.

With respect to international operations, the Bank offers its customers guarantees, letters of credit, and collection, and maintains good business relations with other banks by adequately servicing its current account and correspondent banking network. It also offers international payment transaction services to savings banks in Slovenia.

Corporate deposits

Corporate deposits, including deposits by foreign entities, and deposits by the state, amounted to EUR 321,852 thousand as at 31 December 2025. The Bank's activities in relation to collecting corporate deposits were adjusted to the liquidity situation and market demand. In doing so, it kept a close eye on market conditions and investment opportunities. Corporate demand deposits, including deposits by the state and deposits by foreign entities amounted to EUR 125,646 thousand at the end of 2025.

V.3.2. RETAIL BANKING AND BUSINESS NETWORK

The Bank's household operations in 2025 were influenced by the subdued economic growth in the country and the stable level of interest rates, which had a strong impact on the economic activity of households - the population, farmers and sole proprietors.

Collected funds

The balance of collected funds from households, including foreign entities and non-profit institutions serving households, amounted to EUR 1,144,713 thousand at the end of 2025. This was up EUR 75,649 thousand, or 7.1%, compared to the end of 2024. Of this, funds collected from households, mostly sight deposits, totalled EUR 1,054,702 thousand.

Lending

The balance of loans and advances to retail customers amounted to EUR 417,677 thousand at the end of 2025, an increase by EUR 19,747 thousand, or 5.0%, compared to the year-end of 2024.

Despite strong competition and restrictions introduced by the Bank of Slovenia, the Bank managed to achieve growth and preserve the quality of its credit portfolio in lending business for the segment of households. In the area of housing loans, the banking market in 2025 saw an abundance of extremely low interest rates, which resulted in pressure to lower interest rates on existing loans and high repayment rates on loans approved in the past. Competing banks even offered fixed-rate loans with maturities of up to 30 years. This was not pursued by the bank because of the exposure to excessive interest rate risk that would arise from such investments.

In 2025, safety and limitation or risks were again at the forefront for the Bank. By regularly addressing debtors, it has kept the volume of overdue defaulting receivables from households at a manageable level.

Transaction accounts

In 2025, the Bank continued to actively open transaction accounts. This is closely related to the cross-marketing of products, as the Bank offers its products in packages that enable customers to expand their cooperation with the Bank to several areas and banking services. In an effort to increase the number of transactional accounts, the Bank continued marketing special offers, which included Sowing Package, Harvest Package, Secondary On-farm Activity Package, Transferee of a Farm Package, and Package for sole proprietors, associations and other legal persons governed by private law. The Bank’s primary focus is with customers that ask for full-functionality accounts. In 2025, the Bank was regularly closing inactive transaction accounts.

Numismatics

The Bank continues to sell numismatic – collector and commemorative – coins, as this is an important contribution to maintaining the Bank’s visibility in its environment. In 2025, two issues of collector and commemorative coins were realised, one to mark the European Capital of Culture 2025 Nova Gorica – Gorizia and the other to mark the 100th anniversary of the birth of Miki Muster.

Electronic banking for individuals – DBS NET

In 2025, the Bank further increased both the number of transactional accounts with the E-banking functionality, and the number of E-bank users. The results achieved are due to integrating new customers, the active migration of existing customers to payment services via online or mobile banking, and a revised solution for granting access to individual accounts via online or mobile banking.

Despite the development of new solutions for online and mobile banking, existing solutions were also regularly functionally upgraded in order to improve the customer user experience.

Insurance brokerage

In 2025, the Bank cooperated with Zavarovalnica Sava d. d. and restarted cooperation with Prva Osebna zavarovalnica d. d. in the distribution of insurance products. It continued to optimise and increase activities in this area.

Marketing mutual funds

In 2025, the Bank continued its cooperation with DZU Generali Investments in mutual fund marketing, achieving a notable increase in business in this area.

The Bank's ATM network

At the end of 2025, the Bank's ATM network consisted of 23 machines.

Payment cards

The growth trend in the volume of card business continued in 2025. The number of Mastercard debit cards and Mastercard prepaid cards issued increased, as did the number of Mastercard deferred payment cards. Despite the fact that the Bank issues to its customers a Mastercard debit card that is widely accepted at online points of sale, which can also have an impact on the decline in interest in prepaid and deferred payment cards, we perceived an increase in interest in the latter two products in 2025. Customers are still demanding all card products due to the characteristics and benefits of using each card, i.e., debit cards for everyday use at ATMs, physical points of sale and online purchases; prepaid cards for transactions with previously secured and limited funds (these are more commonly used for online and travel transactions); deferred payment cards primarily when customers make large purchases and settle liabilities to the bank in instalments, when travelling or booking accommodation where only deferred payment cards are accepted by points of sale, or when settlement of liabilities with deferred payment is more appropriate with regard to their payment habits.

Marketing UPN forms via outsourcers

In 2025, the Bank outsourced the marketing of standard payment order forms (so-called UPN forms) to five providers.

V.3.3. OPERATIONS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Operations with domestic and foreign banks in 2025 mainly comprised currency conversions, with which the Bank provided liquidity and managed net open foreign exchange positions.

In 2025, the Bank did not borrow funds in the interbank market. As to investments, exposure to the banking sector was within the set limits.

V.3.4. SECURITIES TRANSACTIONS

Debt and equity securities

The Bank's portfolio of debt securities as at 31 December 2025 was worth EUR 274,717 thousand. In line with its adopted strategy, in 2025, the Bank replaced matured and sold debt securities with new ones, focusing mainly on top-rated securities that meet the criteria for eligible underlying assets of the Eurosystem.

In purchasing new debt securities, decisions were based on the Bank's needs, which depended on the maturity periods of its liabilities, its compliance with the liquidity coverage ratio (LCR) and the capital adequacy ratio, as well as security and return on investment. The Bank's investment policy was highly conservative in general.

Equity investments

The total value of equity investments as at 31 December 2025 amounted to EUR 8,467 thousand, of which investments in subsidiaries represented a 62% share, investment in the Bank Resolution Fund a 34% share, and other investments a 4% share.

V.3.5. PROPERTY MANAGEMENT

The Bank manages its own property, which it needs to carry out its activities, and the property acquired through insolvency proceedings, debt recovery proceedings, or denationalisation proceedings.

The bank actively monitors the property market and events in the local environment and searches for buyers or tenants to sell and lease property and investment property as efficiently as possible, all with the aim of achieving the highest possible prices and returns.

The size of the real estate portfolio decreased by a net EUR 555 thousand or 4.4% in 2025. The Bank acquired EUR 3 thousand of new property in foreclosure and bankruptcy proceedings during this period. Efficient sales contributed to the reduction of the total volume of the portfolio, as the Bank sold EUR 619 thousand of property in 2025, generating an overall positive result on sales.

In 2026, the Bank will continue intensive marketing activities to further reduce the volume of investment property.

V.4. FINANCIAL RESULTS AND FINANCIAL POSITION

V.4.1. FINANCIAL RESULTS

DEŽELNA BANKA SLOVENIJE GROUP

In 2025, the Group reported EUR 13,359 thousand of profit from ordinary operations before tax, which is a 54% or EUR 15,622 thousand decrease year-on-year (2024: EUR 28,981 thousand). The net profit for the year amounted to EUR 10,560 thousand (2024: EUR 23,066 thousand). The Group's operations were improved by the subsidiary DBS Nepremičnine.

Group net interest income amounted to EUR 40,214 thousand, a decrease by EUR 13,194 thousand year-on-year. The majority of interest income results from the Bank's operations, including loans, borrowings, and deposits. The consolidation of subsidiaries into Group statements has increased financing income and net interest income by EUR 653 thousand.

Net fee and commission income amounted to EUR 8,649 thousand, up EUR 226 thousand from a year earlier. The majority of net fee and commission income refer to the operations of the Bank and are attributable mainly to fee and commission income on payment transactions and the administrative services provided.

In 2025, net profit from financial assets and liabilities held for trading amounted to EUR 124 thousand (2024: EUR 171 thousand net profit).

Net gains on the derecognition of non-financial assets amounting to EUR 435 thousand (2024: EUR 196 thousand) mostly relate to gains on sales of the Bank’s property.

Net expenses from impairments amounted to EUR 1,633 thousand, which is EUR 2,469 thousand more in net expenses than in the previous year (2024: EUR 836 thousand in net income). Impairment charges for loans and debt securities resulted in net expenses of EUR 1,559 thousand, which is EUR 2,383 thousand more in net expenses than in the previous year. The impairment charge against investment property contributed EUR 38 thousand of net income, and the impairment of other assets EUR 112 thousand of net expenses. Net expenses from provisions amounted to EUR 457 thousand, which is EUR 624 thousand more in net expenses than in 2024 (2024: EUR 167 thousand in net income).

DEŽELNA BANKA SLOVENIJE d. d.

The Bank recorded a positive result in 2025, achieving profit before tax of EUR 13,522 thousand (2024: EUR 28,610 thousand) and profit after tax of EUR 10,723 thousand (2024: EUR 22,824 thousand). The after-tax comprehensive income was EUR 11,369 thousand (2024: EUR 23,442 thousand). Operating profit before impairments and provisions, and before tax, was EUR 15,539 thousand (2024: EUR 27,030 thousand).

The result in 2025 was positively affected by EUR 1,000 thousand lower administrative costs, EUR 431 thousand in higher net fees and commissions, EUR 239 thousand in higher net gains from the derecognition of non-financial assets, EUR 116 thousand in lower net expenses from impairment of investment property and EUR 115 thousand in higher other net gains. The negative impact was driven by EUR 12,388 thousand in lower net interest and EUR 3,072 thousand in higher net expenses from impairment of loans and debt securities, EUR 651 in higher net expenses for provisions for assumed loan obligations and given financial guarantees and EUR 549 thousand in higher expenses from amortization of intangible assets.

Net interest income in 2025 amounted to EUR 39,561 thousand, a decrease by EUR 12,388 thousand year-on-year (2024: EUR 51,949 thousand). Interest income was lower by EUR 14,735 thousand due to lower interest on loans granted to households, the state and legal entities, on debt securities and on interest on demand deposits with the central bank, while interest from debt securities measured at fair value through other comprehensive income was higher. Interest expense was down EUR 2,347 thousand year-on-year, attributable to lower interest on deposits held by legal entities and households.

Net fee and commission income totalled EUR 8,738 thousand, up EUR 431 thousand year-on-year (2024: EUR 8,307 thousand). Fee and commission income was higher by EUR 827 thousand, with an increase in fee and commission income from payment transactions and from brokerage and commission transactions. Fee and commission paid was up EUR 396 thousand year-on-year.

Net expenses from impairments amounted to EUR 1,546 thousand, which is EUR 2,956 thousand more in net expenses than in the previous year (2024: EUR 1,410 thousand in net income). Compared to the previous year, in 2025, net expenses from loan impairments and debt securities increased by EUR 3,072 thousand and amounted to EUR 1,584 thousand (2024: EUR 1,488 thousand in net income). Impairment of investment property resulted in net income of EUR 38 thousand, which was EUR 116 thousand higher than in the previous year. In 2025, there was a net expense of EUR 471 thousand from provisions (2024: net income of EUR 170 thousand). Provisions for potential off-balance-sheet liabilities totalled EUR 342 thousand of net expenses, and other provisions amounted to EUR 129 thousand of net expenses.

Other net operating gains totalled EUR 1,262 thousand (2024: EUR 1,147 thousand). Gains included EUR 712 thousand of lease income.

The Bank's operating expenses in 2025 amounted to EUR 34,673 thousand (2024: EUR 34,756 thousand), with employee benefits cost totalling EUR 20,091 thousand, down EUR 554 thousand from 2024. Overhead and administrative expenses amounted to EUR 10,228 thousand and were EUR 446 thousand lower than in 2024. Costs for payments into the bank resolution fund and the deposit guarantee scheme amounted to EUR 1,875 thousand and were EUR 274 thousand higher than in 2024. Amortisation and depreciation expenses amounted to EUR 2,479 thousand, up EUR 643 thousand compared to 2024.

V.4.2. FINANCIAL POSITION

DEŽELNA BANKA SLOVENIJE GROUP

The Group's total assets amounted to EUR 1,601,090 thousand at the end of 2025, up EUR 20,876 thousand or 1.3% throughout 2025. The total assets of subsidiaries amounted to EUR 28,982 thousand and represent 1.8% of the Group's total assets (31 Dec 2024: 1.8%). After the elimination of inter-company relationships, the Group's total assets exceeded the Bank's total assets by EUR 804 thousand.

The Group's loans and advances amounted to EUR 882,205 thousand at the end of December, representing an increase of EUR 24,986 thousand. Loans to customers other than banks (including the state) increased by EUR 23,867 thousand and amounted to EUR 878,213 thousand. Other financial assets amounted to EUR 3,992 thousand at the end of 2025, an increase of EUR 1,119 thousand.

The carrying amount of tangible assets totalled EUR 24,501 thousand as at 31 December 2025. Investments in the capital of two subsidiaries were deduced from equity investments in the consolidation process in the total amount of EUR 5,243 thousand.

Financial liabilities measured at amortised cost (including deposits, loans and other financial liabilities) totalled EUR 1,479,220 thousand at the end of December 2025. Deposits and borrowings from banks and the central bank were up EUR 127 thousand year-on-year, to EUR 1,439 thousand, and deposits by customers, including deposits from the state increased by EUR 15,314 thousand to EUR 1,466,388 thousand.

DEŽELNA BANKA SLOVENIJE d. d.

The Bank's total assets amounted to EUR 1,600,286 thousand at the end of 2025. This is an increase by EUR 20,896 thousand or 1.3% year-on-year, attributable mainly to higher deposits by households.

Corporate deposits, including state deposits, decreased by EUR 60,502 thousand by the end of 2025 due to a decrease of EUR 59,468 thousand in corporate deposits. Under investments, loans and advances in this segment were up EUR 4,232 thousand.

Household deposits increased by EUR 75,649 thousand in 2025, with loans and advances to households up EUR 19,747 thousand.

Under borrowings from banks and the central bank, the balance increased by EUR 127 thousand by the end of 2025. On the investment side, balances with the central bank decreased and totalled EUR 389,779 thousand together with the minimum reserve at the end of 2025.

Equity investments in subsidiaries totalled EUR 5,243 thousand. Equity investments in DBS Leasing and DBS Nepremičnine totalled EUR 3,720 thousand and EUR 1,523 thousand, respectively, at the year-end of 2024.

In 2025, the Bank reduced the volume of investment property by a total of EUR 482 thousand or 4%, and its inventory of properties by EUR 74 thousand. At the year-end of 2025, the total value of property amounted to EUR 11,983 thousand.

V.5. SHAREHOLDERS' EQUITY

The Group's equity as at 31 December 2025 amounted to EUR 113,526 thousand, up EUR 1,077 thousand year-on-year.

The Bank's equity as at 31 December 2025 amounted to EUR 113,186 thousand, up EUR 1,377 thousand year-on-year. It increased by EUR 10,723 thousand due to the current operating result, of which other revenue reserves increased by EUR 5,361 thousand, and decreased by EUR 205 thousand EUR in accumulated other comprehensive income. Of this, the Bank's equity increased by EUR 58 thousand due to an increase in profit from changes in the fair value of investments in equity instruments measured at fair value through other comprehensive income, increased by EUR 183 thousand due to a decrease in the loss from actuarial losses for employees and decreased by EUR 446 thousand due to a decrease in the gain from changes in the fair value of investments in debt financial instruments measured at fair value through other comprehensive income.

The share book value as at 31 December 2025 was EUR 26.747188. It is calculated as follows: share capital less treasury shares, divided by the number of shares recorded in the central securities register of the Slovene Central Securities Clearing Corporation (KDD) less treasury shares.

The Bank’s 10 largest shareholders as entered in the KDD central securities registry as at 31 December 2025:

Shareholder	Number of shares	Stake in %, considering all shares in KDD
KD Group d. d.	1,250,755	29.378
Kapitalska zadruga, z. b. o.	894,158	21.002
Kritni sklad PRVA+ ZAJAMČENI	422,557	9.925
Skupina Prva d. d.	422,557	9.925
ČZD Kmečki glas, d. o. o.	200,000	4.698
Zadružna zveza Slovenije, z. o. o.	171,848	4.036
Raiffeisen Bank International AG (RBI) - fiduciarni račun	106,118	2.493
Kritni sklad PRVA IN PRVA+ URAVNOTEŽENI	104,716	2.460
Kritni sklad PRVA IN PRVA+ DINAMIČNI	95,304	2.239
GENERALI zavarovalnica d. d., SKLAD NEŽIVLJENJSKIH ZAVAROVANJ	88,050	2.068
Total	**3,756,063**	**88.223**

The Bank's share capital amounts to EUR 17,811,083.54 and is divided into 4,268,248 ordinary no par value shares of the same class. The KDD central registry has on record 4,257,483 no par value shares. The difference of 10,765 shares is due to the fact that certain shareholders have not yet changed their paper stock into dematerialised securities. As at 31 December 2025, the Bank held 25,801 repurchased treasury shares, which is 0.606% of all issued shares.

VI. CORPORATE GOVERNANCE STATEMENT OF DEŽELNA BANKA SLOVENIJE d. d. FOR THE YEAR ENDED 31 DECEMBER 2025

Pursuing a high level of transparency in corporate governance, Deželna banka Slovenije d. d. as the controlling company in the Deželna banka Slovenije Group, is hereby making a corporate governance statement pursuant to the provision of Article 70 (6) of the Companies Act.

VI.1. STATEMENT OF INTERNAL GOVERNANCE ARRANGEMENTS

Based on Article 70 (6) of the Companies Act, the Bank is hereby, as part of the Business Report inside its Annual Report, making the following Statement of internal governance arrangements.

The Bank pursues an internal governance arrangement, including corporate governance, pursuant to the legislation valid in the Republic of Slovenia, while also abiding by its internal acts. In doing so, it fully complies with the acts listed in Article 9 (2) of the Banking Act[2].

To strengthen its internal governance arrangements, the Bank abides by the following, specifically, in conducting its operations:

1) The provisions of the valid Banking Act on internal governance arrangements, especially the provisions of Chapters 3.4 (Governance System of a Bank) and 6 (Internal Governance Arrangements and Internal Capital Adequacy) referring to banks and members of the management body;
2) Regulation on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks,[3] and
3) Guidelines of the European Banking Authority (EBA) on internal governance, the assessment of the suitability of members of the management body and key function holders, and remuneration policies and practices.

The Bank has adopted a Management Policy, which defines the basic areas of corporate governance; a summary of the document is publicly disclosed and published on the company's website. The Bank has not committed to apply any of the public codes and has adopted a Code of Conduct, published on its website, the provisions of which it fully complies with in its work.

By signing this declaration, we also undertake to continue acting pro-actively towards strengthening and promoting an adequate internal governance arrangement and corporate integrity in the professional public, financial and economic sector, and the general public.

VI.2. OUTLINE OF MAIN CHARACTERISTICS OF INTERNAL CONTROLS AND RISK MANAGEMENT RELATED TO FINANCIAL REPORTING

Deželna banka Slovenije d. d. has an efficient system of internal controls and risk management functioning at all levels of its organisation structure, including at the level of commercial, control and support functions and at the level of each financial service. To this end, the Bank strives to pursue a sturdy and reliable governance system which entails:

- a clear organisation structure with precisely defined, transparent and consistent internal relationships as to responsibility;
- efficient processes for detecting, measuring and assessing, controlling and monitoring risk, including recovery plans and reporting on the risks that the Bank is or could be exposed to in its operations;

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[2] ZBanking Act (ZBan-3), Official Gazette RS 92/21, with amendments and supplements.
[3] Regulation on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks, Official Gazette RS, No. 115/21, with amendments.

- adequate internal control system that includes suitable administrative and accounting procedures (work procedures to ensure and preserve timely, comprehensive and reliable data, reporting, limits restricting exposure to risk, and physical and automatic controls);
- adequate remuneration policy and practice that is consistent with prudent and effective risk management as promoted by the Bank, and also gender-neutral.

The Bank's objective is to ensure that its business objectives, strategies and policies are adequately balanced with its Risk-taking and Risk Management Strategy and with its policies of risk-taking and risk management for different types of risks that the Bank is or could be exposed to in its operations.

To obtain an independent and objective assessment of the efficiency and compliance with internal controls, the Bank has set up internal control functions (risk management, operations compliance, money laundering prevention, information security management, and internal audit activity).

Risk management in relation to the financial reporting process includes processes for ensuring the authenticity, accuracy, integrity and completeness of accounting information, and processes for ensuring that financial disclosures are timely and fair in both internal and external reports. In accounting procedures, internal controls are based on an adequate delimitation of powers and responsibilities.

Books of account, business documentation and other administrative records are kept in a manner so as to reveal systematically and at any time whether the Bank's operations comply with risk management regulations.

Compliance of the internal control system and risk management with banking rules is inspected annually by external auditors that examine the Bank's annual report.

VI.3. OPERATIONS AND KEY COMPETENCES OF THE GENERAL MEETING, AND A DESCRIPTION OF SHAREHOLDERS' RIGHTS AND HOW THEY CAN BE EXERCISED

The General Meeting (GM) is composed of the Bank's shareholders. It is convened by the Management Board at least once a year and additionally whenever necessary for the Bank's best interest. It may also be convened by the Supervisory Board, especially when the Management Board had not done so in due time or when this is necessary to ensure the Bank's smooth operations. It may also be convened upon demand of the shareholders whose aggregated shares amount to one twentieth of equity.

Pursuant to the Deželna banka Slovenije d. d. Statutes, the General Meeting decides on the appropriation of distributable profit as proposed by the Management Board and Supervisory Board; endorsement of the annual report in case it was not approved by the Supervisory Board or if the Management Board and Supervisory Board leave this decision to the GM; the Internal Audit Department annual report and the related Supervisory Board opinion; discharging the Management Board and Supervisory Board from liability; nominating and recalling Supervisory Board members; capital increases and decreases, except in cases when the Statutes stipulate the decision to be in the competence of the Management Board; adopting amendments and supplements to the Statutes (the GM adopts amendments and supplements to the Statutes by a three-quarters majority of the votes cast); the dissolution of the Bank and changes of its status; appointing auditors; the General Meeting Rules of Procedure, and other matters as provided for by the Statutes and the law. The GM adopts decisions on issues related to managing the Bank's business if so requested by the Management Board after the Supervisory Board had refused its consent. The GM adopts decisions with a majority of the votes cast, except in cases where the law or the Statutes stipulate a two-thirds or three-quarters majority of the votes cast.

Those shareholders may attend the General Meeting and cast their votes who hold ordinary shares and are recorded in the central registry of dematerialised securities at the end of the seventh day prior to the General

Meeting and who have confirmed their attendance in writing not later than at the end of the fourth day prior to the General Meeting. They may exercise their rights at the General Meeting in person or through their agent or authorised representative.

Pursuant to the Statues and the law, shareholders may propose that additional items be added to the GM agenda or lodge counterproposals to individual items of the agenda.

The Deželna banka Slovenije d. d. dividend policy is based on the main objectives defined in strategic plans, statutory provisions and recommendations of the Bank of Slovenia and European Central Bank. The recommendations stipulate that the Bank form a conservative dividend policy based on which to be able to comply with minimum capital requirements. The Bank's management and owners are aware at all times that capital adequacy, the related statutory provisions and growth of the volume of business are crucial for the Bank's long-term viability and continual increase of the value of assets invested in its operations.

Deželna banka Slovenije d. d. has a dividend payment policy in place, which states that it will strive for regular payment of the dividend if:

- the bank's capital adequacy is not jeopardized,
- the payment does not violate the regulator's recommendations or requirements.

Subject to the conditions set out in the preceding indent, after each audited annual report and following a decision of the General Meeting, the Bank will, as a general rule, pay as a dividend an amount representing not more than 40% of the net profits of the previous year.

VI.4. COMPOSITION AND OPERATIONS OF MANAGEMENT AND SUPERVISORY BODIES AND THEIR COMMITTEES

Deželna banka Slovenije d. d. operates under a two-tier system of governance. The Bank is run by the Management Board, and their work is overseen by the Supervisory Board. The Bank's internal governance and organisational structure are implemented pursuant to the Slovenian and European legislation in force, internal acts, and best practice standards in corporate governance.

Management Board of the Bank

From 1 January 2025 to 31 July 2025, the Management Board was composed of:

- Jure Kvaternik, President,
- Barbara Cerovšek Zupančič, MSc, Member:
- Andraž Grum, PhD, Member.

From 31 July 2025 to 14 October 2025, the Management Board was composed of:

- Jure Kvaternik, President,
- Andraž Grum, PhD, Member.

Since 14 October 2025, the Management Board has been composed of:

- Andraž Grum, PhD, President of the Management Board,
- Maša Grgurevič Alčin, Member of the Management Board.

The Management Board runs and manages the Bank autonomously and at its own responsibility, which they have to perform with due professional care and thus ensure for the Bank to operate in compliance with the requirements of the Banking Act as well as with highest ethical and professional standards of governance, while also being attentive to prevent potential conflicts of interest. In accordance with the provisions of the Banking Act, the members of the Management Board represent the Bank jointly.

The members and president of the Management Board are appointed and discharged by the Supervisory Board. They are appointed for a maximum five-year renewable term. The members meet weekly at Management Board meetings. The function of member of the Bank's Management Board may only be performed by a person who has obtained the requisite licence except in the cases specified in Article 48(5) of the Banking Act. The Supervisory Board must make a decision regarding the appointment of an individual as member of the Bank's Management Board – and obtain, to that end, the Nomination Committee's estimate on the suitability of this person to act as member of the Management Board – prior to this person filing for the licence for acting as member of the board.

The Management Board is fully responsible for the Bank's operations and its risk management, including for approving the Bank's strategic goals and overseeing their implementation, for defining, adopting and regularly revising the strategy of risk-taking and risk management, for internal governance arrangements, for ensuring the integrity of accounting and financial reporting systems, which include financial and operational control and ensuring the compliance of the Bank's operations with applicable norms and standards, and for overseeing information disclosure procedures and reporting to the competent authorities and other interested parties. The Management Board is also responsible for providing efficient supervision of senior management.

Activity of the Management Board is governed by the Management Board Rules of Procedure. The Management Board may appoint collective bodies to which it transfers certain decision-making rights, as well as working and advisory bodies from the ranks of bank employees. Important roles are also assigned to different boards and committees which make decisions in line with their respective powers and competences: Credit Board, Asset Liability Management Board, Non-performing Loans Board, Risk Management Committee, Liquidity Committee, Property Management Committee, Sustainable Development Committee, Security Committee and Crisis Team.

Supervisory Board

Members of the Supervisory Board are elected by the Bank's General Meeting at the recommendation of the Supervisory Board, with a simple majority of the votes cast, for a four-year re-electable term. The function of member of the Bank's Supervisory Board may only be performed by a person who has obtained the requisite licence. The GM recalls members of the Supervisory Board with a three-quarter majority of the votes cast.

In 2025, the Supervisory Board was composed of:
- Ivan Lenart, Chair,
- Gregor Rovanšek, MBA, Deputy President,
- Iris Dežman, member
- Matija Gantar, MSc, member,
- Nikolaj Maver, member,
- Gregor Sluga, MSc, member.
- Mladen Jovandić, member.

The Supervisory Board supervises how the Bank's business is being run, in particular how its strategic goals are implemented. It designs, adopts and regularly revises the Risk-taking and Risk Management Strategy and contributes to setting up and coming to life of a stable internal governance arrangement in the Bank, thereby taking into account the policies and measures aimed at preventing the occurrence of conflicts of interest.

The Supervisory Board makes decisions on nominating and recalling members of the Management Board, and approval of contracts between members of the Management Board and the Bank, adopts the Remuneration Policy and oversees its implementation, proposes to the General Meeting members of the Supervisory Board for election and auditors for appointment, verifies the annual report and submits to the General Meeting a written report on the annual report and the proposal for the distribution of the distributable profit, confirms the annual report and verifies financial and other reports composed by the Management Board and gives opinion on any such report. The Supervisory Board gives its consent to the Bank regarding the matters laid down in law or statutes.

Supervisory Board committees

The Supervisory Board appoints committees acting as its advisory bodies. Each committee consists of its president and at least two members, who are also members of the bank's Supervisory Board. The committees act in accordance with their rules of procedure.

The Audit Committee provides the Supervisory Board with expertise related to internal audit and the system of internal controls and assesses the composition of annual reports. It monitors the financial reporting process, oversees the integrity of financial information, helps determine important areas of internal audit, and undertakes other related tasks. In 2025, the Committee met at four regular meetings.

Its composition in 2025 was as follows:
- Iris Dežman, President,
- Nikolaj Maver, member,
- Gregor Sluga, MSc, member.

The Risk Committee attends to efficient and prudent risk management at all levels of the Bank's operations, monitors the efficiency of risk management systems, and advises the Supervisory Board regarding the Bank’s current and future risk appetite. In 2025, the Committee met at four regular meetings.

Its composition in 2025 was as follows:
- Matija Gantar, MSc, President,
- Ivan Lenart, member,
- Mladen Jovandić, member.

The Nomination Committee is the Supervisory Board’s expert working body charged with appointing members of the management body, determining the tasks and conditions to be met in order to win an appointment, assessing the suitability of individual members and the management body as a whole, and with different advisory HR tasks and other related assignments. In 2025, the Committee met at twelve regular and one extraordinary meeting.

From 1 January 2025 to 20 October 2025, the Committee operated in the following composition:
- Gregor Sluga, MSc, President,
- Gregor Rovanšek, MBA, member,
- Nikolaj Maver, member.

Since 20 October 2025, the Committee has been composed of:
- Gregor Sluga, MSc, President,
- Mladen Jovandić, member,
- Nikolaj Maver, member.

Number of directorships held by members of the Management Board and Supervisory Board in other companies and organisations as at 31 December 2025

	Number of directorships in other companies and organisations pursuant to Article 435 (2) (a) of the CRR Regulation	Number of directorships in other companies and organisations pursuant to Article 38 of the ZBan-3
Managament Board		
Jure Kvaternik*	0	0
Barbara Cerovšek Zupančič**	1	1
Andraž Grum	1	1
Maša Grgurevič Alčin***	0	0
Supervisory Board		
Ivan Lenart	0	0
Nikolaj Maver	1	1
Iris Dežman	1	1
Mladen Jovandić	0	0
Matija Gantar	3	2
Gregor Rovanšek	2	1
Gregor Sluga	1	1

* Jure Kvaternik in office until 14 October 2025.
** Barbara Cerovšek Zupančič in office until 31 July 2025.
*** Maša Grgurevič Alčin in office since 14 October 2025.

VI.5. DESCRIPTION OF THE DIVERSITY POLICY

In accordance with the Policy for the Selection of Members of the Management Body, the complementarity and diversity of competencies of individual members of the management body should be achieved. Diversity in the body's composition is reflected in its members' diverse professional experience and know-how, age, education, expertise and personal characteristics. The later includes gender balance in the management body, which is achieved by increasing the number of members of under-represented gender. Once a year, the Nomination Committee assesses the structure, size, composition and performance of the Management Board and the Supervisory Board and makes recommendations on possible changes in this regard, thus ensuring the diversity of representation in management and supervisory bodies.

VI.6. INFORMATION UNDER ARTICLE 70 (6) OF THE COMPANIES ACT

Major direct and indirect shareholdings

As at 31 December 2025, the Bank had four shareholders with direct qualified holding (of over 5%) as outlined in the Takeovers Act, namely:

1. KD Group d. d.	1,250,755 shares (29.378%)
2. Kapitalska zadruga, z. b. o., Ljubljana	894,158 shares (21.002%)
3. Prva Pokojninska družba d. d.*	668,338 shares (15.698%)
4. Skupina Prva d. d.	422,557 shares (9.925%)

* The insurer Prva Pokojninska družba d. d. holds shares in its own name and for the account of pension guarantee funds it manages, as follows:

• KRITNI SKLAD PRVA+ ZAJAMČENI	422,557 shares (9.925%)
• KRITNI SKLAD PRVA IN PRVA+ URAVNOTEŽENI	104,716 shares (2.460%)
• KRITNI SKLAD PRVA IN PRVA+ DINAMIČNI	95,304 shares (2.239%)
• KRITNI SKLAD PRVA ZAJAMČENI	45,761 shares (1.074%)

As at 31 December 2025, the Bank had three shareholders with an indirect qualified holding of more than 5%, namely:

1. KD d. d.	1,250,755 shares (29.378%)
2. Alenka Žnidaršič Kranjc	1,092,492 shares (25.661%)
3. Zadružna zveza Slovenije, z. o. o.	371,848 shares (8.734%)

Special control rights

All Bank's issued shares are of the same class and carry the same rights. None of the shareholders have special control rights.

Share transfer limitations

There are currently no share transfer restrictions.

Employee Share Scheme

The Bank has no employee share scheme.

Restrictions related to voting rights

Any shares of the Bank owned by Kapitalska družba pokojninskega in invalidskega zavarovanja d. d., acquired by the company on the basis of Article 48 (a) of the Book-Entry Securities Act, do not give this holder voting rights.

Agreements among shareholders known to the Company that may result in limitation of share transfer or voting rights

The company has not been informed of any such agreements.

The rules on appointments and replacements of members of management or supervisory bodies, and on amendments of the Statutes

The President of the Management Board is appointed by the Supervisory Board, for a renewable term of up to five years. Members of the Management Board are appointed by the Supervisory Board following a prior proposal by the President of the Management Board, for a renewable term of up to five years. The Supervisory Board may recall a Member of the Management Board or cancel the appointment of the President of the Management Board in case the relevant person has seriously breeched their obligations or are unable to manage the Bank, as well as for statutory reasons. Members of the Supervisory Board are elected by the Bank's General Meeting at the recommendation of the Supervisory Board, for a four-year renewable term. A simple majority of votes is sufficient for election. The General Meeting may recall any member of the Supervisory Board by a three-quarters majority of the votes cast if the relevant person has lost the trust of shareholders, if they no longer meet the legal requirements or have disclosed a trade secret.

Amendments to the Company's Articles of Association

Amendments to the Articles of Association are adopted by the General Meeting by a three-quarters majority of votes.

Authorisation of members of the management regarding issue or purchase of treasury shares

Members of the management are not authorised to issue or purchase the company's treasury shares.

Agreements under item 10 of Article 70 (6) of the Companies Act (ZGD-1)

In rare cases, the counterparty has the right to withdraw from the contract concluded with the Bank under certain conditions in the event of a qualified change of ownership in the Bank.

Agreements under item 11 of Article 70 (6) of the Companies Act (ZGD-1)

Members of the Management Board are entitled to severance pay in the event of termination of the employment contract due to dismissal for business and economic reasons. Members of the Bank's senior management are entitled to severance pay under individual employment contracts in the event that they are dismissed due to status changes.

Ljubljana, 10 April 2026

Management Board of the Bank:

Gregor Rovanšek, MBA
President of the Management Board

Andraž Grum, PhD
Member of the Management Board

Maša Grgurevič Alčin
Member of the Management Board

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Supervisory Board:

Ivan Lenart
President of the Supervisory Board

VII. NON-FINANCIAL STATEMENT OF THE DEŽELNA BANKA SLOVENIJE GROUP FOR THE YEAR ENDED 31 DECEMBER 2025

The Deželna banka Slovenije Group has prepared this non-financial statement on a voluntary basis. The bank is not obligated to report on sustainability for 2025 but has nevertheless decided to do so voluntarily. Although the report is not fully compliant with the standards, it does follows them to a certain extent. The purpose of the report is to present the Bank's progress in achieving its sustainability goals and to support further strategic decisions.

VII.1. LETTER FROM THE MANAGEMENT BOARD

In 2025, at the Bank, we continued our efforts in the area of sustainable management and worked to gradually integrate environmental, social, and governance considerations into our business operations. We have made significant progress in this area, while also identifying areas where additional steps and further improvements are needed.

The year 2025 was marked by significant changes in ESG regulation, both at the European Union level and within the framework of supervisory expectations for the banking sector. At the EU level, adjustments were introduced or announced as part of the so-called Omnibus legislative package, which affects the further development and simplification of sustainability requirements, including in the area of reporting. Although the bank is not required to report on sustainability for 2025, the activities carried out over the past two years have not been without effect.

During this period, we established a basic framework for sustainability reporting and adopted a sustainability management strategy that guides the Bank's further development in this area. We have begun to systematically integrate ESG risks into our comprehensive risk management system. We also calculated the Bank's carbon footprint for the first time, thereby gaining important insight into the direct environmental impacts of our operations and creating a foundation for further measures to reduce emissions.

In addition, we have strengthened internal processes and collaboration across various organizational units, improved the availability of ESG data, and raised employee awareness of the importance of sustainability considerations in day-to-day operations. The insights gained have enabled us to better understand our own impacts, risks, and opportunities, and to establish a solid foundation for the further development of a sustainable approach, including through the implementation of a double materiality assessment.

To maintain transparency and provide a comparable insight into our operations, we will continue with voluntary reporting in the future. We view sustainability as an integral part of responsible and prudent business conduct, which complements compliance with regulatory requirements. We are convinced that the Bank's long-term stability is closely linked to responsible conduct toward employees, customers, business partners, and the wider environment.

In our operations, we strive to maintain a balance between economic, social, and environmental aspects and to gradually integrate this principle into our processes and decisions. We will continue to adopt a responsible approach to business in the future and take into account the long-term aspects of the DBS Group's operations and its impact on the environment in which we operate.

Management Board of the Bank:

Gregor Rovanšek, MBA
President of the Management Board

Andraž Grum, PhD
Member of the Management Board

Maša Grgurevič Alčin
Member of the Management Board

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VII.2. GENERAL INFORMATION

Basis for Preparation

In this report, we present DBS Group's approach to addressing sustainability aspects of our business and how we integrate sustainability into our business activities and management processes. The purpose of the report is to provide a transparent, understandable and comprehensive overview of our approach to sustainability. The report is prepared on a consolidated basis and covers the parent bank and its subsidiaries. Where data pertains solely to the Bank, this is explicitly stated.

At DBS Group, we understand sustainability as an integral part of our business and management. Our approaches to addressing environmental, social and governance aspects are gradually being upgraded and developed in line with regulatory requirements, supervisory expectations and the scale and complexity of our operations.

Head office:
DBS Group
Ljubljana, Slovenia

402 employees

EUR 1,601 million balance sheet total
EUR 62 million in financial and operating revenue

DBS d. d.
Registered address: Kolodvorska ulica 9, 1000 Ljubljana, Slovenia
Registration number: 5349907
Activity: 64.190 Other monetary intermediation
Initial capital: EUR 17,811 thousand

DBS Leasing d. o. o.
Registered address: Kolodvorska ulica 9, 1000 Ljubljana, Slovenia
Registration number: 2160854
Activity: 64.910 Financial leasing
Initial capital: EUR 3,484 thousand

DBS Nepremičnine d. o. o.
Registered address: Kolodvorska ulica 9, 1000 Ljubljana, Slovenia
Registration number: 6290540
Activity: 68.100 Buying and selling of own real estate
Initial capital: EUR 2,000 thousand

Business strategy

The Deželna banka Slovenije Group (Group) consists of the Bank and its subsidiaries DBS Leasing d. o. o. and DBS Nepremičnine d. o. o. In the implementation of strategic orientation and sustainable development targets, the Group acts as one.

Deželna banka Slovenije d. d. traditionally represents the financial pillar of Slovenian agriculture and rural areas. Its operations and development have primarily been directed to supporting farmers, the agricultural activity, cooperatives, SMEs, associations, cooperative members and agri-food enterprises. Through its diverse ownership structure, the Bank combines the interests and strengths of different stakeholders and strives for sustainable economic, social and cultural development of local communities.

In addition, the Group makes a significant contribution to preserving natural and cultural heritage and strengthening the resilience of the countryside and the local environment. A key role in the successful operation of the Group is played by customers, employees and other stakeholders, with whom we build long-term, responsible, and collaborative relationships.

The following values of the DBS Group serve as the foundation for our decisions and actions:
- At the heart of it is a fair relationship with the customer, transparency and professionalism.
- The emphasis is on building customer satisfaction and trust, with attention to fairness, protection of rights and mutual respect.
- In conducting business, we adhere to applicable regulations, professional standards, and ethical values, and customers are provided with comprehensive information about our services, including associated risks.
- Open communication and cooperation are emphasised.
- The values of sustainable development are respected, and the aim is to promote the economic, social and cultural development of local communities.

The basic principles and values are defined in more detail in the Code of Conduct, which is publicly available on the Bank's website.

The Bank is a nationwide universal banking institution that operates throughout the country with a wide network of branches, offering a wide range of banking and financial services. In line with the slogan "Always near you", it maintains a presence even in smaller towns, ensuring the accessibility of financial services to the agri-food segment and various generations of customers. The Group's subsidiaries operate in the leasing of movable assets, including agricultural machinery, and in the trading and management of property.

The existing business model has proven successful as the coordinated operations of the bank and its subsidiaries, particularly in support of the rural environment, generate significant synergies and enable us to provide comprehensive solutions to our customers. In doing so, we exploit mutual benefits and contribute to the economic, social and cultural development of local communities, while at the same time contributing actively to preserving our natural and cultural heritage.

To ensure profitability and long-term stability of operations, we are constantly upgrading our business model and adapting it to the challenges of the external environment and stakeholder expectations. Rapid technological development, changing user needs and intensified competitive conditions in the financial market require constant adaptation. Therefore, we actively monitor trends in banking and introduce solutions that improve the user experience, optimise business processes and enable the development of products and services. In doing so, we take advantage of modern information technologies while ensuring safe, secure and stable banking operations.

Sustainable development practices

Sustainability is one of the key strategic areas for our Bank, permeating all aspects of our business. As a Slovenian universal bank with a long-standing tradition and strong values, we are a reliable business partner that stands by our customers in important business decisions and offers them a wide range of banking and financial services.

Sustainability is an integral part of our business strategy, which aims to create a balance between financial performance, social responsibility and environmental protection, while creating long-term value for our customers, employees, the local community and the wider economy. By integrating sustainability principles into our processes, products and services, we will strengthen the Bank's resilience and support the transition to a sustainable economy.

In recent years, we have focused our sustainability efforts on key strategic initiatives that have laid the groundwork for effective and systematic sustainability management across the entire Group. Key achievements include:

- **Establishing a framework for sustainable management**, which includes an appropriate organisation structure and clearly defined powers and responsibilities at different management levels, enabling a comprehensive and coordinated approach to sustainability topics.

- **Devising a sustainable development strategy**, which sets out the key orientations, objectives and priority areas for the long-term integration of environment, social and governance factors into business processes.

- **Developing a double materiality assessment methodology** for impacts, risks and opportunities and **conducting the first comprehensive double materiality assessment** in line with regulatory requirements.

- **Establishing a methodology to calculate the Bank's carbon footprint** (Scope 1, 2 and 3, excluding the investment portfolio) and systematically collecting GHG emissions data to better monitor and reduce the environmental footprint.

- **Assessing the materiality of climate and environmental risks** and the integration of ESG risks into traditional risk management policies, allowing for better management of environmental and social risks within the Bank's overall risk profile.

- **Establishing procedures for collecting ESG data** to ensure we have the appropriate quantitative and qualitative information for monitoring, reporting, and further managing the sustainability aspects of our business.

- **Employee training and strengthening ESG competencies**, regarding which we conducted internal and external training for various levels of employees with the aim of improving their understanding of sustainability topics, regulatory requirements and ESG risks and promoting their inclusion in daily work.

- **Establishing a system for preventing corrupt practices**, monitoring compliance with regulations on the prevention of corrupt practices and providing training to employees on the prevention of corrupt practices.

With these activities, the Bank has laid a solid foundation for the further development of sustainable business and reinforced its commitment to responsible, thoughtful, and long-term value creation for all stakeholders.

Sustainable development strategy

Sustainable business practices are firmly embedded in our Bank's business strategy as one of our key strategic priorities. Our commitment to sustainable practices is not merely a response to growing environmental and social challenges, but also an opportunity to create long-term value for all our stakeholders. As a bank, we are focused on sustainable transformation, as we believe this is key to shaping a responsible and successful financial future.

In its Sustainable Development Strategy, the Bank has more precisely defined the DBS Group's goals in the area of sustainable business. Our vision is to become a reliable and loyal partner in the transition to a sustainable society and to actively contribute to a more sustainable and responsible future through our activities. The Sustainable Development Strategy, along with its principles and objectives, is closely linked to the achievement of the United Nations Sustainable Development Goals. It is based on four key pillars that guide our business toward a responsible and sustainable future.

Four Strategic Pillars	Goals	UN Goals
Sustainable Management and Strategy	An appropriate organisational structure has been established and a strategy developed to enable the Bank to achieve its sustainability principles and goals, and supporting its long-term stability and growth.	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable Products and Services	Sustainable products and solutions have been developed to create value for our customers and support the green and social transition.	7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION
Responsible Employer	A safe and healthy work environment has been established, enabling employees to develop their potential.	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY
Positive Impact	Making a positive impact on the environment, the local economy, and society.	10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Through a comprehensive approach, we aim to help shape a sustainable future and strengthen the Bank's role in society. By adopting the Sustainable Development Strategy, the DBS Group reaffirms its commitment to responsible management, transparency, support for local communities, and environmental protection. In doing so, it strengthens trust, builds long-term partnerships, and lays the foundation for stable, resilient, and sustainable business operations.

Organisational structure

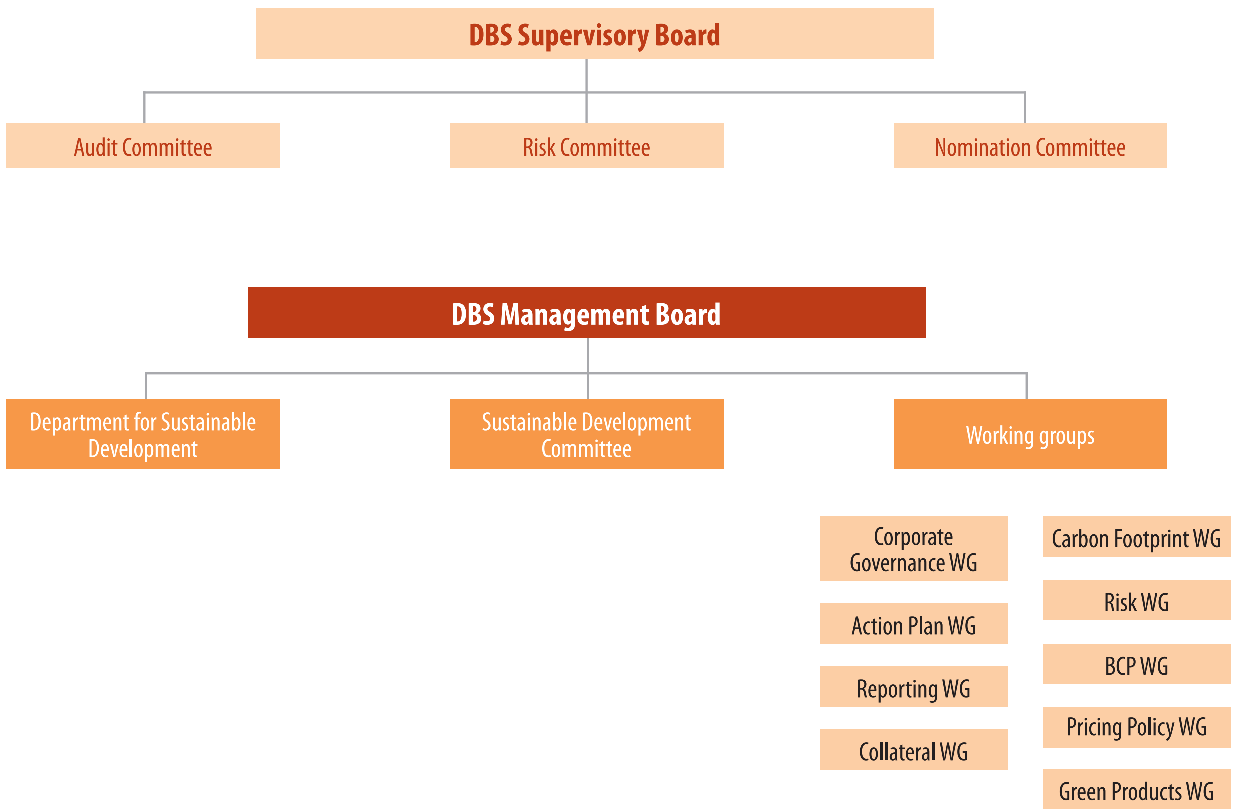
Recognising the key role of integrated management of environmental, social and governance considerations, the Bank has put in place a clear and effective organisational structure to ensure consistent implementation of its sustainability strategy. Sustainability is embedded in all levels of management, from the Supervisory Board and the Management Board to the organisational units, ensuring a systematic and coherent approach to sustainable business and long-term value creation for all stakeholders.

At the highest level, sustainable development is the responsibility of the Supervisory Board, which sets strategic direction and monitors the achievement of business and sustainability objectives. As the highest governance body, the Bank's Management Board is responsible for the formulation and implementation of the sustainability strategy, the management of risks related to ESG factors, and sustainability policies. It also raises awareness of the importance of sustainable development among its employees. By integrating ESG considerations into key risk management and decision-making processes, the Bank ensures compliance with regulatory requirements and contributes to a sustainable future.

The Sustainable Development Committee, chaired by the President of the Management Board, plays an important role in the area of sustainability. The Committee monitors and oversees key activities in the development and implementation of the sustainable development strategy and sustainable business and provides related advice. The Bank's Management Board is aware of the importance of sustainable development, and is therefore actively involved in this area, both of its members being part of the aforementioned committee.

In 2023, the Department for Sustainable Development was created to coordinate activities related to the establishment and implementation of the sustainable development strategy and other activities related to sustainable development. In addition, project working groups were set up, specialising in specific areas of sustainable development. These ad hoc groups are convened as needed and allow for targeted approach to specific sustainability challenges and the development of solutions.

Through this organisational structure, the Bank ensures effective management of ESG factors, strengthens business resilience and contributes to positive social and environmental change.



Our stakeholders

As a responsible financial institution, employer and trusted partner, the Bank strives to work openly and constructively with internal and external stakeholders. By establishing dialogue, exchanging views and finding common solutions, it builds trust and ensures sustainable growth and development.

Systematic stakeholder engagement enables a better understanding of their expectations, which contributes to responsible business decisions and sustainable solutions. The Bank works directly and indirectly with various stakeholders, including customers, employees, owners, regulators and local communities, adapting to their needs and fostering long-term partnerships. The table below shows the Bank's key stakeholders, their roles and the forms of cooperation that enable effective information exchange, building trust and achieving common goals.

STAKEHOLDERS

Employees	Customers	Business partners	Regulatory bodies	Investors, owners	Silent stakeholder - nature
DBS Group employees	Borrowers, depositors, payment system customers	Largest suppliers, external contractors, contractual partners for whom the Bank provides services	Bank of Slovenia and other regulatory bodies	Largest owners of DBS	
Why we cooperate: Employees are an important part of our business success. Their understanding, experience and perspectives contribute to a comprehensive identification of material impacts, risks and opportunities that are key to sustainable business.	**Why we cooperate:** Customers are the central factor in our business. Their trust is key to achieving long-term goals. Their operations also indirectly affect our operations (loans) based on their financial solvency.	**Why we cooperate:** Our business success depends on a high-quality, reliable and transparent value chain. Business partners have a significant impact on the achievement of our goals and the satisfaction of our customers.	**Why we cooperate:** Legislation and regulations form the framework within which the Bank operates. Ensuring regulatory compliance, security and reliability of operations is important for maintaining the trust of customers and regulators.	**Why we cooperate:** Investors' expectations and decisions influence the direction of sustainable strategies and the long-term performance of the bank.	**Why we cooperate:** Nature is an essential part of the sustainability concept and the value chain.
How we cooperate: • regular communication, meetings, gatherings • satisfaction survey, annual interviews • communication with the employee representative • presence of the employee representative at certain workshops	**How we cooperate:** • regular communication • building trust through quality services and adapting services to customer needs • appropriate risk management • a broad business network for maintaining personal contacts and improving the consumer experience	**How we cooperate:** • established supplier and external contractor selection process • appropriate contracts, regular reviews and transparent communication	**How we cooperate:** • cooperation in compliance with legislative requirements, in consultations, through the Bank Association of Slovenia • regular communication with the Bank of Slovenia, cooperation in regulatory inspections	**How we cooperate:** • annual reports • regular meetings of the Supervisory Board, General Meetings • transparent communication of operating results	**How we cooperate:** • research, analyses, studies, reports

Double materiality assessment

In 2024, the Bank carried out its first double materiality assessment, taking into account the principles and requirements arising from the ESRS standards. The assessment identified matters through which the Bank is linked to material impacts on people or the environment (impact materiality) and topics that already have a material financial impact on the Bank or could have in the future.

The Bank undertook a double materiality assessment to identify, evaluate and prioritise material sustainability matters. The assessment was carried out in accordance with the Double Materiality Assessment Methodology following the EFRAG[4] guidelines. The result of the double materiality assessment is a double materiality matrix representing the topics that the Bank has assessed as material in terms of impact materiality, financial materiality or both. As can be seen from the matrix below, the following ESRS standards have been identified as material:

- **ESRS E1 – Climate change**
- **ESRS S1 – Own workforce**
- **ESRS S4 – Consumers and end-users**
- **ESRS G1 – Business Conduct**

ESRS E1 Climate change is material for the Bank as climate risks and opportunities are directly reflected in its operations and portfolios. The Bank also finances economic activities that may contribute to greenhouse gas emissions or are subject to physical risks from climate change, such as floods, droughts and extreme weather events. In addition, legislation and regulation related to the transition to a low-carbon economy may affect the value of assets and the creditworthiness of customers. Proper management of these risks and opportunities contributes to the long-term resilience and performance of the Bank.

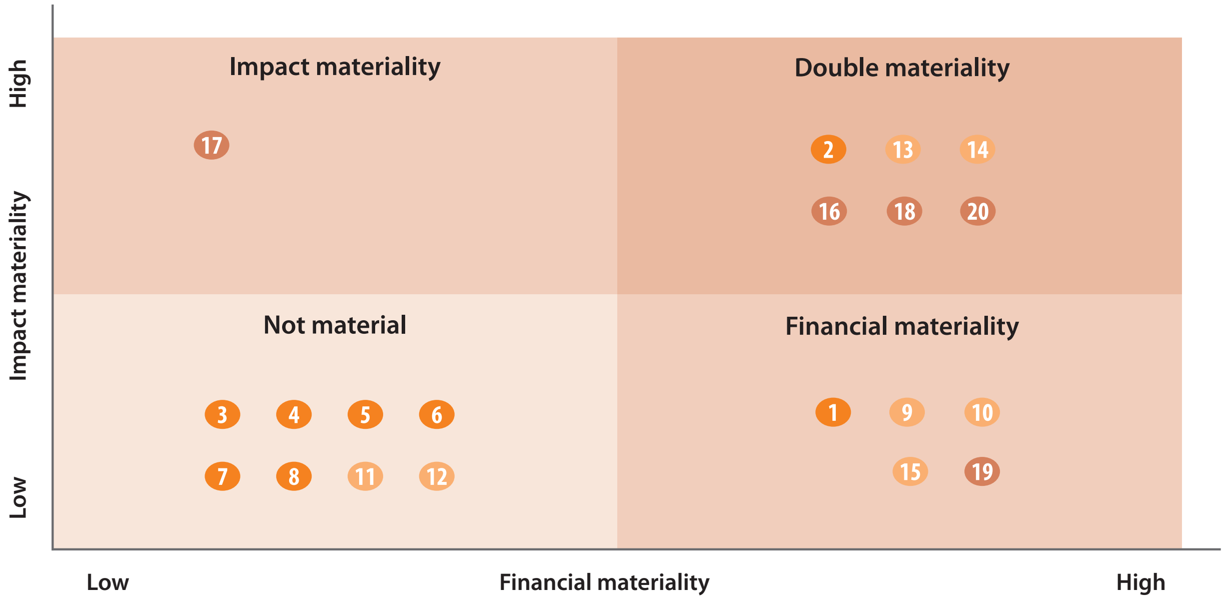
ESRS S1 Own workforce is material for the Bank as its employees are the key driver of its success. Banks are facing challenges such as attracting and retaining talent, ensuring diversity and inclusion, and promoting employee well-being. Proper management of its own workforce contributes to increased productivity, innovation and strengthening the Bank's reputation as a responsible employer. In addition, in the financial sector, employee care is of utmost importance for maintaining long-term customer trust and compliance with legal requirements.

ESRS S4 Consumers and end-users is crucial for banks in terms of establishing and maintaining trust, protecting customers' rights and ensuring data security, which has a direct impact on the bank's reputation, compliance and long-term performance.

The Bank recognises its role in the banking system as its activities make an important contribution to the integrity and safety of the financial system. Ensuring business transparency strengthens the trust of customers, regulators and investors. Banks are exposed to risks such as lobbying, money laundering, corruption and other unethical practices, therefore, effective management of these risks is key to their functioning and compliance with legislation. For all these reasons, the **ESRS G1 Business Conduct** standard is assessed as material.

[4] Implementation Guidance, EFRAG IG 1: Materiality Assessment

Double materiality assessment matrix[5]



Environment

E1 Climate change

1. Climate Change Adaptation
2. Climate Change Mitigation

Energy

E2 Pollution

3. Pollution of air
4. Pollution of water
5. Pollution of soil

Pollution of living organisms and food resources
Substances of concern
Substances of very high concern
Microplastics

E3 Water and marine resources

6. Water

Marine resources

E4 Biodiversity and ecosystems

7. Direct impact drivers of biodiversity loss

Impacts on the state of species
Impacts on the extent and condition of ecosystems
Impacts and dependencies on ecosystem services

E5 Resource use and circular economy

Resources inflows, including resource use

8. Resource outflows related to products and services

Waste

Society

S1 Own workforce

9. Working conditions
10. Equal treatment and opportunities for all

Other work-related rights

S2 Workers in the value chain

11. Working conditions

Equal treatment and opportunities for all
Other work-related rights

S3 Affected communities

12. Communities' economic, social and cultural rights

Communities' civil and political rights
Rights of indigenous peoples

S4 – Consumers and end-users

13. Information-related impacts for consumers and/or end-users
14. Personal safety of consumers and/or end-users
15. Social inclusion of consumers and/or end-users

Governance

G1 Business Conduct

16. Corporate culture
17. Protection of whistle-blowers
18. Animal welfare

Political engagement

19. Management of relationships with suppliers including payment practices
20. Corruption and bribery

[5] The matrix presents the topics of each ESRS standard for which impacts, risks and opportunities have been identified. The allocation to the appropriate quadrant is based on the assessment of impacts (for impact materiality) and risks and opportunities (for financial materiality).

Management of climate and other environmental risks

The bank carefully manages environmental, climate and other risks, thus ensuring safe and stable operations while contributing to sustainable development and responsible behaviour towards customers, employees and the wider community.

The Bank is aware that environmental risks are increasingly affecting the business environment and, consequently, its business model. In managing climate, environmental, social and governance risks, it strives for a comprehensive and systematic approach that strengthens business resilience and supports a sustainable and low-carbon economy. The management of these risks is integrated into the broader framework of risk management and sustainable operations, and the responsibility lies with the Management Board and the Supervisory Board. In 2023, the Management Board established the Sustainable Development Committee, which monitors key activities, guides strategies, and ensures oversight of ESG risks. The Risk Management Committee also plays an important role in environmental risk management, acting as the highest authority for overseeing and guiding the risk management strategy. The Committee monitors the Bank's current and future exposure to various risks and advises the Management Board on developing strategies to manage them and determining the Bank's risk appetite.

The Bank has clearly defined its responsibilities and powers in the area of sustainable development according to the Three Lines of Defence model, which ensures a structured and efficient system of managing ESG risks. This model clearly defines responsibilities at different levels of the organisation and allows for comprehensive oversight of the implementation of sustainability activities and actions.

Climate risks are key for the Bank, as they directly affect its operations and portfolios. The Bank also finances activities that may contribute to greenhouse gas emissions or are subject to physical risks, such as floods, droughts and extreme weather events. In addition, legislation and regulation related to the transition to a low-carbon economy affect the value of assets and the creditworthiness of customers. Proper management of these risks and identification of opportunities contribute to the Bank's long-term resilience and performance and enable sustainable financial decisions.

Environmental, social and governance risks are included in the risk management framework and are regularly assessed, measured and managed with appropriate measures. The Group has identified environmental risks as material within the ICAAP and incorporates them into its capital requirements and strategic decisions. The Bank also strives for sustainable financing, reducing its own greenhouse gas emissions and supporting customers in the transition to more environmentally friendly operations. It places special emphasis on compliance with banking regulations and guidelines when managing environmental, climate and other risks. In this way, we ensure safe, stable and responsible operations, while contributing to sustainable development and strengthening the trust of customers, employees and the wider community.

As environmental risks are constantly evolving, the Group will consistently integrate them into the established risk management frameworks and link them sensibly with other financial and non-financial risks. These factors act as drivers of pre-existing risks and are therefore not considered as a separate ESG risk category, but as an integral part of an overall risk management framework.

The Group will continue to strengthen the integration of sustainability aspects into its internal processes, improve the availability of data for accurate ESG risk assessment and ensure compliance with all relevant regulatory requirements. The key objective remains to integrate these risks fully into the risk management strategy and framework, which will enable timely identification, measurement and management of potential negative impacts on the business, while supporting the Group's sustainable growth and resilience.

VII.3. ENVIRONMENTAL RESPONSIBILITY

Climate change – E1

Recognising the importance of sustainable development and responsible business conduct, the Bank is committed to reducing its negative environmental impacts and promoting sustainable growth and responsible business conduct.

a) Paper consumption and paperless operations

All Group employees ensure compliance with environmental regulations. To reduce the environmental burden, we have already centralised printing devices at shared locations, thereby replacing individual printers in individual offices.

In addition, we will introduce additional measures at the Bank to further reduce paper consumption in our business processes and in the delivery of our services. We will focus on digitalisation, automation and optimisation of processes and actively encourage customers to use e-banking. With this approach, we will not only reduce our environmental footprint and contribute to the sustainable use of resources, but also improve service efficiency, reduce administrative burdens, and provide customers with a faster, more transparent, and simpler banking experience.

b) Energy efficiency

The Bank is working to improve the energy efficiency of its business premises and processes. By optimising energy consumption, using energy-efficient appliances and introducing modern building management systems, we are reducing our environmental footprint. We are updating server equipment, disk arrays, and communication systems, thereby contributing to reducing electricity consumption in the data centre and at the same time limiting the need for electricity for cooling system rooms. We also encourage sustainable practices such as switching to LED lighting and upgrading system and computer equipment.

c) Sustainable mobility

We encourage our employees to have a responsible and sustainable attitude towards the environment. Among other things, we recommend that they use public transportation to get to and from work, and we cover the costs of such transportation. If employees are unable to use public transportation, they are reimbursed in accordance with the law in the form of a mileage allowance.

We also encourage digital communication and the use of electronic channels in everyday work. In 2025, many of the meetings that were previously held in person were held using videoconferencing tools such as Teams. This has reduced the need for business travel and the use of vehicles, especially when working with employees in remote units. Furthermore, in 2025, a certain proportion of employees worked from home with a remote access to the Bank's information system. We use a modern e-learning platform to train our employees, which further helps reduce the number of rides and the environmental footprint.

d) Waste management

For many years now, the Group has consistently separated waste at specially designated recycling stations located within its own facilities, thus promoting environmentally responsible behaviour and raising employee awareness of the importance of preventing pollution. Waste that poses ecological concern is submitted to a relevant authorised organisation for recycling or safe disposal.

For ceremonial events, we use glass and ceramic tableware such as mugs, water bottles and ceramic cups for coffee and tea. This reduces the amount of waste and contributes to the sustainable use of resources. We use around 2,000 items of different-sized glass drinkware a year, which we return for recycling after use. This makes us an environmentally friendly institution, and returning the packaging also saves us some money.

Waste management costs in the DBS Group

Waste management costs	2025	2024
Waste management costs (in EUR)	22,923	22,123
Waste management costs/employee (in EUR)	57	55

VII.4. SOCIAL RESPONSIBILITY

The Bank is committed to acting responsibly towards its employees, customers and society at large, which is why we strive for sustainable and ethical business practices. We provide a safe, enabling and inclusive working environment for our employees, supporting their professional development and taking care of their well-being. In our relations with customers, we focus on transparency, fairness, and accessibility of financial services, as we seek to build long-term trust. At the same time, we demonstrate our social responsibility by supporting local communities, thus contributing to a more inclusive and sustainable society.

Own workforce – S1

The Group's employees spend most of their time at the workplace, and the Group is committed to providing a healthy and safe working environment. The companies in the Group have adopted various programmes for the protection and maintenance of health at the workplace.

The following measures were introduced in the working process: flexible working hours and working from home at workplaces that allow such measures, in particular, for employees belonging to the vulnerable group, encouraging employees to take active breaks at workplaces, the option of working part-time, encouraging employees to drink a sufficient volume of soft drinks, participation at sports events, participation at winter and summer banking games. As part of health promotion at work, the Bank also offers seasonal fruits of local production to employees, enables them to take cholesterol tests and have their blood pressure measured, posts videos of fitness and stretching exercises for office jobs on its intranet page, and regularly includes healthy living articles in the Bank’s internal newsletter.

In 2025, the Bank continued to take measures to facilitate work-life balance. For this reason, it has also adjusted the working hours for employees in its branch network. In addition, it allows those whose work permits it to work from home.

The Bank considers human resource risk to be a material risk and has therefore set up procedures to monitor and manage it in compliance with the adopted HR Risk-taking and Risk Management Policy. The HR Risk Policy is reviewed, renewed, and updated on an annual basis. Given the available resources, the Bank has filled vacant posts by redeploying internal staff, trying to motivate employees by promoting them within the Bank and thus having them work their best as well as build their loyalty to the Bank and its values. When it was not possible or relevant to redeploy existing employees, the Bank recruited off the market.

The vast majority of the Bank's employees have permanent contracts, which gives them stable employment, a factor that contributes to the reliability and motivation of the workforce. The Bank regularly monitors labour market wage developments in comparable jobs and adjusts its remuneration policy accordingly.

Bank employees organize themselves and participate in the institution's decision-making through union representatives. In addition, the Bank pays great attention to informing employees about important events.

The turnover rate in the Bank is manageable and at an acceptable level of 9.7%, and 9.5% at the DBS Group level. The largest share of departures is accounted for by retirement or termination of employment by mutual agreement. Satisfied employees being keepers ensures that intellectual capital remains in the Bank; their departure would be a great loss for the Bank.

As at 31 December 2025, the Bank had 394 employees, 1 less than in 2024. As to gender, 77% are women and 23% men. The average age of employees is 45.7. The Bank has 3.04% of employees with limited work ability, adapting their workplaces as needed to enable people with disabilities to participate equally in the work process.

47.5% of all employees, i.e. 187 people, work at the Bank's headquarters, while the business network employs a further 52.5% i.e. 207 employees. In 2025, the Bank hired 51 new employees, 18 at the headquarters and 33 across the business network. 55 employees left the Bank in 2025.

When hiring and treating employees, equal treatment of all employees is ensured, regardless of gender or other personal circumstances. The Bank ensures compliance with Slovenian and European legislation on child labour and forced labour. It occasionally allows secondary school and university students to do student work or complete professional internships and practical training.

The subsidiary DBS Leasing d. o. o. had eight employees at the end of 2025.

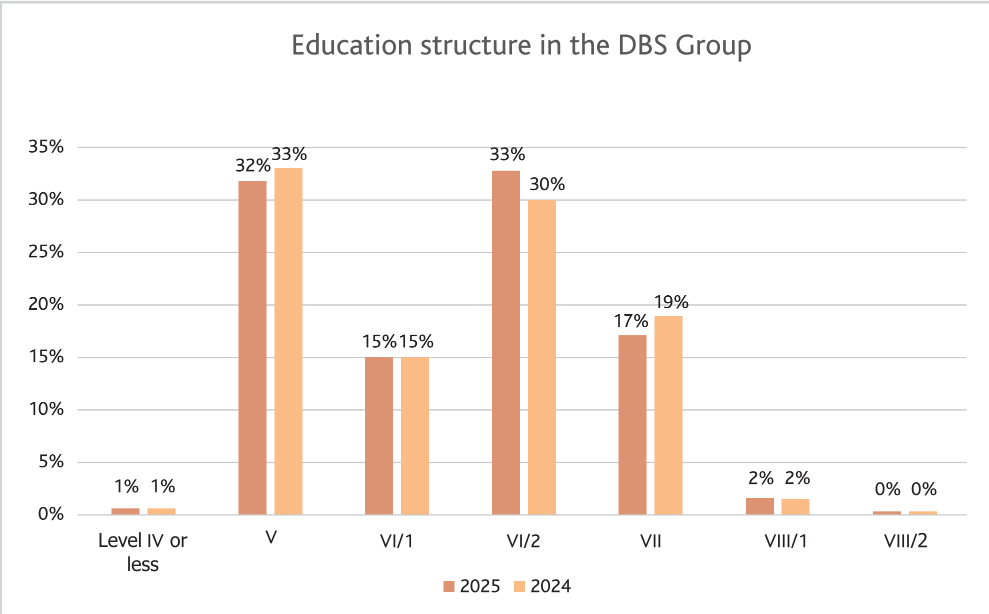
In the Bank and the Group:
- all employees are responsible for working professionally and with due care, respecting the rules, internal acts and standards of operation in force; compliance with professional standards and ethical values strengthens relationships between employees and other stakeholders; based on open communication and collaboration, we ensure commitment to common goals; employees put the Bank's interests before their own;
- there is zero tolerance for unlawful and unethical conduct and disrespect for the Bank's values that might damage its reputation;
- we avoid any circumstances the related financial interests and benefits of which could be contrary to the interests and benefits of the Bank, and which could compromise the impartial and objective performance of tasks; the Bank is strictly committed to protecting confidential information and banking secrecy, and we are consistent in implementing measures to prevent their abuse and safeguard them permanently;
- we perform our duties fairly, prudently, and diligently – according to the principles of due commercial care and in accordance with banking regulations.

Number of Group employees as at 31 December 2025

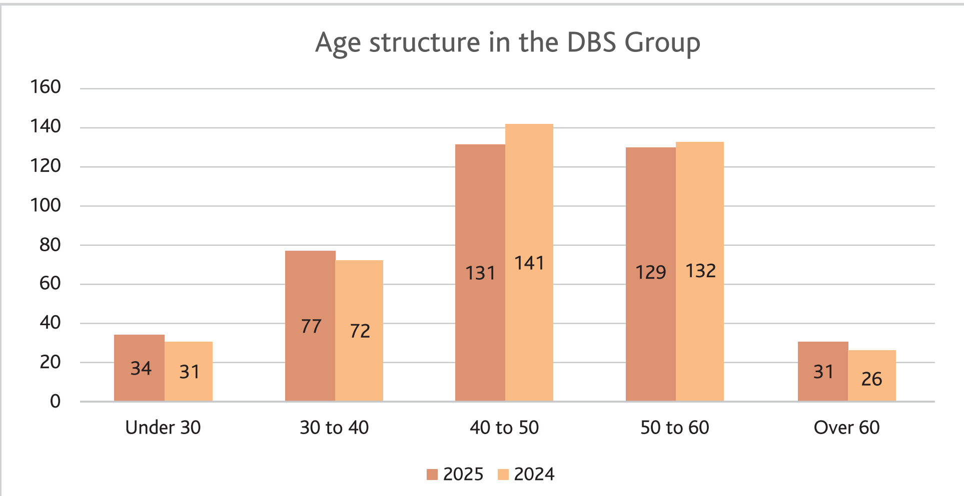
Year	2025	2024	2023
Number of employees*	402	402	383

* DBS Nepremičnine d. o. o. has no employees.

Number of employees by educational structure in DBS Group as at 31 December 2025 and 31 December 2024



Age structure of employees in DBS Group as at 31 December 2025 and 31 December 2024



Proportion of employees covered by collective agreements in the DBS Group

Collective bargaining agreement	2025
Proportion of employees covered by collective agreements	93.5

Turnover rate in the DBS Group

Turnover	2025
Turnover rate	9.5

Distribution of employees by country in the DBS Group

Distribution of employees by country	2025
Slovenia	402
All employees	402

Distribution of employees by type of employment contract in the DBS Group

Distribution of employees by type of employment contract	2025
Fixed-term employment contract	23
Permanent employment contract	379
All employees	402

Work-related accidents in the DBS Group

Work-related accidents	2025
Number of recordable work-related accidents	1
Rate of recordable work-related accidents	0.25
Number of deaths from work-related injuries and diseases	0

Concern for the learning, growth and satisfaction of employees

The Bank recognises that employee development and satisfaction are paramount to the success of the business, the achievement of key strategic objectives and customer satisfaction. It therefore pays special attention to additional training for its employees and invests in improving information technology and optimising processes.

Employees continually build on their skills via internal and external training courses, thus maintaining and increasing the quality of their work. Employee performance is monitored as part of their productivity and satisfaction assessment, supported by periodic annual development interviews.

Throughout the year, employees in the Group actively participate in various training courses. Internal training courses that we provide are run by experts assisted by external advisers or contractors who, under normal circumstances, are invited to individual companies as required.

Most of the training sessions were conducted for professional development and skill-building according to the needs of various work processes. In terms of employee training, the commerce sector accounted for the largest share, with the majority of training sessions focused on banking and insurance products and services. This was followed by the category of security policy with the emphasis on occupational safety, data and consumer protection, and information security. In the area of general and governance skills, the most sessions were in the areas of social and environmental responsibility, corporate governance, auditing, AML/CFT and compliance.

DBS Group employees received an average of 20.9 hours of training, with women receiving an average of 21 hours and men receiving 20.5 hours.

Average number of hours of training per employee per year in the DBS Group

Average number of hours of training per employee per year	2025
Men	20.5
Women	21.0
All employees	20.9

Information regarding human resource management is given in Chapter IX.5. Human resource management.

Consumers and end-users – S4

a) Customer management

In dealing with customers, we monitor the levels of their satisfaction, loyalty, customer acquisition and retention, and profitability. The Bank's market share is stable, meaning that we retain most of our existing customers while also acquiring new ones.

With digitisation, the Bank is introducing various innovations in the use of modern marketing channels to make our services available anywhere and anytime, in real time. Electronic document signing is being introduced in our branches, thereby reducing paper consumption.

We recognise the importance of banking in person and the fact that we are also dealing with generations who are reluctant to fully embrace more modern ways of doing business. For those who use e-banking, banking services are available at all times, 365 days a year, at lower prices. Safety is of the utmost importance to us when designing and rolling out new services. Changes also result in increased risks, which the Bank manages and controls effectively.

Bank employees strive to fulfil the wishes and meet the needs of customers by working professionally and transparently, and responding quickly in communication with customers. We also abide by the operating rules, policies and strategic objectives of the Bank. We build trust by delivering on given promises, being honest, protecting the rights and benefits of our customers, mutual respect and accessibility, and ensuring the protection of personal and confidential information. Our customers are briefed comprehensively, including on risks related to a service or product. We accept responsibility for our actions and are always looking for common solutions that lead to long-term cooperation.

Being aware that knowing your customer is essential for the successful operation of the Bank, we ensure it by having a customer relationship management (CRM) system[6]. We keep up-to-date, regular and active track of each customer's business, their needs, wishes, compliments and complaints. We do not enter into business relationships with customers who conduct business unlawfully and unethically. Any identification of such a customer is evaluated on the basis of a risk assessment, whereupon we act in accordance with the procedures envisaged for these cases. We are constantly striving to maintain and strengthen the trust of our customers.

The Bank has set up a system for monitoring customer proposals, complaints and comments based on the Rules on the Complains Procedure and Out-of-Court Dispute Resolution. Customer complaints are attended to with special attention and resolved quickly, while protecting both the interests of the customer and the Bank's reputation. Written replies are always sent within a reasonable time. After the complaint procedure is completed, we send a short survey to the parties involved about how satisfied they were with the procedure. With the feedback we receive, we want to further improve our work and increase the satisfaction of our customers.

[6] CRM – customer relationship management.

Customers are informed regularly and in a timely manner of all changes in the terms and conditions of the Bank's operations. They are familiarised in a transparent and comprehensible way with the types of our services, pricing and other conditions according to the fair rules of marketing communication and establishing connections with customers. We do this using the so-called internal channels such as the Bank's website, social networks, regular monthly statements, and similar.

We also communicate with existing and potential customers via e-channels, thus saving paper, time and money. We respond to potential customers' initial inquiries via email through the same channel, or we invite them to visit the branch nearest to them via phone call.

One of the most important indicators of successful customer service is offering solutions for our target customer segments. To this end, the Bank has prepared tailor-made products and services. As already mentioned, the Bank's primary focus is still the agri-food sector, so, despite our universal orientation, we place special emphasis on servicing farmers, cooperatives, agri-food companies, SMEs, sole proprietors and young people. We are one of the few banks on the Slovenian market to focus comprehensively on the agri-food segment, primarily adapting our services and repayment options to their needs, seasonal tasks, and the dynamics of farm operations.

The Bank has also created a special offer on housing loans for the purchase or renovation of a home. A loan can also be taken out for other purposes, such as inheritance buyout, land development and obtaining consents, obtaining documentation for the construction or renovation of the property and other purposes that increase the value of the property.

With its large network of branches (65), the Bank materialises its slogan "Always near you," providing people outside urban areas with access to financial services. It maintains personal contact and an individual approach, which are crucial for some customers, especially those who find modern technology alien.

For several years, the Bank has been constantly improving the customer relationship management (CRM) to unify work processes across the business network in processing different types of customers and automating the processing of applications and requests by the users of our services. The transition to the new IT system, which the Bank launched at the end of 2024, was the first step towards a broader optimisation of activities in this area. On a daily basis, the Bank is committed to optimising all procedures, both in relation to customers and internal procedures, which make the work of each employee easier.

Ensuring data protection

As a bank that processes personal data of individuals and other confidential data as defined by law in order to carry out its core business, we place great emphasis on ensuring data protection, which is why we are constantly adapting our working procedures as well as introducing new and improving the existing organisational and technical measures. The Bank complies with European and national regulations in the protection of data, and defines controls in accordance with these regulations in its internal acts.

The Bank's employees and external contractors who, in the performance of their contractual obligations, are confronted with data of a confidential nature are obliged to protect the confidentiality of the data throughout the duration of their employment or business relationship with the Bank and even after its termination. Employees are informed of the manner and importance of protecting data confidentiality during regular training sessions.

In addition to the typical information security safeguards designed to prevent unauthorised access to data, the Bank has technical controls in place to detect and prevent data leakage. Compliance with and implementation of data protection controls is regularly monitored by the Bank's internal control functions.

In the area of personal data protection, we comply with the requirements set out in the General Data Protection Regulation (GDPR) and the Personal Data Protection Act (PDPA-2)- The Bank has also appointed a Data Protection Officer to manage the area of personal data protection.

Online security

In 2025, in the area of ensuring information security of ICT systems, the Bank paid special attention to activities aimed at strengthening the digital operational resilience of renovated online services and core banking infrastructure, following internationally established guidelines and good practices. In addition to measures to ensure the security of the revamped services, the Bank actively introduced new and improved existing process and technical measures to strengthen digital operational resilience. Among the most significant were the introduction of a new SIEM log management system and a comprehensive overhaul of IT management processes as part of the overhaul of the core banking system.

The Bank also works proactively to prevent external, internal, deliberate and accidental security threats that could pose a risk to its information system, services and the data they manage, by conducting regular security reviews and penetration tests. The introduction of new protection mechanisms, including continuous improvement of internal processes aimed at strengthening information security, is based on new insights, cyber-security trends, newly identified security threats and the results of risk assessments of the exposure of the Bank's systems. For more information, see Chapter IX.3 Information and cybersecurity.

b) Social corporate responsibility

As a socially responsible Group, we place great emphasis on links with the environment, coordinating the activities of local communities and the economy, thus giving back to society what we get from it.

As a Group, we are a link in the chain ensuring the sustainable development of Slovenian rural areas, participating with our services and products in numerous projects that are of vital importance for ensuring a better quality of life, new jobs, use of renewable resources, green tourism, high quality ecologically produced food, a range of indigenous Slovenian varieties and orderliness of the living environment and landscape. Approximately half of all agricultural subsidies being directed through our Bank, we are an important distributor of aid for rural development from European and national funds.

The Group is a recognisable donor and sponsor of various agricultural, charitable, cultural, educational and sports events across Slovenia. Our support goes to societies, non-profit making organisations, projects, clubs, individuals and institutes. When selecting recipients of sponsor or donor funds, we take into account the partnership with the recipient, their alignment with the values and objectives of the Group, enhancement of visibility and reputation, and social responsibility. We support projects that emphasise positive values and tradition and contribute to a better quality of life. We focus on cooperating with the local community, thereby strengthening our operations even in places where these organisations are otherwise overlooked.

We support and encourage young farming transferees to remain in the countryside, create added value and ensure healthy and home-made supply in the food chain for the whole society. Therefore, we offer a range of benefits for young farming transferees to make their path as simple and financially acceptable as possible.

The Bank has cooperated with the Finance newspaper on the Agrobiznis project for several years. It is a media-business project dedicated to fostering business excellence and success in the agriculture and food processing industries. The project addresses the entrepreneurial spirit, cooperation, technological progress and innovation of Slovenian farmers and the food processing industry. It highlights companies, individuals and organisations with new marketing approaches and food production technologies or business models that would lead to greater food self-sufficiency in Slovenia, as an example and an incentive to others. The project covers a range of topics, including new technologies in agriculture, entrepreneurship in the agricultural sector, the food industry, advice, and current information.

The Agrobiznis project is also unique in terms of broader integration of all stakeholders in the agriculture and food industry. The project is covered and attended by professionals (farmers, agricultural and other advisers, representatives of cooperatives, students and professors of technical faculties, representatives of food companies) as well as other business professionals involved in agriculture and the food industry in the broadest sense, and as individuals, these are the best consumers with greater purchasing power. Through this project, we are addressing farmers, cooperatives, professionals and the business community.

VII.5. GOVERNANCE RESPONSIBILITY

Business Conduct – G1

The Bank recognises that responsible and effective governance is the foundation of long-term success and sustainable development. The commitment to high standards of business conduct is based on transparency, ethics and regulatory compliance, which allows us to create lasting value for all our stakeholders.

We pay special attention on ensuring that our operations comply with applicable regulations and promote ethical and responsible conduct at all levels of our operations. Respect for human rights is the foundation of our relationships with employees and partners throughout the value chain. With clearly defined policies, we actively prevent corruption and fraud and ensure financial integrity through strict measures to prevent money laundering and terrorist financing.

At the same time, we encourage diversity and inclusion, believing that diverse teams contribute to innovation and better decision-making. Risk management is based on a comprehensive approach to identifying and managing risks, with particular attention paid to the protection of personal and business data and a high level of cybersecurity, thereby strengthening the trust of customers and other stakeholders.

a) Operations Compliance

The Group's corporate compliance function is managed by the Operations Compliance Department, which is functionally and organisationally separate from other departments where conflicts of interest may arise. It represents the second line of defence within the Bank and is located directly under the Bank's Management Board. It has unrestricted access to all the information it needs to carry out its duties within the scope of its responsibilities and direct access to the Supervisory Board.

The Operations Compliance Department shall, at least once a year, produce a Compliance Risk Analysis and Assessment to inform the Management Board and the Supervisory Board of the main compliance risks to which the Bank is exposed and to assess the effectiveness of compliance risk management.

The Bank's approach to compliance risk management is set out in the Compliance Risk-taking and Risk Management Policy, which also defines general compliance standards for all employees and more detailed operations compliance rules for specific groups of employees.

Each year, the Operations Compliance Department prepares the Work Programme of the Operations Compliance Department work programme for the year, and semi-annual and annual reports on its work, which are submitted to the management body.

b) Respect for human rights

Employee relations in the Group are based on collegiality, mutual respect and help.

The Bank's employees strictly comply with the provisions of the Code of Conduct, Rules on Prevention of Harassment in the Workplace, and the Employment Relationship Act, which, among other things, stipulate respectful treatment of employees and protection of human rights. In this context, the Bank has established a method of identifying, preventing and dealing with the consequences of sexual and other harassment and maltreatment at the workplace.

The fundamental values and principles of corporate integrity are enshrined in the Deželna banka Slovenije d. d. Code of Conduct and are complied with by the members of the management and supervisory bodies and other Bank employees. The Bank has adopted the Policy of Safeguarding Integrity, which aims to protect the integrity, core values and reputation of the Bank, to which all Bank employees are committed. The Policy of Safeguarding Integrity defines all types of unlawful conduct and the procedure or way to report suspected unlawful conduct by any Bank employee in order to ensure compliance with fundamental professional, ethical and integrity standards. There is zero tolerance in the Bank for unlawful and unethical conduct and disrespect of the Bank's values. The Bank has set up a system of mitigating and managing risks under this Policy to prevent any form of unlawful conduct constituting a violation of the rules in terms of operations compliance. The system enables employees to report suspected violations of regulations and wrongdoing, assuring them the report does not have negative effects. The report can be anonymous. A link to the rapid and anonymous reporting of violations is established on the Bank's intranet, both within the Bank and directly to the Bank of Slovenia through a "whistleblowing" link. Employees are acquainted with the possibility of anonymous reports of all forms of violations with a special circular and as part of internal training.

c) Prevention of corrupt acts and fraud

Special attention is devoted to the following types of wrongdoing: deception, fraud and business fraud, corruption and unauthorised receipt and giving of gifts, misuse of inside information and abuse of the market in financial instruments, money laundering and terrorist financing, conflict of interests, misuse of personal data, disclosure or unjustified acquisition of business secrets, hacking into business information systems, falsifying or destroying business documents, secret agreements and abuse of position or trust, embezzlement and unjustified use of foreign assets, and all types of extortion and harassment at the workplace.

These wrongdoings can adversely affect the Bank's reputation, cause financial loss, and regulatory sanctions can affect employees, customers, suppliers, shareholders and other stakeholders.

Employees of each company in the Group are committed to protecting the integrity, fundamental values and reputation of the Group. It is the task and responsibility of all employees in the Group to ensure zero tolerance of unlawful conduct, which also includes fraud and corrupt acts.

The prevention of corrupt acts is regulated in the Corrupt Acts Prevention Policy, a summary of which is publicly available on the Bank's website.

The Bank has established appropriate procedures and mechanisms for dealing with suspected unlawful practice and measures to protect the applicant. It also has various channels in place to report any suspected unlawful practice. The Bank provides training for all employees with regard to unlawful practice, available channels for reporting suspicions of unlawful practice and violations of the Code of Conduct and other internal acts of the Bank.

Unlawful practice, the mode of reporting and the investigation procedure are also detailed in the Bank’s internal acts.

The Bank is a party to the Declaration of Fair Business, which was devised by the United Nations Global Compact Slovenia and has thus committed to transparent and fair business, and to rejection of any corrupt activity. We have also undertaken to include the anti-corruption clause in our legal transactions and to take account of anti-bribery principles in our business.

Examples of fraud and abuse identified in the Bank in 2025, were of external origin. In all cases, the Bank immediately took appropriate measures to prevent any further negative consequences.

As one of a few companies in Slovenia, Deželna banka Slovenije d. d. signed an agreement with the Financial Administration of the Republic of Slovenia to be part of a programme promoting voluntary compliance with tax liabilities as it pursues a tax payment optimisation policy and prevention of propensity for aggressive tax planning or deliberate increase of tax risk.

Convictions and fines for corruption and bribery in the DBS Group

Convictions and fines for corruption and bribery	2025
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Total amount of fines imposed for violation of anti-corruption and anti-bribery laws	0

d) Diversity Policy

The Bank aims at equal, inclusive and balanced representation of women and men at all levels of the organisation. At the end of 2025, 76% of the Group's employees were women, with 56% at B-1 level, 50% in the Management Board and 14% in the Supervisory Board. The key objective of the HR policy remains to select and develop talent with diverse competences, appropriate qualifications and relevant experience to contribute to the successful and stable development of the Bank.

Within our management structure, we strive to ensure a broad range of knowledge and experience that is essential for effective business operations and long-term, prudent risk management. At the end of 2025, the Bank’s management body consisted of seven men and two women. When selecting candidates, we consistently take into account the principles of diversity, which, in addition to balanced gender representation, also include varying professional experiences, age groups, levels of education, and professional knowledge. The criteria and procedures are set out in more detail in our Policy for the Selection of Suitable Candidates.

We understand diversity as one of the factors of quality governance and long-term business stability. Appropriate representation of diverse knowledge, experience and views supports informed decision-making and the effective functioning of management and supervisory bodies. In human resource management, we therefore follow the principle of equal opportunities and promote a fair and inclusive working environment.

Gender balance in the managing authority of the DBS Group

Gender balance in the managing authority	2025	2024
Number of women in managing authorities as of 31 Dec	2	2
Number of men in the managing authorities as of 31 Dec	7	8
Gender balance in the managing authority	0.29	0.25

Education diversity in the DBS Group

Education diversity	2025	2024
Less than secondary education (%)	1	1
Secondary education (%)	32	33
Higher vocational education or above (%)	67	66

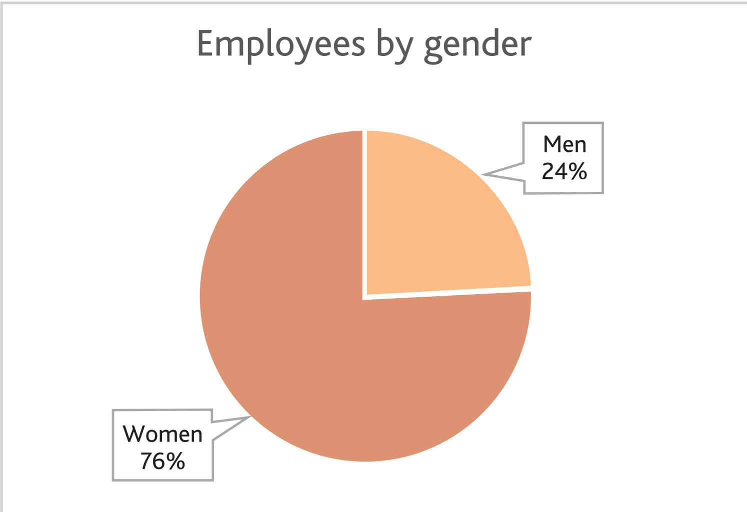
Age diversity in the DBS Group

Age diversity	2025	2024
Employees under 30 years of age (%)	8	8
Employees aged 30 to 50 (%)	52	53
Employees over 50 years of age (%)	40	39

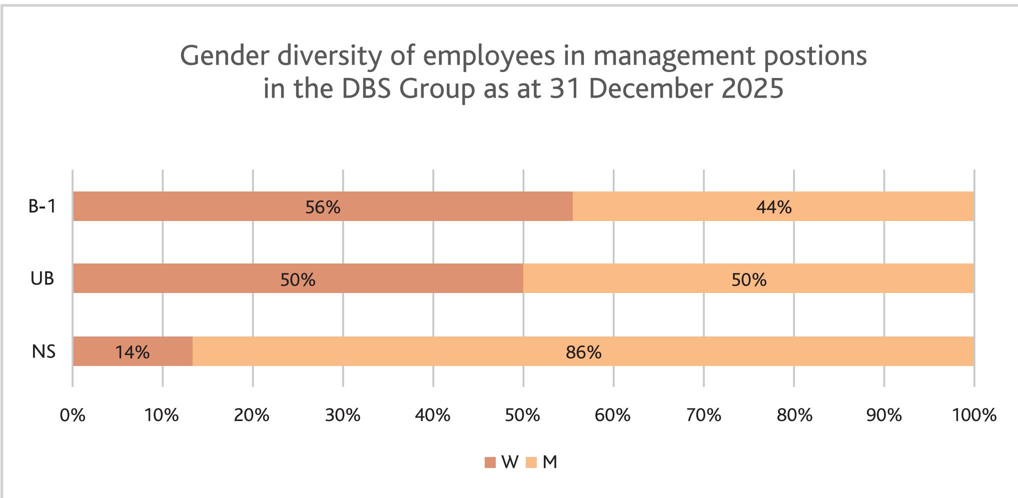
Diversity of employees by gender in the DBS Group

Diversity of employees by gender in the DBS Group	2025	2024
Proportion of women in the Bank's Management and Supervisory Board (%)	22	20
Proportion of women in management positions (%)	44	47
Proportion of women in the total number of employees (%)	76	75

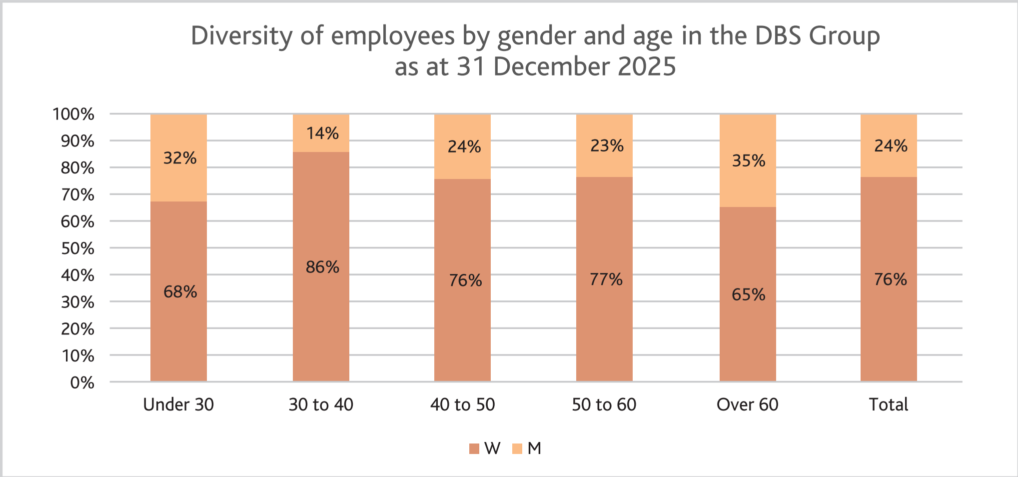
Employees by gender in the DBS Group



Gender diversity of employees in management positions in the DBS Group



Diversity of employees by gender and age in the DBS Group



e) Prevention of money laundering and terrorist financing

Deželna banka Slovenije consistently implements measures to prevent money laundering and terrorist financing (hereinafter: AML/CFT), taking into account applicable legislation, regulatory requirements, internal acts, domestic and international standards and best practices in the area of AML/CFT. Its operations are based on the principles of compliance, integrity and responsible risk management, with the bank having a zero tolerance approach to unlawful conduct.

With the Money Laundering and Terrorist Financing Risk Management Policy of the DBS Group, Customer Acceptance Policy, Restrictive Measures Policy and other Bank's internal acts in the AML/CFT area, the Bank has established a robust system for the implementation of measures to prevent and detect money laundering and terrorist financing (hereinafter: ML/TF). These enable the Bank to effectively manage operational and legal risks and the risk of loss of reputation potentially caused by crime related to ML/TF. The Bank has implemented procedures that are based on internal acts and provide appropriate measures for due diligence or customer knowledge, for the detection of unusual and suspicious transactions, and for control under international sanctions lists. Customers are verified through procedures in accordance with the applicable legislation, with the Bank following the principle of implementing high-quality Know Your Customer practices (KYC).

The Bank's internal rules also clearly delineate the responsibilities of staff in implementing AML/CFT measures and put in place appropriate internal controls to ensure control over the implementation of these measures. In accordance with the annual plan, the Internal Audit Department verifies the operation of the system in order to identify potential weaknesses and strengthen the relevant internal controls in AML/CFT.

The Bank's employees are regularly trained in this respect, this being one of the key elements for the effective implementation of the established AML/CFT system and ML/TF risk management.

Protection against the negative effects that might ensue from the Bank's involvement in ML/TF is a strategic orientation that is also defined as one of the basic principles of the Bank's Code of Conduct. Any misuse of the Bank for such purposes would not only compromise its reputation but the reputation of the country's entire financial system.

f) Risk management

Risk management is one of the fundamental pillars of the Bank's safe and stable operations, as it contributes to reducing exposure to potential risks, maintaining financial stability, and supporting long-term sustainability and business performance. In addition to ensuring an adequate capital and liquidity position, the key objectives of risk management are also compliance with established standards, ensuring appropriate investment quality, and timely prevention and limitation of losses arising from individual types of risks.

The DBS Group systematically identifies, monitors and assesses risks with the aim of managing them effectively in accordance with applicable regulatory requirements. The risk management process involves identifying and measuring risks and taking appropriate and timely action to manage them. A clearly defined risk appetite framework also plays an important role in this, representing the basis for balanced, safe and stable operations.

The DBS Group has appropriate management processes in place for all material risks, which are regularly upgraded. Key elements of this framework include the implementation and updating of ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process), the implementation of stress tests, an established limit system, internal controls, and timely and high-quality reporting.

Effective risk management is also based on a clearly defined organisational structure with precisely defined roles and responsibilities. The division of responsibilities is designed to prevent conflicts of interest and ensure a transparent, traceable and documented business decision-making process.

Risk management is further elaborated in Chapter VIII. Risk Management.

Ljubljana, 10 April 2026

Management Board of the Bank:

Gregor Rovanšek, MBA
President of the Management Board

Andraž Grum, PhD
Member of the Management Board

Maša Grgurevič Alčin
Member of the Management Board

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Supervisory Board:

Ivan Lenart
President of the Supervisory Board

VIII. RISK MANAGEMENT

VIII.1. RISK MANAGEMENT STRATEGY AND PROCESSES (Article 435 of the CRR, item 1a)

Effective risk management is one of the Group's most important objectives, ensuring a stable and secure operations while improving the Group's efficiency and competitiveness. In addition to maintaining an adequate capital and liquidity position, the key objectives of risk management are to ensure compliance with risk management standards, to achieve an adequate quality of investments and to prevent and limit the occurrence of losses from individual risks. The Group pursues these objectives by setting up and implementing the Risk-taking and Risk Management Strategy, which sets out the main starting points for risk management and the general guidelines for taking on and managing the key risks the Group is exposed to in its operations.

Pursuant to provisions of the regulatory framework, the Group considers the following risks as significant banking risks: credit, market, operational, interest rate and credit spread risk arising from non-trading book activities (CSRBB), liquidity, capital, strategic, profitability, reputation, governance, CRE investment risk and excessive leverage risks. ESG risks are also increasingly important. However, they are not considered in isolation but in the context of other material risks (e. g. credit, operational, liquidity risk, etc.).

In order to manage risks appropriately, the Group has a clear organisational structure with defined roles and responsibilities. Responsibilities are designed to avoid conflicts of interest and to ensure a transparent and documented business decision-making process.

The cornerstone of the risk management framework is the Risk-taking and Risk Management Strategy, which defines the risk appetite (RAF) by setting warning and operational limits for key risk indicators. The Group pursues a conservative approach to its operations and its risk appetite is defined as moderate (i.e. low to medium). Accordingly, limits are also set for key risk indicators, which are monitored regularly and reported to the management bodies.

To measure exposure to different types of risk, the Group uses internal methodologies and approaches in addition to regulatory ones, which facilitates close monitoring of risks and their management. The most important are the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP). Their objective is to contribute to the Group's continuity by ensuring sufficient liquidity and capital levels that are aligned with the Group's strategy, its business model and its Risk-taking and Risk Management Strategy. A sufficient level of capital enables the Group to bear its risks, absorb losses and sustainably pursue its development strategy, even in prolonged periods of adverse developments. As part of the ICAAP/ILAAP process, the Group determines how much internal capital or internal liquidity it needs to be able to sustainably implement its strategy.

The following key steps are included in the comprehensive risk management framework:
- identifying and prioritising the materiality of risks to which the Group is exposed;
- assessing and measuring material risks;
- conducting stress tests and reverse stress tests;
- allocation of internal capital and monitoring of spending;
- assessing the risk profile;
- identifying the risk appetite and updating the limit system with an early warning system;
- setting up capital and liquidity adequacy management measures;
- reporting to the management bodies.

The Group estimates that **credit risk** is the most important risk it is exposed to, and, therefore, devotes special attention to it. Credit risk is the risk that a borrower will cause a financial loss to the Group by failing to fully discharge an obligation when due without calling on collateral, for whatever reason, whether this obligation be of a financial nature or another contractual obligation.

To adequately manage credit risk, the Group performs the following activities:
- has a defined Risk-taking and Risk Management Policy for Credit Risk, which determines the manner of implementing credit risk management;
- regularly monitors its customers (e.g. financial statements);
- has an early warning system for increased credit risk (EWS);
- has a limit system in place that is in line with the risk strategy and risk appetite;
- regularly prepares reports on credit risk monitoring;
- prepares regular reports on the management of non-performing exposures of debtors, on the restructuring of receivables from debtors and on the fulfilment of commitments from financial restructuring plans of legal entities;
- regularly reports to the relevant decision-making and management bodies.

The Group also classifies liquidity risk among significant risks. **Liquidity risk** is the risk that the Bank is unable to discharge all its matured liabilities or that, due to its inability to provide sufficient funds to settle its matured liabilities, the Bank is forced to obtain liquidity at costs significantly higher than average market costs.

To adequately manage liquidity risk, the Group performs the following activities:
- has a defined Risk-taking and Risk Management Policy for Liquidity Risk, which determines the manner of implementing liquidity risk management;
- applies rules and measures to implement the procedures for mitigation and diversification of liquidity risk;
- identifies and measures liquidity risk using the system of internal limits and quantitative indicators from the recovery plan, establishing the liquidity position on a daily basis, making cash flow projections and calculating the liquidity ratio (LCR) and the net stable funding ratio (NSFR);
- has liquidity buffers that strengthen the Bank's resistance to liquidity risks in crisis situations;
- maintains at all times an adequate amount of unencumbered assets that can be used as a secondary liquidity reserve;
- prepares daily or monthly reports[7], which are the basis for making management decisions that involve liquidity risk, with important reports being made available to the management body and the Asset and Liability Committee.

The Group pays special attention to operational risk management. **Operational risk** is the risk of loss due to an inappropriate or unsuccessful implementation of internal processes, the human factor, system operations or external factors. Other risks under operational risk include legal and model risk, ICT risk, external contractors risk, conduct risk, ESG factors, compliance risk and tax risks. Operational risks also include operational and security risks related to the provision of payment and electronic money services and payment systems.

To adequately manage operational risk, the Group performs the following activities:
- has a defined Risk-taking and Risk Management Policy for Operational Risk, which determines the manner of implementing operational risk management;
- has RAF limits in place;
- has a system in place for reporting on loss events and operational risk events without financial effects;
- prepares regular operational risk reports for managing bodies.

Other material risks are monitored monthly through regular reports discussed at the Asset-Liability Committee or the Risk Management Committee, of which the Management Board is a member. The Group also incorporates these risks into the internal capital adequacy assessment process (ICAAP) as appropriate.

In addition to the above-mentioned reports, the Group prepares a number of other reports designed to inform the management body of the specific types of risks. The Risk Management Section thus prepares, inter alia, a risk report containing an overview of the RAS indicators and limits defined in the Limit System, an analysis of the credit

[7] Daily liquidity reports, monthly liquidity plan, liquidity ratio movement simulation, calculations of the ratio of highly liquid assets and liabilities, calculations of growth levels of retail deposits, liquidity coverage ratio (LCR), net stable funding ratio (NSFR), liquidity ratio (LR), stress tests for exceptional scenarios, the minimum level of unencumbered liquid assets, reports on structural liquidity risk ratios and other reports.

portfolio and the associated credit risk, an analysis of market, liquidity, interest rate and operational risk, and capital adequacy. This report is prepared monthly and discussed by the Risk Management Committee and quarterly by the Management Board, the Risk Committee and the Supervisory Board. Proposals for limits on large exposures and related parties of the Group (or groups thereof) are considered at least annually by the Management Board, the Risk Committee and the Supervisory Board. The capital adequacy report (ICAAP) used to estimate the capital needed to cover all major risks, the liquidity adequacy report (ILAAP) used to estimate liquidity and liquidity risk management, and the risk profile report are also reviewed by the Management Board, the Supervisory Board Risk Committee, and the Supervisory Board at least once a year or as required. As part of the ICAAP and ILAAP processes, the management body also issues an annual statement of capital and liquidity adequacy.

Regarding risk management, control environment and capital adequacy, the Group has adopted the following framework documents (that were confirmed by the Bank's Supervisory Board) to establish risk management guidelines:

- The Risk-taking and Risk Management Strategy and Concise Risk Statement Approved by the Management Body,
- Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS),
- Risk-taking and Risk Management Policy for Credit Risk,
- Risk-taking and Risk Management Policy for Market Risk,
- Risk-taking and Risk Management Policy for Operational Risk,
- Risk-taking and Risk Management Policy for Interest Rate Risk in the banking book and the Credit Spread Risk arising from non-trading book activities,
- Risk-taking and Risk Management Policy for Liquidity Risk,
- Risk-taking and Risk Management Policy for Compliance Risk,
- Risk-taking and Risk Management Policy for Profitability Risk,
- Disclosure Policy,
- Risk-taking and Risk Management Policy for Strategic Risk,
- Risk-taking and Risk Management Policy for Reputation Risk,
- Risk-taking and Risk Management Policy for the Risk of Capital Inadequacy,
- Policy on Using External Service Providers,
- Risk-taking and Risk Management Policy for Excessive Leverage Risk,
- Policy on Related Party Transactions,
- Policies for approving new services, products or significant changes,
- Model and Model Risk Management Policy,
- Policy of Safeguarding Integrity.

The Risk-taking and Risk Management Strategy, together with a Concise Risk Statement Approved by the Management Body, sets out the main starting points for risk management and the general guidelines for taking and managing key risks that the Group is exposed to in its operations. The aim of risk management is to ensure the Group's stable and safe operations and compliance with risk management standards, to achieve appropriate investment quality, and to prevent and limit losses resulting from individual risks.

Associated with individual types of risk, policies operationalise the starting points of the risk-management strategy, detailing organisational rules, procedures for establishing, measuring, assessing and monitoring risks, and internal risk reporting, determining the rules for the internal controls system and the activities related to the calculation of the internal capital adequacy assessment.

To monitor its operations and the major related risks that could affect its existence, the Group has laid down an array of quantitative indicators in the Group Recovery Plan, which are capital and capital adequacy, liquidity, profitability, asset quality and macroeconomic indicators. Limit values have been set for each indicator, marking the point of commencement for internal processes based on the recovery plan. Recovery measures are stipulated to be intensified depending on achieving yellow or red limit values, enabling the Group to react in a timely manner to the emergence of factors that could jeopardise its business. Based on its adopted risk-management strategy and ICAAP or ILAAP process, the Group has also set RAS limits for individual indicators to define its risk appetite. The purpose of these headline indicators is to manage risks in a comprehensive and prudent manner. By setting warning values and limits, the Group defines its risk appetite (RAF) and thereby limits its exposure to certain risks. The recovery plan indicators included in the RAS are subject to the rule that the level of the red RAS value must be equal to the yellow value in the recovery plan, thus meaningfully building on the Group's risk management and risk-taking framework, the fundamental objective of which is to ensure stable and safe operations of the Bank.

VIII.2. DECLARATION APPROVED BY THE MANAGEMENT BODY ON THE ADEQUACY OF RISK MANAGEMENT ARRANGEMENTS (Article 435 of the CRR, item 1e)

Declaration approved by the management body on the adequacy of risk management arrangements

Pursuant to Article 435 (e) of Regulation (EU) No 575/2013 of the European Parliament and of the Council on Prudential Requirements for Credit Institutions and Investment Firms (CRR), the management body – which consists of the Management Board:

Gregor Rovanšek, MBA, President of the Management Board, Andraž Grum, PhD, Member of the Management Board, and Maša Grgurevič Alčin, Member of the Management Board,

and the Supervisory Board:

Ivan Lenart, President of the Supervisory Board,

confirm, by signing this declaration, that the Bank's risk management arrangements are adequate. The Bank has set up a risk management function as independent in terms of organisation and functionality from the Bank's other functions, ensuring that risk management arrangements reflect the Bank's risk profile and its risk-taking and risk management strategy.

Ljubljana, 10 April 2026

Management Board of the Bank:

Gregor Rovanšek, MBA
President of the Management Board

Andraž Grum, PhD
Member of the Management Board

Maša Grgurevič Alčin
Member of the Management Board

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Supervisory Board:

Ivan Lenart
President of the Supervisory Board

VIII.3. CONCISE RISK STATEMENT APPROVED BY THE MANAGEMENT BODY (Article 435 of the CRR, item 1f)

Risk management

The DBS d. d. Management Board and Supervisory Board approved the Concise Risk Statement Approved by the Management Body, which stipulates the aggregate level of risk, including the levels of individuals risks, that Deželna banka Slovenije d. d. (hereinafter: the Bank) and the Deželna Banka Slovenije Group (hereinafter: the Group) are exposed to or are still willing to assume in order to meet their strategic goals while minding their risk tolerance.

The Group seeks to meet its strategic objectives within predefined levels of acceptable risk. The acceptable risk level is defined as moderate (i.e. low to medium), meaning that the Group pursues a conservative approach in its operations. The predefined common level of acceptable risk represents an important element of the decision-making process and is intended to ensure that the Group performs with sufficient profitability even in exceptional situations.

In addition to the Bank, the Group's prudential consolidation also includes the Bank's wholly owned subsidiaries DBS Leasing and DBS Nepremičnine. Risk management is performed at the Group level and the impact of these companies on the risk profile in 2025 was moderate or without significant effects. During this year, there were no intra-Group or related party transactions that had a material impact on the Group's risk profile or risk distribution at Group level.

Risk management framework

The purpose of risk management is to ensure that the Group’s operations are stable and safe, that the standards for risk management are met, and that the quality of investments is suitable. The Group has in place an integrated risk management framework which sets out the Group's integrated risk management processes and includes the following key steps:

- identifying and prioritising the materiality of risks to which the Group is exposed;
- assessing and measuring material risks;
- conducting stress tests and reverse stress tests;
- allocation of internal capital and monitoring of spending;
- assessing the risk profile;
- identifying the risk appetite and updating the limit system with an early warning system;
- setting up capital and liquidity adequacy management measures;
- reporting to the management bodies.

The Group considers as significant banking risks those risks that are assessed as material in the risk identification process and are included in the risk register. The Group has identified the following risks as significant risks: credit, market, operational, interest rate and credit spread risk arising from non-trading book activities (CSRBB), liquidity and strategic risk, ESG risks, and macroeconomic risk. Under operational risk, material sub-categories include compliance, ICT and business continuity risks, and external contractors risks.

The Group has appropriate methodologies in place for assessing and measuring material risks, and conducts stress tests and reverse stress tests. The objective of regular stress testing is to verify that the Group maintains an adequate level of internal capital and liquidity even in adverse conditions. The Group therefore carries out, at least once a year, an in-depth vulnerability review tailored to its circumstances, which captures all material risks at the Group-wide level arising from its business model and from the operating environment in a period of tight macroeconomic conditions. It regularly monitors the conditions and changes in the environment that may have a material impact on capital adequacy ratios and performance and develops appropriate stress scenarios on this basis. Stress testing as an important element of risk management is integrated into the Group's risk management system through the ICAAP and ILAAP processes and the Restoration Plan. In addition to internal stress testing, the Group also participates in regulatory defined stress testing.

To ensure an adequate level of internal capital, the Group allocates available capital across risks and business sectors as part of the ICAAP process. The capital allocation process is carried out at least once a year, and capital utilisation is monitored monthly.

The risk profile is an assessment of how much and to which risks the Group is exposed in its business and is the result of the risk management process. As part of the ICAAP process, the Group identifies significant risks and assesses the exposure to those risks at least once a year, which forms the basis for the risk profile.

For the purpose of comprehensive risk management, the Group has defined key risk indicators and their limits in the Risk Appetite Framework (RAF) and the Risk Appetite Statement (RAS), which represent the exposure to specific risks that the Group manages and assumes in the framework of its operations. In addition, the Group has in place a Limit System document that defines limits at the level of individual risks, portfolios or business lines, while taking into account the business strategy, risk profile, risk appetite and RAS limits, as well as the available internal capital. These limits are subordinate to the RAS limits, i.e. are used by the Group to provide early warning of an undesirable level of a particular exposure, thereby enabling timely action to prevent a breach of the RAS limits. The limit system aims to be preventive, as it is designed to enable prudent decision-making and to limit the assumption of unacceptably large risks.

As part of its risk management, the Group has also defined appropriate risk management or risk mitigation measures to ensure capital and liquidity adequacy. The measures adopted are aligned with the Group's Risk-taking and Risk Management Strategy and the Group's risk-taking capacity.

Comprehensive and timely reporting is important for making appropriate business decisions. The Group has in place regular reporting to decision-making bodies on exposure to each significant risk, the risk profile and the utilisation of limits.

Risk appetite

Risk appetite defines the amount and type of risk that the Group is willing to accept to achieve its business objectives. Through the Risk-taking and Risk Management Strategy, the Risk Appetite Framework and the Limit System, the Group has clear limits for risk-taking that are aligned with its business strategy.

The Risk Appetite Framework (RAF), together with the Risk Appetite Statement (RAS), defines the set of material risks, the appetite for each risk and the key risk indicators related to capital and liquidity adequacy and all material risks to which the Group is or may be exposed. For these indicators, an operational value, a warning value and a limit or target value are defined. The established risk appetite is integrated into the limit system together with a system of regular monitoring and early warning. Efficient risk management that includes regular risk monitoring and reporting, enables timely action to be taken upon predetermined levels of risk acceptability, even before the upper limit value is reached. Risks are promptly presented to the management body, the Bank’s senior management, the Internal Audit Department and the Operations Compliance Department in the context of regular reports.

Values of key risk indicators reflecting the correlation between strategic business orientations, risk appetite and target risk profile as at 31 December 2025:

1. Overall Capital Ratio (OCR): 19.54%,
2. Common Equity Tier 1 ratio (CET1): 19.54%,
3. Leverage Ratio: 6.25%,
4. Non-Performing Exposure (NPE) ratio: 1.24%,
5. Coverage rate (CR): 42.3%,
6. Economic Value of Equity (EVE) ratio: 9.92%,
7. Net interest income (NII) change ratio: 3.49%,
8. Credit Spread Risk in the Banking Book (CSRBB) ratio: 1.85%,

9. Liquidity Coverage Ratio (LCR): 366.39%,
10. Net Stable Funding Ratio (NSFR): 213.79%,
11. Return on Equity (ROE in basis points.): 12.06%,
12. Net loss on claims: EUR 13,700.

The Group will maintain an appropriate level of credit risk in the field of **credit risk**. It will make investment decisions in line with its financial capacity, with an emphasis on ensuring that it has an adequate level of capital to cover any unexpected losses.

To manage credit risk effectively, the Group will adhere to the following guidelines:

- setting out clear credit standards and procedures for assessing the credit ratings and the creditworthiness of customers for the investment in question, including the envisaged collateral and contractual covenants;
- regular assessment of the credit portfolio and monitoring of the quality of investments, as well as timely identification of troubled obligors;
- pursuing effective collection of past-due outstanding receivables and/or restructuring of troubled exposures, to the extent that this will lead to a higher expected repayment to the Bank;
- disclosing appropriate impairment of investments in accordance with IFRS, taking into account customer credit ratings, forward-looking information, collateral and other factors;
- developing a diversified customer portfolio to reduce risk concentration in specific sectors or customers;
- setting appropriate limits for specific sectors, types of transactions and customers;
- using appropriate collateral to mitigate credit risk exposure.

Except in exceptional circumstances and where there are compelling arguments to do so, the Group will not:

- finance acquisitions and new purchases of securities, business stakes and mutual fund shares when assessing increased risk;
- enter into new financing of heavily indebted customers, customers with bad credit ratings and customers that do not display adequate creditworthiness;
- grant loans when the only or predominant collateral is such with a strong correlation between the customer's creditworthiness and the value of collateral;
- finance legal entities engaged in shadow banking;
- finance projects associated with the speculative financing of property;
- finance projects that are controversial under the ESG factors.

In taking and managing **market risks**, the Group will:

- ensure diversification of investment portfolios to reduce sensitivity to market changes;
- regularly assess market conditions and their impact on investment decisions;
- ensure staff with relevant competences;
- maintain appropriate limits and hedges against market risks;
- maintain adequate internal controls.

In taking and managing **operational risks**, the Group will:

- regularly monitor and report on loss events and take additional measures to prevent similar events in the future;
- ensure staff with relevant competences;
- maintain effective internal controls and procedures;
- regularly improve security measures and technologies to protect customers' sensitive financial and personal data;
- strengthen security measures for protection against cybercrime threats, including by raising awareness of the importance of security among employees and customers;
- maintain high standards of ethical business conduct and zero tolerance of unauthorised actions.

In taking and managing **interest rate risk and credit spread risk arising from non-trading book activities (CSRBB)**, the Group will:

- properly manage the Bank's balance sheet;
- prepare opinions on interest rate risk exposures before making significant decisions on investments into securities;
- regularly monitor and report on interest rate risk exposure;
- ensure adequate limits to hedge the Economic Value of Equity (EVE) and Net Interest Income (NII);
- regularly monitor and calculate monthly the exposure to credit spread risk arising from non-trading book activities (CSRBB) and report accordingly;
- address any overexposure to risk and take appropriate action where necessary.

In taking and managing **liquidity risk**, the Group will:

- adapt its liquidity risk-taking and management strategy to its size;
- implement and build on an adequate liquidity management framework through the Internal Liquidity Adequacy Assessment Process (ILAAP);
- maintain sufficient liquidity reserves;
- regularly conduct stress tests and update the contingency plan to ensure adequate liquidity;
- maintain an adequate level of securities eligible for pledging with the ECB;
- monitor the daily and structural liquidity position;
- meet regulatory liquidity ratios.

In taking and managing **strategic risk**, the Group will:

- implement a conservative business strategy, thereby limiting exposure to strategic risk;
- intensely monitor its business environment and promptly respond to changes in it in order to decrease the Group's exposure to strategic risk.

The Group will pay particular attention to the **capital risk** by implementing the following:

- ensure an adequate level of capital to cover potential losses from unexpected risk events and to ensure business continuity even in adverse economic conditions;
- regularly monitor and review its capital position and respond to any changes in the environment;
- implement and build on an appropriate capital management framework through the Internal Capital Adequacy Assessment Process (ICAAP), including the implementation of stress tests;
- maintain an adequate capital position in relation to its total risk exposure;
- meet regulatory capital ratios.

In the coming years, DBS Group will also pay particular attention to **ESG risks**, in particular climate and environmental risks. In doing so, it will focus on:

- establishing an ESG risk management framework and setting out procedures to manage any negative impacts;
- establishing adequate reporting to monitor ESG risks;
- taking sustainability into account as an important principle when making business decisions;
- establishing, regularly reviewing and upgrading a sustainable ESG strategy and adapting it to changes in the environment, legislation and new developments in sustainable business.

Internal controls

The Group has put in place a system of internal controls to control and limit the mentioned risks, which includes:

- internal controls: for this purpose it has adopted rules and procedures defined by the relevant instructions, rulebooks and other internal acts, and internal controls over the implementation of organisational, business procedures and work procedures; it has also set up a system of reporting with internal controls in the area of reporting, and a limit system including measures in case of breaches;
- internal control functions, which include the Risk Management Section, the Internal Audit Department, Operations Compliance Department and Information Security Department.

The following is also of key importance to ensure long-term performance of the Group: distribution of competence and responsibility among management and supervisory bodies and other stakeholders; relations between them, and other factors, such as the Group's responsibility to environmental and societal interests of the community in which it operates, based on which the Group operates pursuant to applicable regulations, best-practice standards in corporate governance and highest standards of professional ethics.

Recovery Plan

To monitor its operations and the major related risks that could affect its existence, the Group has laid down an array of quantitative indicators in the Group Recovery Plan, which are capital and capital adequacy, liquidity, profitability, asset quality and macroeconomic indicators. Limit values have been set for each indicator, marking the point of commencement for internal processes based on the recovery plan. Recovery measures are stipulated to be intensified depending on achieving yellow or red limit values, enabling the Bank to react in a timely manner to the emergence of factors that could jeopardise its business.

Based on its adopted risk strategy and ICAAP process, the Group has set action values and limits, i.e. target values for individual indicators to define its risk appetite. The purpose of these indicators is to manage risks in a comprehensive and prudent manner. By setting action values and limits, the Group defines its risk appetite and thereby limits its exposure to certain risks. For the Recovery Plan indicators included in the RAF/RAS, the rule is that the level of the red RAS value must be equal to the yellow value in the Recovery Plan. The action values of RAF/RAS indicators are set above the yellow line of the Recovery Plan and thus build on the risk management and risk-taking framework, the fundamental objective of which is to ensure stable and safe operations of the Group.

Ljubljana, 10 April 2026

Management Board of the Bank:

Gregor Rovanšek, MBA
President of the Management Board

Andraž Grum, PhD
Member of the Management Board

Maša Grgurevič Alčin
Member of the Management Board

DEŽELNA BANKA SLOVENIJE d.d.
LJUBLJANA
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Supervisory Board:

Ivan Lenart
President of the Supervisory Board

IX. DEVELOPMENT OF THE BANK

IX.1. INVESTMENTS

For several years now, the Bank has devoted a lot of attention to refurbishing its branches or moving them to technically and spatially more appropriate locations, and to ensuring compliance with security and other banking standards. The security level is maintained in accordance with the security standards of the Bank Association of Slovenia, whereby the Bank takes care of the security of customers, employees and property. An appropriate level of safety is achieved through technical, mechanical and organisational measures. Thus, in 2025, the Bank continued to renovate and relocate its branches and plans to continue these activities in the future.

In 2025, the Bank continued to invest in upgrading the Bank's ICT infrastructure in line with its IT development strategy. The majority of the investments were allocated to completing the migration of the core banking system and carrying out post-migration activities. The Bank also invested in the introduction of software solutions for robotisation and process automation (RPA), the development of digital channels, and the improvement of the robustness and security of the information system and increased resistance to cyber threats. Key investments to strengthen the system infrastructure included upgrading the disk system, upgrading the backup system, and improving the connectivity of the business network by replacing communication equipment. In addition, the Bank also allocated part of its investments to improving the user experience by replacing less powerful computers with new, more powerful devices.

In terms of implementing technical measures to improve cyber resilience and attitude, and taking proactive steps to prevent and identify security incidents, we have invested in introducing a centralized system for managing security patches, a system for unified management and control of physical network access points, and a system for backing up data in the cloud. In addition, we continued and completed the project to upgrade the security-analytical system for monitoring, recording and correlating events in the Bank's information system and raising alarms in the event of security anomalies that meet the conditions of security events, thereby strengthening our capabilities in early detection of such events and increasing our resilience to them.

IX.2. INFORMATION TECHNOLOGY

By January 2025, the bank successfully transitioned to a new core banking system as well as online and mobile banking, thereby establishing a stable and future-oriented foundation for technological transformation. Although the Bank had already completed a significant portion of its transition-related activities in 2024, it devoted much of its time in 2025 to stabilizing the new core system and adapting to it.

In addition to the above, the Bank continued its intensive internal development of the data warehouse (DWH), which will be the primary source of data for internal controlling, sales support, and strategic management of the Bank based on data and data analytics. In addition, we have developed internally a set of applications that are not part of the core banking system, such as comprehensive overview of customers, tracking sales plans and realisations, a legal opinion management process, an operational risk management application, user rights management, ICT incident management, centralized submission of support service requests, and others.

In the area of digitalization, in 2025 the Bank joined the project of introducing a software solution for process robotization and automation (RPA), the key objective of which is to enable automated testing of application software support and the execution of regression tests for the core information system, as well as the automation of repetitive and simple work processes, thereby freeing up human resources to perform more productive tasks.

In 2025, the Bank continued to pursue the goal of paperless operations, therefore proceeding to actively digitize documentary material and develop processes in such a way that the storage of final outputs intended for internal or external use is carried out within the framework of a certified cloud solution for the storage of electronic documentation.

By implementing the presented and other activities that took place in 2025 and were aimed at strengthening digital maturity, technological readiness and resilience, security, availability and cost-effectiveness of ICT infrastructure, the Bank followed the 2023–2027 Information Technology Development Strategy, which is based on the Bank's business objectives and business strategy.

IX.3. INFORMATION AND CYBERSECURITY

The rapid development of information technology and the digitization of business operations play a significant role in supporting existing banking services and developing new ones. This also gives rise to new security threats related to the operation of the information system and the potential impact on the confidentiality, availability, integrity, and authenticity of data. The Bank is aware of the existence of security threats and their global dynamics, and therefore pays special attention to managing security risks in the field of information technology. Information technology risk management is a process of continuous evaluation and improvement of security controls, as this is the only way for the Bank to follow the development of technology and global trends, which are increasingly targeting interconnection and online presence.

In 2025, the Bank again performed a risk assessment of the information system and self-assessment of the development of information and communication technology in the field of information and cybersecurity, based on which it formed new and improved corrective measures. Recognizing the constant presence of cyber risk, the cyber insurance policy was renewed. As the Bank renovated its core information system in 2025, one of the key priorities in information and cyber security was a comprehensive security review and assessment of the new infrastructure and services. To improve its preparedness for cyber threats, the Bank has conducted several independent security tests and evaluations of the cyber protection and the robustness of the information infrastructure, with an emphasis on the renovated parts of the information system and on services accessible from external networks. The Bank has appropriately implemented improvements to procedural and technical measures resulting from the findings by upgrading technical and procedural protections. In 2025, the Bank comprehensively upgraded its security and analytics system for monitoring, logging, and correlating events in the IT system, as well as for issuing alerts in the event of security anomalies that meet the criteria for security incidents.

Furthermore, the Bank continued to follow a strategy aimed at ensuring employee awareness of information and cybersecurity, and therefore, in 2025, it continued to refine its employee training program and assess their knowledge of security protocols for identifying cyber threats. In addition to employee training, it carried out several customer awareness activities, which were sensibly adapted to current threats and online scams.

In 2025, key activities in the field of information and cybersecurity were also driven by new regulatory requirements, with processes in the areas of business continuity management, outsourcing risk management, and incident management undergoing the most significant overhauls.

Execution of security activities, reporting on implemented measures, monitoring of security events and incidents, and new proposals for improving security are discussed by the Security Committee, which is the highest security body of the Bank.

With its activities in 2025, which included both organisational and technical measures based on a firmly established management framework, the Bank still endeavours to meet the regulatory requirements, the expectations and guidelines of supervisory authorities, and follows good practice in information security and technology. It continues to ensure that cybersecurity is not adversely affected by business processes and the organisation of work and that cybersecurity is always considered an important aspect in implementing a particular business process.

IX.4. MARKETING AND COMMUNICATION

The Marketing and Communications Department's activities were primarily focused on acquiring new customers and informing existing customers about current offerings, new developments, and changes in the Bank's operations. The Bank carried out two major advertising campaigns, both for housing loans. We have optimized our advertising with our partner agency to the point where we are primarily addressing our target group, which is yielding better results. The DBS Group constantly advertises keywords in the most popular web browser.

As part of the DBS Group Strategy for 2024–2027, we are implementing the 'Enhanced Awareness of the DBS Brand' initiative, bearing this in mind throughout all activities. With one year remaining before the end of the project period, the initiative is nearly complete; the only remaining tasks are to establish an internal sales support channel and to conduct a follow-up survey on our brand awareness.

We enhanced our visibility as a universal bank with local marketing campaigns, which redirected the general public to our extensive branch network throughout Slovenia. We provided marketing support for the relocation of the Nova Gorica and Maribor branches. There, we organised open door days, inviting existing and potential customers and providing catering and an attractive decoration of the premises during these days. In addition to regular advertising campaigns, we also carried out local advertising, taking into account the knowledge and involvement of local business units to advertise in the areas where our employees identified as being most effective.

Our traditional commitment to the agri-food market is reinforced by year-round advertising in the agricultural TV programme Ljudje in zemlja and in the newspaper Kmečki glas. The target audience of both media is the agri-food segment, and through regular advertising, we make it clear that we are available to them, and we support them with our financial services.

The Agrobusiness project, which the Bank has supported for several years in a row, is being developed under the auspices of the Finance newspaper. The Bank thus gets year-round visibility on its web portal, and also takes an active part in the project's main event, a conference held in April. It is a media-business project for creating business excellence and success in the agriculture and food processing industry. The project addresses the entrepreneurial spirit, cooperation, technological progress and innovation of Slovenian farmers and the food processing industry. It highlights companies, individuals and organisations with new marketing approaches and food production technologies or business models that would lead to greater food self-sufficiency in Slovenia, as an example and an incentive to others. The subject areas covered are new technologies in agriculture, agricultural entrepreneurship, the food industry, the Agrobiznis Challenge, advice and up-to-date information.

On our own initiative and with the support of local agricultural cooperatives, we organised professional training events for members of local agricultural cooperatives on the topic of succession in agriculture, which is one of the key elements for the continued existence of Slovenian agriculture. The lectures were well received and, judging by the audience's response, were urgently needed.

We have been strengthening our relationship with the agri-food sector through our active presence at trade fairs intended for them. We had a stand at the St Gregory Fair in Novo Mesto and at both the spring and autumn agricultural and craft fairs in Komenda. The key trade fair event for the Bank is the Agra International Agricultural and Food Fair in Gornja Radgona at the end of August. There, the DBS Group presents its offer at its stand, while also strengthening relations with its customers through banquets and informal socialising. Banking and leasing advisors are also available to answer any questions visitors and potential customers may have.

The Bank uses its regularly updated website as one of its outreach channels. To this end, twice a year, content area administrators conduct an internal review of the website with the aim of continuous updating.

The DBS Group is also present on Facebook, Instagram and LinkedIn social networks and has a YouTube channel. All these channels and the e-bank enable two-way communication with customers, who have the opportunity to submit questions, suggestions, compliments and complaints online, and the Bank tries to answer them promptly and professionally. Communication on these channels is tailored, and the content can be more ‘relaxed’, bringing us even closer to our followers.

The Bank's internal communication is carried out on the intranet portal and by e-mail. Employees are informed regularly, on a monthly basis, in the DBS News e-newsletter about new developments in the Bank, open projects and their progress, as well as events in which the Bank's representatives participate, while a part of the newsletter is devoted to topics related to health care, etiquette, education and other social issues. Twice a year, events are organised for employees to meet with the Management Board and with colleagues with whom we collaborate daily throughout the year, but do not see each other in person. We therefore meet in spring for a picnic and in winter for a New Year's Eve gathering.

In 2025, the DBS Group also actively fulfilled its socially responsible role through sponsorship and donation activities. The already mentioned Agribusiness project is a logical decision for the bank; by participating in it, we address our target agri-food sector, both existing and potential new customers. We also work locally by supporting local associations and institutions that strive to create added value in their environment. This helps us maintain the link with agriculture and the countryside, as well as support other local events and activities, thus addressing the general public and raising awareness in local communities about our presence in their environment.

The Bank actively participated in the interbank advertising of Flik Pay, for which a two-part nationwide advertising campaign was carried out. Under the auspices of the Bank Association of Slovenia, of which our Bank is a member, we have regularly participated in a public awareness campaign on the risks of online payment fraud, which has become almost an everyday practice of online hackers. The goal of this campaign, which is still ongoing, is to raise awareness and educate individuals about this topic, as unfortunately, despite preventive measures, these abuses are not decreasing.

Coverage in various Slovenian media is monitored daily. Based on media coverage, analysis of the Bank’s media appearances is made annually to assess the reputation indicators and plan our corporate communication. In 2025, DBS Group recorded 484 media mentions, representing a 10.8% growth compared to 2024. The greatest number of articles reported on the Bank's operations, on price comparison of services, and on the Bank as being authorised to sell numismatic products. Relations with the media were fair and communication with journalists was based on openness and transparency.

IX.5. HUMAN RESOURCE MANAGEMENT

IX.5.1. HUMAN RESOURCE POLICY

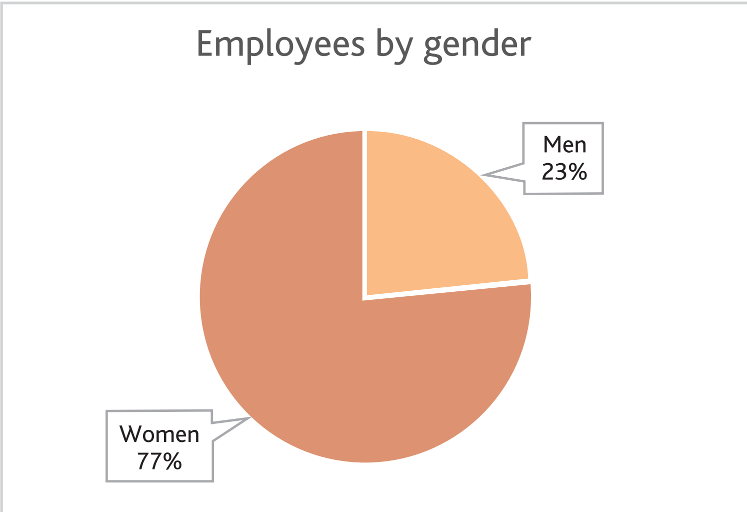
Due to rapid changes in the business environment, the Bank’s needs for capabilities and knowledge are changing rapidly as well, which requires constant adaptations. HR management activities are in line with the Bank's development strategy and tailored to the daily needs of the extensive branch network and changing legislation.

The Bank has adopted the HR risk-taking and risk management policy, which is adapted to the size of the Bank, taking into consideration the nature and complexity of our activities. Within this process, the Human Resources, Process and Organisation Department monitors continually the competence, education and experience of staff with regard to the task they perform, defines key members of staff, proposes changes to the Remuneration Policy, records potential breaches of labour legislation and other acts, and proposes the adoption of measures to prevent repeat violations. Together with the Management Board and members of senior management, the Department assesses the HR risk level by holding regular interviews with the employees.

As at 31 December 2025, the Bank had 394 employees. The Bank replaced absent staff selectively: new recruitment from the market was only executed when the Bank had no suitable existing employees. The Bank’s HR policy will continue to rest on top quality professionals, the promotion of loyalty to the Bank and its values, and the gradual increase in the proportion of younger staff.

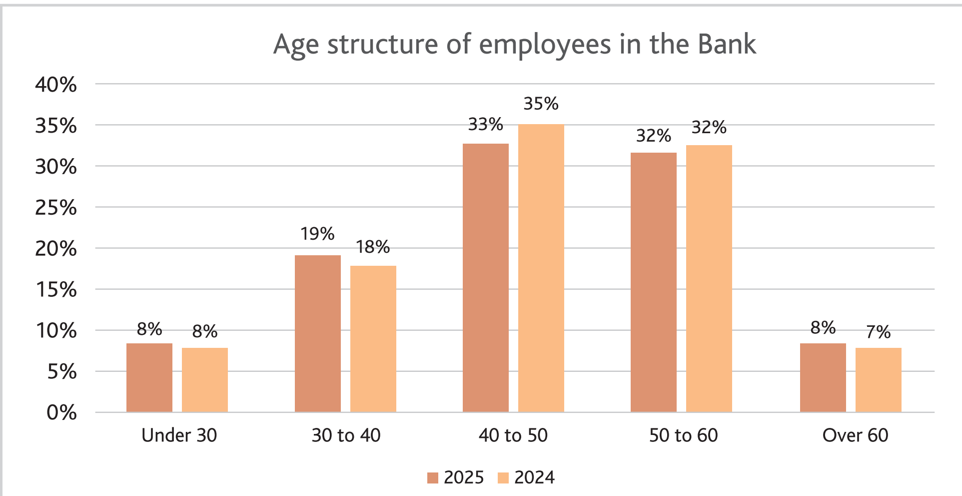
The majority of the Bank's employees are still women, of whom there were 302 and 92 men as at 31 December 2025.

Employees by gender, for the Bank



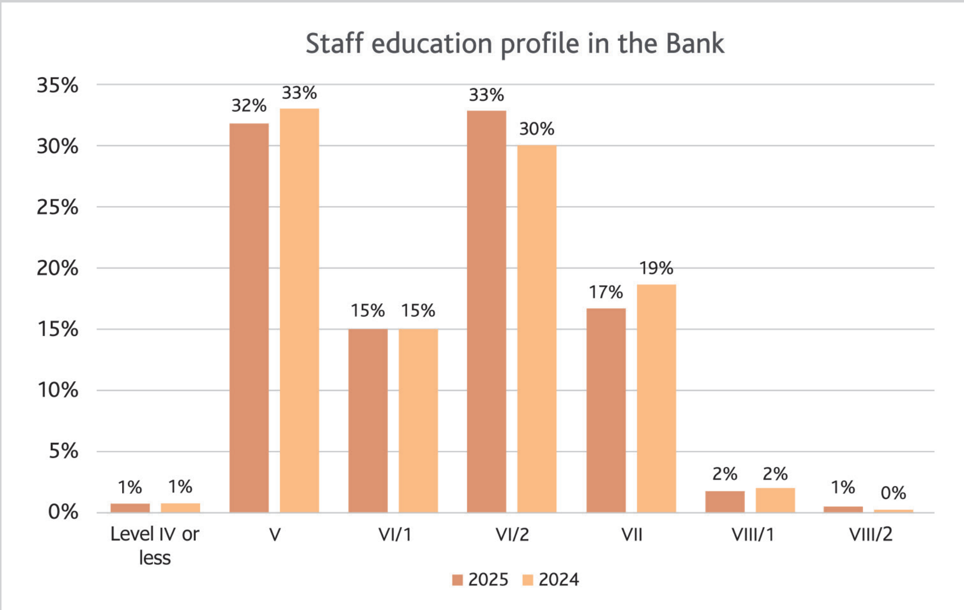
The Bank is successfully managing its age structure. In 2025, the average age of the employees has decreased again to 45.7 years (45.9 years in 2024). The Bank has 3.04% of employees with limited work ability.

Age structure of employees in the Bank as at 31 December 2025 and 31 December 2024



As assessed by the Bank, the education profile of all employees in the Bank is adequate with regard to the needs of the business process; 67% of the Bank’s employees having at least higher education, and 33% having intermediate or lower education.

Staff education profile as at 31 December 2025 and 31 December 2024



The turnover rate in the Bank is manageable and at an acceptable level of 9.7%. The largest share of departures is accounted for by retirement or termination of employment by mutual agreement.

IX.5.2. RECRUITMENT POLICY

Disclosure of Recruitment Policy for the Selection of Members of the Management Body

The selection and appointment of members of the Bank's management body are regulated pursuant to the Slovenian legislation in force, recommendations of the Bank of Slovenia, the European Banking Authority (EBA) regulation, the ECB Guide to fit and proper assessments, and Bank's internal acts.

The Recruitment Policy for the Selection of Members of the Management Body lays down the criteria for the selection and appointment of members of the management body, a body which consists of the Bank's Management Board and Supervisory Board. The overall composition must ensure that members of the management body have the requisite expertise, skills and experience needed for an in-depth understanding of the Bank's operations and the risks it is exposed to and that members are able to commit sufficient time to working in the Bank. The composition of the management body has to be ensured to comprise complementary and diverse competences of its individual members. Diversity in the body's composition is reflected in its members' diverse professional experience and know-how, age, education, expertise and personal characteristics.

Adequate knowledge, skills and experience are considered to comprise theoretical experience gained through education and training, practical experience gained at previous positions, and knowledge and skills gained and proven by the member through their business conduct. The conditions for membership in the Management Board and the Supervisory Board differ slightly, especially with regard to the practical experience of candidates for members of the Management Board.

Based on a previous proposal by the President of the Management Board, the Supervisory Board Nomination Committee identifies and recommends to the Supervisory Board candidates for members of the Management Board and autonomously identifies and recommends to the Bank's General Meeting candidates for members of the Supervisory Board. It assesses whether the Management Board or the Supervisory Board have the full range of competences necessary to manage or supervise the work of the Management Board, determines the tasks and the conditions required for each appointment, and assess the time expected to be required to perform the functions of a member of the management body. The Bank informs the member of the management body of the estimated time they should dedicate to their duties, and may require confirmation from the member that they can in fact allocate sufficient time to working in the Bank.

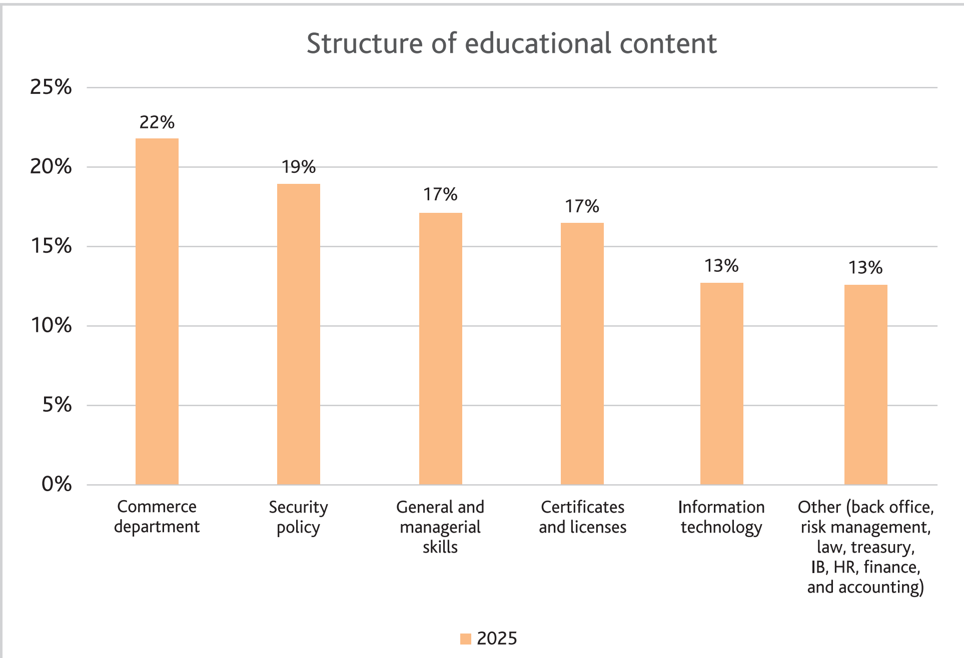
At least once a year, the Nomination Committee of the Supervisory Board evaluates the structure, size, composition and performance of the Management Board and the Supervisory Board and makes recommendations on possible changes, and at least once a year it also evaluates the knowledge, skills and experience of individual members of the Management Board and the Supervisory Board and the body as a whole.

IX.5.3. EMPLOYEE TRAINING

In 2025, employee training was systematically implemented at the Bank level with the aim of strengthening professional competencies, ensuring regulatory compliance, and supporting the Bank's strategic goals.

Most of the training sessions were conducted for professional development and skill-building according to the needs of various work processes. In terms of employee training, the largest share by category was in the commerce sector (21.8%), which was in most cases related to obtaining or maintaining licenses for insurance agents. This was followed by the security policy category (19%), within which the majority of training sessions were in the area of personal data protection. This is followed by the general and management skills category (17.2%), where the highest number of sessions was in the areas of social and environmental responsibility, audit, AML/CFT and compliance. Next were the categories of certificates and licenses, IT, back office, risk, legal, treasury and IB, HR, and finance and accounting.

Structure of educational content



In terms of teaching format, the most common were lectures (29.6%), followed by e-learning (28.9%), then workshops (19.9%) and conferences (9.5%). The share of other forms of training was smaller.

The training sessions were conducted externally (55.7%) and internally (44.3%).

Employees at the Bank received 8,257.25 hours of training in 2025, which means that an employee received an average of 20.96 hours of training.

Staff development is also ensured based on annual development interviews that are used to assess the performance of tasks in the past period and employee competences and to devise goals for the upcoming financial period.

In the recruitment procedure for vacant posts, the Bank prioritises existing employees, thus giving them the opportunity to acquire new knowledge and be promoted, while restructuring internally the staff structure of each organisational unit.

Employees who achieve above-average results at work are rewarded monthly in accordance with the Rules on Monitoring, Evaluation and Remuneration of Employee Performance under the Collective Agreement. Each year, employees are rewarded for having worked in the Bank continuously by receiving performance bonuses. There is also a scholarship system for children of deceased employees and a solidarity aid system for employees that might need it.

IX.5.4. REMUNERATION POLICY

Information concerning the decision-making process used for determining the remuneration policy (Article 450 (a) of Regulation (EU) No 575/2013)

The Policy is based on the Banking Act (ZBan-3), the Bank of Slovenia Resolution on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Savings Banks, Commission Delegated Regulation (EU) No 604/2014 and Delegated Regulation (EU) No 527/2014 at the level of the Deželna banka Slovenije Group, as well as Guidelines on Sound Remuneration Policies in accordance with articles 74(3) and 75(2) of Directive 2013/36/EU, and disclosures in accordance with Article 450 of Regulation (EU) No 575/2013.

The Bank's remuneration policy reflects the Bank's position inside the Slovenian banking sector, its internal organisation, the nature, volume and complexity of the Bank's business and the Bank's financial standing, and is based on the results of the Bank, a separate organisational unit and individual employees.

Its objective is to set up the company's remuneration framework defining remuneration types and the criteria and rules on the basis of which employees receive payment.

The Supervisory Board is responsible for adopting and maintaining the remuneration policy and overseeing its implementation. The Management Board ensures independent regular annual reviews of the compliance of actual remuneration with the remuneration policy and practices. In the bank, the competences that the Banking Act (ZBan-3) provides for a remuneration committee are assumed by the Supervisory Board, and partly the Nomination Committee. The Supervisory Board makes independent professional assessments of remuneration policies and practices. These assessments constitute a basis for its forming and adopting proposals for the management body to make decisions regarding the remuneration that impacts risk, the Bank's risk management, capital and liquidity. The Supervisory Board also oversees the remuneration of senior management and employees with control functions.

Information on the link between pay and performance (Article 450 (b) of Regulation (EU) No 575/2013)

Remuneration of employees performing special work is defined in their contract of employment, and consists of a fixed and variable component. The variable component is not a major factor in the overall remuneration amount, but it represents an efficient motivation pushing employees to reach or even exceed targets. Fixed remuneration is a high enough share of total employees' earnings for the Bank to be able to pursue an entirely flexible variable pay policy.

The total variable remuneration depends on the achievement of the projected results of the Bank.

The most important design characteristics of the remuneration system (Article 450 (c) of Regulation (EU) No 575/2013)

Having been devised pursuant to national and European legislation and taking into account the principle of proportionality, the Remuneration Policy reflects the size, internal organisation, nature, scope and complexity of transactions, i.e. the Bank's activity.

These are the fundamental principles of the Remuneration Policy:

- the remuneration policy is compatible with and encourages wise and efficient risk management; exposure to risks above the risk levels acceptable for the Bank is not stimulated;
- the remuneration policy is gender neutral;
- the remuneration policy is aligned with the objectives of the business strategy, the risk management strategy and the institution's sustainable development objectives. These objectives also include targets related to the management of risks arising from environmental, social and governance factors, and targets related to the management of other relevant risks. The policy is aligned with the Bank's corporate culture and values, risk management culture, long-term interests and measures taken to prevent conflicts of interest. The remuneration policy is defined in a way that does not encourage excessive risk-taking;
- employees with control functions are independent of the organisational units they oversee; they have the required competences and receive adequate remuneration proportionate to meeting targets associated with their functions, independent of the performance of the business units they oversee;
- the remuneration policy clearly differentiates between the criteria for determining:
  - fixed remuneration, which particularly reflects professional experience and level of the person's responsibility in the Bank,
  - variable remuneration, which reflects sustainable and risk-weighted performance;
- the bank has a rule on the possibility of not paying variable remuneration to employees performing special work, and also the possibility of reimbursement.

In accordance with the provisions of Article 190 (8) of the Banking Act, the provisions in points 3 and 4 and part of item 9 of Article 190 (2) of the Banking Act, which refer to withheld payments in case of termination of employment or retirement, do not apply for a bank that is not considered a large institution.

Variable remuneration is paid and becomes payable only if this is financially sound considering the financial standing of the Bank as a whole, and if it is justified with the Bank's and each individual's performance.

The ratio between fixed and variable remuneration (Article 450 (d) of Regulation (EU) No 575/2013)

The Remuneration Policy clearly differentiates between the criteria for determining:

- fixed remuneration, which should particularly reflect professional experience and level of the person's responsibility in the Bank, as laid down in the description of a person's duties, which constitute conditions of employment, and
- variable remuneration, which must reflect sustainable and risk-weighted performance above the expected performance level, as laid down in the description of a person's duties, which constitute conditions of employment. The variable component is based on a combination of the performance review of an individual and their business and organisational unit and the Bank's overall financial result.

The necessary preconditions for variable remuneration are the Bank's reporting a profit and its reaching all fundamental targets.

The variable remuneration of individuals performing special work may not exceed five times their gross salary, but this limit does not apply to severance payments set out in individual contracts and to the Bank's special performance bonus (Christmas bonus).

Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based (Article 450 (e) of Regulation (EU) No 575/2013)

Performance criteria are laid down at the beginning of a financial year for the ongoing financial year. They are tailored to an individual's level of responsibility and the Bank's risks and capital requirements. Performance criteria in respect of other forms of variable remuneration for Identified staff are determined subject to the conditions and rules for variable remuneration.

Criteria to evaluate each individual's performance level

In addition to financial performance, other, non-financial criteria are also relevant to the Bank's generation of long-term value and are therefore taken into account; they include compliance with the valid rules and ethical standards, acquired knowledge, personal development, respect of internal controls, devotion to the Bank's strategy and policies, successful risk management and internal controls, cooperation with other organisational units, particularly with internal control functions, contribution to teamwork, contribution to the development of junior staff, staff and customer satisfaction, concern for the Bank's reputation, attainment of own objectives, results-oriented approach, proper, diligent, professional and timely performance of work tasks, quality of written materials, concern for transfer of knowledge, and education.

Employees with control functions are independent of the organisational units they oversee; they have the required competences and receive adequate remuneration proportionate to meeting targets associated with their functions, independent of the performance of the business units they oversee.

Criteria at the level of an organisational unit

Commercial functions

a) Quantitative criteria: whether the commercial plan and recovery plan have been fulfilled or exceeded, whether rationalisation of operations costs of the organisational unit has been effective, whether operations have been profitable.
b) Qualitative criteria: the criteria that are relevant to the Bank's generation of long-term value, including compliance with the valid rules and ethical standards, proposed innovations or their number, respect of internal controls, devotion to the Bank's strategy and policies, successful risk management and internal controls, quality of cooperation, particularly with internal control functions, teamwork and motivation, concern for the transmission of knowledge, quality of written materials, respect for time limits, staff and customer satisfaction, concern for the Bank's reputation.

Control or oversight functions

a) Qualitative criteria: non-financial criteria, including compliance with the valid rules and ethical standards, proposed innovations or their number, respect of internal controls, devotion to the Bank's strategy and risk policies, successful risk management and internal controls, quality of cooperation, teamwork and motivation, concern for the transmission of knowledge, quality of written materials, respect for time limits, staff and customer satisfaction, concern for the Bank's reputation.

Unethical behaviour and behaviour incompatible with regulations and internal acts cannot be replaced by financial success.

The main parameters and rationale for any variable component scheme and any other non-cash benefits (Article 450 (f) of Regulation (EU) No 575/2013)

The methodology for calculating pay under the collective labour agreement, the method of forming and distributing the aggregate volume of variable pay, and the system of promotions and remuneration for employees are governed by the Rules on Monitoring, Evaluation and Remuneration of Employee Performance under the Collective Agreement.

Eligibility criteria for variable remuneration of employees performing special work are stipulated in the Remuneration Policy. They are based on a combination of collective and individual performance criteria, taking into account the Bank's performance, the performance of an individual's organisational unit and the individual employee's performance. The criteria and their weight depend on whether employees performing special work have a commercial or control function.

The methodology for the assessment of employees performing special work is detailed in the internal Rules on the Remuneration of employees performing special work, and for the remuneration of the Management Board, in the Criteria for concluding individual employment contracts for members of the Management Board.

The business success of the bank is a prerequisite for variable remuneration.

Aggregate quantitative information on remuneration, broken down by business area Article 450 (g) of Regulation (EU) No 575/2013

	Supervisory Board	Management Board	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	Other
Members (number of employees)	7	2						
Number of identified staff in senior management positions				8		5	6	6
Total fixed remuneration (in EUR)	177,775.57	663,558.90		665,527.58		449,390.05	475,467,56	508,530.81
Total fixed in cash	177,775.57	663,558.90		665,527.58		449,390.05	475,467.56	508,530.81
Total fixed in equity								
Total fixed in other instruments								
Total variable remuneration (in EUR)		315,228.06		122,365.51		68,171.18	80,058.19	114,521.38
Total variable in cash		315,228.06		122,365.51		68,171.18	80,058.19	114,521.38
Total variable in equity								
Total variable in other instruments								
Total amount of variable remuneration deferred in year N (in EUR)								
Additional information on amount of total variable remuneration								
No. of employees eligible to severance pay		1.00		1.00				
Total severance paid in year N (in EUR)		156,513.00		22,327.04				
Maximum severance paid to individual (in EUR)		156,513.00		22,327.04				

The table shows remuneration amounts for 2025, aggregated according to business segments.

Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the Bank's risk profile, and total remuneration for each member of the management body or senior management
(Article 450 (h) of Regulation (EU) No 575/2013)

The required information is disclosed in the Financial Report (Chapter 4.29. Related party transactions).

X. INTERNAL AUDIT DEPARTMENT

The Internal Audit Department operates in accordance with the legislation and rules governing internal audit. In 2025, the new Global Internal Audit Standards came into effect and the Department incorporated them into its processes and internal acts. An Internal Audit Strategy has been developed, and the Rules of Procedure of the Internal Audit Department have been updated, defining its powers, responsibilities and competences. At the end of 2025, the Internal Audit Department was staffed for the most part by four female internal auditors.

The mission of the Internal Audit Department at DBS is to create, protect and preserve value for the Bank, and to this end the Department provides independent and objective internal audit services that add value to the Bank, improve its performance and/or mitigate operational risks.

The Internal Audit Department is a standalone independent organisational unit, organisationally separate from other units and directly subordinated to the Management Board, which ensures it can act independently. It regularly reports its findings and on its operations to the Management Board, Audit Committee and Supervisory Board.

The Internal Audit Department makes independent and impartial assurances with regard to the quality and effectiveness of internal governance arrangement, risk management, and the functioning of internal controls, thus contributing to improved functioning of the Bank and achieving its objectives. The companies in the DBS Group are also subject to internal audit. The Internal Audit Department carries out its duties and responsibilities in accordance with the annual work plan approved by the Bank's Management Board and confirmed by the Supervisory Board. At the request of the Bank's Management Board, the Supervisory Board or at its own discretion, the Internal Audit Department also performs extraordinary audits.

In 2025, the Internal Audit Department operated in accordance with the approved annual work plan and performed 19 audits (of which 18 regular and 1 extraordinary). All internal audit reports were discussed by the Bank's Management Board, with the annual report and half-yearly reports also reviewed by the Audit Committee and Supervisory Board. The planned audits were based on comprehensive risk analysis and regulatory requirements.

In addition to the regulatory required audits, the Internal Audit Department's work plan for 2025 focused primarily on credit risk examinations, mainly those related to the areas of corporate and retail lending and other areas related to loan operations. It also audited internal management risks, capital, liquidity and market risks, as well as risks in the area of information technology and information security. The risk of external contractors was also audited. The audits were carried out from the perspective of compliance and efficiency. The Department monitored compliance with the recommendations made on a monthly basis. The Internal Audit Department submitted related quarterly reports to the Management Board, the Audit Committee and the Supervisory Board.

In 2025, the Internal Audit Department also carried out consulting activities and coordinated the audits conducted by external supervisory institutions, and was responsible for the development of the internal audit work methodology and employees.

XI. EVENTS AFTER THE 2025 FINANCIAL YEAR

On 27 February 2026, the Bank of Slovenia issued a license to Gregor Rovanšek, MBA, to perform his duties, following his appointment by the Supervisory Board as President of the Management Board. He assumed the position on 9 March 2026 and, upon taking office, assumed all powers and responsibilities as defined by law and the Bank’s internal regulations. The new President's assumption of office ensures continuity in the Bank's management, stable strategic direction, and the continued implementation of planned development and business activities.

In the first half of 2026, the Bank plans to issue Tier 2 capital bonds in a total amount of up to EUR 10 million. The issuance will contribute to strengthening the Bank’s capital adequacy and supporting future growth and compliance with regulatory requirements.

In early 2026, there was a significant escalation of the military conflict in Iran, where the U.S. and Israel carried out large-scale attacks on Iranian military infrastructure, triggering intense retaliatory measures by Iran in the form of missile and drone strikes across the wider region. The conflict also directly affected critical economic and energy transport routes; traffic through the Strait of Hormuz has been paralyzed, triggering disruptions in global energy supply chains. This has led to rising energy prices, disruptions in regional logistics, and increased volatility in global capital markets. Escalating geopolitical risks will also impact DBS Group’s operations; however, it is currently not possible to assess their impact on DBS Group and its customers. Among the main expected impacts are increased volatility in financial markets, which will affect the valuation of financial instruments; greater uncertainty regarding energy supply and energy costs, with an indirect impact on the creditworthiness of companies, particularly in energy-intensive sectors; rising living costs, which will directly affect households, increased inflation, etc., all of which may be reflected in a deterioration of customers' liquidity situation, consequently leading to a greater shift toward non-performing exposures, which will necessitate an increase in impairment provisions. No significant negative impact on liquidity is expected at this time.

FINANCIAL REPORT

CONTENTS

DISCLOSURE REQUIREMENTS AS PROVIDED BY SECTION 8 OF REGULATION (EU) 575/2013 (CRR2) WITH AMENDMENTS – ARTICLE 433b OF REGULATION (EU) 2024/1623 (CRR3)

Article	Requirement	Published in AR section	Chapter
435	**Risk management policy and objectives**		
1	**Risk management objectives and policies**		
	a. strategies and processes to manage risks	BR	VIII.1.
	e. declaration approved by the management body on the adequacy of risk management arrangements of the institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy	BR	VIII.2.
	f. concise risk statement approved by the management body succinctly describing the institution's overall risk profile associated with the business strategy; this statement includes: (i) key ratios and figures providing external stakeholders with a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body (ii) information on intra-group transactions and transactions with related parties that could have a significant impact on the risk profile of the consolidated group	BR	VIII.3.
2	**Information regarding governance arrangements**		
	a. number of directorships held by members of the management body	BR	VI.4.
	b. recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	BR	IX.5.2.
	c. policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved	BR	IX.5.2.
436	**Scope of application**		
	a. name of the institution to which the requirements of the Regulation apply	RCM	2.
437	**Equity**		
	a. full reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items and filters and deductions applied pursuant to Articles 32 to 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution	FS	5.7.
	d. separate disclosure of the nature and amounts of the following: (i) each prudential filter applied pursuant to Articles 32 to 35; (ii) each deduction made pursuant to Articles 36, 56 and 66; (iii) items not deducted in accordance with Articles 47, 48, 56, 66 and 79	FS	5.7.
	e. description of all restrictions applied to the calculation of own funds in accordance with the Regulation and the instruments, prudential filters and deductions to which those restrictions apply	FS	5.7.
438	**Capital requirements and risk-weighted exposure amounts**		
	d. the total risk exposure amount calculated in accordance with Article 92(3) and the corresponding capital requirements determined in accordance with Article 92(2), broken down, as appropriate, into different risk categories or risk exposure categories, as applicable, set out in Part 3, and, where applicable, an explanation of the effects on the calculation of capital and risk-weighted exposure amounts of non-deductible items from capital due to the application of capital thresholds	FS RCM	5.1.9. 3.
442	**Credit risk adjustments**		
	a. definitions for accounting purposes of 'past due' and 'impaired'	FS	5.1.3.
	b. description of the approaches and methods adopted for determining specific and general credit risk adjustments	FS	5.1.3.
	c. information on the amount and quality of performing, non-performing and restructured exposures for loans, debt securities and off-balance sheet exposures, including accumulated impairments, provisions and negative changes in fair value due to credit risk, and the amounts of collateral received and financial guarantees relating to these exposures	FS	5.1.5.
	d. analysis of past due exposures, as defined for accounting purposes, by age	FS	5.1.4.
445	**Exposure to market risk**		
	separately for each risk; in addition, the own funds requirement for specific interest rate risk of securitisation positions is disclosed separately	FS	5.2.

446	**Operational risk**		
	institutions disclose the approaches for the assessment of own funds requirements for operational risk that the institution qualifies for; a description of the methodology set out in Article 312(2), if used by the institution, including a discussion of relevant internal and external factors considered in the institution's measurement approach, and in the case of partial use, the scope and coverage of the different methodologies used	FS	5.6.
447	**Key metrics**	RCM	3
448	**Exposure to interest rate risk on positions not included in the trading book**		
	a. nature of the interest rate risk and the key assumptions (including assumptions regarding loan prepayments and behaviour of non-maturity deposits), and frequency of measurement of the interest rate risk	FS	5.3.
	b. variation in earnings, economic value or other relevant measure used by the management for upward and downward rate shocks according to management's method for measuring the interest rate risk, broken down by currency	FS	5.3.
450	**Remuneration policy**		
	for the categories of staff whose professional activities have a material impact on its risk profile: a. information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year	BR	IX.5.4.
	b. information on the link between pay and performance	BR	IX.5.4.
	c. the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria	BR	IX.5.4.
	d. ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU	BR	IX.5.4.
	h. aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following: (i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries; (ii) the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types; (v) new sign-on variable remuneration and severance payments made during the financial year, and the number of beneficiaries of such payments; (vi) the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person	BR FS	IX.5.4. 4.29.
	j. upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management	FS	4.29. d, e
453	**Use of credit risk mitigation techniques**		
	a. policies and processes for collateral valuation and management	FS	5.1.2.
	b. description of the main types of collateral taken by the institution	FS	5.1.2.
	e. information about market or credit risk concentrations within the credit mitigation taken	FS	5.1.2., 5.2.

Sections of the annual report (AR)
BR = Business Report
FS = Financial Statements of the Deželna Banka Slovenije Group
RCM = Risk and Capital Management

Deželna Banka Slovenije Group
and
Deželna banka Slovenije d. d.

Financial Statements under International Financial Reporting Standards for the year ended 31 December 2025

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management Board hereby approves the financial statements of the Deželna banka Slovenije Group and Deželna banka Slovenije d. d. for the year ended 31 December 2025, along with the accounting policies used and notes to the financial statements.

We hereby reaffirm our responsibility for the Annual Report, which is a true and fair presentation of financial standing of the Group and the Bank as at 31 December 2025, and for the results of their operations for the year ended on the same day.

The Management Board confirms that suitable accounting policies were consistently adhered to, and that accounting estimates were conducted in accordance with fair value. The financial statements were drawn up on the assumption of going concern and pursuant to the legislation and stipulations of International Financial Reporting Standards as adopted by the European Union.

The Management Board is responsible for the appropriate management of accounts, for the adoption of the measures required to safeguard company assets, and for the detection and prevention of fraud and other irregularities and illegal activities.

The Tax Authority may conduct a tax inspection of the current reporting period any time within the following five years, and in this connection impose additional tax assessments and penalties. The Management Board knows of no circumstances that could give rise to a potential material liability in this regard.

BANK MANAGEMENT BOARD:

Member of the Management Board
Maša Grgurevič Alčin

Member of the Management Board
Andraž Grum, PhD

President of the Management Board
Gregor Rovanšek, MBA

Ljubljana, 2 April 2026

DEŽELNA BANKA SLOVENIJE d.d.
LJUBLJANA
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DEŽELNA BANKA SLOVENIJE d.d.

Independent Auditor's Report on individual and consolidated Financial Statements

Opinion

We have audited the separate financial statements of DEŽELNA BANKA SLOVENIJE d.d. (the Company) and the consolidated financial statements of DBS Group and their subsidiaries (the Group), which comprise the statement of financial position and the consolidated statement of financial position as at 31 December 2025, the income statement and the consolidated income statement, the statement of other comprehensive income and the consolidated statement of other comprehensive income, the statement of changes in equity and the consolidated statement of changes in equity, the statement of cash flows and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No 537/2014 of the European Parliament and of the Council"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

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

We considered the following matter to be a key audit matter:

Impairment of loans to non- bank customers

As at 31 December 2025, loans to non-bank customers measured at amortised cost, before allowances amounted to €888 million for the Bank and €892 million for the Group. As at 31 December 2025, allowances for loans totalled €12.95 million for the Bank and €13.61 million for the Group. Loans to non-bank customers made up 55% of the total assets of the Bank and the Group. Management has presented additional information on loan impairments in the accounting part of the Annual Report in paragraphs 4.6 Loans to non-bank customers measured at amortised cost, 3.13 Impairments and 5.1 Credit risk.

The recognition of adequate impairment allowances for loans to customers constitutes the best possible estimate of expected credit losses. Due to the materiality of the amount and the use of significant judgements and estimates by	Our audit procedures in respect of the adequacy of the impairments of loans to customers identified as a key audit matter included, among others: • reviewing the methodology for estimating expected credit losses at the level of the Bank or the Group, assessing its compliance

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management based on the application of complex methods, we considered the impairments for loans to customers to be a key audit matter. The Bank and the Group calculate expected credit losses using the expected credit loss model in accordance with IFRS 9.

The expected credit loss model includes the measurement of expected credit losses for a period of up to one year or the entire lifetime, depending on whether circumstances have arisen since the approval of the loan that has the effect of increasing credit risk.

Impairments on performing loans to customers (Stage 1 and Stage 2 in the IFRS 9 hierarchy) and non-performing loans to customers (Stage 3 in the IFRS 9 classification hierarchy) are calculated by the Bank using the credit loss model.

The model's assumptions are based on historical information, the identification of loans to customers with a significant increase in credit risk and forward-looking information. The inputs for the credit loss model are subject to change and reflect management's subjective judgments.

In Stage 1 and 2, impairments on loans to non-bank customers are recognised using complex models and parameters that incorporate significant assumptions and estimates made by management about the probability of default over the life of the loan (PD), the amount of loss given default (LGD) and the identification of significant changes in credit risk, taking into account forward-looking information. As at 31. December 2025 the Bank has recognised gross loans to non-bank customers in Groups 1 and 2 of EUR 871 million (Group EUR 872 million) and impairments totalling EUR 5,46 million (Group EUR 5,4 million).

For non-performing exposures, the individual assessment of the necessary impairments is based on an analysis of each individual borrower as well as an estimate of the fair value of the collateral. The amount of necessary impairment allowances is based on estimates of future cash flows, which involve significant subjective estimates.

In Stage 3, as at 31. 12. 2025, the amount of loans to non-bank customers is EUR 16.7 million (Group EUR 19.6 million). As at the reporting date, the Bank has recognised impairments totalling EUR 7.49 million and the Group impairments totalling EUR 8.2

with the requirements of IFRS 9 and enquiring about any changes to the methodology compared to the previous year;

- verifying the adequacy of the IT system and the general IT controls in place in the areas of the control environment, data security and access authorisation;
- obtaining an understanding of the control environment and the established internal controls applied by management in the measurement of impairment losses, and testing the operating effectiveness of selected key internal controls over the approval, recording and monitoring of loans to customers, the identification of deterioration in the creditworthiness of customers, the classification of loans to customers as performing or non-performing, the calculation of days past due, collateral valuation and the calculation of the adequacy of recognised impairment allowances;
- assessing the appropriateness of the assumptions used to identify defaults and their classification in accordance with the requirements of IFRS 9;
- assessing the appropriateness of the approach for calculating expected credit losses, including the calculation of risk parameters and macroeconomic factors (probability of default, loss given default and exposure at default);

In testing the Group's estimation of expected credit losses, our audit procedures included, among others:

- testing the credit loss estimation model, including model approval and validation processes;
- obtaining an understanding of the key internal rating system for the hierarchical staging of loans to customers, together with determining the materiality threshold for credit obligations past due and assessing the underlying assumptions and the sufficiency of the data used by management;
- assessing the appropriateness of the forward-looking information used in the estimation of expected credit losses;
- challenging the applied loss given default and probability of default parameters by back-testing;
- assessing the appropriateness of the staging of credit exposures to customers based on a selected sample;
- verifying the compliance of the recognised impairments with the model used to determine expected credit losses based on a selected sample;
- assessing subsequent changes in credit risk to determine whether there has been a significant increase in credit risk resulting in changes in staging and consequently in a requirement to measure lifetime expected credit losses;
- verifying the rationale for the changes made to the model parameters in 2025, by reference to our understanding of the Bank's and the Group's business and current economic trends.

In testing the individual estimation of expected credit losses, our audit procedures included, among others:

- selecting a sample of non-performing exposures, with a focus on those having the greatest potential impact on the Bank's and the Group's financial statements due to their magnitude and risk exposure. The sample included loans to customers with low provision coverage;
- assessing the factors on the basis of which loans have been classified as non-performing loans to customers, including reviewing loan files and making enquiries with the competent

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million, representing 58% of the total amount of impairments on loans to non-bank customers at the Bank and 60% of the total amount of impairments impairments on loans to non-bank customers at the Group.

Allowances for loans to non-bank customers are essential to understanding the financial statements as a whole and involve significant judgments by management. In view of these facts, we have identified this area as a significant item and a key audit matter.

authorities to identify factors that would indicate a need to reclassify those loans as performing loans;

- obtaining an understanding of the current situation for selected borrowers and the basis for measuring impairment losses, for which we also performed a review of the inputs to verify the accuracy of the calculation;
- assessing the adequacy of the impairment allowances recognised on non-performing loans, which we tested by critically assessing the appropriateness of the assumptions used in the estimates of future cash flows based on the types of scenarios applied by the Bank to calculate the necessary impairment allowances. We focused in particular on reviewing the estimated discount rates applied in the estimation of future cash flows and the estimated value of the collateral together with the estimated liquidation period. Where necessary, we verified the appropriateness of the valuations made by the Bank with the help of the auditor's specialist (an independent real estate valuation expert).

We assessed the adequacy of the disclosures to the financial statements in accordance with the requirements of the standards regarding supplementary information on financial assets measured at amortised cost (loans to non-bank customers), the impairment of financial assets and credit risk as presented in the annual report.

Other information

Management is responsible for the other information. Other information comprises the "Business Report," which forms an integral part of the Bank's and the Group's annual report, but does not include the separate and consolidated financial statements and our auditor's report thereon. We obtained the other information prior to the date of issuance of the auditor's report, except for the "Supervisory Board Report," which will be available after the date of the auditor's report.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements, legal requirements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing the facts that are also presented in the separate and consolidated financial statements is, in all materials respects, consistent with the separate and consolidated financial statements; and
- the other information is prepared in compliance with applicable law or regulation;
- based on the knowledge and understanding of the Company and Group obtained in the audit, on the other information obtained, we have not identified any material misstatement.

Responsibilities of management and those charged with governance for the separate and the consolidated financial statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as 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 Company

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and Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the separate and the consolidated financial statements

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

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

- identify and assess the risks of material misstatement of the separate and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and 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 Company and the Group to cease to continue as going concern;
- evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We have sole responsibility for the audit opinion expressed.

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

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

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

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Report on Other Legal and Regulatory Requirements

Other requirements on content of auditor's report in compliance with regulation (EU) no. 537/2014 of the European parliament and of the council

Consistence with the Additional Report to the Audit Committee

We confirm that the auditor's opinion included in this auditor's report is consistent with the Additional report to the Audit Committee.

Prohibited services

We confirm that we have not performed any of the services referred to in Article 5(1)(5) of Regulation 537/2014 on behalf of the Bank and the Group and that the audit firm has complied with the independence requirements for the audit.

Other services provided by the audit firm

The audit firm did not provide any services to the Bank and its subsidiaries other than the audit of the financial statements, other than those disclosed in the annual report.

Appointment of the audit firm and the responsible Certified Auditor

The audit firm FORVIS MAZARS d.o.o. was appointed by the General Meeting of the Bank on 31 May 2023 and the audit contract was signed by the Chairman of the Supervisory Board on 1 August 2023. The contract was concluded for a period of 3 years. The statutory audits of the Company's financial statements have been carried out on a continuous basis since 1 August 2019.

On behalf of FORVIS MAZARS d.o.o., the key audit partners are M. Sc. Teja Burja and Mateja Sodnik.

Ljubljana, April 10, 2026

FORVIS MAZARS, audit company, d.o.o.

Mateja Sodnik
certified auditor

mag. Teja Burja
partner, certified auditor

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I. Financial statements as at 31 December 2025

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

in EUR thousand

Code	Items	Note	Group DBS 1-12 2025	Group DBS 1-12 2024	DBS d. d. 1-12 2025	DBS d. d. 1-12 2024
1	Interest income		48,431	63,972	47,778	62,513
2	Interest expense		(8,217)	(10,564)	(8,217)	(10,564)
3	**Net interest income** (1 + 2)	3.1.	**40,214**	**53,408**	**39,561**	**51,949**
4	Dividends	3.2.	64	35	64	35
5	Fee (commission) income		11,592	10,846	11,550	10,723
6	Fee (commission) expense		(2,943)	(2,423)	(2,812)	(2,416)
7	**Net fee (commission) income** (5 + 6)	3.3.	**8,649**	**8,423**	**8,738**	**8,307**
8	Realised gains/losses from financial assets and liabilities not measured at fair value through profit or loss	3.4.	27	(17)	27	(17)
9	Net gains/losses on financial assets and liabilities held for trading	3.5.	124	171	124	171
10	Foreign exchange translation	3.6.	1	(1)	1	(2)
11	Net gains/losses on derecognition of assets	3.7.	435	196	435	196
12a	Other operating income	3.8.	1,234	1,191	1,285	1,223
12b	Other operating expense	3.8.	(37)	(76)	(23)	(76)
13	Administrative expenses	3.9.	(30,881)	(31,889)	(30,319)	(31,319)
14	Cash contributions to resolution funds and deposit guarantee schemes	3.10.	(1,875)	(1,601)	(1,875)	(1,601)
15	Depreciation and amortisation	3.11.	(2,506)	(1,862)	(2,479)	(1,836)
16	Provisions	3.12.	(457)	167	(471)	170
17	Impairment charge	3.13.	(1,633)	836	(1,546)	1,410
18	**PROFIT/LOSS FROM CONTINUOUS OPERATIONS BEFORE TAX** (3 + 4 + sum (7 to 17))		**13,359**	**28,981**	**13,522**	**28,610**
19	Income tax	3.14.	(2,799)	(5,915)	(2,799)	(5,786)
20	**PROFIT/LOSS FROM CONTINUOUS OPERATIONS AFTER TAX** (18 + 19)		**10,560**	**23,066**	**10,723**	**22,824**
22	**PROFIT/LOSS FOR THE YEAR** (20)		**10,560**	**23,066**	**10,723**	**22,824**
	a) Attributable to owners of the parent		10,560	23,066	10,723	22,824

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

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

in EUR thousand

Code	Items	Note	Group DBS 1-12 2025	Group DBS 1-12 2024	DBS d. d. 1-12 2025	DBS d. d. 1-12 2024
1	**PROFIT/LOSS FOR THE YEAR AFTER TAX**		**10,560**	**23,066**	**10,723**	**22,824**
2	**OTHER COMPREHENSIVE INCOME AFTER TAX** (3 + 4)		**648**	**615**	**646**	**618**
3	**ITEMS NOT TO BE RECLASSIFIED TO PROFIT/LOSS** (3.1. + 3.2 + 3.3)		**272**	**(215)**	**270**	**(212)**
3.1	Actuarial gains/losses on defined benefit pension plans	4.23.	203	(260)	201	(257)
3.2	Gains/losses associated with changes in the fair value of investments into equity instruments mesaured at fair value through other comprehensive income	4.3.b	113	61	113	61
3.3	Income tax relating to components of items not be reclassified to profit or loss		(44)	(16)	(44)	(16)
4	**ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS** (4.1 + 4.2)		**376**	**830**	**376**	**830**
4.1	Debt instruments at fair value through other comprehensive income (4.1.1 + 4.1.2)		499	1,064	499	1,064
4.1.1	Valuation gains/(losses) taken to equity		499	1,078	499	1,078
4.1.2	Transfer of (gains)/losses to profit or loss		0	(14)	0	(14)
4.2	Income tax relating to items that may be reclassified to profit or loss		(123)	(234)	(123)	(234)
5	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR AFTER TAX** (1 + 2)		**11,208**	**23,681**	**11,369**	**23,442**
	a) Attributable to owners of the parent		11,208	23,681	11,369	23,442

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

in EUR thousand

Code	Items	Note	Group DBS 2025	Group DBS 2024	DBS d. d. 2025	DBS d. d. 2024
1	Cash, balances at central banks, and sight deposits at banks	4.1.	403,200	491,822	403,200	491,821
2	Financial assets held for trading	4.2.	0	0	0	0
3	Financial assets measured at fair value through other comprehensive income	4.3.	117,914	58,716	117,914	58,716
4	Financial assets measured at amortised cost		1,042,237	995,953	1,037,839	991,303
	- Debt securities	4.4.	160,027	138,734	160,027	138,734
	- Loans and advances to banks	4.5.	5	0	14	0
	- Loans and advances to customers	4.6.	878,213	854,346	874,842	850,863
	- Other financial assets	4.7.	3,992	2,873	2,956	1,706
5	Long-term equity participation in subsidiaries, associates and joint ventures	4.8.	0	0	5,243	5,243
6	Tangible assets		24,501	24,381	24,399	24,270
	- Property, plant and equipment	4.9.	12,551	11,949	12,449	11,838
	- Investment property	4.10.	11,950	12,432	11,950	12,432
7	Intangible assets	4.11.	5,574	4,417	5,478	4,328
8	Income tax assets	4.12.	5,640	3,067	5,510	3,039
	- Current tax assets		2,613	28	2,483	0
	- Deferred tax assets		3,027	3,039	3,027	3,039
9	Other assets	4.13.	2,024	1,858	703	670
10	**TOTAL ASSETS** (from 1 to 9)		**1,601,090**	**1,580,214**	**1,600,286**	**1,579,390**
11	Financial liabilities measured at amortised cost		1,479,220	1,457,035	1,479,040	1,457,312
	- Deposits by banks and central banks	4.14.	1,439	1,312	1,439	1,312
	- Deposits by customers	4.15.	1,466,388	1,451,074	1,466,565	1,451,418
	- Borrowings from banks and central banks	4.14.	266	0	0	0
	- Other financial liabilities	4.16.	11,127	4,649	11,036	4,582
12	Provisions	4.18.	2,434	2,305	2,380	2,235
13	Income tax liabilities	4.19.	182	2,003	178	1,873
	- Current tax liabilities		4	1,749	0	1,619
	- Deferred tax liabilities		178	254	178	254
14	Other liabilities	4.20.	5,728	6,422	5,502	6,161
15	**TOTAL LIABILITIES** (from 11 to 14)		**1,487,564**	**1,467,765**	**1,487,100**	**1,467,581**
16	Share capital	4.21.	17,811	17,811	17,811	17,811
17	Share premium	4.22.	31,257	31,257	31,257	31,257
18	Accumulated other comprehensive income	4.23.	156	360	154	359
19	Revenue reserves	4.24.	59,247	48,966	59,247	48,966
20	Treasury shares	4.25.	(601)	(601)	(601)	(601)
21	Retained earnings (including profit/loss for the year)	4.26.	5,656	14,656	5,318	14,017
22	**EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT** (from 16 to 21)		**113,526**	**112,449**	**113,186**	**111,809**
23	TOTAL EQUITY (22)		113,526	112,449	113,186	111,809
24	**TOTAL EQUITY AND LIABILITIES** (15 + 23)		**1,601,090**	**1,580,214**	**1,600,286**	**1,579,390**

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Group DBS in EUR thousand

Code	Items	Share capital	Share premium	Accumulated other comprehensive income	Revenue reserves	Retained earnings (including profit/loss for the year)	Treasury shares (deduction)	Equity attributable to owners of the parent (from 3 to 8)	Total equity (9)
1	2	3	4	5	6	7	8	9	10
1	**OPENING BALANCE FOR THE PERIOD (before adjustment)**	**17,811**	**31,257**	**360**	**48,966**	**14,656**	**(601)**	**112,449**	**112,449**
2	**OPENING BALANCE FOR THE PERIOD** (1)	**17,811**	**31,257**	**360**	**48,966**	**14,656**	**(601)**	**112,449**	**112,449**
3	**Comprehensive income for the year (net of tax)**	**0**	**0**	**(204)**	**0**	**10,560**	**0**	**10,356**	**10,356**
4	Dividends paid (accounted)	0	0	0	**0**	(9,098)	0	**(9,098)**	**(9,098)**
5	Allocation of net profit to revenue reserves	0	0	0	10,281	(10,281)	0	**0**	**0**
6	Other transfers among components of equity*	0	0	0	0	0	0	**0**	**0**
7	Other	0	0	0	0	(181)	0	**(181)**	**(181)**
8	**CLOSING BALANCE FOR THE PERIOD** (2 + 3 + 4 + 5 + 6 + 7)	**17,811**	**31,257**	**156**	**59,247**	**5,656**	**(601)**	**113,526**	**113,526**

* Losses through other comprehensive income.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Group DBS in EUR thousand

Code	Items	Share capital	Share premium	Accumulated other comprehensive income	Revenue reserves	Retained earnings (including profit/loss for the year)	Treasury shares (deduction)	Equity attributable to owners of the parent (from 3 to 8)	Total equity (9)
1	2	3	4	5	6	7	8	9	10
1	**OPENING BALANCE FOR THE PERIOD (before adjustment)**	**17,811**	**31,257**	**(256)**	**37,554**	**12,544**	**(601)**	**98,309**	**98,309**
2	**OPENING BALANCE FOR THE PERIOD** (1)	**17,811**	**31,257**	**(256)**	**37,554**	**12,544**	**(601)**	**98,309**	**98,309**
3	**Comprehensive income for the year (net of tax)**	**0**	**0**	**615**	**0**	**23,066**	**0**	**23,681**	**23,681**
4	Dividends paid (accounted)	0	0	0	0	(9,500)	0	**(9,500)**	**(9,500)**
5	Allocation of net profit to revenue reserves	0	0	0	11,412	(11,412)	0	**0**	**0**
6	Other transfers among components of equity*	0	0	1	0	(1)	0	**0**	**0**
7	Other	0	0	0	0	(41)	0	**(41)**	**(41)**
8	**CLOSING BALANCE FOR THE PERIOD** (2 + 3 + 4 + 5 + 6 + 7)	**17,811**	**31,257**	**360**	**48,966**	**14,656**	**(601)**	**112,449**	**112,449**

* Losses through other comprehensive income.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

DBS d. d. in EUR thousand

Code	Items	Share capital	Share premium	Accumulated other comprehensive income	Revenue reserves	Retained earnings (including profit/loss for the year)	Treasury shares (deduction)	Total equity (from 3 to 8)
1	2	3	4	5	6	7	8	9
1	**OPENING BALANCE FOR THE PERIOD (before adjustment)**	**17,811**	**31,257**	**359**	**48,966**	**14,017**	**(601)**	**111,809**
2	**OPENING BALANCE FOR THE PERIOD** (1)	**17,811**	**31,257**	**359**	**48,966**	**14,017**	**(601)**	**111,809**
3	**Comprehensive income for the year (net of tax)**	**0**	**0**	**(205)**	**0**	**10,723**	**0**	**10,518**
4	Dividends paid (accounted)	0	0	0	0	(9,098)	0	**(9,098)**
5	Allocation of net profit to revenue reserves	0	0	0	10,281	(10,281)	0	**0**
6	Other transfers among components of equity*	0	0	0	0		0	**0**
7	Other	0	0	0	0	(43)	0	**(43)**
8	**CLOSING BALANCE FOR THE PERIOD** (2 + 3 + 4 + 5 + 6 + 7)	**17,811**	**31,257**	**154**	**59,247**	**5,318**	**(601)**	**113,186**
9	**ACCUMULATED PROFIT FOR THE YEAR**	**0**	**0**	**0**	**0**	**5,318**	**0**	**5,318**

* Losses through other comprehensive income.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

DBS d. d. in EUR thousand

Code	Items	Share capital	Share premium	Accumulated other comprehensive income	Revenue reserves	Retained earnings (including profit/loss for the year)	Treasury shares (deduction)	Total equity (from 3 to 8)
1	2	3	4	5	6	7	8	9
1	**OPENING BALANCE FOR THE PERIOD (before adjustment)**	**17,811**	**31,257**	**(261)**	**37,554**	**12,145**	**(601)**	**97,905**
2	**OPENING BALANCE FOR THE PERIOD** (1)	**17,811**	**31,257**	**(261)**	**37,554**	**12,145**	**(601)**	**97,905**
3	**Comprehensive income for the year (net of tax)**	**0**	**0**	**619**	**0**	**22,824**	**0**	**23,443**
4	Dividends paid (accounted)	0	0	0	0	(9,500)	0	**(9,500)**
5	Allocation of net profit to revenue reserves	0	0	0	11,412	(11,412)	0	**0**
6	Other transfers among components of equity*	0	0	1	0	(1)	0	**0**
7	Other	0	0	0	0	(39)	0	**(39)**
8	**CLOSING BALANCE FOR THE PERIOD** (2 + 3 + 4 + 5 + 6 + 7)	**17,811**	**31,257**	**359**	**48,966**	**14,017**	**(601)**	**111,809**
9	**ACCUMULATED PROFIT FOR THE YEAR**	**0**	**0**	**0**	**0**	**14,017**	**0**	**14,017**

* Losses through other comprehensive income.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

in EUR thousand

Code	Items	Group DBS		DBS d. d.	
		2025	2024	2025	2024
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Interest received	**48,435**	**61,600**	**47,332**	**60,816**
	Interest paid	(8,158)	(8,664)	(8,149)	(8,664)
	Dividends received	64	35	64	35
	Fee and commission received	14,126	12,554	14,202	12,554
	Fee and commission paid	(2,997)	(3,121)	(3,073)	(3,121)
	Realised gains on financial assets and liabilities not measured at fair value through profit or loss	41	11	41	11
	Realised losses on financial assets and liabilities not measured at fair value through profit or loss	(14)	(28)	(14)	(28)
	Net trading income	124	153	124	153
	Cash payments to employees and suppliers	(28,227)	(28,448)	(27,516)	(27,887)
	Other income	1,311	1,144	1,232	1,175
	Other expenses	(2,077)	(1,826)	(2,077)	(1,816)
a)	**Cash flows from operating activities before changes in operating assets and liabilities**	**22,628**	**33,410**	**22,166**	**33,228**
b)	**(Increases)/decreases in operating assets (no cash equivalents)**	**(88,852)**	**(118,363)**	**(87,521)**	**(117,238)**
	Net (increase)/decrease in financial assets held for trading	0	151	0	151
	Net (increase)/decrease in financial assets designated at fair value through profit or loss	0	0	0	0
	Net (increase)/decrease in financial assets, measured at fair value through other comprehensive income	(58,358)	(53,888)	(58,358)	(53,888)
	Net (increase)/decrease in loans and other financial assets	(30,519)	(65,534)	(29,174)	(64,492)
	Net (increase)/decrease in non-current assets held for sale	0	0	0	0
	Net (increase)/decrease in other assets	25	908	11	991
c)	**Increases/(decreases) in operating liabilities**	**18,818**	**147,998**	**17,628**	**146,996**
	Net increase/(decrease) in trading liabilities	0	(28)		(28)
	Net increase/(decrease) in deposits and borrowings measured at amortised cost	18,891	148,016	17,694	147,615
	Net (increase)/decrease in other liabilities	(73)	10	(66)	(591)
d)	**Cash flows from operating activities** (a + b + c)	**(47,406)**	**63,045**	**(47,727)**	**62,986**
e)	**Income taxes (paid)/received**	**(6,626)**	**(7,505)**	**(6,387)**	**(7,475)**
f)	**Net cash from operating activities** (d + e)	**(54,032)**	**55,540**	**(54,114)**	**55,511**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**				
a)	**Investing inflows**	**30,926**	**88,159**	**30,926**	**88,158**
	Proceeds from disposal of property, plant and equipment, and investment property	1,580	782	1,580	781
	Proceeds from disposal of associates, joint ventures and subsidiaries		0		0
	Proceeds from disposal of investments in debt securities measured at amortised cost	29,346	87,377	29,346	87,377
b)	**Investing outflows**	**(54,177)**	**(11,812)**	**(54,095)**	**(11,781)**
	(Purchase of property, plant and equipment, and investment property)	(1,701)	(1,394)	(1,642)	(1,393)
	(Purchase of intangible long-term assets)	(1,843)	(3,710)	(1,820)	(3,680)
	(Purchase of debt securities measured at amortised cost)	(50,633)	(6,708)	(50,633)	(6,708)
c)	**Net cash from investing activities** (a + b)	**(23,251)**	**76,347**	**(23,169)**	**76,377**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**				
a)	**Outflows from financing activities**	**(11,098)**	**(9,500)**	**(11,098)**	**(9,500)**
	(Dividends paid)	(9,098)	(9,500)	(9,098)	(9,500)
b)	**Net cash from financing activities** (a)	**(11,098)**	**(9,500)**	**(11,098)**	**(9,500)**
D.	**Effects of exchange rates on cash and cash equivalents**	**(218)**	**54**	**(218)**	**54**
E.	**Net increase in cash and cash equivalents** (Af + Bc + Cb)	**(88,381)**	**122,387**	**(88,381)**	**122,388**
F.	**Opening balance of cash and cash equivalents** (Note 4.1. b)	**491,784**	**369,343**	**491,784**	**369,342**
G.	**Closing balance of cash and cash equivalents** (D + E + F) (Note 4.1. b)	**403,185**	**491,784**	**403,185**	**491,784**

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

II. Notes to financial statements for 2025

1. GENERAL INFORMATION

The Deželna banka Slovenije Group (Group) consists of Deželna banka Slovenije d. d. (the Bank) and its subsidiaries DBS Leasing d. o. o. (hereinafter: DBS Leasing) and DBS Nepremičnine d. o. o. (hereinafter: DBS Nepremičnine).

Deželna banka Slovenije d. d. is a Slovenian private company limited by shares, with its business address Deželna Banka Slovenije d. d., Kolodvorska 9, Ljubljana, Slovenia.

Deželna banka Slovenije d. d. is not a public company under Article 123 of the Markets in Financial Instruments Act, because it does not meet the conditions under the provisions of the Act. Its securities are not listed for trading on any regulated market.

DBS Leasing is a universal leasing company engaged in financial leases of movable assets. DBS Nepremičnine is a property development and power generation company.

The Group prepares disclosures and prudential consolidation (Chapter 5 and Section on Risk and Capital Management in this Annual Report), which, in accordance with Directive 2013/36/EU (CRD IV) and Regulation EU No 575/2013 (CRR2), as amended (Regulation EU No 2024/1623 – CRR 3), include the controlling company DBS d. d. and subsidiaries DBS Leasing and DBS Nepremičnine.

In 2025, the consumer price index was up 2.5% (2024: 2.0%). From 1 January 2007, Slovenia's national currency has been the euro, which has thus also become the functional and presentation currency of the Bank's financial statements. All amounts in the financial statements and related notes are given in EUR thousand, unless specified otherwise.

2. CRITICAL ACCOUNTING POLICIES

2.1. Basis for presentation of financial statements

Financial statements have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU. Consolidated financial statements record the subsidiaries as fully consolidated.

The Group also prepared consolidated financial statements pursuant to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), for the parent company and subsidiaries (Group).

In order to obtain a comprehensive view of the financial position of the Group as a whole, users of these financial statements should read individual statements together with consolidated financial statements.

The policies set out below have been consistently applied in the financial statements for all the years presented.

The preparation of financial statements under IFRS as adopted by the EU requires the use of certain critical accounting estimates, which influence the value of reported assets and liabilities, the disclosure of potential assets and liabilities on the reporting date, and the amount of income and expenditure in the reported period. It also requires the management to select accounting policies of the Group according to its own judgement.

Changes in accounting policies

In financial year 2025, the Group did not adopt or apply any new accounting policies different from those applied in previous periods, such as would have a material effect on the financial statements of the current year, except for accounting standards and other amendments that entered into force as at 1 January 2021 and have been adopted by the EU.

Adoption of new and revised International Financiral Reporting Standards (IFRS)

New standards, amendments and new interpretations, issued by IASB and adopted by EU with an effective date from 1 January 2025

As of January 1, 2025, the following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU apply:

- **Lack of exachangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates):**

Amendment applies when one currency cannot be exchanged into another. This may occur, for example, because of government-imposed controls on capital imports and exports, or a limitation on the volume of foreign currency transactions that can be undertaken at an official exchange rate. The amendments clarify when a currency is considered exchangeable into another currency, and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

Standards and amendments to existing standards issued by IASB, but not yet effective

At the date of approval of these financial statements, IASB issued the following new or amendments to existing standards, but which have not yet been effective but will have effective date annual periods beginning on or after 1 January 2026.

New standards and amendments to the existing standards issued by the IASB with the effective date from annual periods beginning on or after 1 January 2026

New standards and amendments to the existing standards issued by the IASB and already endorsed by the EU with the effective date from annual periods beginning on 1 January 2026:

- **Annual Improvements Volume 11 (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7):**

Annual improvements provide a mechanism for the IASB to efficiently issue a collection of minor amendments to the Accounting Standards. In accordance with the IASB's due process as described in the IFRS Foundation Due Process Handbook, annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards.

The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:

Accounting Standar	Subject of amendments
IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge accounting by a first-time adopter
IFRS 7 Financial Instruments: Disclosures	Gain or loss on derecognition
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Introduction
	Disclosure of deferred difference between fair value and transaction price
	Credit risk disclosures
IFRS 9 Financial Instruments	Derecognition of lease liabilities
	Transaction price
IFRS 10 Consolidated Financial Statements	Determination of a 'de facto agent'
IAS 7 Statement of Cash Flows	Cost method

- **Contracts Referencing Naturedependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7):**

Amendments were implemented to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. In response, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements.

The amendments include:
- Clarifying the application of the 'own-use' requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Early application of the amendments is permitted. However, for certain jurisdictions the amendments must be endorsed prior to application.

- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7):**

Amendmends clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.

Additionally, these amendments introduce new disclosure requirements and update others.

New standards and amendments to the existing standards issued by the IASB (but not yet endorsed by the EU) with the effective date from annual periods beginning on 1 January 2027:

- **Subsidiaries without Public Accountability: Disclosures (IFRS 19):**

IFRS 19 is a voluntary standard that applies to entities without public accountability, but whose parents prepare consolidated financial statements under IFRS Accounting Standards.

For in-scope companies, IFRS 19 simplifies disclosures on various topics, including leases, exchange rates, income taxes, statement of cash flows, etc.

If elected, IFRS 19 is expected to reduce the cost of preparing in-scope financial statements while maintaining the usefulness of those financial statements for stakeholders.

- **Subsidiaries without Public Accountability Disclosures (amendments to IFRS 19):**

IFRS 19, issued in May 2024, allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures. It included reduced disclosure requirements for other Standards or amendments issued up to February 2021.

The newly issued amendments to IFRS 19 help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

- **Presentation and Disclosure in Financial Statements (IFRS 18):**

IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.

* Non-GAAP measures that meet the definition of MPMs will be subject to the disclosure requirements.

- **Translation to a Hyperinflationary Presentation Currency (amendments to IAS 21):**

In June 2022, the IFRS Interpretations Committee (IFRS IC) discussed a request about the accounting applied by a parent, whose functional currency is the currency of a hyperinflationary economy, when it consolidates a subsidiary, whose functional currency is the currency of a non-hyperinflationary economy. Through research on this matter, the IFRS IC also became aware of a related matter, where an entity that has a non-hyperinflationary functional currency presents its financial statements in hyperinflationary presentation currency.

The IFRS IC decided to refer the matter to the IASB by recommending that the IASB develop a narrow-scope amendment that provides a relevant translation method applicable to address the original question asked to the IFRS IC and the related matter. In July 2024, the IASB proposed amendments to IAS 21 to address the matters, which have now been finalised after considering the feedback received on the proposals.

Changes The amendments in Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) are:

- When an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position;
- when the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable in IAS 21 to such situations; and
- the entity would have to disclose that it has applied the method, including summarised financial information about its foreign operations translated applying the proposed translation method; it would also have to disclose if the economy concerned ceased to be hyperinflationary.

Having considered the expected costs and benefits, the IASB also decided to include an exception to the translation method under (1.) above for affected entities that apply IAS 29 and are required to translate the results and financial position of a foreign operation in accordance with the amendments.

Amendments would have to be applied retrospectively with certain transition provisions.

New standards and amendments to existing standards issued by the IASB that are temporarily suspended (the European Commission has not yet initiated the endorsement procedure):

- **IFRS 14: Regulatory Deferral Accounts (issued on 30 January 2014)**

In January 2014 the International Accounting Standards Board issued IFRS 14 Regulatory Deferral Accounts. IFRS 14 permits a first-time adopter of IFRS Standards that is within its scope to continue to recognise and measure its regulatory deferral account balances in its first and subsequent IFRS financial statements in accordance with its previous GAAP.

Other Standards have made minor consequential amendments to IFRS 14, including IFRS 17 Insurance Contracts (issued May 2017) and Amendments to References to the Conceptual Framework in IFRS Standards (issued March 2018).

The company/group assumes that the introduction of new standards and changes to existing standards during the period of initial application will not have a significant impact on the financial statements of the company/group.

2.2. Consolidation

Subsidiaries have been fully consolidated from the day the Bank gained control over them. The Groups' consolidated statements do not include the intra-group transactions, unrealised gains and losses and intra-group balances at the reporting date 31 December 2025. In order to ensure compliance with the Bank's guidelines, the accounting policies of subsidiaries have been adjusted as appropriate.

2.3. Critical accounting estimates

Certain assumptions and estimates are needed in preparing financial statements, which affect the amounts of assets and liabilities reported for the financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and receivables and potential off-balance sheet liabilities
The Group's credit risk management includes monthly assessments of whether there is any objective evidence of impairment for each individually significant loan. If so, a detailed impairment is calculated to determine whether an impairment loss should be recognised in the income statement.

The Group assesses expected credit losses based on the impairment model in accordance with IFRS 9. For the purpose of assessing credit losses, financial assets measured at amortised cost – loans, debt securities, other receivables, debt instruments measured at fair value through other comprehensive income, and off-balance sheet exposures from credit commitments and financial guarantee contracts, to which impairment requirements apply – are classified as at each reporting date into one of the three stages. The methodology and assumptions are reviewed regularly, in order to reduce any differences between loss estimates and actual loss experience.

For purposes of assessing credit losses, off-balance sheet exposures from assumed liabilities under financial guarantee contracts, regarding which the impairment requirements are to be used, are classified at each reporting day into one of the three transaction phases for purposes of calculating the expected credit losses for the period of validity of the financial guarantee.

(b) Fair value of investment property

The fair value of investment property reflects market conditions as at the date of the statement of financial position. The estimated value of investment property is based on mean value calculated using the comparable sales method, and on the income valuation approach.

(c) Impairment charge on investments in subsidiaries

In assessing impairments against its investments, the Group considers objective evidence of impairment and indications that an investment may be impaired. If any such indication exists, the Bank determines the impairment charge as the difference between the investments' carrying value and its recoverable amount. The recoverable amount is fair value less the cost of disposal, or value in use, whichever is higher, whereby value in use is the present value of the future cash flows expected to be derived from the respective investment, discounted at current market returns for similar financial assets. If future cash flows cannot be estimated, the impairment charge is calculated using the subsidiary net asset value method (asset accumulation method) or as the difference between the asset's carrying amount and the carrying amount of the subsidiary's equity, proportionate to participation in equity.

(d) Taxes

The Group is subject to income taxes only in Slovenia. To assess the amount of income tax payable, some estimates are required. The Group recognises income tax and deferred tax liabilities based on estimates of whether it will have to settle them. Should the final tax outcome be different from the amounts recognised by the Group, such differences will impact the income tax and deferred tax provisions in the respective period.

2.4. Segment reporting

As at 31 December 2025, the Group operates as a single entity, and therefore it does not report by segment.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank and its subsidiaries operate. The financial statements are presented in euros, which is the functional and presentation currency of the Bank and its subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using exchange rates effective at the date of the transaction. Foreign exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange differences in equities measured through other comprehensive income are recognised with valuation gains/losses as other comprehensive income or as fair value reserves.

Income and expenses in foreign currency are translated into euro-equivalent applying the exchange rates effective at the date of the transaction.

Gains and losses resulting from purchases and sales of foreign exchange are recognised in the income statement under Foreign exchange translation.

2.6. Interest income and expense

Interest income and expense is recognised in the income statement for all instruments measured at amortised cost, using the effective rate method.

The effective rate method is a method of calculating financial assets' or liabilities' amortised cost and a method of allocating interest income and expense over a requisite period.

The effective interest rate is the interest rate used to precisely discount the estimated future cash flows for the entire period of the expected useful life of a financial instrument or for a shorter period when needed, up to the net current value of a financial asset or liability.

In calculating the effective interest rate, the Group must estimate cash flows taking into account all contractual conditions of the transaction in the relevant financial instrument, but cannot consider future credit losses. The calculation of the effective interest rate includes all paid amounts: instalments, fee and commission, costs.

Once a financial asset or a group of similar financial assets has decreased as a result of impairment loss, interest income is recognised using the rate of interest used to discount future cash flows for the purpose of measuring the impairment loss and eliminated from interest income referring to the impaired financial asset. The Bank will halt the accrual of contractual interest and interest on arrears as well as costs of running non-performing loans and guarantees for non-performing assets if given the expected cash flow it no longer expects payment.

2.7. Fee and commission income and expense

Fee and commission is generally recognised when the service has been provided. Fee and commission for agency services in a transaction or for participation in the agency of a transaction for a third person is recognised when the transaction has been concluded. Fee and commission for portfolio management and other consultancy services is recognised on the basis of requisite service agreements when the services have been provided. Fee and commission for international and domestic payment transactions is recognised when the respective service has been provided.

Fee and commission included into the calculation of the effective interest rate is recognised under interest income or expense.

2.8. Financial assets

2.8.1. Accounting policies under IFRS 9

The Group classifies its financial assets into the following groups: financial instruments at fair value through profit or loss, financial instruments at amortised cost, and financial instruments at fair value through other comprehensive income. The management determines the classification of investments upon initial recognition.

(a) Financial assets measured at fair value through profit or loss
This category has two sub-categories: financial instruments held for trading and financial instruments mandatorily measured at fair value through profit or loss.

The Group has a small amount of financial assets held for trading.

(b) Financial assets measured at amortised cost
A financial asset has to be measured at amortised cost if the following two conditions are met:
(a) a financial asset is held within a business model the aim of which is to hold financial instruments with the purpose of receiving contractual cash flows, and

(b) in compliance with contractual terms of the financial instrument, cash flows occur on certain dates that comprise repayments of principal and interest on the outstanding principal exclusively.

As well as loans fulfilling the conditions of the cash flow test, the Group classifies into this category all debt securities intended for the collection of contractual cash flows.

(c) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those the Group intends to hold for an indefinite period of time, and which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or prices of financial instruments.

(d) Measurement and recognition

Purchases and sales of financial instruments at fair value through profit or loss, financial assets at amortised cost, and financial assets measured at fair value through other comprehensive income are recognised as at the date the transaction is concluded – the date on which the Group commits to carry out the purchase or sale of the respective instrument. Derivatives are recognised on the trade date.

Financial assets, apart from financial instruments at fair value through profit or loss, are initially measured at fair value plus transaction costs. Financial assets at fair value through profit and loss are initially recognised at fair value, while the transaction costs are expensed in the income statement. A financial asset is derecognised when the contractual rights to cash flows have expired, or if all risks and benefits of the ownership of a financial asset are transferred. A financial liability is derecognised solely when the contractual obligation has been met, revoked or has lapsed.

Financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss are measured at fair value. Loans and receivables are measured at amortised cost applying the effective interest rate. Gains and losses from changes in the fair value of the financial assets measured at fair value through profit or loss are included in the income statement in the period in which they arise. Gains and losses from changes in the fair value of the financial assets measured at fair value through other comprehensive income are recognised directly in equity until the financial asset is sold or impaired, at which time they are recognised in the income statement. With debt securities classified into this category, expected credit losses and differences resulting from foreign currency translation are recognised in the income statement, and the difference to fair value is recognised in other comprehensive income until derecognition. Upon derecognition of a debt financial instrument, the cumulative profit or loss recognised in other comprehensive income is reclassified into the income statement.

Upon derecognition of an equity instrument for which upon initial recognition the option for measured at fair value through other comprehensive income was chosen irrevocably, cumulative gains or losses are never recognised in the income statement.

Interest from the effective interest rate and exchange differences for financial assets measured through other comprehensive income are recognised in the income statement. Dividends from financial instruments are recognised in the income statement, upon the establishment of the holder's right to payment.

Fair values of financial instruments traded in an active market are based on market prices.

If a financial instrument is not traded in an active market, the Group determines its fair value by using valuation models.

2.9. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there exists a legal right to offset the amounts and the intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10. Impairment of financial assets

2.10.1. Impairment of financial assets under IFRS 9

(a) Financial assets measured at amortised cost

Measurement of impairment loss under IFRS 9 is based on the expected credit losses concept. Financial instruments measured at amortised cost in accordance with the SPPI test are impaired either on a collective basis (financial instruments in groups 1 and 2, and most of the financial instruments in group 3) or on an individual basis (some financial instruments in group 3).

Collective assessment of credit losses

Collective impairment is calculated as the sum of discounted monthly weighted expected credit losses, and an individual (monthly) unit is calculated as the product of probability of default (PD), loss given default (LGD), exposure at default (EAD) and, in the case of off-balance-sheet receivables, also conversion factor (CCF). In collective assessment of losses, the Group also considers forward-looking information, which is included in the calculation through forward-looking PD and LGD.

Individual assessment of credit losses

Financial assets in Group 3 are impaired by the Group individually for exposures above EUR 150 thousand and leasing transactions in Group 3, otherwise collectively, following the definition of default in Article 178 of the CRR.

The expected exposure loss is calculated as the difference between the asset's carrying amount and estimated future cash flows that are discounted at the original effective interest rate of the financial asset. Expected cash flows are evaluated against the type of scenario, i.e. according to whether the approach used is that of business as a going concern or a not going concern.
Calculation of credit losses under IFRS 9 is presented in more detail in Chapter 5.1.3.

(b) Financial assets measured at fair value through other comprehensive income

As financial instruments at fair value through other comprehensive income are measured at fair value, gains and losses resulting from valuation are recognised directly in equity, and when a debt security is sold or impaired, they are recognised in the income statement.

2.11. Property, plant and equipment, and intangible assets

All property, plant and equipment as well as intangible assets are initially stated at cost. In accordance with IFRS 16, long-term lease assets are recognized under operating fixed assets as right-of-use assets. The cost of property, plant and equipment is composed of its purchasing price and all the costs that can be directly attributed to the asset.

Assessments are made each year whether there are indications that property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount. If value in use exceeds the carrying value, assets are not impaired. If the asset's carrying amount is higher than its estimated recoverable amount, the carrying amount is decreased to its recoverable amount. The recoverable amount is fair value less the cost of selling, or value in use, whichever is higher. After initial recognition, property, plant and equipment is measured at the cost model less depreciation. The right-of-use asset is recorded as an operating fixed asset and is amortized on a monthly basis using the straight-line method of depreciation over the remaining term of the lease. The Group defines the lease term as the non-cancellable period of the lease together with the periods allowing the option of extending the lease, if there is high certainty that the lessor will exercise this option, or the periods allowing the option of terminating the lease, if there is high certainty that the lessor will not exercise this option. For leases concluded for an indefinite period, the lease term is established as 5 years. Upon recognition, a lease liability is initially measured at the current value of the lease that will be paid during the lease period, discounted at the implicit interest rate if it can be determined immediately. If the interest rate cannot be determined clearly, the assumed lease interest rate shall be used.

The following are the annual depreciation and amortization rates used:

	Group DBS		DBS d. d.	
	2025 %	2024 %	2025 %	2024 %
Buildings	2.0-4.0	2.0-4.0	2.0-4.0	2.0-4.0
Computer equipment	12.5-50.0	12.5-50.0	12.5-30.0	12.5-30.0
Software	10.0-100.0	10.0-100.0	10.0-100.0	10.0-100.0
Motor vehicles	10.0-100.0	10.0-100.0	20.0	10.0-100.0
Other equipment	6.0-50.0	6.0-50.0	10.0-50.0	10.0-50.0
Property lease right	10.0-100.0	10.0-100.0	10.0-100.0	10.0-100.0

Intangible assets, which mainly include software, are stated in the statement of financial position at cost less depreciation and accumulated impairment losses.

Depreciation of intangible assets is provided on a straight-line basis. General software is amortised over five years, with dedicated software being amortised over ten.

Assets in the course of transfer or manufacture/implementation are not depreciated until they are available for use.

The Group assesses the remaining value of assets upon each reporting period as well as their useful lives, and adjusts their values as appropriate.

Gains and losses incurred upon disposal of property, plant and equipment are determined by reference to the difference between their carrying amount and net profit upon disposal, and are taken into account in determining operating profit. Maintenance and repairs are charged to the income statement during the financial period in which they are incurred. Should these assets increase the Group's future economic benefits, their carrying amount shall also recognise subsequent costs.

2.12. Investment property

Upon acquisition, the Group recognises investment property at cost, which includes the purchase price and all related costs.

After initial recognition, investment property is restated at fair value.

In determining the fair value of investment property, the income approach (capitalised cash flow method, discounted future gains method) or sales comparison approach was used.

Fair value is based on market prices as at the date of the statement of financial position.

Investment property is assets not used directly by the Group for its operations but held with the purpose of giving it into operating lease or selling at a later date. Any gain or loss arising from a change in fair value is recognised in the income statement. If there is a change in use due to the commencement of owner occupation, investment property is transferred to owner occupied property.

Assets received for repayment of claims are initially measured at fair value. After initial recognition, the Group measures assets received for repayment of claims at fair value, using the fair value method.

2.13. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is deemed to be met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale if the owner is committed to the sale and this commitment is stated in writing, whereupon the sale must be completed within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

2.14. Inventories

Inventories are classified under Other assets and consist of moveable and immovable property held for sale in the near term. They are recognised either at cost amounts or net realisable value, whichever is lower. An inventory unit is measured at cost, which comprises the purchase price, import duties and direct costs of purchase. The purchase price is reduced by trade discounts. The first-in, first-out method is used for inventories.

2.15. Leases

The accounting treatment of leases is determined by the new standard IFRS 16 Leases, effective from 1 January 2019. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Where the Group is the lessee

In the Group, the application of IFRS 16 is designated for operating leases of business premises and cars.

Subject to exemptions permitted under IFRS 16, the Group will not apply IFRS 16 for short-term leases and leases where the leased asset is of low value (such as tablets and PCs, small office furniture, telephones, and ATM locations). Lease payments associated with these leases are recognized as expenses on a straight-line basis over the lease term.

The standard will not be used for software licenses and intangible assets – copyright (IAS 38). It will not apply to the leased printers that are replaced over the lease period, therefore, there is no identifiable asset.

The Group defines the lease term as the non-cancellable period of the lease together with the periods allowing the option of extending the lease, if there is high certainty that the lessor will exercise this option, or the periods allowing the option of terminating the lease, if there is high certainty that the lessor will not exercise this option. For leases concluded for an indefinite period, the lease term is established as 5 years.

In accordance with IFRS 16, long-term lease assets are recognized under operating fixed assets as right-of-use assets, and under equity as a lease liability under the lease contract. The right-of-use asset is recorded as an operating fixed asset and is amortized on a monthly basis using the straight-line method of depreciation over the remaining term of the lease. Upon recognition, a lease liability is initially measured at the current value of the lease that will be paid during the lease period, discounted at the implicit interest rate if it can be determined immediately. If the interest rate cannot be determined clearly, the assumed lease interest rate shall be used. The lease liability is reduced during the lease term by lease payments and transferring interest into costs. Depreciation of lease rights and interest from lease liabilities are recorded in the income statement. In the long run, until the individual lease contract expires, cumulative depreciation and interest costs will be equal to the sum of all rents paid.

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
(a) Depreciation costs for right-of-use assets:	479	475	479	475
Business premises	479	475	479	475
(b) Interest expense on lease liability	42	40	42	40
(c) Expense relating to short-term leases accounted for under IFRS 16:6 (excluding the expense relating to leases with a lease term of one month or less)	1	5	1	5
(d) Expense relating to leases of low-value assets accounted for applying IFRS 16:6 (excluding the expense relating to short-term leases of low-value assets under Article 53(c))	14	16	14	16
(e) Income from subleasing right-of-use assets	2	2	2	2
(f) Total cash outflow for leases	473	484	473	484
(g) Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset:	2,399	2,106	2,399	2,106
Business premises	2,399	2,106	2,399	2,106

(b) The Group is the lessor

The Group gives business premises and motor vehicles into operating lease. In case of assets given into operating lease, all payments made under operating leases constitute income generated from investment property, and shall be included into the income statement proportionate to the period of the lease agreement. The costs incurred in obtaining lease payments are recognised as costs. Initial direct costs incurred by the lessor in negotiating and agreeing an operating lease are added to the leased asset's book value and recognised as costs in the period of the lease on the same basis as lease income.

When assets are leased out under a finance lease, the present value of lease payments is recognised as a receivable from a finance lease. The difference between the gross receivable and the present value of the receivable is recognised as long-term deferred costs. Finance lease income is recognised systematically over the entire term of the lease and reflects a constant periodic rate of return. It is only the subsidiary DBS Leasing d. o. o. that gives assets into finance lease in the Group.

2.16. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise: cash and balances at central bank, loans to banks with less than 90 days maturity from the date of acquisition, treasury bills and debt securities with less than 90 days maturity from the date of acquisition.

2.17. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow will be required to settle it, and a reliable estimate of the amount of the obligation can be made. Risks arising out of contingent liabilities and commitments are assessed similarly to risks arising out of loans. All increases in liabilities arising out of estimated expenses required to settle the liabilities under contractual terms, are included into provisions.

2.18. Provisions for severance pays and long-service awards

Pursuant to the Slovenian legislation, employees retire upon meeting certain predetermined criteria, whereupon they are entitled to severance pay, which is paid out in a single amount. Employees are likewise entitled to long-service awards upon every ten years of employment.

Provisions have been made for long-service awards, severance pays upon retirement and other long-term benefits.

Provisions are measured as the current value of future cash flows. Gains and losses are recognised in the income statement, apart from actuarial gains and losses, which are included in the accumulated other comprehensive income.

2.19. Income tax

Taxation has been provided for in the income statement pursuant to the Slovenian legislation in force. The tax item in the income statement comprises current tax and deferred tax. Current tax is calculated on the basis of taxable profit for the year, applying the tax rates enacted at the date of the statement of financial position.

Corporate income tax is levied on taxable profits at the rate of 22%.

Pursuant to the Slovenian Corporate Income Tax Act, current corporate income tax is charged at the rate of 22% off the established tax base.

Deferred tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and deferred tax liabilities are measured at the tax rates that are reliably expected to be effective in the financial year in which deferred tax assets will be received and deferred tax liabilities settled, and are based on tax rates (and tax regulations) enacted at the date of the statement of financial position.

The most important temporary differences arise from tax loss, impairment of investments in subsidiaries, valuation of financial assets measured at fair value through other comprehensive income, and provisions. An estimation of the amount of taxable profit for the future period is made at least once a year.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary deductible differences can be utilised. An estimation of the amount of taxable profit for the future period is made at least once a year.

Deferred tax related to the revaluation of financial assets measured at fair value through other comprehensive income to fair value is recognised directly in equity and subsequently transferred to the income statement together with the deferred revaluation profit or loss, except for equity investments that upon initial recognition were determined irrevocably as measured through other comprehensive income.

Deferred tax liabilities are recognised under revaluation of financial assets measured at fair value through other comprehensive income.

The competent Tax Office may conduct a tax inspection of the current accounting period any time within the following five years after the reported tax year, and impose additional taxation and penalties. The Bank management knows of no circumstances that could give rise to additional liabilities in this regard.

2.20. Borrowings

Borrowings are initially recognised in the statement of financial position at the value of their issue proceeds net of transaction cost incurred. They are subsequently stated at amortised cost.

2.21. Equity

(a) Share issue costs

Additional costs that the Group can directly attribute to the issue of new shares or options or a concluded transaction are shown in equity in their net amount as a direct deduction from equity (without the related amount of income tax).

(b) Dividends on ordinary shares

Dividends on ordinary shares are charged to equity in the period in which the Bank's owners approved them.

Dividends for the year past are declared at a general meeting after the date of the statement of financial position.

(c) Treasury shares

If the Group purchases treasury shares, the consideration paid is deducted from total shareholders' equity. When such shares are subsequently sold, any consideration received is included in shareholders' equity.

2.22. Financial guarantee contracts

Financial guarantee contracts are contracts that require the contract issuer to make agreed payments to reimburse the contract holder for a loss it incurs in the event of a borrower's defaulting. The Group issues such financial guarantees to other banks, financial institutions and other customers to secure loans, limits and other banking facilities.

Financial guarantee contracts are initially recognised at fair value plus the fee received. Fee income is recognised in the income statement on a straight-line basis, over the entire term of the financial guarantee contract. The Group subsequently recognises financial guarantees at the higher of the initial measurements less fee income received, on a straight-line basis over the entire term of the financial guarantee contract, and less the best estimate of the expenditure required to settle the obligation under the financial guarantee as at the reporting date. For purposes of assessing credit losses, off-balance sheet exposures from assumed liabilities under financial guarantee contracts, regarding which the impairment requirements are to be used, are classified at each reporting day into one of the three transaction phases for purposes of calculating the expected credit losses for the period of validity of the financial guarantee.

2.23. Fiduciary activities

The Bank does not provide investment services and transactions for customers, while still providing lending under authorisation. Details are explained in Note 4.28. These assets are not included into the statement of financial position of the Bank and the Group.

3. NOTES TO THE INCOME STATEMENT

3.1. Interest income and expense

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Interest income				
Financial assets held for trading	0	1	0	1
Financial assets at fair value through other comprehensive income	2,837	805	2,837	805
Debt securities measured at amortised cost	1,616	2,900	1,616	2,900
Loans to banks	0	0	0	0
Loans to customers	32,675	42,834	33,321	42,793
Financial leasing	1,299	1,418	0	0
Other financial assets	10,004	16,014	10,004	16,014
TOTAL	**48,431**	**63,972**	**47,778**	**62,513**
Interest expense				
Deposits by customers	8,082	10,402	8,082	10,402
Subordinated deposits and loans	93	120	93	120
Other financial liabilities	42	40	42	40
Interest in relation to financial assets with a negative interest rate	0	2	0	2
TOTAL	**8,217**	**10,564**	**8,217**	**10,564**
NET INTEREST INCOME	**40,214**	**53,408**	**39,561**	**51,949**

In 2025, the Group's interest income was calculated at EUR 48,431 thousand using the effective interest rate method (2024: EUR 63,972 thousand), while the Bank's interest income was calculated at EUR 47,778 thousand (2024: EUR 62,513 thousand). In 2025, the Group had lower net interest by EUR 13,194 thousand and the Bank by EUR 12,388 thousand. The Group recognised EUR 42 thousand of interest expenses from the right of use (2024: EUR 40 thousand) and the Bank 42 thousand (2024: EUR 40 thousand).

3.2. Dividends

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Dividends on financial assets held for trading (Note 4.2. a)	64	8	64	8
Dividends on financial assets measured at fair value through other comprehensive income (Note 4.3. b)	0	27	0	27
TOTAL	**64**	**35**	**64**	**35**

3.3. Fee and commission income and expense

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Fee and commission income				
Payment transactions	6,219	5,603	6,220	5,603
Agency services	366	185	354	175
Administrative services	4,454	4,513	4,349	4,303
Guarantees issued	211	247	211	247
Credit operations	337	292	346	301
Services to subsidiaries	0	0	65	88
Foreign exchange transactions	5	6	5	6
TOTAL	**11,592**	**10,846**	**11,550**	**10,723**
Fee and commission expense				
Banking services	950	792	826	792
Securities trading	122	102	122	102
Payment transactions	1,840	1,503	1,840	1,503
Other services	31	26	24	19
TOTAL	**2,943**	**2,423**	**2,812**	**2,416**
NET FEE AND COMMISSION INCOME	**8,649**	**8,423**	**8,738**	**8,307**

3.4. Net gains/losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Realised gains/losses from financial assets measured at amortised cost	**40**	**6**	**40**	**6**
Gains from financial assets measured at amortised cost	40	7	40	7
Losses from financial assets measured at amortised cost	0	1	0	1
Realised net gains/losses from financial liabilities measured at amortised cost	**(13)**	**(23)**	**(13)**	**(23)**
Gains from financial liabilities measured at amortised cost	1	4	1	4
Losses from financial liabilities measured at amortised cost	14	27	14	27
REALISED GAINS/LOSSES	**27**	**(17)**	**27**	**(17)**

In 2025, the Group realised net profit in the amount of EUR 27 thousand (2024: EUR 17 thousand in net loss), and the Bank 27 thousand (2024: EUR 17 thousand in net loss).

3.5. Net gains/losses on financial assets and liabilities held for trading

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Net gains/losses from trading in equity instruments	0	15	0	15
Net gains/losses from trading in debt securities	0	36	0	36
Net gains/losses from foreign exchange trading	124	120	124	120
TOTAL	**124**	**171**	**124**	**171**

3.6. Foreign exchange translation

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Positive translation differences	2,499	1,638	2,500	1,638
Negative translation differences	2,498	1,639	2,499	1,640
TOTAL	**1**	**(1)**	**1**	**(2)**

3.7. Net gains/losses on derecognition of non-financial assets

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Gains				
- Derecognition of property, plant and equipment	83	3	83	3
- Derecognition of investment property	339	266	339	266
- Derecognition of other assets	21	3	21	3
TOTAL	**443**	**272**	**443**	**272**
Losses				
- Derecognition of property, plant and equipment	8	1	8	1
- Derecognition of investment property	0	75	0	75
TOTAL	**8**	**76**	**8**	**76**
TOTAL NET GAINS/LOSSES	**435**	**196**	**435**	**196**

3.8. Other net operating gains/losses

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Gains				
Income from non-banking services	14	25	17	25
Leases and rents (Note 4.10.)	668	701	712	722
Other:	552	465	556	476
- Insurance fee	266	334	266	334
- Grants and subsidies	9	7	9	7
- Fees for ATM	59	51	57	49
- Exemption from contributions	40	43	40	43
- Claims for damages	12	12	12	12
- Numizmatics fee	107	4	107	4
- From court conciliation	3	0	3	0
- Other income*	56	14	62	27
TOTAL	**1,234**	**1,191**	**1,285**	**1,223**
Losses				
Expenses from investment property provided to a lessee under an operating lease	0	0	0	0
Other operating expenses:	37	76	23	76
- Penalties	4	48	4	48
- Closing of leases	0	1	0	1
- Other losses	32	27	19	27
TOTAL	**37**	**76**	**23**	**76**
OTHER NET OPERATING GAINS/LOSSES	**1,197**	**1,115**	**1,262**	**1,147**

* Other operating gains: income from lease terminations, internal relations, legal costs received, sales and other income.

3.9. Administrative expenses

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Employee benefits cost				
Gross wages	14,239	15,172	13,965	14,899
Social security contributions	1,139	1,077	1,115	1,058
Pension insurance contributions	1,306	1,325	1,284	1,302
Other contributions depending on gross wages	28	7	28	7
Severance pays and compensations	264	53	264	53
Perfomance bonuses	535	723	536	722
Other labour costs	2,956	2,661	2,899	2,604
TOTAL	**20,467**	**21,018**	**20,091**	**20,645**
Overhead and administrative expenses				
Costs of material	528	730	517	719
Costs of services	6,946	6,675	6,780	6,775
Other operating costs	2,940	3,466	2,931	3,180
TOTAL	**10,414**	**10,871**	**10,228**	**10,674**
TOTAL	**30,881**	**31,889**	**30,319**	**31,319**

The costs of severance pays and compensations in 2025 comprised EUR 264 thousand of severance pays (2024: EUR 53 thousand), of which EUR 223 thousand were severance pays for business reasons (2024: EUR 24 thousand).

The administrative expenses in 2025 were lower by EUR 1,008 thousand in the Group and by EUR 1,000 thousand in the Bank, mainly due to lower labour costs and lower tax expense on total assets.

The cost of the Group's and the Bank's services for 2025 includes the cost of the audit of the financial statements and the annual report amounting to EUR 79 thousand including VAT (2024: EUR 83 thousand). The Bank paid EUR 10 thousand for other non-audit services (in 2024: EUR 18 thousand for other non-audit services and EUR 6 thousand for other assurance services).

3.10. Cash contributions to the bank liquidation fund and deposit guarantee scheme

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Compensation for BS resolution tasks	0	20	0	20
Other operating expenses	1,875	1,581	1,875	1,581
- Deposit guarantee scheme	1,873	1,579	1,873	1,579
- Contribution to the bank resolution fund	2	2	2	2
TOTAL	**1,875**	**1,601**	**1,875**	**1,601**

3.11. Depreciation and amortisation

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Property, plant and equipment (Note 4.9.)	1,135	1,045	1,123	1,033
Right-of-use - property (Note 4.9.)	479	475	479	475
Intangible assets (Note 4.11.)	892	342	877	328
TOTAL	**2,506**	**1,862**	**2,479**	**1,836**

In 2025, the Group recognized EUR 479 thousand of depreciation and amortization expenses from the right of use (2024: EUR 475 thousand) and the Bank EUR 479 thousand (2024: EUR 475 thousand).

3.12. Provisions

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Net provisions for off-balance sheet liabilities (Note 4.18. a and d)	**334**	**(309)**	**342**	**(309)**
Expenses for created provisions	3,769	558	3,804	558
Income from released provisions	3,435	867	3,462	867
Net other provisions	**123**	**142**	**129**	**139**
Net provisions for pensions and other employee benefits (Note 4.18. b and c)	**123**	**142**	**129**	**139**
Expenses for created provisions	130	142	129	139
Income from released provisions	7	0	0	0
Net provisions for other provisions (Note 4.18. e)	**0**	**0**	**0**	**0**
Expenses for created provisions	0	0	0	0
Income from released provisions	0	0	0	0
NET PROVISIONS	**457**	**(167)**	**471**	**(170)**

Provisions for off-balance sheet contingent liabilities and other provisions totalled EUR 457 thousand of net income for the Group and EUR 471 thousand of net income for the Bank. The Bank disclosed EUR 342 thousand of net expenses from the formation of provisions for off-balance sheet contingent liabilities. Additionally, it formed EUR 129 thousand of net expenses from provisions for long-service awards and severance payments.

3.13. Impairment charge

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Net impairments of financial assets not measured at fair value through profit or loss	**1,559**	**(824)**	**1,584**	**(1,488)**
Net impairments of financial assets measured at fair value through other comprehensive income	**151**	**34**	**151**	**34**
Impairments of financial assets measured at fair value through other comprehensive income	346	48	346	48
Reversal of impairments on financial assets measured at fair value through other comprehensive income	195	14	195	14
Net impairments of debt securities	**(15)**	**(65)**	**(15)**	**(65)**
Impairments of debt securities	44	75	44	75
Reversal of impairments on debt securities	59	140	59	140
Net impairments of loans	**1,423**	**(793)**	**1,448**	**(1,457)**
Impairments of loans	15,520	10,832	15,338	10,148
Reversal of loan impairments	14,097	11,625	13,890	11,605
Net impairments of other assets	**74**	**(12)**	**(38)**	**78**
Net impairments (revaluations) of investment property (Note 4.10. b)	**(38)**	**(12)**	**(38)**	**78**
Impairment (revaluation) of investment property	3	78	3	78
Reversal of investment property impairments (revaluations)	41	90	41	0
Net impairments (revaluations) of other assets	**112**	**0**	**0**	**0**
Impairments (revaluations) of property inventories (Note 4.13. b)	112	0	0	0
NET IMPAIRMENTS	**1,633**	**(836)**	**1,546**	**(1,410)**

3.14. Tax

	Group DBS		DBS d. d.	
	2025	**2024**	**2025**	**2024**
Income tax	2,779	5,871	2,779	5,741
Deferred tax (Note 4.19. d)	20	44	20	45
TOTAL	**2,799**	**5,915**	**2,799**	**5,786**
Profit/loss before tax	13,324	28,981	13,522	28,610
Tax under the 22% tax rate	2,931	6,391	2,975	6,294
Non-taxable income	(118)	(157)	(27)	(98)
Non-deductible expense	313	400	195	171
Tax reliefs	(327)	(719)	(344)	(581)
TOTAL	**2,799**	**5,915**	**2,799**	**5,786**
Effective tax rate (in %)	21	20	21	20

Corporate income tax is calculated in accordance with the Corporate Income Tax Act. In the previous year, the Financial Administration of the Republic of Slovenia examined the Bank's use of the hiring benefits and dividend deduction in the corporate income tax return for 2023, where no irregularities were detected. The competent tax office may conduct a tax inspection of the current accounting period at any time within the following five years after the reported tax year and impose additional taxation and penalties. The Group's management is not aware of any circumstances that could result in additional liabilities in this regard.

3.15. Earnings per share (EPS)

Basic EPS is calculated by dividing net profit by the weighted average number of issued ordinary shares of the Bank.

	Group DBS		DBS d. d.	
	2025	**2024**	**2025**	**2024**
Net profit (in EUR thousand)	10,560	23,066	10,723	22,824
Comprehensive income after tax (in EUR thousand)	11,208	23,681	11,369	23,442
Weighted average number of ordinary shares	4,231,682	4,231,682	4,231,682	4,231,682
Basic earnings per share (in EUR per share)	2.50	5.45	2.53	5.39
Comprehensive income per share after tax (in EUR per share)	2.65	5.60	2.69	5.54

Basic EPS of the Group in 2025 amounts to EUR 2.50 (2024: EUR 5.45). The after-tax comprehensive income per share is EUR 2.65 (2024: EUR 5.60). The weighted average number of issued ordinary shares recorded in the KDD central securities register for 2025, with treasury shares deducted, was 4,231,682 (2024: 4,231,682).

Basic EPS of the Bank in 2025 amounts to EUR 2.53 (2024: EUR 5.39). The after-tax comprehensive income per share is EUR 2.69 (2024: EUR 5.54). The weighted average number of issued ordinary shares recorded in the KDD central securities register for 2025, with treasury shares deducted, was 4,231,682 (2024: 4,231,682).

The share book value of the Bank and the Group as at 31 December 2025 was EUR 26.747188 (31 December 2024: EUR 26.421846). It is calculated as follows: share capital less treasury shares, divided by the number of shares recorded in the central registry of the KDD Central Securities Clearing Corporation less treasury shares.

The Group and the Bank have not issued any financial instruments convertible into shares.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1. Cash, balances at central banks, and sight deposits at banks

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Cash				
Cash	8,366	8,908	8,366	8,908
Bank balances at central bank	389,779	475,134	389,779	475,133
Sight deposits at banks	5,055	7,780	5,055	7,780
Revaluation allowance	0	0	0	0
TOTAL (Note 4.1. b)	**403,200**	**491,822**	**403,200**	**491,821**

The Group has met its obligation regarding the minimum reserve on the settlement account at the central bank. The amount of minimum reserves is adjusted to the system of the European Central Bank (ECB). Its amount is calculated pursuant to regulations – 0% for: time deposits with agreed maturity of over 2 years, sight deposits with maturity of over 2 years, repurchase agreements and debt securities with agreed maturity of over 2 years; and 1% for: overnight deposits, deposits with agreed maturity of up to 2 years, sight deposits with maturity of up to 2 years and debt securities with agreed maturity of up to 2 years.

The Bank must ensure that the settlement account is credited on a daily basis with a specific amount calculated for each period. Minimum reserves for compliance period from 1 January to 31 December 2025 amounted to EUR 14,125 thousand on average.

In 2025, minimum reserves bore interest at an interest rate of 0%.

From 30 October 2019 to 13 September 2022, the two-step interest rate on excess reserves was applied (based on the Governing Council Decision of 12 September 2019). The average excess reserves were not subject to interest up to 6 times the calculated minimum reserves (i.e. the exempted part of the excess reserves), while the remainder was subject to the deposit facility rate. Since in a situation of a positive deposit facility rate the entire excess reserves do not accrue interest, the Governing Council of the ECB abolished the two-step accrual of interest on the excess reserves with effect from 14 September 2022, when the deposit facility rate turned positive, by lowering the multiplier for the calculation of the allowance from 6 to 0.

Movements in revaluation allowance for balances at central bank and demand deposits at banks are disclosed in Chapter 5.1.5. (Note b).

b) Movements

Group DBS

	As at 1 January 2025	Foreign exchange differences	Net increase/ (decrease)	As at 31 December 2025
Cash and balances at central banks, and sight deposits at banks (Note 4.1. a)	491,784	(218)	(88,381)	403,185
TOTAL	**491,784**	**(218)**	**(88,381)**	**403,185**

DBS d. d.

	As at 1 January 2025	Foreign exchange differences	Net increase/ (decrease)	As at 31 December 2025
Cash and balances at central banks, and sight deposits at banks (Note 4.1. a)	491,784	(218)	(88,381)	403,185
TOTAL	**491,784**	**(218)**	**(88,381)**	**403,185**

4.2. Financial assets held for trading

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Equities (Note 3.2.)	0	0	0	0
Loans held for trading	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

Under loans held for trading, the Group discloses receivables from the purchase and sale of foreign exchange.

b) Movements

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Equities				
As at 1 January	0	91	0	91
- Acquisition	0	0	0	0
- Sale	0	(144)	0	(144)
- Revaluation	0	20	0	20
- Margin	0	33	0	33
As at 31 December	**0**	**0**	**0**	**0**
Debt securities				
As at 1 January	0	0	0	0
- Acquisition	0	4,029	0	4,029
- Sale/maturity	0	(4,065)	0	(4,065)
- Revaluation	0	0	0	0
- Margin	0	36	0	36
As at 31 December	**0**	**0**	**0**	**0**
Loans				
As at 1 January	0	31	0	31
- Increase	0	37,736	0	37,736
- Foreign exchange differences	0	(1)	0	(1)
- Sale	0	(37,766)	0	(37,766)
As at 31 December	**0**	**0**	**0**	**0**
TOTAL	**0**	**0**	**0**	**0**

4.3. Financial assets measured at fair value through other comprehensive income

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Equities				
Equity investments	3,224	2,980	3,224	2,980
- Bank resolution fund	2,852	2,784	2,852	2,784
- Other equity investments	372	196	372	196
Debt securities				
Bonds issued by RS	25,939	0	25,939	0
Bonds issued by other countries	50,898	43,294	50,898	43,294
Bonds issued by other issuers	13,190	2,596	13,190	2,596
Treasury bills	24,834	9,881	24,834	9,881
Allowance for impairment	(171)	(35)	(171)	(35)
TOTAL	**117,914**	**58,716**	**117,914**	**58,716**

In 2025, the Bank increased the balance of investments into securities measured at fair value through other comprehensive income by EUR 105,565 thousand as a result of purchases. In 2025, the Bank Liquidation Fund balance was up EUR 68 thousand to EUR 2,852 thousand (2024: EUR 2,784 thousand).

b) Movements

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	58,716	2,822	58,716	2,822
Purchases	105,565	54,845	105,565	54,845
Sale/maturity	(45,358)	(94)	(45,358)	(94)
Foreign exchange differences	(245)	89	(245)	89
(Impairments)/Reversal of impairments	(137)	(35)	(137)	(35)
Revaluation	(627)	1,089	(627)	1,089
As at 31 December	**117,914**	**58,716**	**117,914**	**58,716**

A list of equity investments classified as measured at fair value through other comprehensive income, and a statement of fair values of investments at the end of the reporting period are given in the table below.

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Equity instruments				
Equity investments				
- Bank resolution fund	2,852	2,784	2,852	2,784
- Total other equity investments	372	196	372	196
Advance Capital Partners – ACP	280	100	280	100
Bankart d. o. o.	33	33	33	33
LP Invest d. d. (prej Marles d. d., Limbuš)	9	9	9	9
Elektro Ljubljana d. d.	48	52	48	52
Zadružna zveza Slovenije, z. o. o.	2	2	2	2
TOTAL	**3,224**	**2,980**	**3,224**	**2,980**

As these investments are not strategic in nature, meaning that they cannot be controlled by the Group, they were classified irrevocably as measured at fair value through other comprehensive income after the introduction of IFRS 9. Changes in fair value of such equity investments shall never be recognised through profit or loss, which also applies to the effects in case of sale.

The Group received a dividend of EUR 64 thousand from Bankart d. o. o. (Note 3.2).

4.4. Debt securities measured at amortised cost

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Long-term bank debt securities	21,368	4,769	21,368	4,769
Long-term government debt securities	90,780	100,916	90,780	100,916
Long-term foreign government debt securities	46,940	31,145	46,940	31,145
Long-term debt securities issued by non-financial institutions	0	506	0	506
Long-term debt securities issued by other financial institutions	993	1,467	993	1,467
Revaluation allowance	(54)	(69)	(54)	(69)
TOTAL	**160,027**	**138,734**	**160,027**	**138,734**

Movements in revaluation allowance for debt securities measured at amortised cost are disclosed in Chapter 5.1.5. (Note c).

b) Movements

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	138,734	221,607	138,734	221,607
Purchases	52,667	9,071	52,667	9,071
Maturities	(31,406)	(91,973)	(31,406)	(91,973)
Foreign exchange translation	17	(35)	17	(35)
Revaluation allowance	15	64	15	64
As at 31 December	**160,027**	**138,734**	**160,027**	**138,734**

4.5. Loans and advances to banks and central bank at amortised cost

a) Breakdown according to type

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Loans to domestic banks	5	0	14	0
Loans to foreign banks	0	0	0	0
TOTAL	**5**	**0**	**14**	**0**

b) Breakdown according to maturity

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Short-term loans	5	0	14	0
Long-term loans	0	0	0	0
TOTAL	**5**	**0**	**14**	**0**

4.6. Loans and advances to customers measured at amortised cost

a) Breakdown according to type

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Loans and advances	844,769	817,626	865,976	837,938
Financial lease	25,500	24,391	0	0
Working capital loans	21,554	23,483	21,817	23,477
Revaluation allowance	(13,610)	(11,154)	(12,951)	(10,552)
TOTAL	**878,213**	**854,346**	**874,842**	**850,863**

b) Breakdown according to maturity

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
Receivable's credit rating A	598,630	8,355	0	0	606,985	717,598	6,594	4	0	724,196
Receivable's credit rating B	208,077	27,045	0	0	235,122	81,456	30,070	0	0	111,526
Receivable's credit rating C	18,816	11,288	0	0	30,104	888	12,687	0	0	13,575
Receivable's credit rating D	0	0	4,295	0	4,295	0	0	2,326	0	2,326
Receivable's credit rating E	0	0	2,265	0	2,265	0	0	1,616	0	1,616
Receivable's credit rating P	0	17	13,035	0	13,052	0	1,088	11,173	0	12,261
Gross carrying amount of classified balance sheet exposures	825,523	46,705	19,595	0	891,823	799,942	50,439	15,119	0	865,500
Revaluation allowance for classified balance sheet exposures	(2,594)	(2,814)	(8,202)	0	(13,610)	(1,546)	(2,741)	(6,867)	0	(11,154)
Net carrying amount of classified balance sheet exposures	822,929	43,891	11,393	0	878,213	798,396	47,698	8,252	0	854,346

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
Receivable's credit rating A	585,681	7,907	0	0	593,588	705,478	6,292	4	0	711,774
Receivable's credit rating B	223,973	24,264	0	0	248,237	95,065	28,645	0	0	123,710
Receivable's credit rating C	18,573	10,677	0	0	29,250	888	10,913	0	0	11,801
Receivable's credit rating D	0	0	4,295	0	4,295	0	0	2,326	0	2,326
Receivable's credit rating E	0	0	2,265	0	2,265	0	0	1,616	0	1,616
Receivable's credit rating P	0	0	10,158	0	10,158	0	1,088	9,100	0	10,188
Gross carrying amount of classified balance sheet exposures	828,227	42,848	16,718	0	887,793	801,431	46,938	13,046	0	861,415
Revaluation allowance for classified balance sheet exposures	(2,836)	(2,621)	(7,494)	0	(12,951)	(1,693)	(2,468)	(6,391)	0	(10,552)
Net carrying amount of classified balance sheet exposures	825,391	40,227	9,224	0	874,842	799,738	44,470	6,655	0	850,863

c) Loans and advances to customers include financial lease receivables

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Gross financial lease receivables				
Past due up to 1 year	2,933	4,730	-	-
Past due from 1 to 5 years	14,465	12,888	-	-
Past due over 5 years	8,102	6,773	-	-
TOTAL	**25,500**	**24,391**	**-**	**-**
Revaluation allowance	(1,058)	(862)	-	-
Net financial lease receivables	**24,442**	**23,529**	**-**	**-**

4.7. Other financial assets

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Trade receivables	1,740	1,436	613	98
Other	2,544	1,778	2,544	1,777
Revaluation allowance	(292)	(345)	(201)	(169)
TOTAL	**3,992**	**2,873**	**2,956**	**1,706**

4.8. Equity investments in subsidiaries, joint ventures, and associates

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Long-term equity investments in other domestic financial institutions				
As at 1 January	0	0	3,720	3,720
Reversal of impairment	0	0	0	0
As at 31 December	**0**	**0**	**3,720**	**3,720**
Long-term equity investments in domestic non-financial institutions				
As at 1 January	0	0	1,523	1,523
Impairments	0	0	0	0
As at 31 December	**0**	**0**	**1,523**	**1,523**
Long-term equity investments in foreign non-financial institutions				
As at 1 January	0	0	0	0
Reversal of impairment	0	0	0	0
Disposal	0	0	0	0
As at 31 December	**0**	**0**	**0**	**0**
TOTAL	**0**	**0**	**5,243**	**5,243**

Equity investments in subsidiaries totalled EUR 5,243 thousand at the end of 2025, and remained unchanged throughout 2025. At the end of 2025, the investment in the subsidiary DBS Leasing amounted to EUR 3,720 thousand and in the subsidiary DBS Nepremičnine EUR 1,523 thousand.

4.9. Property, plant and equipment

Group DBS

2025	Land and buildings	Computers	Furniture and other equipment	Motor vehicles	PPE under construction	Total
Operating fixed assets - without lease rights						
Cost						
As at 31 December 2024	12,912	2,807	9,926	340	495	26,480
Increases	0	0	0	0	1,813	1,813
Transfer from PPE under construction	1,245	268	548		(2,061)	0
Decreases	(441)	(88)	(382)	(106)	0	(1,017)
As at 31 December 2025	13,716	2,987	10,092	234	247	27,276
Revaluation allowance						
As at 1 January 2025	6,575	1,928	8,052	82	0	16,637
Decreases	(142)	(87)	(374)	(45)	0	(648)
Depreciation and amortisation	359	337	377	62	0	1,135
As at 31 December 2025	6,792	2,178	8,055	99	0	17,124
Net carrying value						
As at 1 January 2025	6,337	879	1,874	258	495	9,843
As at 31 December 2025	6,924	809	2,037	135	247	10,152
Lease rights						
Cost						
As at 31 December 2024	2,727	0	0	0	0	2,727
Increases - new lease rights	2,929	0	0	0	0	2,929
Decreases - end of lease rights	(397)	0	0	0	0	(397)
Decreases	(2,518)	0	0	0	0	(2,518)
As at 31 December 2025	2,741	0	0	0	0	2,741
Revaluation allowance						0
As at 1 January 2025	621	0	0	0	0	621
Decreases - end of lease rights	(397)	0	0	0	0	(397)
Decreases	(361)	0	0	0	0	(361)
Depreciation from lease rights	479	0	0	0	0	479
As at 31 December 2025	342	0	0	0	0	342
Net carrying value						0
As at 1 January 2025	2,106	0	0	0	0	2,106
As at 31 December 2025	2,399	0	0	0	0	2,399
Net carrying value total						
As at 1 January 2025	8,443	879	1,874	258	495	11,949
As at 31 December 2025	9,323	809	2,037	135	247	12,551

The Group has no property held as collateral for the loans received.

Group DBS

2024	Land and buildings	Computers	Furniture and other equipment	Motor vehicles	PPE under construction	Total
Operating fixed assets - without lease rights						
Cost						
As at 31 December 2023	12,912	2,601	9,403	214	316	25,446
Increases	0	0	0	0	1,393	1,393
Transfer from PPE under construction	0	502	578	134	(1,214)	0
Decreases	0	(296)	(55)	(8)	0	(359)
As at 31 December 2024	12,912	2,807	9,926	340	495	26,480
Revaluation allowance						
As at 1 January 2024	6,235	1,907	7,780	24	0	15,946
Decreases	0	(294)	(55)	(5)	0	(354)
Depreciation and amortisation	340	315	327	63	0	1,045
As at 31 December 2024	6,575	1,928	8,052	82	0	16,637
Net carrying value						
As at 1 January 2024	6,677	694	1,623	190	316	9,500
As at 31 December 2024	6,337	879	1,874	258	495	9,843
Lease rights						
Cost						
As at 31 December 2023	2,534	0	0	0	0	2,534
Increases - new lease rights	1,241	0	0	0	0	1,241
Decreases - end of lease rights	(1)	0	0	0	0	(1)
Decreases	(1,047)	0	0	0	0	(1,047)
As at 31 December 2024	2,727	0	0	0	0	2,727
Revaluation allowance						0
As at 1 January 2024	522	0	0	0	0	522
Decreases - end of lease rights	(1)	0	0	0	0	(1)
Decreases	(375)	0	0	0	0	(375)
Depreciation from lease rights	475	0	0	0	0	475
As at 31 December 2024	621	0	0	0	0	621
Net carrying value						0
As at 1 January 2024	2,012	0	0	0	0	2,012
As at 31 December 2024	2,106	0	0	0	0	2,106
Net carrying value total						
As at 1 January 2024	8,689	694	1,623	190	316	11,512
As at 31 December 2024	8,443	879	1,874	258	495	11,949

DBS d. d.

2025	Land and buildings	Computers	Furniture and other equipment	Motor vehicles	PPE under construction	Total
Operating fixed assets - without lease rights						
Cost						
As at 31 December 2024	12,912	2,782	9,714	321	495	26,224
Increases	0	0	0	0	1.811	1,811
Transfer from PPE under construction	1,245	268	546	0	(2,059)	0
Decreases	(441)	(88)	(382)	(106)	0	(1,017)
As at 31 December 2025	13,716	2,962	9,878	215	247	27,018
Revaluation allowance						
As at 1 January 2025	6,575	1,908	7,931	78	0	16,492
Decreases	(141)	(87)	(374)	(45)	0	(647)
Depreciation and amortisation	358	337	366	62	0	1,123
As at 31 December 2025	6,792	2,158	7,923	95	0	16,968
Net carrying value						
As at 1 January 2025	6,337	874	1,783	243	495	9,732
As at 31 December 2025	6,924	804	1,955	120	247	10,050
Lease rights						
Cost						
As at 31 December 2024	2,727	0	0	0	0	2,727
Increases - new lease rights	2,929	0	0	0	0	2,929
Decreases - end of lease rights	(397)	0	0	0	0	(397)
Decreases	(2,518)	0	0	0	0	(2,518)
As at 31 December 2025	2,741	0	0	0	0	2,741
Revaluation allowance						
As at 1 January 2025	621	0	0	0	0	621
Decreases - end of lease rights	(397)	0	0	0	0	(397)
Decreases	(361)	0	0	0	0	(361)
Depreciation and amortisation	479	0	0	0	0	479
As at 31 December 2025	342	0	0	0	0	342
Net carrying value						
As at 1 January 2025	2,106	0	0	0	0	2,106
As at 31 December 2025	2,399	0	0	0	0	2,399
Net carrying value total						
As at 1 January 2025	8,443	874	1,783	243	495	11,838
As at 31 December 2025	9,323	804	1,955	120	247	12,449

The Bank holds no property, plant or equipment given as guarantee for liabilities or such with limited ownership rights.

DBS d. d.

2024	Land and buildings	Computers	Furniture and other equipment	Motor vehicles	PPE under construction	Total
Operating fixed assets - without lease rights						
Cost						
As at 31 December 2023	12,912	2,577	9,191	195	316	25,191
Increases	0	0	0	0	1,393	1,393
Transfer from PPE under construction	0	501	578	134	(1,214)	(1)
Decreases	0	(296)	(55)	(8)	0	(359)
As at 31 December 2024	12,912	2,782	9,714	321	495	26,224
Revaluation allowance						
As at 1 January 2024	6,235	1,889	7,665	24	0	15,813
Decreases	0	(294)	(55)	(5)	0	(354)
Depreciation and amortisation	340	313	321	59	0	1,033
As at 31 December 2024	6,575	1,908	7,931	78	0	16,492
Net carrying value						
As at 1 January 2024	6,677	688	1,526	171	316	9,378
As at 31 December 2024	6,337	874	1,783	243	495	9,732
Lease rights						
Cost						
As at 31 December 2023	2,534	0	0	0	0	2,534
Increases - new lease rights	1,241	0	0	0	0	1,241
Decreases - end of lease rights	(1)	0	0	0	0	(1)
Decreases	(1,047)	0	0	0	0	(1,047)
As at 31 December 2024	2,727	0	0	0	0	2,727
Revaluation allowance						
As at 1 January 2024	522	0	0	0	0	522
Decreases - end of lease rights	(1)	0	0	0	0	(1)
Decreases	(375)	0	0	0	0	(375)
Depreciation and amortisation	475	0	0	0	0	475
As at 31 December 2024	621	0	0	0	0	621
Net carrying value						
As at 1 January 2024	2,012	0	0	0	0	2,012
As at 31 December 2024	2,106	0	0	0	0	2,106
Net carrying value total						
As at 1 January 2024	8,689	688	1,526	171	316	11,390
As at 31 December 2024	8,443	874	1,783	243	495	11,838

4.10. INVESTMENT PROPERTY

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Long-term investments into investment property				
- Land	4,013	4,029	4,013	4,029
- Buildings	7,937	8,403	7,937	8,403
TOTAL	**11,950**	**12,432**	**11,950**	**12,432**

b) Movements

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	12,432	14,601	12,432	13,491
Increase	33	0	33	0
Transferred from inventories	0	0	0	0
Decrease	(893)	(2,372)	(893)	(1,172)
Transferred to inventories	0	(37)	0	(37)
Reversal of impairment (revaluations) (Note 3.13.)	41	90	41	0
Free-of-charge transfer	0	(28)	0	(28)
Impairments (revaluations) (Note 3.13.)	(3)	(78)	(3)	(78)
Losses upon derecognition	0	(10)	0	(10)
Income upon derecognition	340	266	340	266
As at 31 December	**11,950**	**12,432**	**11,950**	**12,432**

Lease contracts may be terminated during the lease period. The Group recorded EUR 3 thousand worth of impairment charges against investment property in 2025 (2024: EUR 78 thousand) (Note 3.13.). The Group has no pledged investment property.

Investment property is categorised into Level 3 of the fair value hierarchy. The fair value of investment properties for financial reporting purposes has been estimated by licensed internal property valuers and external valuers using market comparisons and a yield-based approach.

4.11. Intangible assets

Group DBS

	2025			2024		
	Intangible assets	Intangible assets under construction	Total	Intangible assets	Intangible assets under construction	Total
Cost						
As at 1 January	4,368	3,540	7,908	4,070	265	4,335
Increases	0	2,049	2,049	30	3,680	3,710
Decreases	0	0	0	(137)	0	(137)
Transfer from intangible assets under construction	5,502	(5,502)	0	405	(405)	0
As at 31 December	9,870	87	9,957	4,368	3,540	7,908
Revaluation allowance						
As at 1 January	3,491	0	3,491	3,286	0	3,286
Depreciation and amortisation	892	0	892	342	0	342
Decreases	0	0	0	(137)	0	(137)
As at 31 December	4,383	0	4,383	3,491	0	3,491
As at 1 January	**877**	**3,540**	**4,417**	**784**	**265**	**1,049**
As at 31 December	**5,487**	**87**	**5,574**	**877**	**3,540**	**4,417**

The Group holds no intangible assets received as guarantee for liabilities, and holds no assets with limited ownership rights. The Group's intangible assets do not include licences under lease.

DBS d. d.

	2025			2024		
	Intangible assets	Intangible assets under construction	Total	Intangible assets	Intangible assets under construction	Total
Cost						
As at 1 January	4,036	3,540	7,576	3,768	265	4,033
Increases	0	2,026	2,026	0	3,680	3,680
Decreases	0	0	0	(137)	0	(137)
Transfer from PPE under construction	5,479	(5,478)	1	405	(405)	0
As at 31 December	9,515	88	9,603	4,036	3,540	7,576
Revaluation allowance						
As at 1 January	3,248	0	3,248	3,057	0	3,057
Depreciation and amortisation	877	0	877	328	0	328
Decreases	0	0	0	(137)	0	(137)
As at 31 December	4,125	0	4,125	3,248	0	3,248
As at 1 January	**788**	**3,540**	**4,328**	**711**	**265**	**976**
As at 31 December	**5,390**	**88**	**5,478**	**788**	**3,540**	**4,328**

The Bank holds no intangible assets received as guarantee for liabilities, and holds no assets with limited ownership rights. The Bank's intangible assets do not include licences under lease.

4.12. Corporate income tax assets

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Tax assets	2,613	28	2,483	0
Deferred tax assets (Note 4.19. b)	3,027	3,039	3,027	3,039
TOTAL	**5,640**	**3,067**	**5,510**	**3,039**

As at 31 December 2025, the Group reports EUR 2,613 thousand in corporate income tax receivables (CIT), which represent the excess of advances paid during the year over the CIT calculated for 2025. The overpayment will be refunded by the Financial Administration of the Republic of Slovenia no later than 30 April 2026. In 2025, the Bank made monthly advance payments for corporate income tax of EUR 478 thousand due to the positive tax base 2024. The new monthly advance payment in 2026, calculated on the basis of the 2025 corporate income tax, will amount to EUR 232 thousand for the Bank.

4.13. Other assets

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
VAT refund receivables for the tax period	8	1	0	0
Accrued and short-term deferred costs	310	315	296	305
Accrued revenue	0	655	0	0
Long-term deferred operating costs	33	31	33	31
Materials inventory	172	20	173	20
Property inventory (Note 4.13. b)	857	121	32	106
Stock of coins held for sale	166	165	166	165
Advances receivable - construction works	0	33	0	33
Advances to suppliers for operating current assets	474	512	2	7
Consideration receivable	0	3	0	3
Other	4	3	1	1
Revaluation allowance	0	(1)	0	(1)
TOTAL	**2,024**	**1,858**	**703**	**670**

Movements in revaluation allowance for other assets are disclosed in Chapter 5.1.5. (Note f).

b) Movements in inventories of property

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	121	119	106	104
Increase	924	77	2	77
Transferred to inventories	(76)	(75)	(76)	(75)
Transferred to investment property	0	0	0	0
Revaluation	(112)	0	0	0
As at 31 December (Note 4.13. a)	**857**	**121**	**32**	**106**

The Bank recorded no impairment charges against property inventories in 2025 (2024: EUR 0 thousand). In 2025, the Group impaired its property inventory by EUR 112 thousand (2024: EUR 0 thousand).

4.14. Deposits by banks and central banks

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Deposits from banks and central banks				
Sight deposits from banks	432	305	432	305
Long-term deposits from banks	1,007	1,007	1,007	1,007
Borrowings from banks and central banks				
Short-term borrowings from banks	266	0	0	0
TOTAL	**1,705**	**1,312**	**1,439**	**1,312**

4.15. Deposits by customers

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Sight deposits	1,069,742	962,032	1,069,919	962,376
Short-term deposits	231,735	283,931	231,735	283,931
Long-term deposits	164,911	205,111	164,911	205,111
TOTAL	**1,466,388**	**1,451,074**	**1,466,565**	**1,451,418**

Long-term deposits in 2024 also include deposits with characteristics of the Bank's subordinated liabilities (Note 4.17.).

4.16. Other financial liabilities

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Liabilities from card transactions	2,112	0	2,112	0
Other financial liabilities	4,374	791	4,352	774
Accrued expenses	912	1,033	912	997
Trade payables	1,075	665	1,006	651
Lease liabilities	2,476	2,151	2,476	2,151
Liabilities for outstanding payments	178	9	178	9
TOTAL	**11,127**	**4,649**	**11,036**	**4,582**

Other lease liabilities include lease liabilities for business premises in accordance with IFRS 16.

4.17. Subordinated liabilities

a) Breakdown by statement of financial position item

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Deposits by customers - long-term deposits (Note 4.15)	0	2,120	0	2,120
TOTAL	**0**	**2,120**	**0**	**2,120**

b) Breakdown by sector

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Subordinated liabilities				
- to other financial institutions	0	2,120	0	2,120
TOTAL	**0**	**2,120**	**0**	**2,120**

Subordinated liabilities in 2024 include the Bank's subordinated deposits and loans eligible for inclusion into Tier II capital consistent with the CRR (Note in Chapter 5 and in Section Risk and Capital Management). Subordinated debt was issued over the years in order to maintain the required capital adequacy. In 2025, the liabilities matured, and the Bank did not issue any new subordinated debt.

4.18. Provisions

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Provisions for pensions and similar payables to employees (Note 4.18. b and c)	1,550	1,745	1,519	1,715
Provisions for off-balance sheet liabilities (Note 4.18. d)	582	248	591	248
Group 1	268	99	276	99
Group 2	156	104	157	104
Group 3	158	45	158	45
Other provisions (Note 4.18. e)	302	312	270	272
TOTAL	**2,434**	**2,305**	**2,380**	**2,235**

b) Provisions for pensions and similar payables to employees

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Provisions for severance pays	1,368	1,544	1,342	1,519
Provisions for long-service awards	182	201	177	196
TOTAL (Note 4.18. a)	**1,550**	**1,745**	**1,519**	**1,715**

The actuarial calculation of provisions for severance pays and long-service awards to employees included the following assumptions: average earnings growth in the Republic of Slovenia is assumed at an annual 2.9% nominal growth (on average) in the long term; the calculation of liabilities for severance pays takes into account an employee's period of employment; the selected discount factor is 3.77% annually at the Bank. Assumptions on employment turnover and the company's related payables: it is assumed that employment turnover depends primarily on the employees age; the mortality rates used are from the Slovenian reference population mortality table for 2007; it is assumed that employees will exercise their right to retire upon reaching their full retirement age, and therefore the employer will not incur liabilities for long-service awards projected to fall due at a later date.

A sensitivity analysis of the significant actuarial assumptions for the Bank as at 31 December 2025 is presented in the table below.

					DBS d. d.
					2025
Assumption	Variance	Description	Total	Severance pay	Long-service awards
Basic scenario	0.00%	Total	1,522	1,345	177
Discount IR	-0.50%	Total	1,589	1,406	183
		Difference	67	61	6
	0.50%	Total	1,460	1,288	172
		Difference	(62)	(57)	(5)
Wage growth	-0.50%	Total	1,459	1,287	172
		Difference	(63)	(58)	(5)
	0.50%	Total	1,590	1,406	184
		Difference	68	61	7
Duration			**88.0**	**9.1**	**6.7**

c) Movements in provisions for pensions and similar payables to employees

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	1,745	1,512	1,715	1,488
Provisions made during the year	129	441	128	435
Provisions released	(158)	0	(158)	0
Provisions utilised during the year	(166)	(208)	(166)	(208)
As at 31 December (Note 4.18. b)	**1,550**	**1,745**	**1,519**	**1,715**

The Group's recalculated payables to employees total EUR 1,550 thousand, for which additional provisions of EUR 27 thousand were released as at 31 December 2025. The increase in liabilities in the amount of EUR 130 thousand related to the cost for the period is formed through profit or loss. The actuarial surplus for severance pays was formed in other comprehensive income in the amount of EUR 156 thousand and eliminated (Note 4.23.).

The Group's recalculated payables to employees total EUR 1,519 thousand, for which additional provisions of EUR 28 thousand were released as at 31 December 2025. The increase in liabilities in the amount of EUR 129 thousand related to the cost for the period is formed through profit or loss. The actuarial surplus for severance pays was formed in other comprehensive income in the amount of EUR 157 thousand (Note 4.23.).

d) Movements in provisions for commitments and guarantees given

Group DBS	2025				2024			
	Group 1	Group 2	Group 3	Total	Group 1	Group 2	Group 3	Total
As at 1 January	99	104	45	248	132	385	40	557
Transferred to Group 1	73	(73)	0	0	74	(74)	0	0
Transferred to Group 2	(22)	49	(27)	0	(13)	80	(67)	0
Transferred to Group 3	(2)	(8)	10	0	(6)	(4)	10	0
Enhancements through issuing and acquisition	210	180	7	397	104	26	7	137
Decreases through derecognition	(37)	(6)	(8)	(51)	(13)	(13)	(6)	(32)
Changes due to change in credit risk (net)	(53)	(90)	131	(12)	(179)	(296)	61	(414)
As at 31 December	**268**	**156**	**158**	**582**	**99**	**104**	**45**	**248**

DBS d. d.				2025				2024
	Group 1	Group 2	Group 3	Total	Group 1	Group 2	Group 3	Total
As at 1 January	99	104	45	248	132	385	40	557
Transferred to Group 1	73	(73)	0	0	74	(74)	0	0
Transferred to Group 2	(22)	49	(27)	0	(13)	80	(67)	0
Transferred to Group 3	(2)	(8)	10	0	(6)	(4)	10	0
Enhancements through issuing and acquisition	210	180	7	397	104	26	7	137
Decreases through derecognition	(37)	(6)	(8)	(51)	(13)	(13)	(6)	(32)
Changes due to change in credit risk (net)	(45)	(89)	131	(3)	(179)	(296)	61	(414)
As at 31 December	**276**	**157**	**158**	**591**	**99**	**104**	**45**	**248**

e) Movements in other provisions

		Group DBS		DBS d. d.
	2025	2024	2025	2024
As at 1 January	312	380	272	340
Provisions created during the year	0	0	0	0
Provisions utilised during the year	(10)	(68)	(2)	(68)
As at 31 December (Note 4.18. a)	**302**	**312**	**270**	**272**

4.19. Tax liabilities

a) Breakdown

		Group DBS		DBS d. d.
	2025	2024	2025	2024
Current tax liabilities	4	1,749	0	1,619
Deferred tax liabilities	178	254	178	254
TOTAL	**182**	**2,003**	**178**	**1,873**

Pursuant to the Corporate Income Tax Act (ZDDPO-2), the corporate income tax payable, applying the 22% tax rate, amounts to EUR 4 thousand for the Group. Due to the excess of advance payments made during the year, the Bank reports corporate income tax assets in 2025 (Note 4.12).

b) Deferred tax liabilities and assets by statement of financial position item

		Group DBS		DBS d. d.
	2025	2024	2025	2024
1. Deferred tax liabilities				
Financial assets measured at fair value through other comprehensive income	177	254	177	254
TOTAL	**177**	**254**	**177**	**254**
2. Deferred tax assets				
Provisions for severance pays and long-service awards	59	96	59	96
Impairment of securities	53	27	53	27
Impairment of equity participation	2,915	2,916	2,915	2,916
TOTAL (Note 4.12.)	**3,027**	**3,039**	**3,027**	**3,039**
Net deferred tax (2 - 1)	**2,850**	**2,785**	**2,850**	**2,785**

The Group's outstanding tax loss from previous years as of 31 December 2025 amounts to EUR 12,301 thousand. The Bank has no tax losses from previous years from 2023 onwards. Deferred tax assets have been created from impairment of capital investments and provisions for employees in the amount of EUR 3,536 thousand and adjustments to them in the amount of EUR 509 thousand. Long-term deferred tax assets in the amount of EUR 177 thousand were formed under the enhancement of equity securities.

c) Movements in deferred taxes

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	2,785	3,080	2,785	3,080
Financial assets measured at fair value through other comprehensive income	104	(248)	104	(248)
Impairment of securities	(2)	(14)	(2)	(14)
Impairment of equity participation	0	0	0	0
Provisions for severance pays and long-service awards	(37)	(33)	(37)	(33)
As at 31 December	**2,850**	**2,785**	**2,850**	**2,785**

d) Deferred taxes in the income statement contain the following temporary differences

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Other provisions	(18)	(30)	(18)	(31)
Impairment of equity participation	0	0	0	0
Impairment of securities	(2)	(14)	(2)	(14)
TOTAL (Note 3.14.)	**(20)**	**(44)**	**(20)**	**(45)**

Deferred tax assets and liabilities were calculated using the tax rate of 22%, which is expected to apply in the period a particular receivable is collected.

4.20. Other liabilities

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Accruals	177	152	64	31
Payments received in advance	138	122	62	65
Taxes payable	2,844	3,421	2,838	3,364
Wages and salaries	1,059	982	1,039	966
Taxes and contributions	589	524	578	514
Accrued costs	921	1,221	921	1,221
TOTAL	**5,728**	**6,422**	**5,502**	**6,161**

4.21. Share capital

a) Breakdown

	Group DBS		DBS d. d.	
	No. of ordinary shares	Subscribed value	No. of ordinary shares	Subscribed value
As at 31 December 2024/1 January 2025	4,268,248	17,811	4,268,248	17,811
As at 31 December 2025	**4,268,248**	**17,811**	**4,268,248**	**17,811**

The Bank's share capital is divided into 4,268,248 ordinary no par value shares of class A, of which 4,257,483 are recorded in the central registry of dematerialised securities held by the Slovenian Central Securities Clearing Corporation – KDD. At the year-end of 2025, the Bank's share capital totals EUR 17,811,083.54.

b) Shareholders with over 5% of share capital

Shareholder	2025 DBS d. d. No. of shares	2025 DBS d. d. Stake in shareholders' equity in KDD
KD Group d. d.	1,250,755	29.378
Kapitalska zadruga, z. b. o.	894,158	21.002
Prva Pokojninska družba, d. d.*	668,338	15.698
Skupina Prva d. d.	422,557	9.925

* Prva Pokojninska družba, d. d., holds shares in its own name and for the account of pension guarantee funds it manages (note in Business Report, Chapter VI.6).

At the year-end of 2025, 196 shareholders of Deželna banka Slovenije d. d. were recorded in the KDD central securities register (2024: 201), of which 91 were domestic legal entities, 102 domestic individuals, 1 foreign legal entity, and 2 fiduciary accounts held abroad. The number of the Bank's shareholders decreased by 5 in 2025.

4.22. Share premium

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	31,257	31,257	31,257	31,257
As at 31 December	**31,257**	**31,257**	**31,257**	**31,257**

Amounting to EUR 31,257 thousand as at 31 December 2025 and 31 December 2024, the share premium comprises payments in excess of the par value of paid-in shares (paid-in surplus).

4.23. Accumulated other comprehensive income

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	**360**	**(256)**	**359**	**(261)**
Items not to be reclassified to profit or loss	**242**	**(215)**	**241**	**(211)**
Actuarial gains/losses on defined benefit pension plans	202	(261)	201	(257)
Changes in the fair value of investments into equity instruments measured at fair value through other comprehensive income (Note 4.3. b)	75	62	75	62
Income tax relating to components of items not be reclassified to profit or loss	(35)	(16)	(35)	(16)
Items that may be reclassified to profit or loss	**(446)**	**831**	**(446)**	**831**
Investments into debt securities measured at fair value through other comprehensive income (Note 4.3. b)	(565)	1,065	(565)	1,065
Valuation gains/losses taken to equity	(565)	1,079	(565)	1,079
Gains/losses transferred to profit or loss	0	(14)	0	(14)
Income tax relating to components of items may be reclassified to profit or loss	119	(234)	119	(234)
As at 31 December	**156**	**360**	**154**	**359**

Items not reclassified in the income statement refer to the actuarial surplus for severance pays upon retirement (Note 4.18.b) and the surplus from the change in the fair value of investments in equity instruments.

b) Movements

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	360	(256)	359	(261)
Increase in actuarial deficit for severance pays	202	(302)	201	(298)
Decrease in actuarial deficit for severance pays	(19)	39	(19)	39
Changes in the fair value of securities measured at fair value through other comprehensive income	(387)	880	(387)	880
Sale of securities measured at fair value through other comprehensive income	0	(1)	0	(1)
As at 31 December	**156**	**360**	**154**	**359**

4.24. Revenue reserves

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Reserves for treasury shares	601	601	601	601
Reserves under Statutes	1,924	1,924	1,924	1,924
Other revenue reserves	56,722	46,441	56,722	46,441
TOTAL	**59,247**	**48,966**	**59,247**	**48,966**

Other revenue reserves cannot be used for dividend payments to shareholders or other entities.

b) Reserves for treasury shares

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	601	601	601	601
As at 31 December	**601**	**601**	**601**	**601**

c) Reserves under Statutes

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	1,924	1,924	1,924	1,924
As at 31 December	**1,924**	**1,924**	**1,924**	**1,924**

d) Other revenue reserves

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	46,441	35,029	46,441	35,029
Appropriation based on the decision of the General Meeting	0	0	0	0
Transferred from net profit	10,281	11,412	10,281	11,412
As at 31 December	**56,722**	**46,441**	**56,722**	**46,441**

4.25. Treasury shares

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Repurchase of treasury shares - ordinary	(601)	(601)	(601)	(601)
TOTAL	**(601)**	**(601)**	**(601)**	**(601)**

Treasury shares were bought back due to employee share remuneration, protection from hostile takeovers, and reasons from indents 1 and 2 of Article 247 (1) of the Companies Act.

4.26. Retained earnings (including net profit/loss for financial year)

a) Breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
As at 1 January	14,656	12,544	14,017	12,145
Profit/loss for the year after tax	10,560	23,066	10,723	22,824
Dividend payment	(9,098)	(9,500)	(9,098)	(9,500)
Allocation of net profit to profit reserves	(10,281)	(11,412)	(10,281)	(11,412)
Other transfers among components of equity	(138)	(1)	0	(1)
Other	(43)	(41)	(43)	(39)
TOTAL	**5,656**	**14,656**	**5,318**	**14,017**

b) Distributable profit

	DBS d. d.	
	2025	2024
Net profit for the year	10,723	22,824
Retained net profit/net loss	(44)	2,605
Increase in other profit reserves following a decision by the Management Board	(5,361)	(11,412)
DISTRIBUTABLE PROFIT	**5,318**	**14,017**

The General Meeting will decide on the distribution of the accumulated profit for the financial year 2025, amounting to EUR 5,318 thousand.

4.27. Off-balance sheet liabilities

a) Breakdown by type of contingent liabilities and commitments

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Guarantees	14,411	18,444	14,411	18,444
Commitments to extend credit	72,344	73,707	74,078	74,707
TOTAL	**86,755**	**92,151**	**88,489**	**93,151**
Provisions (Note 4.18. a)	(582)	(248)	(591)	(248)

4.28. Fiduciary activities

The Group manages assets in the total amount of EUR 267 thousand (2024: EUR 267 thousand) in the name and for the accounts of third parties. Assets under management are accounted for separately from the Group's assets. For acting as agent in the sale of numismatic coins, the Group charged fees in the amount of EUR 34 thousand in 2025 (2024: EUR 4 thousand).

Other agency services

The Group's item other agency services includes EUR 267 thousand from intermediation in concluding credit transactions for the customers' account (2024: 267 thousand).

4.29. Related party transactions

The ordinary course of business includes numerous banking transactions with related parties. These transactions are carried out on commercial terms and conditions, and at market rates.

a) Volume of banking transactions among related parties

Group DBS

	Management Board/CEO		Senior management		Close family members of Management Board/CEO/ Members of Supervisory Board		Companies related to members of Management Board/ CEO/Members of Supervisory Board and close family members		Bank's shareholders*, holders of qualifying stake in the Bank		Supervisory Board members		Members of management or supervisory body, or holder of procuration of a legal person who is a shareholder in the Bank – holding a qualified stake	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Loans and deposits														
As at 1 January	5	5	294	329	7	1	1,088	1,288	0	0	8	5	247	224
Increase	2	1	75	80	18	16	0	8,846	0	0	11	11	7	103
Decrease	(7)	(1)	(107)	(115)	(21)	(10)	(1,088)	(9,046)	0	0	(11)	(8)	(34)	(80)
As at 31 December	0	5	262	294	4	7	0	1,088	0	0	8	8	220	247
Interest income	0	0	7	10	0	0	10	72	0	0	0	0	9	8
Revaluation allowance	0	0	1	1	0	0	0	61	0	0	0	0	1	0
Deposits and borrowings														
As at 1 January	164	190	874	755	320	98	1,314	33,296	4,770	2,505	283	197	217	172
Increase	553	688	4,728	4,514	1,440	1,120	453	123,147	3,774	4,703	824	478	256	515
Decrease	(685)	(714)	(4,272)	(4,395)	(1,462)	(898)	(431)	(155,129)	(4,497)	(2,438)	(823)	(392)	(384)	(470)
As at 31 December	32	164	1,330	874	298	320	1,336	1,314	4,047	4,770	284	283	89	217
Interest expense	2	2	7	6	3	2	78	7	148	6	2	2	0	0
Fee and commission received	0	0	2	2	0	0	45	19	1	1	0	0	1	1
Full operational lease received														
As at 1 January	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase	0	0	0	0	0	0	1	4	0	0	0	0	0	0
Decrease	0	0	0	0	0	0	(1)	(4)	0	0	0	0	0	0
As at 31 December	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease expense	0	0	0	0	0	0	0	4	0	0	0	0	0	0
Other income	0	0	0	3	0	0	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	2	56	0	0	0	0	0	0
Other expenses	0	0	1	3	0	0	420	822	0	0	0	0	0	0

* Only the Bank's qualified shareholders are included.

DBS d. d.

	Management Board		Senior management		Close family members of members of the Management Board, Supervisory Board		Companies associated with members of the Management Board, Supervisory Board, and their close family members		Bank's shareholders*, holders of qualifying stake		Supervisory Board members		Members of management or supervisory body, or holder of procuration of a legal person who is a shareholder in the Bank – holding a qualified stake	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Loans and deposits placed																
As at 1 January	5	5	263	281	7	1	1,088	1,288	0	0	8	5	247	224
Increase	2	1	75	80	18	16	0	8,846	0	0	11	11	7	103
Decrease	(7)	(1)	(91)	(98)	(21)	(10)	(1,088)	(9,046)	0	0	(11)	(8)	(34)	(80)
As at 31 December	0	5	247	263	4	7	0	1,088	0	0	8	8	220	247
Interest income	0	0	7	9	0	0	10	72	0	0	0	0	9	8
Revaluation allowance	0	0	1	0	0	0	0	61	0	0	0	0	1	0
Deposits and borrowings														
As at 1 January	164	190	874	755	320	98	1,314	33,296	4,770	2,505	283	197	217	172
Increase	553	688	4,728	4,514	1,440	1,120	453	123,147	3,774	4,703	824	478	256	515
Decrease	(685)	(714)	(4,272)	(4,395)	(1,462)	(898)	(431)	(155,129)	(4,497)	(2,438)	(823)	(392)	(384)	(470)
As at 31 December	32	164	1,330	874	298	320	1,336	1,314	4,047	4,770	284	283	89	217
Interest expense	2	2	7	6	3	2	78	7	148	6	2	2	0	0
Fee and commission received	0	0	2	2	0	0	45	19	1	1	0	0	1	1
Full operational lease received														
As at 1 January	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase	0	0	0	0	0	0	1	4	0	0	0	0	0	0
Decrease	0	0	0	0	0	0	(1)	(4)	0	0	0	0	0	0
As at 31 December	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease expense	0	0	0	0	0	0	0	4	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	2	56	0	0	0	0	0	0
Other expenses	0	0	0	0	0	0	417	818	0	0	0	0	0	0

* Only the Bank's qualified shareholders are included.

Disclosures of transactions among related parties include all changes taking place during the year. Each individual related party is considered as of the date of being entered in the related party list up to the date of exit or until the end of the year of reference.

b) Subsidiaries DBS Leasing, and DBS Nepremičnine

	Subsidiaries - DBS Leasing, DBS Nepremičnine		Subsidiaries - related parties - Management Board/CEO/Holder of Procuration		Subsidiaries - related parties - Companies related to members of the Management or Supervisory Board/CEO/Holder of Procuration, or their close family members	
	2025	2024	2025	2024	2025	2024
Loans and deposits placed						
As at 1 January	21,745	17,469	0	0	0	0
Increase	7,474	24,088	0	0	0	0
Decrease	(5,889)	(19,812)	0	0	0	0
As at 31 December	23,330	21,745	0	0	0	0
Interest income	736	603	0	0	0	0
Revaluation allowance	407	260	0	0	0	0
Deposits and borrowings						
As at 1 January	344	782	0	0	0	0
Increase	2,916	12,909	0	0	0	0
Decrease	(3,083)	(13,347)	0	0	0	0
As at 31 December	177	344	0	0	0	0
Fee and commission received	76	131	0	0	0	0
Full operational lease granted						
As at 1 January	0	0	0	0	0	0
Increase	43	29	0	0	0	0
Decrease	(43)	(29)	0	0	0	0
As at 31 December		0	0	0	0	0
Lease income	43	29	0	0	0	0
Other receivables	1	2	0	0	0	0
Other income	14	10	0	0	0	0
Other expenses	0	0	0	0	0	0

c) Paid remuneration of Senior Management

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Wages and other short-term benefits	2,266	2,458	2,189	2,383
Variable remuneration	448	383	438	373
Variable remuneration - severance pays	157	24	157	24
TOTAL	**2,871**	**2,865**	**2,784**	**2,780**

The remuneration of the Management Board and employees under individual contracts who report directly to the Management Board, includes gross wages, pay for annual leave, fringe benefits (statutory severance pays, long-service awards, compensations), cost reimbursement and supplementary pension insurance. The variable component of remuneration includes the variable component of job and business performance, fringe benefits and severance pays under contract. The variable remuneration amounting to EUR 438 thousand is composed of monetary remuneration and other fringe benefits (use of a car, accident insurance and liability insurance).

The Management Board and others on management contracts held 666 shares (0.016% of share capital) as at 31 December 2025, and 446 shares (0.010% of share capital) as at 31 December 2024.

d) Paid remuneration of Supervisory Board members and members of its Committees

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Wages and other short-term benefits	178	112	178	112
TOTAL	**178**	**112**	**178**	**112**

The amount includes the earnings of Supervisory Board members and those of the members of the Supervisory Board Nomination, Audit and Risk Committee.

e) Paid remuneration of members of management and supervisory bodies in 2025

	Group DBS							DBS d. d.						
	Fixed remuneration				Variable remuneration			Fixed remuneration				Variable remuneration		
Position/Remuneration type	Fixed remu-nera-tion	Cost reim-bur-se-ment	Supple-ment pension insur-ance	Total	Vari-able remu-nera-tion	Other pay-ments	Total	Fixed remu-nera-tion	Cost reim-bur-se-ment	Supple-ment pension insur-ance	Total	Vari-able remu-nera-tion	Other pay-ments	Total
Management Board of the Bank	652	4	8	664	281	34	315	652	4	8	664	281	34	315
Supervisory Board of the Bank	173	5	0	178	0	0	0	173	5	0	178	0	0	0
Senior management in subsidiaries	71	3	2	76	10	1	11	-	-	-	-	-	-	-
TOTAL	**896**	**12**	**10**	**918**	**291**	**35**	**326**	**825**	**9**	**8**	**842**	**281**	**34**	**315**

The table shows the earnings of Management Board members of the Bank, and of Supervisory Board members and CEOs of subsidiaries, pursuant to the requirement of Article 294 of the Slovenian Companies Act. Management and supervisory bodies are specified in the Business Report, Chapter VI.4. Composition and operations of the management and supervisory bodies and their committees.

f) Paid remuneration of employees performing special work in 2025

Group DBS

Position/Remuneration type	Number of beneficiaries	Fixed earnings	Variable remuneration	Cost reimbursement	Insurance premiums	Total
TOTAL REMUNERATION	**25**	**1,977**	**385**	**71**	**51**	**2,484**

DBS d. d.

Position/Remuneration type	Number of beneficiaries	Fixed earnings	Variable remuneration	Cost reimbursement	Insurance premiums	Total
TOTAL REMUNERATION	**23**	**1,906**	**375**	**68**	**49**	**2,398**

The category of employees performing special work comprises the Management Board, directors of Sections and Departments and of Branch units. Remuneration of the Management Board is specifically stated only in the table under item e).

4.30. Remuneration system and important business contacts

Remuneration system

The system of remuneration in the Group is based on the Remuneration Policy for employees (hereinafter: Remuneration Policy), which lays down the system of remuneration and performance bonuses for employees in the Bank and the banking Group. The necessary preconditions for variable pay are the Bank's reporting a profit for the assessment period and its reaching all basic objectives. In 2025, a total of EUR 385 thousand was allocated to the variable component of remuneration for Identified Staff by business segments.

Important business contacts

A significant indirect business contact exists if a member of the Management Board or Supervisory Board, or their close family member, is a business partner, holder of a qualifying stake in Group companies, CEO or member of the senior management in a company or organisation that is in a business relationship with the Group. In this respect, the Group promotes the culture of avoiding significant direct and indirect business contacts.

Disclosures in accordance with Article 88 of the Banking Act and Section 8 of Regulation (EU) No 575/2013 are included in the operational part of the Annual Report of the Deželna banka Slovenije Group for 2025 in Chapter VI.4, which is published on the Bank’s website www.dbs.si.

4.31. Events after the end of the 2025 financial year

On 27 February 2026, the Bank of Slovenia issued a license to Gregor Rovanšek, MBA, to perform his duties, following his appointment by the Supervisory Board as President of the Management Board. He assumed the position on 9 March 2026 and, upon taking office, assumed all powers and responsibilities as defined by law and the Bank’s internal regulations. The new President's assumption of office ensures continuity in the Bank's management, stable strategic direction, and the continued implementation of planned development and business activities.

In the first half of 2026, the Bank plans to issue Tier 2 capital bonds in a total amount of up to EUR 10 million. The issuance will contribute to strengthening the Bank’s capital adequacy and supporting future growth and compliance with regulatory requirements.

In early 2026, there was a significant escalation of the military conflict in Iran, where the U.S. and Israel carried out large-scale attacks on Iranian military infrastructure, triggering intense retaliatory measures by Iran in the form of missile and drone strikes across the wider region. The conflict also directly affected critical economic and energy transport routes; traffic through the Strait of Hormuz has been paralyzed, triggering disruptions in global energy supply chains. This has led to rising energy prices, disruptions in regional logistics, and increased volatility in global capital markets. Escalating geopolitical risks will also impact DBS Group's operations; however, it is currently not possible to assess their impact on DBS Group and its customers. Among the main expected impacts are increased volatility in financial markets, which will affect the valuation of financial instruments; greater uncertainty regarding energy supply and energy costs, with an indirect impact on the creditworthiness of companies, particularly in energy-intensive sectors; rising living costs, which will directly affect households, increased inflation, etc., all of which may be reflected in a deterioration of customers' liquidity situation, consequently leading to a greater shift toward non-performing exposures, which will necessitate an increase in impairment provisions. No significant negative impact on liquidity is expected at this time.

5. RISK CONTROL

The Group devotes particular attention to the risks it is or could be exposed to in its line of business. For this purpose, it has set up an independent control function of risk management, whose independence, autonomy, and effectiveness are guaranteed by a transparent organisation structure and delimitation of competences. Risk is monitored by the Risk Management Section, which is in charge of, among other things, designing and updating individual strategies and policies of risk-taking and risk management, overseeing their implementation, continually improving the system of monitoring and controlling all major types of risk, and preparing in-house reports and reports for regulators. The Group has also set up an Asset-Liability Committee, a Risk Management Committee and a Risk Committee, which – together with the Supervisory Board and senior management – promptly monitor the Group's exposure to risk, its risk profile and its risk appetite.

The common objective of risk-taking and risk-management strategies and policies is to prevent and limit losses due to individual risks. The risk-management strategy includes objectives and general guidelines for risk-taking and risk management for individual risks, and the responsibilities of the Supervisory Board, Management Board and senior management in the area of risk management. To measure exposure to different types of risk, the Group uses internal methodologies and approaches in addition to regulatory ones, which facilitates a close monitoring of risks and their management. The Group pursues a moderate risk-taking policy.

The risks that the Group is exposed to are identified at the level of prudential consolidation, and the manner and intensity of their management depend on the risk profile estimated within the internal capital adequacy assessment process (hereinafter: ICAAP) and risk of the environment. In the ICAAP process, the Group identifies risks to which it already is or could be exposed in the future. Further on in the process, material risks are quantified, the related capital needs are assessed, and the necessary funds are allocated. The risk profile is an assessment of how much the Group is exposed to risks in its business activities and is the result of the risk management process.

In recent years, the banking system has faced uncertainty brought about by the outbreak of the COVID-19 pandemic, geopolitical tensions, floods and other natural disasters, tightening financial conditions in most economies and high inflation. These factors have a material impact on the Bank's operations and risk management. The Bank keeps the situation under regular review, analyses it and takes the necessary measures to manage the risks. It also regularly monitors the financial position of borrowers, implements measures of intervention legislation, and when approving new investments, acts prudently and within its current or expected ability of taking risk. It will continue to monitor forecasts of economic trends, calculate parameters for assessing credit risk losses and, accordingly, perform simulations to calculate the effect on the formation of impairments. In risk management, it will continue to be conservative in accepting new risks, striving to implement the set risk-taking and risk management strategy, and to ensure capital ratios as prescribed by the Bank of Slovenia.

In 2025, the Group complied with all requirements of the capital accord and other requirements of the regulatory framework at the level of prudential consolidation. The Supervisory Board was acquainted with the risk profile and risk-taking capacity as part of the internal capital adequacy and liquidity assessment processes (ICAAP and ILAAP), and regularly monitored the risk exposure. All critical risk management internal acts were revised in 2025, and updated if necessary.

Under Directive 2013/36/EU (CRD IV) and Regulation (EU) No 575/2013 (CRR), the controlling company DBS d. d. and the two subsidiaries DBS Leasing d. o. o. and DBS Nepremičnine d. o. o. are included in prudential consolidation. Both subsidiaries had also been included in prudential consolidation under the previous legislation in force. Consistent with the provisions of Article 4(1) and 4(18) of the Regulation, DBS Nepremičnine d. o. o. is considered an ancillary services undertaking and therefore one of the financial sector entities under Article 4(1) and 4(27c) of the Regulation.

Credit risk

Credit risk is the risk that a borrower will cause a financial loss to the Group by failing to fully discharge an obligation when due without calling on collateral, for whatever reason, whether this obligation be of a financial nature or another contractual obligation. In line with its portfolio and its risk-taking and risk-management strategy, the Group takes into account that credit risk can potentially arise out of increased concentration of exposure. Credit risk management involves the timely and adequate detection, measurement, assessment, control, monitoring and reporting of credit risk. The objective is to ensure an adequate mechanism of taking on and managing credit risk. Such a mechanism has to reflect the Group's readiness and capacity to take on credit risk in compliance with regulatory demands, the regulatory framework for banks and regulatory capital requirements. The objectives and general guidelines of taking on and managing credit risk are laid down in the Risk-taking and Risk Management Strategy and in the Concise Risk Statement Approved by the Management Body. The Group's process of credit risk management involves looking at all risky balance sheet and off-balance sheet assets.

To manage credit risk, the credit portfolio is being diversified, and exposure to the retail sector, farmers, and SMEs is being increased, while efforts are being made to maintain the quality and adequacy of collateral. The Group regularly monitors the operations of debtors, assisted by the Early Warning System for Increased Credit Risk (EWS).

Market risk

Market risk is the risk of decreased asset value or profitability due to adverse changes in market variables (prices, interest rates, foreign exchange rates). Market risk appears when the Group acts as market maker, if it trades or takes positions in bonds, shares, foreign currencies, commodities and derivatives. The Group has in place a proprietary methodology and policy for determining, measuring and managing market risk, and for determining the level of exposure. The Group's risk management policy for market risk is based on the current and expected market conditions, realised and planned financial data, valid regulations and existing risk management systems. With its methodology for measuring and mitigating market risk for trading positions in equities, the Group operates its system of limits and the calculation of opportunity loss for a particular trading position. It has a system of limits in place to limit market risk, whereas the relevant committees, board and organisational units participate in the market risk management function as laid down in the Rules of Organisation.

Foreign exchange risk

Foreign exchange risk is present when the Group is directly or indirectly exposed to changes in currency exchange rates in global markets. Adverse global FX changes may result in losses in domestic currency. Exposure to foreign exchange risk arises out of a mismatch between assets and liabilities in different currencies. It involves mainly the risk of an instrument's potential decreased value due to changes in currency exchange rates. The Group pursues a closed currency positions policy. Accordingly, individual currency positions are monitored daily, and potential overruns are reported to decision makers in line with instructions.

Interest rate risk and credit spread risk arising from non-trading book activities

Interest rate risk is the risk of loss (i.e. lower interest income, higher interest expenses, decreased value of investments, opportunity loss) on interest-sensitive on-balance sheet and off-balance sheet positions due to a change in the level of market interest rates. Interest rates changes have a significant effect on the revenues and expenses as well as the value of individual items and thus the economic value of equity. In addition to the above, the Bank is also exposed to the risk of changes in credit spreads which results from non-trading book activities and is not explained by interest rate risk in the banking book or expected credit risk.

Interest rate risk is measured, managed, controlled and monitored in accordance with the Risk-taking and Risk Management Policy for interest rate risk in the banking book and the credit spread risk arising from non-trading book activities and the Methodology for the assessment of interest rate risk in the banking book (IRRBB) and the credit spread risk arising from non-trading book activities (CSRBB). For measuring the risk of interest rates changing, a gap analysis is used to calculate the potential impacts of interest rate stress scenarios on net interest income and the sensitivity of the equity capital economic value. The stress scenarios are aligned with the guidelines of the European Banking Authority (EBA).

Credit spread risk represents the exposure of the Group's financial result or equity to unfavourable changes in the credit spread. To measure the credit spread risk, the Group allocates the future cash flows of debt securities into maturity gaps, which are used to apply various changes in the increase in the required return due to an increase in the credit spread and calculate the sensitivity of the economic value of the Bank's equity.

Liquidity risk

Liquidity risk is the risk of providing sources of liquidity in cases of potential loss when the Group is unable to discharge all its matured liabilities or when, due to its inability to provide sufficient funds to settle its matured liabilities, the Group is forced to obtain liquidity at significantly higher costs. The management of liquidity is a critical component of safe and prudent operations. Careful management of liquidity includes prudent management and matching of assets and liabilities, both with respect to financing and cash flows, and with respect to their concentration. Risk-taking and Risk Management Policy for Liquidity Risk defines the methods and procedures for determining, measuring, controlling and monitoring liquidity risk, the objective of which is being able to settle due obligations in time.

In order to ensure adequate liquidity for expected and potential cash outflows, the Group tests the adequacy of its so-called disaster plan. It includes regular implementation of a liquidity stress scenario over a one-month time horizon, as described in the Stress Testing Programme. The maximum liquidity shortage for up to one week and one month is calculated based on the monthly stress scenarios, which serves to determine the minimum level of the liquidity position, which the Group need to have at its disposal at all times. The Group also calculates liquidity risk indicators and monitors trends in selected liquidity indicators.

In 2025, the Group fully complied with the regulations on the minimum requirements for ensuring an adequate liquidity position, which stipulate as mandatory the achievement of the regulatory liquidity coverage ratio (LCR). The Group also complied with the regulatory requirement on the level of the NSFR ratio.

Operational risk

Operational risk is the risk of loss due to inappropriate or unsuccessful implementation of internal processes, the human factor and system operations or external factors and includes legal and model risk. It also includes information security and cyber risk, risks related to external contractors, conduct risk, ESG factors, compliance risk, and tax risks. The Group manages operational risk by recording and closely monitoring (loss) events associated with operational risk, by decreasing the frequency and impact of such loss events, by keeping the total amount of evaluated loss events at a minimum, and by regularly checking and updating its disaster recovery and business continuity plan. It has in place a Risk-taking and Risk Management Policy for Operational Risk, which defines, among other things, the methods and procedures for determining, measuring, managing, monitoring, reporting and mitigating exposure to operational risk. Integrated into the reporting system for events associated with operational risk are measures to resolve such events and prevent repeat events. Reports on incidents and remedial actions are shared with the Risk Management Committee on a monthly basis and with the Security Committee, the Risk Committee and the Supervisory Board on a quarterly basis.

Capital risk

The Group must always have at its disposal sufficient and adequate capital in terms of the services it provides and in terms of the risks it is, or could be, exposed to. Therefore, capital risk is associated with insufficient capital, with inadequate capital structure in relation to the volume and type of operations, or with difficulties in obtaining fresh capital or with capital falling below the prescribed and/or appropriate level in relation to other inherent risks assumed by the Group. Capital risk management involves monitoring of regulatory capital movements, capital requirements and needs. Capital risk is monitored on a monthly basis, when the amount of capital, capital requirements and capital requirements and needs ratios are calculated. These calculations are communicated monthly to members of the Asset-Liability Committee and the Risk Management Committee, and quarterly to the Supervisory Board and the Risk Committee. If necessary, actions are taken to manage or mitigate risks, as appropriate, to ensure that both regulatory capital and internal capital remain adequate and that the Group achieves appropriate levels of capital ratios. The actions are aligned with the Group's Risk-taking and Risk Management Strategy and the Group's risk-taking capacity. Several internal acts are used in the process of controlling, managing, and mitigating capital risk, including the Risk-taking and Risk Management Strategy, the Risk-taking and Risk Management Policy for the Risk of Capital Inadequacy, and the Methodology for the internal capital adequacy assessment process.

5.1. Credit risk

The most significant risk to which the Group is exposed is credit risk. It is related to the inability or unwillingness of a debtor to meet its obligation within the contractual time frame and therefore the primary objective of credit risk management is to achieve and maintain an adequate credit portfolio. To ensure this objective, the Group has the following:
- appropriate segregation of duties and responsibilities between organisational units;
- procedures in place for determining the creditworthiness of customers in approving the investments;
- procedures in place for regular monitoring of the credit portfolio;
- procedures in place for the early detection of increased credit risk, allowing for the timely identification of debtors with increased credit risk;
- procedures in place for the identification and treatment of problem exposures;
- limits in place that are aligned with the propensity to take on credit risk;
- impairments and provisions process in place;
- regular reporting on credit risk exposure.

5.1.1. Measuring credit risk

(a) Loans and receivables
In 2025, the Group determined credit risk pursuant to the valid regulations. To this end, it drew up its credit portfolio quality analyses, into which it included data on:
- diversification or concentration of the credit portfolio,
- migration of customers among credit rating classes,
- movements of impairments,
- provisioning of impairments for individual types of credit exposure,
- restructured exposures,
- past due defaulting receivables and non-performing exposures, and
- environmental, social and governance (ESG) factors.

For more on forming provisions and impairments, see Chapter 5.1.3.

(b) Debt securities
In assuming exposure to credit risk when buying debt securities in 2025, the Group used the classification into credit rating classes according to issuing states and other issuers, the kind used by renowned credit rating agencies, whereby it specified the minimum acceptable credit rating limit for the respective securities.

5.1.2. Control over limiting credit risk, and guidelines on mitigating credit risk

The Group manages, limits and controls credit risk concentration wherever it is detected, especially in relation to individual customers and groups of customers, economy sectors, businesses and geographical areas.

The credit risk appetite is defined by the Risk-taking and Risk Management Strategy as well as the Risk Appetite Framework (RAF) and the Risk Appetite Statement (RAS), taking into account the Bank's risk tolerance, which is determined through the Internal Capital Adequacy Appetite Process (ICAAP) and capital planning and reflected in the DBS Group Strategy 2024-2027 and in the applicable annual business plan in force, which represents the operationalisation of the Bank's development strategy and risk-taking and risk management strategy.

In addition, the Limit System defines quantitative indicators that represent the exposure to particular risks that the Bank manages and takes in the course of its business.

The maximum possible total exposure of the Group towards a corporate customer is defined within the Limit system. When the threshold of large exposure is greatly exceeded and in case of customers with whom the Bank has special relations, the proposed level of permissible exposure must also be approved by the Bank's Supervisory Board. Limits of exposure are determined by considering the basic principles of banking, especially safety.

(a) Collateral
The Group employs a variety of ways to mitigate credit risk, pursuant to its internal rules on collateral, which stipulate the acceptability of different types of collateral.

Internal rules on collateral define:
- types and extent of collateral accepted;
- minimum eligibility criteria that collateral must normally meet;
- methodology for determining the type and amount of, and the order of calling on collateral;
- methodology for verifying and monitoring collateral; and
- detecting and preventing risks associated with accepted collateral.

As a rule, the Group will never fail to investigate a debtor's creditworthiness, even if exposure is collateralised. In agreeing on the type of collateral for an exposure, both the principles on credit risk reduction techniques and the principles on capital requirements should be adhered to, to the greatest extent possible.

The main types of collateral used by the Group are property as collateral and insurance covers, guarantees, bank deposits and assignments of claims. Personal collateral issuers are assessed for eligibility on the basis of their credit ratings, obtained using an internal methodology.

As a rule, the Group collateralises all loans. Most collateral is property evaluated according to appraisals by certified appraisers in compliance with the International Valuation Standards (IVS) and Slovenian Corporate Finance Standard 9, and complying with other requirements in line with the Regulation (EU) No 575/2013.

(b) Off-balance sheet commitments
Guarantees and letters of credit as well as unused loans granted represent the same credit risk for the Group as loans. The Group regularly monitors maturity dates of loan commitments, since especially long-term commitments represent a higher credit risk than short-term commitments.

5.1.3. Guidelines on forming impairments and provisions

Pursuant to the regulatory framework for banks, and the provisions of the International Financial Reporting Standards (IFRS 9), the Group classifies financial assets and off-balance sheet commitments (hereinafter: exposures) into groups according to their risk profile, and assesses the amount of expected losses associated with these exposures. The IFRS 9 standard introduces the expected credit loss model, while also taking into account forward-looking information. The Group has developed its own impairment measurement model, which is validated once a year.

The credit rating system

The Group has in place a system of credit rating grades for classifying exposure. Eleven credit rating grades are used for measuring credit exposure of business entities, and five credit rating grades are used for natural persons. To categorise an entity into a credit rating grade, two groups of criteria are used with business entities, i.e. selected financial ratios (based on the entity's balance sheet and income statement data), and forward-looking information (based on forecasts by the Institute of Macroeconomic Analysis and Development (hereinafter: IMAD)). For larger exposures of business entities, the credit rating takes into account additional two groups of criteria: soft or subjective factors (additional information on entity's performance in the business environment) and an assessment acquired through an in-depth analysis of its operations. With natural persons, a simple scoring model is used to classify larger exposures. All credit ratings are also automatically assigned while taking into account other risk factors (delays, compulsory composition, bankruptcy, restructuring, blockage, outstanding tax liabilities, etc.).

For establishing an increase in credit risk in the context of model-based impairment, the Group has aggregated the credit ratings for business entities into credit rating grades and, together with natural persons, uses five separate grades for this purpose, as shown in the table below.

Credit rating grades

Group DBS

Harmonised credit rating grades	Business entities	Natural persons and farmers	Risk	Estimated annual conditional PD (from – to)
A	A1, A2, A3	A	Low credit risk	0.37–1.18%
B	B1, B2, B3	B	Medium credit risk	2.77–9.30%
C	C1, C2, C3	C	High credit risk	22.02–28.03%
D	D	D	Defaulted obligor	100%
E	E	E	Defaulted obligor	100%

DBS d. d.

Harmonised credit rating grades	Business entities	Natural persons and farmers	Risk	Estimated annual conditional PD (from – to)
A	A1, A2, A3	A	Low credit risk	0.37–1.18%
B	B1, B2, B3	B	Medium credit risk	2.77–9.30%
C	C1, C2, C3	C	High credit risk	22.02–28.03%
D	D	D	Defaulted obligor	100%
E	E	E	Defaulted obligor	100%

Classification of financial assets

At each reporting date, the Group classifies the exposures for which impairment requirements are used into groups 1, 2 and 3, depending on whether credit risk has increased significantly since initial recognition.

The Group classifies as group 1 all exposures whose credit risk has not increased significantly since initial recognition or which are considered low-credit risk transactions (this includes sovereign exposure, exposure to institutions, the public sector, as well as local and regional authorities). For such exposures, the Group measures 12-month expected credit losses.

If the Group establishes that the credit risk of an exposure has increased significantly since initial recognition, the instrument is classified as group 2, and expected credit losses are measured as full lifetime expected credit losses.

Exposures for which there is objective evidence of impairment (i.e. transactions by customers with the status of defaulted obligors) are classified as group 3. Their credit losses are measured collectively or individually. Individual credit losses are measured based on estimated future cash flows reflecting the current value of estimated cash flows or based on the assessment of the repayable amount of collateral based on the not-going concern principle. For exposures approved after 26 April 2019, which are defined as NPEs, Regulation (EU) 2019/630 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards the minimum loss coverage for non-performing exposures (hereinafter: Regulation 2019/630) shall be strictly taken into account when calculating individual impairments.

At each reporting date, the Group estimates whether the credit risk of a financial instrument has increased significantly since initial recognition, taking into account appropriate and demonstrable information that can be acquired without entailing excessive costs or efforts. Credit insurance is not taken into account in classifying exposures as group 1, 2 or 3. The tables below show the classification of balance sheet exposures by receivables credit rating and groups as at 31 December 2025 and as at 31 December 2024.

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
Receivable's credit rating A	1,243,298	8,359	0	0	1,251,657	1,383,532	19,311	4	0	1,402,847
Receivable's credit rating B	235,503	27,133	0	0	262,636	83,553	30,120	0	0	113,673
Receivable's credit rating C	20,245	11,304	0	0	31,549	889	12,692	0	0	13,581
Receivable's credit rating D	0	0	4,431	0	4,431	0	0	2,400	0	2,400
Receivable's credit rating E	0	0	2,433	0	2,433	0	0	1,754	0	1,754
Receivable's credit rating P	0	17	13,164	0	13,181	0	1,088	11,411	0	12,499
Gross carrying amount of classified balance sheet exposures	1,499,046	46,813	20,028	0	1,565,887	1,467,974	63,211	15,569	0	1,546,754
Revaluation allowance for classified balance sheet exposures	(2,838)	(2,817)	(8,472)	0	(14,127)	(1,657)	(2,742)	(7,205)	0	(11,604)
Net carrying amount of classified balance sheet exposures	1,496,208	43,996	11,556	0	1,551,760	1,466,317	60,469	8,364	0	1,535,150

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
Receivable's credit rating A	1,229,686	7,909	0	0	1,237,595	1,369,833	19,007	4	0	1,388,844
Receivable's credit rating B	251,086	24,342	0	0	275,428	97,143	28,693	0	0	125,836
Receivable's credit rating C	20,001	10,692	0	0	30,693	889	10,915	0	0	11,804
Receivable's credit rating D	0	0	4,431	0	4,431	0	0	2,400	0	2,400
Receivable's credit rating E	0	0	2,433	0	2,433	0	0	1,749	0	1,749
Receivable's credit rating P	0	0	10,158	0	10,158	0	1,088	9,100	0	10,188
Gross carrying amount of classified balance sheet exposures	1,500,773	42,943	17,022	0	1,560,738	1,467,865	59,703	13,253	0	1,540,821
Revaluation allowance for classified balance sheet exposures	(3,068)	(2,624)	(7,685)	0	(13,377)	(1,797)	(2,469)	(6,559)	0	(10,825)
Net carrying amount of classified balance sheet exposures	1,497,705	40,319	9,337	0	1,547,361	1,466,068	57,234	6,694	0	1,529,996

Significant increase of credit risk

For all financial assets subject to impairment requirements, the Group estimates whether a significant increase of credit risk has occurred since initial recognition, i.e. whether to apply full lifetime expected credit losses instead of 12-month expected credit losses. The Group considers for a significant increase of credit risk to have occurred when at least one of the following criteria is fulfilled:
a) at the time of approving the transaction, the customer's credit rating is A, and as at the reporting date, their credit rating is B or C;
b) at the time of approving the transaction, the customer's credit rating is B, and as at the reporting date, their credit rating is C;
c) in the trial period, the customer was restructured profitably (group 2), or restructured unprofitably (group 3);
d) the customer is included on the last watch list due to enforcement or non-permitted negative balances.

The Group has decided not to use the rebuttable presumption of material default in the transaction that is more than 30 days past due, and rather classify all transactions with the material default of more than 30 days as group 2 and recognise for them full lifetime expected credit losses.

If the customer's credit rating is D or E (exposure will be recognised as a non-performing exposure when it is considered there to have been a default in accordance with article 178 of CRR, or when it has been found to have been impaired in accordance with an effective accounting standard), the transaction will be considered credit impaired and therefore classified as group 3 regardless of the credit rating grade upon initial recognition.

COLLECTIVE ASSESSMENT OF CREDIT LOSSES

Use of forward-looking information

In measuring the expected credit losses (ECL), the Group uses forward-looking information which is available without undue cost or effort. External information includes economic data and forecasts published by state institutions The Group then forms the most likely outcome for future behaviour of economic variables, and also the best-case and the worst-case scenario. Each scenario is ascribed a weight that represents a percentage of its probability to materialise. The use of forward-looking information and determination of scenarios is described further below.

Measurement of expected credit losses (ECL)

Exposures classified as Group 1 or 2 are impaired on a collective basis. Exposures classified as Group 3 are mostly impaired on a collective basis, with exceptions such as DBS leasing transactions and material exposures to the Bank, which are impaired individually. Material exposures in Group 3 include credit exposures above EUR 150 thousand.

Collective impairment is calculated as the sum of discounted monthly weighted expected credit losses, and an individual (monthly) unit is calculated as the product of probability of default (PD), loss given default (LGD), exposure at default (EAD), discount factor (DF) and, in the case of off-balance-sheet receivables, also conversion factor (CCF).

Calculation of limit probability of default (PD)

In accordance with IFRS 9, the calculation of expected credit losses is based on the monthly limit PD that comprises expectations for the future and takes into consideration the probability of viability up to a certain month and the default event in this certain month. Forward-looking PD is calculated for the most likely outcome as well as the best-case and worst-case scenarios, and is based on the forecast for chosen macroeconomic variables.

Calculation of forward-looking PD is based on the Z-shift method that enables forecasts for migration matrices in the coming periods using the forecast for macroeconomic variables. Using the forecast migration matrices, we can discern the probability of transfer to grades D and E, which stands for the probability of default (PD). In PD calculations, expectations for the future are comprised in the Z variable that is related to the chosen macroeconomic variables. The used migration matrices and macroeconomic variables both refer to the annual level. Migration matrices for farmers and natural persons are combined, and estimated PD values are thus acquired using two models: (I) the business entity model, and (II) the natural persons and farmers model. The source of past data and forecasts for macroeconomic variables is IMAD's Autumn Forecast of Economic Trends.

Forecasts for Z values are acquired with the regression model based on the ordinary least squares method (OLS). Z values are then translated back into migration matrices. For the years for which forecasts for the macroeconomic variable are no longer available, the last available Z value is used and decreased gradually to 0 (which results in an average matrix).

The annual conditional PD is then translated to the monthly level, which is in turn used to calculate the monthly limit PD. For each type of customer (corporate customers, natural persons, farmers) and each credit rating (A, B, and C), a time series of monthly limit PDs is calculated monthly taking into account the most likely outcome, the best-case and the worst-case scenario for the movement of the macroeconomic variable. Scenario weights are calculated based on the share of past errors in IMAD's forecasts for the chosen macroeconomic variables.

Calculations of PD for sovereign exposure and exposure to institutions and public sector entities are based on the Pluto-Tasche method, which is used to calculate PD for low- or zero-rate default portfolio. The PD values calculated for the purpose of measuring the expected credit losses are also translated to the monthly level.

Calculation of loss given default (LGD)

Loss given default (LGD) is the share the Group loses on average within seven years of the occurrence of default with respect to the exposure at default.

The calculation of LGD is based on forward-looking recovery rates. The past annual recovery rates are linked to the chosen macroeconomic variable and, based on its forecast, predictions for future recovery rates are formed.

The recovery rate used in the calculation is the share acquired by the Group after the occurrence of default either from calling on collateral or repayments. Calculations of the recovery rate take into account the actual cash flows received, and not the expected repayments from outstanding transactions.

In the ECL calculation, the annual prediction LGD is taken into account and can differ by year (depending on the forecast of macroeconomic variables that were used in forming the prediction).

The LGD parameter is calculated for (i) collateralised exposures, and (ii) exposures for receivables without collateral, which also includes receivables with types of collateral that are not taken into account in the calculation of LGD for the collateralised portion of the receivable. The LGD parameter is calculated separately for corporate customers and jointly for natural persons, farmers and private individuals without a registration number.

Calculations of expected credit losses for sovereign exposure are based on LGD values laid down in Article 161(1) of Regulation (EU) No 575/2013 (CRR).

Calculation of exposure at default (EAD)

As at the reporting day, the actual exposure (EAD) is taken into account for each financial Instrument. If in the future, the exposure of a financial instrument changes in accordance with the contractually agreed repayment of interest and the principal, all future expected exposures of a financial instrument until its maturity are recalculated on the reporting day. If a delay in the payment of individual financial instruments should occur as at the reporting day, it is assumed that any delay will be repaid within the month following the reporting day. In the event of overpayment of instalment loans, the expected future exposure does not decrease until overpayments are equivalent to the expected exposure under the amortisation schedule. In the event of overpayment of annuity loans, the expected future exposure is regularly decreased by the amount of annuity, which results in advance repayment of loan.

If in the future, the exposure of a financial instrument is not liable to change in accordance with the contractually agreed repayment of interest and the principal, i.e. if the movement of exposure of a financial instrument is not known in advance (in case of a revolving loan, overdraft loan, limit, etc.), the actual exposure of a financial instrument as at the reporting day is taken into account in all months until the instrument's maturity.

Calculation of credit conversion factor (CCF)

Used as a conversion factor is the regulatory defined CCF as laid down in Article 111(2) of the Regulation (EU) 2024/1623 (CRR3), which corresponds to the off-balance sheet item based on being classified into a risk category pursuant to the Annex 1 to the CRR3.

Calculation of discount factor

Monthly weighted expected credit losses are discounted using a discount factor calculated from the effective interest rate, or the contractual interest rate if the Group has no information on the effective interest rate.

The Group regularly examines the Methodology for assessing credit risk losses, and the assumptions used in assessing losses.

INDIVIDUAL ASSESSMENT OF CREDIT LOSSES

In accordance with the definition of non-performing exposures, the Group individually assesses expected credit losses for DBS leasing transactions and material exposures to the Bank. Non-performing exposures are all exposures regarding which a default is considered to have happened pursuant to Article 178 of the CRR, and exposures which have been found impaired pursuant to the valid accounting standard.

The expected loss is calculated as the difference between the asset's carrying amount and estimated future cash flows that are discounted at the original effective interest rate of the financial asset. Expected cash flows are evaluated against the type of scenario, i.e. whether the approach used is that of business as a going concern or not a going concern.

For exposures approved after 26 April 2019, which are defined as NPEs, Regulation (EU) 2019/630 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards the minimum loss coverage for non-performing exposures (hereinafter: Regulation 2019/630) shall be strictly taken into account when calculating individual impairments.

Changes to assessment techniques and material assumptions

Since December 2019, deductions from market value of property are also taken into account when calculating individual expected credit losses. These are calculated separately for residential and commercial property. In 2024, there was a change in the set of exposures for which individual credit losses are calculated. In December 2019, the method of calculating LGD was changed, in which forward-looking information is included in accordance with the new methodology. Starting in August 2023, transition matrices for calculating PD are adjusted to account for year–on-year transitions to the default status, and starting in July 2025, they will also account for "exit"[1] cases.

Impact of the value of collateral on the calculation of expected credit losses

For collateral, the Group only accepts property that conforms to its internal rules on collateral and complies with the conditions for mitigating credit risk as stipulated in Section 4 of CRR. In granting new transactions, the Group consistently follows its internal rules determining the loan-to-value ratio (LTV). With respect to housing loans intended for the construction of residential property, the Group also takes into account the growing mortgage value principle, with the future value of the completed property being assessed and the required LTV having to be reached by the completion of construction.

The value of collateralised assets affects the calculation of expected credit losses for individually impaired exposures in group 3 and through the LGD parameter. The LGD parameter is assessed using a defaulted obligors sample and used in the collective assessment of credit losses (for non-defaulted obligors, i.e. groups 1 and 2). In the calculation of expected credit loss, LGD is used with respect to the type of customer and type of collateral. If an exposure has several types of collateral, the calculation of expected credit loss is based on the LGD of the primary collateral.

[1] Customers who are no longer in the portfolio at the end of the period are called "exit" cases.

The table below shows the shares of the Group's receivables for classification according to credit rating grades, and the shares of those for which impairments and provisions have been formed under IFRS.

Credit rating grade	Group DBS				DBS d. d.			
	2025		2024		2025		2024	
	Total receivables for classification (%)	Receivables impairments and provisions for classification under IFRS (%)	Total receivables for classification (%)	Receivables impairments and provisions for classification under IFRS (%)	Total receivables for classification (%)	Receivables impairments and provisions for classification under IFRS (%)	Total receivables for classification (%)	Receivables impairments and provisions for classification under IFRS (%)
1. A	78.6	0.1	88.2	0.1	77.9	0.1	87.6	0.1
2. B	18.1	1.1	9.8	1.2	19.0	1.1	10.7	1.2
3. C	2.1	4.5	0.9	9.7	2.0	4.3	0.8	9.3
4. D	0.3	52.8	0.2	52.4	0.3	53.5	0.2	52.4
5. E	0.2	98.0	0.1	96.5	0.2	98.0	0.1	96.6
6. P	0.8	27.6	0.8	34.9	0.6	27.9	0.7	36.2
	100.0	0.9	100.0	0.7	100.0	0.8	100.0	0.7

In 2025, compared to 2024, the total amount of receivables for classification at the Group level increased by 4.4% and the total amount of formed provisions and impairments by 24.1%. At the year-end of 2025, the majority, i.e. 78.6% of the Group's receivables for classification were given an A credit rating, followed by receivables for classification given a B credit rating, which represented 18.1% of all receivables for classification, and receivables for classification in the credit rating grade of individually impaired customers (P), which represented 0.8% of all receivables for classification. Impairments and provisions were formed for the latter under IFRS on the basis of the amounts of collateral and expected future cash flows.

At the Bank level, the total amount of receivables for classification increased by 4.5% and the total amount of formed impairments and provisions decreased by 2.4%. At the year-end of 2025, the majority, i.e. 77.9% of the Bank's receivables for classification were given an A credit rating, followed by receivables for classification given a B credit rating, which represented 19.0% of all receivables for classification, and receivables for classification in the credit rating grade C, which represented 2.0% of all receivables for classification.

5.1.4. Loans and receivables

Consistent with its strategy, in 2025, the Group again focused on banking for the retail segment, farmers and SMEs. Those customers were prioritised which, in addition to exhibiting creditworthiness, provided adequate collateral, so as to minimise the possible increase in the exposure to credit risk.

(a) Loans and receivables non past due and not impaired, and loans and receivables collectively assessed as impaired

	Group DBS				DBS d. d.			
	2025		2024		2025		2024	
	Loans to customers	Loans to banks	Loans to customers	Loans to banks	Loans to customers	Loans to banks	Loans to customers	Loans to banks
Non past due and not impaired	104	0	2,198	0	96	0	2,192	0
Impaired	891,719	5	863,302	0	887,698	14	859,223	0
Gross amounts	891,823	5	865,500	0	887,793	14	861,415	0
Revaluation allowance for impairments of loans	(13,610)	0	(11,154)	0	(12,951)	0	(10,552)	0
Net amounts	**878,213**	**5**	**854,346**	**0**	**874,842**	**14**	**850,863**	**0**

The table above shows the amounts of drawn loans to customers and to banks, with loans that are neither due nor impaired including all transactions which will mature in periods after 31 December 2025 and whose impairment percentage equals 0. Loans whose impairment charge is higher than 0 are recorded under impaired loans. Value adjustment is also shown only for the balance sheet portion of exposure.

The total value of the Group's loans and receivables in financial year 2025 was up 3% from 2024. The reported impairments of loans and receivables totalled EUR 13,610 thousand (2024: EUR 11,154 thousand). Pursuant to IFRS 9, the Group also measures impairments for receivables from banks. The Group did not have a total amount of impairments on such exposures in 2024. The total amount of impairments on such exposures was negligible in 2025 due to the estimated low credit risk.

The total value of the Bank's loans and receivables in financial year 2025 was up 3% from 2024. The reported impairments of loans and receivables totalled EUR 12,951 thousand (2024: EUR 10,552 thousand).Pursuant to IFRS 9, the Bank also measures impairments for receivables from banks. The Bank did not have a total amount of impairments on such exposures in 2024. The total amount of impairments on such exposures was negligible in 2025 due to the estimated low credit risk.

(b) Loans and receivables individually assessed as impaired

Loans and advances to customers (loans and receivables)

Individually impaired loans to customers and receivables from customers, without individually impaired loans to banks (upon transition to IFRS 9, receivables from banks are no longer classified as individually impaired, resulting from which individually impaired loans to banks equal 0) and before considering cash flows from collateral held by the Group, amount to EUR 12,937 thousand (2024: EUR 6,196 thousand).

At the end of the year, the Bank had no exposure to individually impaired large companies that would show past due receivables. Individually impaired loans to micro, small and medium-sized enterprises with overdue receivables increased by 189% or EUR 7,050 thousand. Individually impaired loans to individuals decreased by EUR 309 thousand or 12%.

The total amount of individually impaired loans and receivables according to categories, together with the fair value of their collateral that the Group and the Bank hold as a guarantee, breaks down into:

Group DBS

	Retail	Corporate		Banks	Total
2025	Loans and receivables	Large	SME*		
Individually impaired loans	2,162	0	10,775	0	12,937
- Past due up to 15 days	202	0	879	0	1,081
- Past due 16 to 30 days	0	0	0	0	0
- Past due 31 to 90 days	47	0	708	0	755
- Past due over 90 days	1,913	0	9,188	0	11,101
Impairment charge	178	0	3,420	0	3,598
Fair value of collateral	3,337	0	11,896	0	15,233

* Micro, small and medium enterprises.

	Retail	Corporate		Banks	Total
2024	Loans and receivables	Large	SME*		
Individually impaired loans	2,471	0	3,725	0	6,196
Impairment charge	563	0	1,309	0	1,872
Fair value of collateral	4,955	0	4,724	0	9,679

* Micro, small and medium enterprises.

DBS d. d.

2025	Retail	Corporate		Banks	Total
	Loans and receivables	Large	SME*		
Individually impaired loans	1,668	0	8,490	0	10,158
- Past due up to 15 days	169	0	778	0	947
- Past due 16 to 30 days	0	0	0	0	0
- Past due 31 to 90 days	0	0	0	0	0
- Past due over 90 days	1,499	0	7,712	0	9,211
Impairment charge	109	0	2,726	0	2,835
Fair value of collateral	2,024	0	6,243	0	8,268

* Micro, small and medium enterprises.

2024	Retail	Corporate		Banks	Total
	Loans and receivables	Large	SME*		
Individually impaired loans	1,857	0	979	0	2,836
Impairment charge	380	0	261	0	641
Fair value of collateral	3,861	0	1,560	0	5,421

* Micro, small and medium enterprises.

Loans and advances to banks (loans and receivables)

The Group had no exposure to banks at the end of 2025.

(c) Performing, non-performing exposures, and restructured exposures

Consistent with the Regulation on the Management of Credit Risk Losses of Banks and Savings Banks, the Group treats restructured financial assets as financial assets received – due to the debtor's inability to pay their debt under the initially agreed terms of the original loan agreement – under amended terms (by means of an additional agreement) or under a new loan agreement that stipulates a partial or full repayment of the original debt. Agreements with a restructuring clause also fall into this category. The criteria for identifying performing and non-performing exposures, and restructured and non-restructured exposures, the treatment and management of restructured exposures, restructuring measures for debtors and the reporting system in the Group are all governed by the internal Rules on Managing Non-performing and Restructured Exposures to Debtors.

At the end of 2025, the Bank reported EUR 12,631 thousand in restructured exposures, of which EUR 5,590 thousand were performing and EUR 7,041 thousand were non-performing. Compared to 2024, the amount of restructured exposures increased by EUR 1,995 thousand, an increase of EUR 2,637 thousand in performing forborne exposures and a decrease of EUR 642 thousand in non-performing exposures.

	Total exposure	
	31 Dec 2024	31 Dec 2025
Performing forborne exposures	2,952	5,590
Non-performing forborne exposures	7,683	7,041
Total forborne exposures	**10,635**	**12,631**

At Group level, the amount is the same as the subsidiaries do not report restructured transactions.

5.1.5. Movements in revaluation allowance and gross value of financial assets and provisions for off-balance sheet liabilities

Movements in revaluation allowance and provisions for off-balance sheet liabilities

a) Movements in revaluation alowance of financial assets measured at amortised cost – loans, other financial assets, debt securities, other assets and demand deposits at banks

Group DBS					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,657	2,742	7,205	0	11,604	2,080	3,815	6,841	0	12,736
Transferred to Group 1	1,740	(1,586)	(154)	0	0	961	(961)	0	0	0
Transferred to Group 2	(571)	1,505	(934)	0	0	(239)	1,196	(957)	0	0
Transferred to Group 3	(18)	(1,143)	1,161	0	0	(25)	(461)	486	0	0
Enhancements through issuing and acquisition	1,102	163	501	0	1,766	890	252	333	0	1,475
Decreases through derecognition	(159)	(269)	(824)	0	(1,252)	(233)	(153)	(1,891)	0	(2,277)
Changes due to change in credit risk (net)	(1,229)	1,393	1,529	0	1,693	(1,777)	(946)	3,267	0	544
Write-downs*	1	0	0	0	1	0	0	(874)	0	(874)
Other adjustments	315	12	(12)	0	315	0	0	0	0	0
As at 31 December	**2,838**	**2,817**	**8,472**	**0**	**14,127**	**1,657**	**2,742**	**7,205**	**0**	**11,604**
Write-downs recorded directly in the income statement	0	0	0	0	0	(1)	0	(46)	0	(47)

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

In 2025, there were no loans and advances regarding which modification or change effects should be recognised.

DBS d. d.					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,797	2,469	6,559	0	10,825	2,293	3,529	6,804	0	12,626
Transferred to Group 1	1,723	(1,574)	(149)	0	0	924	(924)	0	0	0
Transferred to Group 2	(383)	1,285	(902)	0	0	(214)	1,169	(955)	0	0
Transferred to Group 3	(8)	(954)	962	0	0	(26)	(352)	378	0	0
Enhancements through issuing and acquisition	1,081	163	501	0	1,745	864	250	334	0	1,448
Decreases through derecognition	(159)	(269)	(823)	0	(1,251)	(208)	(144)	(1,890)	0	(2,242)
Changes due to change in credit risk (net)	(1,297)	1,492	1,549	0	1,744	(1,836)	(1,059)	2,762	0	(133)
Write-downs*	1	0	0	0	1	0	0	(874)	0	(874)
Other adjustments	313	12	(12)	0	313	0	0	0	0	0
As at 31 December	**3,068**	**2,624**	**7,685**	**0**	**13,377**	**1,797**	**2,469**	**6,559**	**0**	**10,825**

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

In 2025, there were no loans and advances regarding which modification or change effects should be recognised.

b) Movements in revaluation allowance for balances at central bank and sight deposits at banks

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	0	0	0	0	0	7	30	0	0	37
Transferred to Group 1	0	0	0	0	0	54	(54)	0	0	0
Transferred to Group 2	0	0	0	0	0	(18)	18	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
Enhancements through issuing and acquisition	0	0	0	0	0	34	0	0	0	34
Decreases through derecognition	0	0	0	0	0	(6)	0	0	0	(6)
Changes due to change in credit risk (net)	0	0	0	0	0	(71)	6	0	0	(65)
As at 31 December	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	0	0	0	0	0	7	30	0	0	37
Transferred to Group 1	0	0	0	0	0	54	(54)	0	0	0
Transferred to Group 2	0	0	0	0	0	(18)	18	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
Enhancements through issuing and acquisition	0	0	0	0	0	34	0	0	0	34
Decreases through derecognition	0	0	0	0	0	(6)	0	0	0	(6)
Changes due to change in credit risk (net)	0	0	0	0	0	(71)	6	0	0	(65)
As at 31 December	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

c) Movements in revaluation allowance for debt securities measured at amortised cost

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	103	0	0	0	103	133	0	0	0	133
Enhancements through issuing and acquisition	176	0	0	0	176	42	0	0	0	42
Decreases through derecognition	0	0	0	0	0	(64)	0	0	0	(64)
Changes due to change in credit risk (net)	(54)	0	0	0	(54)	(8)	0	0	0	(8)
As at 31 December	**225**	**0**	**0**	**0**	**225**	**103**	**0**	**0**	**0**	**103**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	103	0	0	0	103	133	0	0	0	133
Transferred to Group 1	0	0	0	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	0	0	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
Enhancements through issuing and acquisition	176	0	0	0	176	42	0	0	0	42
Decreases through derecognition	0	0	0	0	0	(64)	0	0	0	(64)
Changes due to change in credit risk (net)	(54)	0	0	0	(54)	(8)	0	0	0	(8)
As at 31 December	**225**	**0**	**0**	**0**	**225**	**103**	**0**	**0**	**0**	**103**

d) Movements in revaluation allowance for loans and other financial assets measured at amortised cost

Group DBS					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,554	2,742	7,204	0	11,500	1,940	3,785	6,766	0	12,491
Transferred to Group 1	1,740	(1,586)	(154)	0	0	907	(907)	0	0	0
Transferred to Group 2	(571)	1,505	(934)	0	0	(221)	1,178	(957)	0	0
Transferred to Group 3	(18)	(1,143)	1,161	0	0	(25)	(459)	484	0	0
Enhancements through issuing and acquisition	926	163	501	0	1,590	813	252	333	0	1,398
Decreases through derecognition	(159)	(269)	(823)	0	(1,251)	(162)	(153)	(1,797)	0	(2,112)
Changes due to change in credit risk (net)	(1,175)	1,393	1,529	0	1,747	(1,698)	(954)	3,249	0	597
Write-downs*	1	0	0	0	1	0	0	(874)	0	(874)
Other adjustments	315	12	(12)	0	315	0	0	0	0	0
As at 31 December	**2,613**	**2,817**	**8,472**	**0**	**13,902**	**1,554**	**2,742**	**7,204**	**0**	**11,500**
Write-downs recorded directly in the income statement	0	0	0	0	0	(1)	0	(46)	0	(47)

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

DBS d. d.					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,694	2,468	6,559	0	10,721	2,153	3,499	6,729	0	12,381
Transferred to Group 1	1,723	(1,574)	(149)	0	0	870	(870)	0	0	0
Transferred to Group 2	(383)	1,285	(902)	0	0	(196)	1,151	(955)	0	0
Transferred to Group 3	(8)	(954)	962	0	0	(26)	(351)	377	0	0
Enhancements through issuing and acquisition	905	163	501	0	1,569	787	250	334	0	1,371
Decreases through derecognition	(159)	(268)	(823)	0	(1,250)	(137)	(144)	(1,796)	0	(2,077)
Changes due to change in credit risk (net)	(1,243)	1,492	1,549	0	1,798	(1,757)	(1,067)	2,744	0	(80)
Write-downs*	1	0	0	0	1	0	0	(874)	0	(874)
Other adjustments	313	12	(12)	0	313	0	0	0	0	0
As at 31 December	**2,843**	**2,624**	**7,685**	**0**	**13,152**	**1,694**	**2,468**	**6,559**	**0**	**10,721**
Write-downs recorded directly in the income statement	0	0	0	0	0	(1)	0	(46)	0	(47)

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

e) Movements in revaluation allowance for other assets

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	0	0	1	0	1	0	0	75	0	75
Transferred to Group 1	0	0	0	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	0	0	0	0	0
Transferred to Group 3	0	0	0	0	0	0	(2)	2	0	0
Enhancements through issuing and acquisition	0	0	0	0	0	1	0	0	0	1
Decreases through derecognition	0	0	(1)	0	(1)	(1)	0	(94)	0	(95)
Changes due to change in credit risk (net)	0	0	0	0	0	0	2	18	0	20
As at 31 December	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**1**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	0	1	0	0	1	0	0	75	0	75
Transferred to Group 1	0	0	0	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	0	0	0	0	0
Transferred to Group 3	0	0	0	0	0	0	(1)	1	0	0
Enhancements through issuing and acquisition	0	0	0	0	0	1	0	0	0	1
Decreases through derecognition	0	(1)	0	0	(1)	(1)	0	(94)	0	(95)
Changes due to change in credit risk (net)	0	0	0	0	0	0	2	18	0	20
As at 31 December	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**1**

f) Movements in provisions for off-balance sheet commitments and contingent off-balance sheet liabilities

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	99	104	45	0	248	132	385	40	0	557
Transferred to Group 1	73	(73)	0	0	0	74	(74)	0	0	0
Transferred to Group 2	(22)	49	(27)	0	0	(13)	80	(67)	0	0
Transferred to Group 3	(2)	(8)	10	0	0	(6)	(4)	10	0	0
Enhancements through issuing and acquisition	210	180	7	0	397	104	26	7	0	137
Decreases through derecognition	(37)	(6)	(8)	0	(51)	(13)	(13)	(6)	0	(32)
Changes due to change in credit risk (net)	(53)	(90)	131	0	(12)	(179)	(296)	61	0	(414)
As at 31 December	**268**	**156**	**158**	**0**	**582**	**99**	**104**	**45**	**0**	**248**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	99	104	45	0	248	132	385	40	0	557
Transferred to Group 1	73	(73)	0	0	0	74	(74)	0	0	0
Transferred to Group 2	(22)	49	(27)	0	0	(13)	80	(67)	0	0
Transferred to Group 3	(2)	(8)	10	0	0	(6)	(4)	10	0	0
Enhancements through issuing and acquisition	210	180	7	0	397	104	26	7	0	137
Decreases through derecognition	(37)	(6)	(8)	0	(51)	(13)	(13)	(6)	0	(32)
Changes due to change in credit risk (net)	(45)	(89)	131	0	(3)	(179)	(296)	61	0	(414)
As at 31 December	**276**	**157**	**158**	**0**	**591**	**99**	**104**	**45**	**0**	**248**

Movements in gross value of financial assets and off-balance sheet liabilities

a) Movements in gross value of financial assets measured at amortised cost – loans, other financial assets, debt securities, other assets and demand deposits at banks

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,467,974	63,211	15,569	0	1,546,754	1,252,017	119,138	14,567	0	1,385,722
Transferred to Group 1	56,582	(56,429)	(153)	0	0	101,311	(100,795)	(516)	0	0
Transferred to Group 2	(59,593)	62,491	(2,898)	0	0	(42,809)	44,685	(1,876)	0	0
Transferred to Group 3	(734)	(12,282)	13,016	0	0	(680)	(7,243)	7,923	0	0
New recognition of financial assets	5,473,301	1,813	927	0	5,476,041	5,219,641	14,467	522	0	5,234,630
Decreases through derecognition	(228,079)	(3,704)	(934)	0	(232,717)	(5,023,832)	(6,049)	(2,551)	0	(5,032,432)
Write-downs*	(1)	0	0	0	(1)	(1)	(3)	(1,152)	0	(1,156)
Other changes	(5,210,404)	(8,287)	(5,499)	0	(5,224,190)	(37,672)	(989)	(1,349)	0	(40,009)
As at 31 December	**1,499,046**	**46,813**	**20,028**	**0**	**1,565,887**	**1,467,974**	**63,211**	**15,569**	**0**	**1,546,754**

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	1,467,865	59,703	13,253	0	1,540,821	1,253,828	114,082	13,804	0	1,381,714
Transferred to Group 1	55,487	(55,338)	(149)	0	0	100,483	(100,431)	(52)	0	0
Transferred to Group 2	(54,975)	57,723	(2,748)	0	0	(40,127)	41,890	(1,763)	0	0
Transferred to Group 3	(707)	(10,285)	10,992	0	0	(657)	(4,570)	5,227	0	0
New recognition of financial assets	5,461,518	1,813	927	0	5,464,258	5,209,510	14,445	522	0	5,224,477
Decreases through derecognition	(224,882)	(3,558)	(687)	0	(229,127)	(5,021,604)	(5,746)	(2,523)	0	(5,029,873)
Write-downs*	(1)	0	0	0	(1)	(1)	(3)	(1,152)	0	(1,156)
Other changes	(5,203,532)	(7,115)	(4,566)	0	(5,215,213)	(33,566)	35	(810)	0	(34,341)
As at 31 December	**1,500,773**	**42,943**	**17,022**	**0**	**1,560,738**	**1,467,865**	**59,703**	**13,253**	**0**	**1,540,821**

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

b) Movements in gross value of balances at central bank and sight deposits at banks

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	475,134	7,780	0	0	482,914	358,996	2,688	0	0	361,684
Transferred to Group 1	7,780	(7,780)	0	0	0	4,809	(4,809)	0	0	0
Transferred to Group 2	0	0	0	0	0	(3,843)	3,843	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
New recognition of financial assets	5,073,050	0	0	0	5,073,050	5,005,622	0	0	0	5,005,622
Decreases through derecognition	0	0	0	0	0	(4,891,246)	0	0	0	(4,891,246)
Other changes	(5,161,130)	0	0	0	(5,161,130)	797	6,057	0	0	6,854
As at 31 December	**394,834**	**0**	**0**	**0**	**394,834**	**475,134**	**7,780**	**0**	**0**	**482,914**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	475,134	7,780	0	0	482,914	358,996	2,688	0	0	361,684
Transferred to Group 1	7,780	(7,780)	0	0	0	4,809	(4,809)	0	0	0
Transferred to Group 2	0	0	0	0	0	(3,843)	3,843	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
New recognition of financial assets	5,073,050	0	0	0	5,073,050	5,005,622	0	0	0	5,005,622
Decreases through derecognition	0	0	0	0	0	(4,891,246)	0	0	0	(4,891,246)
Other changes	(5,161,130)	0	0	0	(5,161,130)	797	6,057	0	0	6,854
As at 31 December	**394,834**	**0**	**0**	**0**	**394,834**	**475,134**	**7,780**	**0**	**0**	**482,914**

c) Movements in gross value of debt securities measured at amortised cost

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	189,805	4,769	0	0	194,574	216,636	5,104	0	0	221,740
Transferred to Group 1	4,769	(4,769)	0	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	0	0	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
New recognition of financial assets	151,274	0	0	0	151,274	60,860	0	0	0	60,860
Decreases through derecognition	(66,218)	0	0	0	(66,218)	(89,615)	(322)	0	0	(89,937)
Other changes	(4,689)	0	0	0	(4,689)	1,924	(13)	0	0	1,911
As at 31 December	**274,941**	**0**	**0**	**0**	**274,941**	**189,805**	**4,769**	**0**	**0**	**194,574**

DBS d. d.				2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	189,805	4,769	0	0	194,574	216,636	5,104	0	0	221,740
Transferred to Group 1	4,769	(4,769)	0	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	0	0	0	0	0
Transferred to Group 3	0	0	0	0	0	0	0	0	0	0
New recognition of financial assets	151,274	0	0	0	151,274	60,860	0	0	0	60,860
Decreases through derecognition	(66,218)	0	0	0	(66,218)	(89,615)	(322)	0	0	(89,937)
Other changes	(4,689)	0	0	0	(4,689)	1,924	(13)	0	0	1,911
As at 31 December	**274,941**	**0**	**0**	**0**	**274,941**	**189,805**	**4,769**	**0**	**0**	**194,574**

d) Movements in gross value of loans and other financial assets measured at amortised cost

Group DBS					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	802,492	50,659	15,568	0	868,719	675,777	111,343	14,493	0	801,613
Transferred to Group 1	44,032	(43,880)	(152)	0	0	96,038	(95,986)	(52)	0	0
Transferred to Group 2	(59,593)	62,491	(2,898)	0	0	(38,924)	40,799	(1,875)	0	0
Transferred to Group 3	(734)	(12,282)	13,016	0	0	(677)	(7,213)	7,890	0	0
New recognition of financial assets	248,863	1,813	927	0	251,603	152,328	14,459	522	0	167,309
Decreases through derecognition	(161,317)	(3,701)	(934)	0	(165,952)	(42,368)	(5,725)	(2,442)	0	(50,535)
Write-downs*	(1)	0	0	0	(1)	(1)	(3)	(1,152)	0	(1,156)
Other changes	(44,470)	(8,288)	(5,499)	0	(58,257)	(39,681)	(7,015)	(1,816)	0	(48,512)
As at 31 December	**829,272**	**46,812**	**20,028**	**0**	**896,112**	**802,492**	**50,659**	**15,568**	**0**	**868,719**

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

DBS d. d.					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	802,887	47,151	13,252	0	863,290	678,194	106,288	13,729	0	798,211
Transferred to Group 1	42,937	(42,789)	(148)	0	0	95,674	(95,622)	(52)	0	0
Transferred to Group 2	(54,975)	57,723	(2,748)	0	0	(36,242)	38,004	(1,762)	0	0
Transferred to Group 3	(707)	(10,285)	10,992	0	0	(657)	(4,540)	5,197	0	0
New recognition of financial assets	237,080	1,813	927	0	239,820	142,483	14,437	522	0	157,442
Decreases through derecognition	(158,625)	(3,555)	(687)	0	(162,867)	(40,743)	(5,422)	(2,414)	0	(48,579)
Write-downs*	(1)	0	0	0	(1)	(1)	(3)	(1,152)	0	(1,156)
Other changes	(37,598)	(7,115)	(4,566)	0	(49,279)	(35,821)	(5,991)	(816)	0	(42,628)
As at 31 December	**830,998**	**42,943**	**17,022**	**0**	**890,963**	**802,887**	**47,151**	**13,252**	**0**	**863,290**

* Write-downs include write-offs and transfers (write-downs) of receivables to off-balance sheet in accordance with Article 32 of the Decision on Credit Risk Management for Banks and Savings Banks.

e) Movements in gross value of other assets

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	543	3	1	0	547	608	2	75	0	685
Transferred to Group 1	1	0	(1)	0	0	464	0	(464)	0	0
Transferred to Group 2	0	0	0	0	0	(42)	43	(1)	0	0
Transferred to Group 3	0	0	0	0	0	(3)	(30)	33	0	0
New recognition of financial assets	114	0	0	0	114	831	8	0	0	839
Decreases through derecognition	(544)	(3)	0	0	(547)	(603)	(2)	(109)	0	(714)
Other changes	(114)	0	0	0	(114)	(712)	(18)	467	0	(263)
As at 31 December	**0**	**0**	**0**	**0**	**0**	**543**	**3**	**1**	**0**	**547**

DBS d. d.	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	39	3	1	0	43	2	2	75	0	79
Transferred to Group 1	1	0	(1)	0	0	0	0	0	0	0
Transferred to Group 2	0	0	0	0	0	(42)	43	(1)	0	0
Transferred to Group 3	0	0	0	0	0	0	(30)	30	0	0
New recognition of financial assets	114	0	0	0	114	545	8	0	0	553
Decreases through derecognition	(39)	(3)	0	0	(42)	0	(2)	(109)	0	(111)
Other changes	(115)	0	0	0	(115)	(466)	(18)	6	0	(478)
As at 31 December	**0**	**0**	**0**	**0**	**0**	**39**	**3**	**1**	**0**	**43**

f) Movements in off-balance sheet commitments and contingent off-balance sheet liabilities

Group DBS	2025					2024				
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	87,927	4,132	92	0	92,151	67,188	15,249	107	0	82,544
Transferred to Group 1	3,899	(3,899)	0	0	0	38,325	(38,325)	0	0	0
Transferred to Group 2	(6,393)	6,460	(67)	0	0	(5,608)	5,796	(188)	0	0
Transferred to Group 3	(304)	(106)	410	0	0	(561)	(76)	637	0	0
New recognition of financial assets	107,673	3,008	22	0	110,703	39,820	34,249	27	0	74,096
Decreases through derecognition	(19,352)	(975)	(29)	0	(20,356)	(3,243)	(1,566)	(439)	0	(5,248)
Other changes	(92,805)	(2,928)	(10)	0	(95,743)	(47,994)	(11,195)	(52)	0	(59,241)
As at 31 December	**80,645**	**5,692**	**418**	**0**	**86,755**	**87,927**	**4,132**	**92**	**0**	**92,151**

DBS d. d.					2025					2024
	Group 1	Group 2	Group 3	POCI	Total	Group 1	Group 2	Group 3	POCI	Total
As at 1 January	88,927	4,132	92	0	93,151	68,189	15,249	106	0	83,544
Transferred to Group 1	3,899	(3,899)	0	0	0	38,325	(38,325)	0	0	0
Transferred to Group 2	(6,393)	6,460	(67)	0	0	(5,608)	5,796	(188)	0	0
Transferred to Group 3	(304)	(106)	410	0	0	(561)	(76)	637	0	0
New recognition of financial assets	107,673	3,008	22	0	110,703	39,820	34,249	27	0	74,096
Decreases through derecognition	(19,352)	(975)	(29)	0	(20,356)	(3,244)	(1,566)	(438)	0	(5,248)
Other changes	(92,071)	(2,928)	(10)	0	(95,009)	(47,994)	(11,195)	(52)	0	(59,241)
As at 31 December	**82,379**	**5,692**	**418**	**0**	**88,489**	**88,927**	**4,132**	**92**	**0**	**93,151**

5.1.6. Debt securities and bills

To assess the risk associated with debts, the Group uses either its internal credit ratings for issuers or the credit ratings of renowned credit rating agencies. Owing to the system of limits, investments are made into debts with good ratings.

The table below shows the Group's exposure with respect to its debt securities according to the ratings of a renowned credit rating agency, as at 31 December 2025 and 31 December 2024

Group DBS	2025				2024			
	Debt securities at amortised cost	Debt securities held for trading	Debt securities measured at fair value through other comprehensive income	Total	Debt securities at amortised cost	Debt securities held for trading	Debt securities measured at fair value through other comprehensive income	Total
AAA	17,890	0	10,454	28,344	2,999	0	5,644	8,644
AA+	16,787	0	33,633	50,420	7,144	0	1,823	8,967
AA	95,727	0	45,421	141,148	1,009	0	0	1,009
AA-	9,972	0	2,922	12,894	100,896	0	4,976	105,872
A+	5,037	0	4,977	10,014	3,479	0	0	3,479
A	499	0	0	499	480	0	0	480
A-	1,502	0	3,257	4,759	503	0	0	503
BBB+	0	0	0	0	479	0	0	479
BBB	7,850	0	9,986	17,835	0	0	0	0
BBB-	0	0	0	0	0	0	0	0
Unrated	4,763	0	4,040	8,803	21,744	0	43,294	65,038
Total	**160,027**	**0**	**114,690**	**274,717**	**138,734**	**0**	**55,737**	**194,471**

DBS d. d.	2025				2024			
	Debt securities at amortised cost	Debt securities held for trading	Debt securities measured at fair value through other comprehensive income	Total	Debt securities at amortised cost	Debt securities held for trading	Debt securities measured at fair value through other comprehensive income	Total
AAA	17,890	0	10,454	28,344	2,999	0	5,644	8,644
AA+	16,787	0	33,633	50,420	7,144	0	1,823	8,967
AA	95,727	0	45,421	141,148	1,009	0	0	1,009
AA-	9,972	0	2,922	12,894	100,896	0	4,976	105,872
A+	5,037	0	4,977	10,014	3,479	0	0	3,479
A	499	0	0	499	480	0	0	480
A-	1,502	0	3,257	4,759	503	0	0	503
BBB+	0	0	0	0	479	0	0	479
BBB	7,850	0	9,986	17,835	0	0	0	0
BBB-	0	0	0	0	0	0	0	0
Unrated	4,763	0	4,040	8,803	21,744	0	43,294	65,038
Total	**160,027**	**0**	**114,690**	**274,717**	**138,734**	**0**	**55,737**	**194,471**

Both in 2025 and 2024, the largest proportion of our debts portfolio were Slovene state bonds, which totalled EUR 239.3 million (the year-end of 2024: EUR 185.2 million). Alongside state bonds, the Group's portfolio also included institutions' bonds totalling EUR 30.4 million. The rest of the portfolio in the amount of EUR 5 million are corporate bonds issued by major global companies. The Group's proprietary portfolio included no subordinated, structured and non-investment grade debt securities.

5.1.7. Collateral acquired by prescription

In 2025, the Group acquired assets by calling on the collateral held as guarantee, namely:

				Carrying amount
		Group DBS		DBS d. d.
	2025	2024	2025	2024
Property	921	77	2	77
Equipment	0	0	0	0
Total	**921**	**77**	**2**	**77**

5.1.8. Breakdown of all exposure classes according to remaining maturity: up to 1 year and over 1 year

The table below gives the remaining maturities according to exposure classes.

Group DBS

		Remaining maturity as at 31 December 2025			Remaining maturity as at 31 December 2024		
	Exposure category	Up to 1 year	Over 1 year	TOTAL	Up to 1 year	Over 1 year	TOTAL
01	Central government and central banks	435,645	309,357	745,002	664,084	213,054	877,138
02	Regional and local government	2,553	175,211	177,763	13,429	83,755	97,184
03	Public sector entities	2,254	5,350	7,604	1,306	7,300	8,606
04	MDB	0	6,592	6,592	539	0	539
05	International organisations	2,003	25,136	27,139	1,980	3,777	5,757
06	Institutions	17,419	6,935	24,354	20,485	4,782	25,267
07	Corporate	22,973	29,256	52,229	46,431	20,468	66,899
08	Retail exposures	86,055	197,046	283,100	75,013	207,776	282,789
09	Secured by mortgages of immovable property	28,194	271,056	299,250	26,830	238,250	265,080
10	Exposures in default	6,429	5,385	11,814	5,467	3,730	9,197
11	Regulatory high risk categories	0	10,006	10,006	271	9	280
14	Investments in investment funds	3,168	0	3,168	100	2,784	2,884
15	Other exposure	68	0	68	23,903	2,083	25,986
16	Equity exposure	0	37,460	37,460	96	0	96
	As at 31 December	606,760	1,078,789	1,685,550	879,934	787,768	1,667,702

DBS d. d.

		Remaining maturity as at 31 December 2025			Remaining maturity as at 31 December 2024		
	Exposure category	Up to 1 year	Over 1 year	TOTAL	Up to 1 year	Over 1 year	TOTAL
01	Central government and central banks	435,645	309,357	745,002	663,588	213,054	876,642
02	Regional and local government	2,553	175,211	177,763	13,429	83,755	97,184
03	Public sector entities	2,254	5,316	7,571	1,306	7,300	8,606
04	MDB	0	6,592	6,592	539	0	539
05	International organisations	2,003	25,136	27,139	1,980	3,777	5,757
06	Institutions	17,419	7,188	24,607	20,485	4,782	25,267
07	Corporate	24,784	43,360	68,144	42,896	35,865	78,761
08	Retail exposures	84,453	179,851	264,304	74,152	193,322	267,474
09	Secured by mortgages of immovable property	28,194	271,056	299,250	27,935	238,027	265,962
10	Exposures in default	5,400	4,194	9,594	3,855	3,668	7,523
11	Regulatory high risk categories	0	10,006	10,006	271	9	280
14	Investments in investment funds	3,168	0	3,168	100	2,784	2,884
15	Other exposure	5,311	0	5,311	23,776	1,974	25,750
16	Equity exposure	0	37,358	37,358	5,338	0	5,338
	As at 31 December	611,184	1,074,626	1,685,809	879,650	788,317	1,667,967

At the year-end of 2025, 36% of the Group's exposure had maturities of up to one year and 64% over one year. The net exposure value in 2025 was 2 percentage points higher than in 2024. In absolute terms, the largest increases in 2025 were in exposures to regional or local government units, exposures secured by mortgages on property, exposures to international organisations, other items and exposures in default. The largest decreases were observed in exposures to central governments or central banks and to corporate customers. In conformity with its internal policies, the Group has removed balance sheet exposures from the statement of financial position to keep them in off-balance sheet records. This relates to exposures for which it has ensured to cover them in total by applying revaluation allowance or provisions for credit risk losses. These are not comprised in the table showing exposure classes. The exposure classes shown include prudential consolidation, the basis for which is financial statements on such prudential basis.

5.1.9. Capital requirements according to exposure classes

The Group calculates the capital requirement for credit risk according to the standardised approach.

Group DBS

		2025		2024	
	Exposure category	Net exposure	Capital requirement	Net exposure	Capital requirement
01	Central government and central banks	745,003	605	877,138	608
02	Regional and local government	177,763	2,822	97,184	1,548
03	Public sector entities	7,604	291	8,606	128
04	MDB	6,592	0	539	0
05	International organisations	27,139	0	5,757	0
06	Institutions	24,354	394	25,267	1,130
07	Corporate	52,229	2,737	66,899	3,910
08	Retail exposures	283,100	14,444	282,789	14,307
09	Secured by mortgages of immovable property	299,250	11,913	265,080	9,577
10	Exposures in default	11,814	1,119	9,197	968
11	Regulatory high risk categories	10,006	80	280	31
14	Investments in investment funds	3,168	74	2,884	46
15	Other exposure	68	5	25,986	1,328
16	Equity exposure	37,460	2,327	96	8
	As at 31 December	1,685,550	36,813	1,667,702	33,589

The exposure levels for on-balance sheet and off-balance sheet assets are given on the basis of net carrying amounts as reported in the statement of financial position, including off-balance sheet figures, and grouped into classes of exposure pursuant to CRR/CRD IV.

5.2. Market risk

In managing market risk, the Group relies on the Risk-taking and Risk Management Policy for Market Risk. In compliance with this policy, market risk management is a collaboration of:

- front office (Financial Markets Section),
- various sections (Financial Management Section, Risk Management Section),
- various committees (Liquidity Committee, Asset-Liability Committee).

The Group monitors market risk by means of:

- prompt data on trading positions, spending of limits and overdrafts, and exposure to different risks;
- prompt data on currency positions;
- daily reporting on securities trading;
- end-of day reporting on overdrafts, and
- monthly reporting on capital requirements for market risk.

To manage market risks, the Group has:
- adopted the Risk-taking and Risk Management Strategy, which also includes a chapter on market risk;
- set limit values for certain exposures in the Limit System;
- set up internal controls in the Treasury Division and Process Support Section; and
- introduced regular stress tests.

The Group's exposure to market risk is low as it complies with the policy of portfolio diversification and invests in high-quality assets in countries with a high credit rating, avoiding investments with speculative-grade ratings.

ESG factors (environmental, social and governance risks) are becoming an increasingly important aspect of the operations of financial institutions, as they can have a direct impact on the stability of market and credit portfolios. For market risk, which covers changes in the prices of financial instruments, the Bank does not directly assess ESG risks, but still captures them to some extent through the way securities are valued.

The Bank uses prices obtained from recognised and trusted platforms such as Bloomberg and Reuters to value financial instruments. These platforms combine market data from different sources and take into account all available information, including that derived from ESG factors.

Market risk management is based on a diversified system of position limits (limits on equity and debt security positions, limits on exposure to individual types of issuers, limits of maximum possible loss, limits according to individual authorised persons, etc.), the adequacy of which the Group regularly reviews and adjusts, if necessary.

Due to the increased volatility of capital markets (compared to bond markets and money markets), the Group devotes special attention to its equity positions. To this end, it has in place the additional "stop-loss" limit system for each position on both the domestic and foreign markets, which daily examines the set limits.

The rigorous system of limits, which requires that the securities portfolio be diversified and highly liquid as well as that issuers have good credit ratings, keeps the Group's appetite for assuming market risk at a low level.

As at 31 December 2025, the Group had no investments in its trading portfolio.

5.2.1. Methods for measuring risk related to trading in trading portfolio debt and equity securities

In order to measure and manage extreme losses that would occur in cases of heavily deteriorated market situations, the Group performs additional monthly stress tests for the debt and equity trading portfolio.

5.2.2. Foreign exchange risk

Foreign exchange risk is monitored and managed on a daily basis. Limits of maximum acceptable exposures to foreign exchange risk are clearly defined and monitored daily.

The Treasury Division implements the following measures to balance currency positions and currency consistency and to mitigate the exchange rate risk:
- spot and forward purchases and sales of foreign exchange in the interbank market,
- setting daily exchange and mean rates.

In 2025, the Group promptly balanced the differences between purchases and sales of foreign exchange, which were mainly the result of payment and foreign exchange transactions. Exposure towards financial instruments denominated in foreign currencies was very low and consistent with the set limits.

The tables below show assets and liabilities as at 31 December 2025 and 31 December 2024 by currency.

Group DBS

FOREIGN EXCHANGE RISK as at 31 December 2025					
Balance sheet items	**EUR**	**USD**	**CHF**	**OTHER**	**TOTAL**
Cash, balances at central banks, and sight deposits at banks	398,054	2,181	1,843	1,122	403,200
Financial assets measured at fair value through other comprehensive income	115,378	2,126	0	410	117,914
Financial assets measured at amortised cost	1,037,804	436	3,997	0	1,042,237
- Debt securities	155,734	435	3,857	0	160,027
- Loans to customers	878,074	0	139	0	878,213
- Other financial assets	3,991	1	0	0	3,992
Tangible assets	24,501	0	0	0	24,501
- Property, plant and equipment	12,551	0	0	0	12,551
- Investment property	11,950	0	0	0	11,950
Intangible assets	5,574	0	0	0	5,574
Income tax assets	5,640	0	0	0	5,640
- Current tax assets	2,613	0	0	0	2,613
- Deferred tax assets	3,027	0	0	0	3,027
Other assets	2,024	0	0	0	2,024
TOTAL ASSETS (1)	**1,588,975**	**4,743**	**5,839**	**1,532**	**1,601,090**
Financial liabilities measured at amortised cost	1,467,191	4,729	5,805	1,496	1,479,220
- Deposits by banks and central banks	1,439	0	0	0	1,439
- Deposits by customers	1,454,360	4,729	5,803	1,496	1,466,388
- Other financial liabilities	11,126	0	1	0	11,127
Provisions	2,434	0	0	0	2,434
Income tax liabilities	182	0	0	0	182
- Current tax liabilities	4	0	0	0	4
- Deferred tax liabilities	178	0	0	0	178
Other liabilities	5,728	0	0	0	5,728
TOTAL LIABILITIES (2)	**1,475,535**	**4,729**	**5,805**	**1,496**	**1,487,564**
MISMATCH (1) less (2)	**113,440**	**14**	**35**	**36**	**113,526**
Off-balance sheet liabilities	**86,755**	**0**	**0**	**0**	**86,755**

FOREIGN EXCHANGE RISK as at 31 December 2024					
Balance sheet items	**EUR**	**USD**	**CHF**	**OTHER**	**TOTAL**
Total assets	1,568,375	4,789	5,749	1,301	1,580,214
Total liabilities	1,456,010	4,749	5,748	1,258	1,467,765
MISMATCH (1) less (2)	**112,365**	**40**	**1**	**43**	**112,449**
Off-balance sheet liabilities	**92,152**	**0**	**0**	**0**	**92,152**

DBS d. d.

FOREIGN EXCHANGE RISK as at 31 December 2025					
Balance sheet items	**EUR**	**USD**	**CHF**	**OTHER**	**TOTAL**
Cash, balances at central banks, and sight deposits at banks	398,054	2,181	1,843	1,122	403,200
Financial assets measured at fair value through other comprehensive income	115,378	2,126	0	410	117,914
Financial assets measured at amortised cost	1,033,475	436	3,928	0	1,037,839
- Debt securities	155,734	435	3,857	0	160,027
- Loans to customers	874,772		70	0	874,842
- Other financial assets	2,955	1	0	0	2,956
Long-term equity participation in subsidiaries, associates and joint ventures	5,243	0	0	0	5,243
Tangible assets	24,399	0	0	0	24,399
- Property, plant and equipment	12,449	0	0	0	12,449
- Investment property	11,950	0	0	0	11,950
Intangible assets	5,478	0	0	0	5,478
Income tax assets	5,510	0	0	0	5,510
- Deferred tax assets	3,027	0	0	0	3,027
Other assets	703	0	0	0	703
TOTAL ASSETS (1)	**1,588,240**	**4,743**	**5,771**	**1,532**	**1,600,286**
Financial liabilities measured at amortised cost	1,467,046	4,729	5,769	1,496	1,479,040
- Deposits by banks and central banks	1,439	0	0	0	1,439
- Deposits by customers	1,454,572	4,729	5,768	1,496	1,466,565
- Other financial liabilities	11,035	0	1	0	11,036
Provisions	2,380	0	0	0	2,380
Income tax liabilities	178	0	0	0	178
- Current tax liabilities	0	0	0	0	0
- Deferred tax liabilities	178	0	0	0	178
Other liabilities	5,502	0	0	0	5,502
TOTAL LIABILITIES (2)	**1,475,106**	**4,729**	**5,769**	**1,496**	**1,487,100**
MISMATCH (1) less (2)	**113,134**	**14**	**2**	**36**	**113,186**
Off-balance sheet liabilities	**88,489**	**0**	**0**	**0**	**88,489**

FOREIGN EXCHANGE RISK as at 31 December 2024					
Balance sheet items	**EUR**	**USD**	**CHF**	**OTHER**	**TOTAL**
Total assets	1,567,533	4,789	5,767	1,301	1,579,390
Total liabilities	1,455,826	4,749	5,748	1,258	1,467,581
Mismatch (1) less (2)	**111,707**	**40**	**19**	**43**	**111,809**
Off-balance sheet liabilities	**93,151**	**0**	**0**	**0**	**93,151**

As at 31 December 2025, the Bank reported no capital requirements for foreign exchange risk, as its net currency position did not exceed 2% of the Bank's capital.

5.3. Interest rate risk and credit spread risk

For managing interest rate risk, the Group uses the Risk-taking and Risk Management Policy for interest rate risk in the banking book and the credit spread risk arising from non-trading book activities. Taking interest rate risk and managing it within the Group is a collaboration of:

- front office (Branch Network, Financial Markets Section),
- various sections (Financial Management Section, Risk Management Section),
- various committees (Lending Committee, Liquidity Committee, Asset-Liability Committee).

Monthly, the Group monitors exposure to interest rate risk with reference to items in the banking book. In doing so, it applies the internal methodology of interest rate sensitivity gap reports according to the type of maturity and time periods relative to the following setting of interest rates (so-called gap analysis). Interest rate gaps show the difference between the cash flows of interest-sensitive assets and interest-sensitive liabilities according to duration gaps. The Group takes behavioural risk into account and includes it in its interest rate risk calculations. It assesses at least annually the magnitude of behavioural risk, namely: early termination of corporate and retail deposits, early repayment of corporate and retail loans, off-balance sheet items, non-performing exposures, and automatic options. Early terminations of corporate and retail deposits and non-performing exposures were below the regulatory materiality threshold in 2025 and are therefore not taken into account in the calculation of EVE and NII. Automatic options refer to loans with a floating interest rate, which have an interest rate floor defined in the loan agreements (Euribor cannot be negative or lower than 0.00%). The Group includes the net present value of automatic options in the EVE calculation as an add-on when the contractual clause is activated or when the Euribor falls below 0.00%. Early repayments of corporate and retail loans and the largest off-balance sheet items, such as limits on transaction accounts and revolving credit facilities, proved material in 2025.

In the analysis of interest rate risk, the Group takes into consideration the distribution of stable demand deposits separately for natural persons, and savings deposits in accordance with the internal model, i.e. by transferring them from the O/N basket to other baskets with regard to continuity. The Bank distributes core part of stable sight deposits for natural persons and bank's savings deposits into time buckets of up to 14 years, whereas unstable deposits are assumed to become due immediately. For deposits without an agreed maturity, the maximum average maturity of 5 years might be used in conformity to the interest rate risk management guidelines, whereas the actual average maturity used by the Group for stable deposits without an agreed maturity is considerably shorter than the maturity mentioned, and was at 2.16 years as at 31 December 2025.

Reports on exposure to interest rate risk are reviewed by the Bank's Asset-Liability Committee and Risk Management Committee on a monthly basis, and communicated to the Supervisory Board on a quarterly basis.

The Group calculates monthly the impact of different interest rate shocks on the Economic Value of Equity (EVE), which demonstrates the present value of future cash flows and provides a comprehensive overview of the potential long-term effects of changes in interest rates based on six standard market interest rate shock scenarios. Based on the results of the standardised stress scenario, the DBS Group estimated the maximum negative impact on EVE at the end of 2025 in the amount of EUR 10,150 thousand.

Estimate of the impact of a 200 basis point change in the interest rate on the economic value of the banking book positions:

	Group DBS		DBS d. d.	
	31. 12. 2025	31. 12. 2024	31. 12. 2025	31. 12. 2024
Interest rate risk in the banking book - EVE	10,150	5,179	10,150	5,179
Interest rate risk in the banking book - EVE as % of equity	9.97%	5.40%	9.92%	5.40%

Measuring, monitoring and examining interest rate risk in the Group is kept separate from adopting decisions on banking positions, which prevents conflicts of interest. This is conducted by the Risk Management Section, which regularly monitors all activities in this area.

The Group calculates NII - Net Interest Income of its non-trading book activities for a period of one year. The calculation consists of:

- calculation of contribution of the projected risk-free interest rate to the reinvestment or refinancing of the nominal cash flows subject to the interest rate adjustment;
- calculation of contribution of the projected market return for the reinvestment or refinancing of the nominal cash flows subject to the interest rate adjustment;
- calculation of interest payments or the portion of interest payments accruing up to and including the redetermination date;
- changes in market value for instruments held at fair value with maturity after the period for calculating net interest income;
- mark-up on net interest income for basis risk;
- calculation of net interest income and changes in net interest income.

Estimate of the impact of a 200 basis point change in the interest rate on the level of net interest income for the banking book position:

	Group DBS		DBS d. d.	
	31. 12. 2025	31. 12. 2024	31. 12. 2025	31. 12. 2024
NII Sensitivity	3,567	414	3,567	414
NII Sensitivity - as % of equity	3.50%	0.43%	3.49%	0.43%

The Group also monitors and assesses exposures arising from the risk of credit spread changes, which arises from the non-trading book activity (CSRBB). The Group includes only debt securities measured at amortised cost in the calculation of CSRBB. CSRBB refers to financial assets measured at fair value that are actively traded in developed (deep) and liquid markets where market supply and demand can be identified, measured and monitored. Therefore, non-marketable items in the banking book, e.g. loans and deposits, are not part of the CSRBB. On a monthly basis, CS01 is calculated, which is the basis for measuring the credit spread in the banking book. CS01-credit spread sensitivity to 1 basis point shock, is the risk that the credit spread changes by 1 basis point compared to the reference interest rate. A stress factor is added to CS01 – basis points: 25, 50, 100, 200. The number of basis points is calculated on the basis of CDS. CDS is a derivative product that serves as insurance against default. As at 31.12.2025, the impact on the CSRBB for debt securities recorded in the banking book amounted to EUR 1.795 million.

The following tables outline exposure to interest rate risk as at 31 December 2025 and 31 December 2024. Financial instruments are entered in the table at carrying amounts and categorised into time gaps according to the subsequent change in interest rate or maturity. Sight loans to customers (O/N) also include loans linked to the six-month Euribor rate, for which interest rates are fixed each 1 January.

Group DBS

INTEREST RATE RISK as at 31 December 2025									
Balance sheet items	TOTAL	Non-interest bearing	Total accrued interest	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Cash, balances at central banks, and sight deposits at banks	403,200	20	403,180	392,053	11,127	0	0	0	0
Financial assets measured at fair value through other comprehensive income	117,914	3,619	114,295	0	9,005	0	16,953	31,294	57,043
Financial assets measured at amortised cost	1,042,237	10,065	1,032,172	198,705	53,397	221,971	174,614	41,166	342,319
- Debt securities	160,027	954	159,073	0	0	0	17,848	21,373	119,851
- Loans to customers	878,213	5,120	873,094	198,700	53,397	221,971	156,766	19,793	222,467
- Other financial assets	3,992	3,992	0	0	0	0	0	0	0
Other assets	2,024	2,024	0	0	0	0	0	0	0
TOTAL ASSETS	**1,565,375**	**15,728**	**1,549,647**	**590,758**	**73,529**	**221,971**	**191,568**	**72,460**	**399,362**
Financial liabilities measured at amortized cost	1,479,220	14,779	1,464,441	1,070,175	74,303	43,393	112,302	160,538	3,730
- Deposits by banks and central banks	1,439	7	1,432	432	0	0	0	1,000	0
- Deposits by customers	1,466,388	3,380	1,463,008	1,069,743	74,303	43,393	112,302	159,538	3,730
- Other financial liabilities	11,127	11,127	0	0	0	0	0	0	0
Other liabilities	5,728	5,728	0	0	0	0	0	0	0
TOTAL LIABILITIES	**1,484,948**	**20,507**	**1,464,441**	**1,070,175**	**74,303**	**43,393**	**112,302**	**160,538**	**3,730**
Net exposure to interest rate risk	**80,427**	**(4,779)**	**85,206**	**(479,417)**	**(774)**	**178,578**	**79,266**	**(88,078)**	**395,631**

INTEREST RATE RISK as at 31 December 2024									
Balance sheet item	TOTAL	Non-interest bearing	Total accrued interest	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Total assets	1,384,245	16,732	1,366,692	270,861	368,863	215,366	264,956	117,254	129,392
Total liabilities	1,310,350	10,725	1,299,606	898,767	160,084	65,464	162,202	12,854	235
Net exposure to interest rate risk	**73,895**	**6,007**	**67,086**	**(627,906)**	**208,779**	**149,902**	**102,754**	**104,400**	**129,157**

DBS d. d.

INTEREST RATE RISK as at 31 December 2025									
Balance sheet item	TOTAL	Non-interest bearing	Total accrued interest	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Cash, balances at central banks, and sight deposits at banks	403,200	20	403,180	392,053	11,127	0	0	0	0
Financial assets measured at fair value through other comprehensive income	117,914	3,619	114,295	0	9,005	0	16,953	31,294	57,043
Financial assets measured at amortised cost	1,037,839	7,935	1,029,904	181,945	57,384	230,650	173,801	39,248	346,877
- Debt securities	160,027	954	159,073	0	0	0	17,848	21,373	119,851
- Loans to customers	874,842	4,025	14	14	0	0	0	0	0
- Other financial assets	2,956	2,956	870,817	181,931	57,384	230,650	155,953	17,875	227,025
Long-term equity participation in subsidiaries, associates and joint ventures	5,243	5,243	0	0	0	0	0	0	0
Other assets	703	703	0	0	0	0	0	0	0
TOTAL ASSETS	**1,564,899**	**17,520**	**1,547,379**	**573,998**	**77,516**	**230,650**	**190,754**	**70,542**	**403,920**
Financial liabilities measured at amortized cost	1,479,040	14,422	1,464,618	1,070,352	74,303	43,393	112,302	160,538	3,730
- Deposits by banks and central banks	1,439	7	1,432	432	0	0	0	1,000	0
- Deposits by customers	1,466,565	3,380	1,463,185	1,069,920	74,303	43,393	112,302	159,538	3,730
- Other financial liabilities	11,036	11,036	0	0	0	0	0	0	0
Other liabilities	5,502	5,502	0	0	0	0	0	0	0
TOTAL LIABILITIES	**1,484,542**	**19,924**	**1,464,618**	**1,070,352**	**74,303**	**43,393**	**112,302**	**160,538**	**3,730**
Net exposure to interest rate risk	**80,357**	**(2,404)**	**82,762**	**(496,354)**	**3,213**	**187,257**	**78,453**	**(89,996)**	**400,189**

INTEREST RATE RISK as at 31 December 2024									
Balance sheet item	TOTAL	Non-interest bearing	Total accrued interest	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Total assets	1,547,753	22,050	1,525,703	233,803	496,691	240,192	275,771	145,769	133,477
Total liabilities	1,463,473	15,369	1,448,104	901,570	196,346	97,949	232,749	19,403	87
Net exposure to interest rate risk	**84,280**	**6,681**	**77,599**	**(667,767)**	**300,345**	**142,243**	**43,022**	**126,366**	**133,390**

The Group's largest exposure as at 31 December 2025 was in euro, with exposures in other currencies negligible and immaterial. Interest rate risk in 2025 arose mainly out of the imbalance between the maturities of interest-rate-sensitive investments and liabilities, and out of the subsequent determination of interest rates.

In 2026, the Group plans to continue matching interest rate gaps, the emphasis being on sight time gaps of longer maturity, and to maintain a low exposure to interest rate risk. The Group will also continue to upgrade its methodology for establishing and measuring interest rate risk and credit spread risk, while also fulfilling the guidelines for managing interest rate risk originating in non-trading book operations as prescribed by EBA.

Average interest rates as at 31 December

				Group DBS				DBS d. d.
		2025		2024		2025		2024
	EUR	USD	EUR	USD	EUR	USD	EUR	USD
Assets		%		%		%		%
Cash, balances at central banks, and sight deposits at banks	1.83	0.01	2.84	0.01	1.83	0.01	2.84	0.01
Investment securities - debt	1.43	3.52	0.90	2.55	1.43	3.52	0.90	2.55
Loans to banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans to customers	3.53	0.00	4.74	0.00	3.48	0.00	4.70	0.00
Liabilities								
Borrowings from banks and central banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deposits by customers	0.41	0.65	0.77	0.61	0.41	0.65	0.77	0.61
Subordinated liabilities	0.00	0.00	6.00	0.00	0.00	0.00	6.00	0.00

5.4. Liquidity risk

In managing liquidity risk, the Group applies the Risk-taking and Risk Management Policy for Liquidity Risk. Liquidity risk management in the Group is a collaboration of:
- the Bank's Management Board,
- front office (Financial Markets Section),
- various sections (Financial Management Section, Risk Management Section, Payments Section, Treasury Division),
- various committees (Liquidity Committee, Asset-Liability Committee).

The Group's liquidity situation depends on the set of activities for meeting the required cash flows as well as on the availability of liquidity assets that at all times ensure immediate fulfilment of matured financial obligations with customers. For this purpose, the Group holds on its portfolio adequate amounts of cash and highly liquid assets.

The Group maintains a diversified pool of liquidity reserves in the form of cash and other highly liquid assets that are free from encumbrances and available at any time. To this end, the Group continually monitors the amount and composition of its liquidity reserves, preparing a list of all liquid assets, including what proportions can be collected and are encumbered or free from encumbrances.

The Group has a set of relevant stress scenarios for the current liquidity position, which it runs at least monthly or whenever it identifies a potential risk of a short-term liquidity crisis. All stress test scenario outcomes have designated limits, with the critical limit being defined at 45-days' survival. A critical outcome represents the minimum level of the Group's liquidity reserves and spans the period from the first day of the analysis to the moment the cumulative liquidity gap turns negative and exceeds the Group's liquidity position.

If a critical outcome is confirmed, the Risk Management Section informs the Treasury Division, which must present liquidity balancing measures and report them to the Liquidity Committee. The Bank Management Board, the Internal Audit Department and the Risk Management Section need to be informed of the recovery plan and its planned implementation.

Further, the Group monitors a wide array of interim liquidity trends and structural liquidity ratios. It has requisite limits designated for all values of the monitored ratios, and regularly examines them.

At least once a year, the Group also stress tests the liquidity contingency plan using the liquidity shock scenario prepared by the Risk Management Section. On the basis of this scenario, the Treasury Division prepares the Group's response, and diligently notes the duration and implementation of the simulated post-shock recovery process, including an estimate of potential financial consequences. The harmonised report on the stress testing of the liquidity contingency plan is presented to the Bank's Liquidity Committee and Asset-Liability Committee.

Liquidity risk is evaluated comprehensively at the Group level once a year within the internal liquidity adequacy assessment process (ILAAP), which is used to assess liquidity and liquidity risk management.

In 2025, the Group had at its disposal an adequate pool of liquidity reserves, which can be utilised to settle any liabilities as well as off-balance sheet liabilities. It has sufficient liquidity position (cash in hand, balance with the Bank of Slovenia net of the minimum reserve and unencumbered financial assets eligible for pledging with the European Central Bank net of any haircut) which it could easily and efficiently use in case of a liquidity stress event that would compromise the daily system of liquidity management, such as e.g. an unexpected large-scale withdrawal of deposits.

The Group calculates on a regular basis the LCR liquidity coverage ratio, which has been defined as the ratio of the stock of high-quality liquid assets and the expected total net cash outflows over a 30-day period. The indicator has been regulated, and thus not allowed to fall below 100%. As at 31 December 2025, the liquidity coverage ratio was 366.39%. On a quarterly basis, the Group also calculates the net stable funding ratio (NSFR), which is defined as the ratio between the available stable funding and the required stable funding. As at 31 December 2025, the net stable funding ratio was 212.94%.

All results of monitoring liquidity risk are reported to the Bank's Asset-Liability Committee and Risk Management Committee on a monthly basis, while the Management Board and the Supervisory Board are presented quarterly with reports on exposure to liquidity risk.

The following tables summarise the Group's and Bank's exposure to liquidity risk as at 31 December 2025 and 31 December 2024.

Group DBS

LIQUIDITY RISK as at 31 December 2025							
Balance sheet items	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash, balances at central banks, and sight deposits at banks	403,200	0	0	0	0	0	403,200
Financial assets measured at fair value through other comprehensive income	0	0	0	16,953	31,446	69,514	117,914
Financial assets measured at amortised cost	9,718	223	1,625	61,576	52,202	916,893	1,042,237
- Debt securities	0	0	0	7,852	21,464	130,711	160,027
- Loans to customers	6,306	6	1,559	53,723	30,495	786,116	878,205
- Other financial assets	3,399	217	66	1	242	67	3,992
Other assets	874	683	467	0	0	0	2,024
TOTAL ASSETS	**413,792**	**907**	**2,092**	**78,529**	**83,648**	**986,408**	**1,565,375**
Financial liabilities measured at amortised cost	1,080,566	76,265	43,763	112,709	162,072	3,846	1,479,220
- Deposits by banks and central banks	432	0	0	0	1,007	0	1,439
- Deposits by customers	1,069,742	75,606	43,421	112,709	161,065	3,846	1,466.388
- Other financial liabilities	10,126	659	342	0	0	0	11,127
Other liabilities	5,577	0	0	44	40	67	5,728
TOTAL LIABILITIES	**1,086,143**	**76,265**	**43,763**	**112,752**	**162,112**	**3,913**	**1,484,948**
Net exposure to liquidity risk	**(672,351)**	**(75,358)**	**(41,671)**	**(34,223)**	**(78,464)**	**982,494**	**80,427**

LIQUIDITY RISK as at 31 December 2024							
Balance sheet items	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Total assets	27,570	350,905	47,882	190,335	574,776	403,076	1,594,544
Total liabilities	906,850	160,944	65,962	164,592	15,375	332	1,314,055
Net exposure to liquidity risk	**(879,280)**	**189,961**	**(18,080)**	**25,743**	**559,401**	**402,744**	**280,489**

DBS d. d.

LIQUIDITY RISK as at 31 December 2025							
Balance sheet items	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash, balances at central banks, and sight deposits at banks	403,200	0	0	0	0	0	403,200
Financial assets measured at fair value through other comprehensive income	0	0	0	16,953	31,446	69,515	117,914
Financial assets measured at amortised cost	8,255	63	1,559	61,212	44,861	921,888	1,037,839
- Debt securities	0	0	0	7,852	21,464	130,711	160,027
- Loans to customers	5,374	6	1,559	53,361	23,396	791,147	874,842
- Other financial assets	2,333	57	0	(1)	1	567	2,956
Long-term equity participation in subsidiaries, associates and joint ventures	0	0	0	0	0	5,243	5,243
Other assets	0	0	0	0	0	703	703
TOTAL ASSETS	**411,455**	**63**	**1,559**	**78,165**	**76,307**	**997,349**	**1,564,899**
Financial liabilities measured at amortised cost	1,076,993	75,606	43,421	112,709	162,072	8,240	1,479,040
- Deposits by banks and central banks	432	0	0	0	1,007	0	1,439
- Deposits by customers	1,069,919	75,606	43,421	112,709	161,065	3,846	1,466,565
- Other financial liabilities	6,642	0	0	0	0	4,394	11,036
Other liabilities	0	0	0	0	0	5,502	5,502
TOTAL LIABILITIES	**1,076,993**	**75,606**	**43,421**	**112,709**	**162,072**	**13,742**	**1,484,542**
Net exposure to liquidity risk	**(665,538)**	**(75,543)**	**(41,862)**	**(34,543)**	**(85,764)**	**983,607**	**80,357**

LIQUIDITY RISK as at 31 December 2024							
Balance sheet items	Sight	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Total assets	31,511	350,983	47,554	188,582	573,938	401,448	1,594,016
Total liabilities	907,358	160,944	65,962	164,592	15,375	332	1,314,563
Net exposure to liquidity risk	**(875,847)**	**190,039**	**(18,408)**	**23,990**	**558,563**	**401,116**	**279,453**

Although the liquidity gap for the demand bracket is indeed deeply in the negative, it is important to note that financial liabilities in this group include total sight deposits.

Based on the conducted analyses, the Group estimates that its off-balance-sheet positions do not contribute particularly to its exposure to liquidity risk, which is why they were not included into the above table.

As at 31 December 2025, the Bank had a liquidity position of EUR 895 million, consisting of cash in hand, balances with the Bank of Slovenia net of minimum reserve, unencumbered pledged financial assets with the ECB net of haircuts, loans to the Republic of Slovenia, net of haircuts, and loans to municipalities and other public sector entities, net of haircuts.

In the future, the Group will maintain the minimum required amount of liquid assets as estimated using stress scenarios, in the form of top-rated debt securities. In addition, attention will be devoted to monitoring the LCR and NSFR indicators and to meeting their required values as well as limit values as specified in accordance with the restoration plan.

5.5. Fair value of financial assets and liabilities

5.5.1. Financial assets not measured at fair value

Group DBS

	2025					2024				
		Fair value					Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total	Carrying amount	Level 1	Level 2	Level 3	Total
Assets										
Debt securities at amortised cost	160,027	154,786	0	0	154,786	138,734	132,853	0	0	132,853
Loans and advances to banks	5	0	0	5	5	0	0	0	0	0
Loans and advances to customers	878,213	0	0	904,331	904,331	854,346	0	0	937,029	937,029
Other financial assets	3,992	0	0	3,992	3,992	2,873	0	0	2,873	2,873
Total assets	**1,042,237**	**154,786**	**0**	**908,328**	**1,063,114**	**995,953**	**132,853**	**0**	**939,902**	**1,072,755**
Liabilities										
Deposits by banks	1,439	0	0	1,439	1.439	1,312	0	0	1,312	1,312
Deposits by customers*	1,466,388	0	0	1,466,388	1,466,388	1,451,074	0	0	1,451,074	1,451,074
Other financial liabilities	11,127	0	0	11,127	11,127	4,649	0	0	4,649	4,649
Total liabilities	**1,479,220**	**0**	**0**	**1,479,220**	**1,479,220**	**1,457,035**	**0**	**0**	**1,457,035**	**1,457,035**

* According to the Methodology for Preparing a Recapitulation of the Statement of Financial Position, in 2024, deposits by customers, and borrowings from banks include deposits, and loans and advances with characteristics of subordinated debt.

DBS d. d.

	2025					2024				
		Fair value					Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total	Carrying amount	Level 1	Level 2	Level 3	Total
Assets										
Debt securities at amortised cost	160,027	154,786	0	0	154,786	138,734	132,853	0	0	132,853
Loans and advances to banks	14	0	0	14	14	0	0	0	0	0
Loans and advances to customers	874,842	0	0	901,907	901,907	850,863	0	0	932,479	932,479
Other financial assets	2,956	0	0	2,956	2,956	1,706	0	0	1,706	1,706
Total assets	**1,037,839**	**154,786**	**0**	**904,877**	**1,059,663**	**991,303**	**132,853**	**0**	**934,185**	**1,067,038**
Liabilities										
Deposits by banks	1,439	0	0	1,439	1,439	1,312	0	0	1,312	1,312
Deposits by customers*	1,466,565	0	0	1,466,565	1,466,565	1,451,418	0	0	1,451,418	1,451,418
Other financial liabilities	11,036	0	0	11,036	11,036	4,582	0	0	4,582	4,582
Total liabilities	**1,479,040**	**0**	**0**	**1,479,040**	**1,479,040**	**1,457,312**	**0**	**0**	**1,457,312**	**1,457,312**

* According to the Methodology for Preparing a Recapitulation of the Statement of Financial Position, in 2024, deposits by customers, and borrowings from banks include deposits, and loans and advances with characteristics of subordinated debt.

(a) Loans and advances to banks

The estimated fair value of loans and advances to banks is based on the discounted cash flows method using prevailing market interest rates for debts with similar credit risk and remaining maturity. The fair value of loans to commercial banks is estimated to closely resemble their carrying amount. Fixed-rate credit operations are short-term, meaning the contractual interest rates do not differ considerably from end-of-year market interest rates, while the Group does not have any long-term loans to banks. This is why the fair value of loans to commercial banks is the same as their carrying amount.

(b) Loans and advances to customers

Loans and advances are net of provisions for impairment. The calculated fair value of loans and advances to customers is based on discounting the future cash flows until maturity less the impairment losses, whereby the discount curve has been based on a zero curve as at 31 December 2025.

(c) Debt securities measured at amortised cost

The Group reports debt securities in accounting records at amortised cost. Their fair value of debt securities as at 31 December 2025 was calculated using actual market prices formed in the markets where they are listed.

(d) Deposits and borrowings

The Group's long-term debt has no market value. Fair value is estimated as the discounted amount of future cash flows, taking into account market interest rates that the Group would currently have to pay for new deposits with similar characteristics and the same residual maturity. Since most borrowings are linked to changing market interest rates, the fair value of deposits does not substantially differ from their carrying amounts.

The fair value of sight deposits to the depository institution depends on the expectations of the timing and amounts of withdrawals of the existing balance, the level of prevailing interest rates with similar terms, the costs of servicing these deposits and the depository institution's – thus the Group's – own credit risk. This is especially important for sight deposits.

The estimated fair value of other deposits is based on discounted contractual cash flows using market interest rates that the Group would currently have to pay for new deposits with similar remaining maturity.

For deposits from banks and deposits from other customers, there are no differences between carrying amount and fair value.

5.5.2. Financial and non-financial assets measured at fair value

Valuation methods for financial instruments measured at fair value in the financial statements

	Group DBS				DBS d. d.			
2025	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets held for trading (Note 4.2. a)	0	0	0	**0**	0	0	0	**0**
Financial assets measured at fair value through other comprehensive income (Note 4.3. a)	0	0	117,914	**117,914**	0	0	117,914	**117,914**
Non-financial assets								
Investment property (Note 4.10. a)	0	0	11,950	**11,950**	0	0	11,950	**11,950**
Financial liabilities								
Financial liabilities held for trading (Note 4.14.)	0	0	0	**0**	0	0	0	**0**

The fair value of investments is measured at three levels.
Level 1: Level 1 includes investments in equity and debt securities listed on a regulated securities market and whose fair value equals their market price, i.e. the last official closing price.

Level 2: Level 2 includes investments in unlisted debt securities and derivatives. Fair value for Level 2 investments is determined through an internal methodology. The value of unlisted debt securities for which fair value cannot be calculated even from external data sources is determined using the discounted value method. Unlisted mutual fund shares are measured at their net asset value, which is published daily. If a transaction is concluded in the market and thereafter a market price forms for a security previously measured according to the Bank's internal methodology, the security is restated at the market price.

Level 3: Level 3 includes unlisted equities, bonds, (EUR 2,852 thousand is the investment into the Bank Liquidation Fund), receivables and payables associated with the purchase and sale of foreign exchange, loans and advances, and investment property at fair value. The valuation of equities that do not have quoted prices is based on market observables. Key parameters are compared with those of similar assets and liabilities traded in an active market, with the data coming from Bloomberg or another reliable source. Own interest in a private limited liability company is calculated based on the carrying value of equity multiplied by the percentage of own share in equity and the liquidity deduction of 25%. In determining their fair value, the Group applies the same internal methodologies as for Level 2 instruments. The fair value of investment property is determined on the basis of appraisal reports prepared by independent appraisers working in compliance with International Valuation Standards (IVS).

Level 3: Financial assets measured at fair value through other comprehensive income – breakdown

	Group DBS		DBS d. d.	
	2025	2024	2025	2024
Equities				
Bank resolution fund	2,852	2,784	2,852	2,784
Equity investments at cost	372	196	372	196
Bonds				
REPUBLIKA SLOVENIJA	35,799	9,879	35,799	9,879
EUROPEAN COMMISSION [EC]	12,051	1,823	12,051	1,823
REPUBLIK ÖSTERREICH	10,451	0	10,451	0
Tesoro Dello Stato - Repubblica Italiana	9,985	7,981	9,985	7,981
BELGISCHE STAAT	9,622	11,095	9,622	11,095
KUNTARAHOITUS OYJ	9,005	0	9,005	0
Dirección General Del Tesoro Y Política Financiera	8,253	3,025	8,253	3,025
DIRECTION GENERALE DU TRESOR	7,899	8,940	7,899	8,940
Staat der Nederlanden	2,800	2,788	2,800	2,788
Bundesrepublik Deutschland	2,248	2,288	2,248	2,288
US TREASURY N B	2,126	2,910	2,126	2,910
T - 2 D.O.O	1,991	0	1,991	0
GEN-I, d.o.o.	1,307	1,301	1,307	1,301
INCOM D.O.O.	743	744	743	744
AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT	286	120	286	120
CANADA	124	270	124	270
Republic of Finland	0	2,033	0	2,033
EIB EUROPEAN INVESTMENT BANK	0	539	0	539
TOTAL	**117,914**	**58,716**	**117,914**	**58,716**

In 2025, the Bank Liquidation Fund total amounted to EUR 2,852 thousand. Pursuant to the Bank Resolution Authority and Fund Act, the Group paid EUR 2,702 thousand into the Bank Resolution Fund in 2016. These assets are managed by the Bank of Slovenia consistent with the Regulation on the Investment Policy and Management Fees of the Bank Liquidation Fund. The Bank of Slovenia sends regular monthly reports on the value of the investment, which serves as the basis for its valuation, and which is why the Group categorises it as Level 3. The Group additionally categorises as Level 3 capital assets worth EUR 372 thousand for which market value does not exist and which are measured at fair value through other comprehensive income.

There were no transfers between different valuation levels in 2025.

5.6. Managing operational risk

In managing operational risk, the Group applies the Risk-taking and Risk Management Policy for Operational Risk.

Operational risk management in the Group is a collaboration of:
- Supervisory Board,
- the Bank's Management Board,
- senior management,
- Risk Management Section,
- Operations Compliance Department,
- Information Security Department,
- various committees (Security Committee, Risk Management Committee).

The Group regularly reports (loss) events associated with operational risk. For their systematic monitoring, it has developed its own application support, which is regularly updated and supplemented. The Resolution on Internal Governance, Governance Body and Internal Capital Adequacy Assessment Process for Banks and Savings Banks allows each employee of the Group to report a (loss) event into the loss events database. In 2025, 469 (loss) events associated with operational risk were recorded, which is more than in 2024 when there were 415. The realised net loss in 2025 was slightly higher than in 2024. It amounted to EUR 17.4 thousand in 2025, and to EUR 16.8 thousand in 2024. The total reported net loss was immaterial considering the capital requirement for operational risk, which in 2025 was EUR 5,083 thousand for the Group.

The system of reporting operational risk events includes measures to resolve such events and prevent repeat events. Operational risk (loss) events are additionally monitored according to key risk indicators.

In 2025, the Bank embarked on a business continuity management overhaul. The process of assessing the potential effects of disruptions to critical business processes (BIA) has undergone a comprehensive overhaul, and work has also been underway to refresh business continuity and recovery plans and establish a new management framework for the area. Business continuity plans are being tested regularly, with test reports being presented to the Security Committee and the Bank's Management Board once a year. In addition to testing business continuity plans, the Bank also conducts regular self-initiated testing of alarm systems and security mechanisms throughout the entire branch network.

From 1 January 2025 onwards, the Group calculates and reports the capital requirement for operational risk in accordance with Article 313 of Regulation (EU) 2024/1623 (CRR3). The capital requirement for operational risk equals the component of the performance indicator and amounts to EUR 5,083 thousand, which is slightly lower than in 2024, when it was calculated using the simple approach and amounted to EUR 5,607 thousand.

Capital requirements and the risk-weighted exposure amount for the Group's operational risk:

	2025
Interest, leases and dividends component (ILDC)	30,789
Services Component (SC)	11,320
Financial component (FC)	248
Business Indicator (BI)	**42,356**
Capital requirements (BIC)	**5,083**
Total Risk Exposure Amount (TREA)	**63,534**

From 1 January 2025 onwards, the bank also calculates and reports the capital requirement for operational risk in accordance with Article 313 of Regulation (EU) 2024/1623 (CRR3). The capital requirement for operational risk equals the component of the performance indicator and amounts to EUR 5,059 thousand, which is slightly lower than in 2024, when it was calculated using the simple approach and amounted to EUR 5,479 thousand.

Capital requirements and the risk-weighted exposure amount for the Bank's operational risk:

	2025
Interest, leases and dividends component (ILDC)	30,693
Services Component (SC)	11,215
Financial component (FC)	249
Business Indicator (BI)	**42,156**
Capital requirements (BIC)	**5,059**
Total Risk Exposure Amount (TREA)	**63,234**

5.7. Capital management

In managing capital risk, the Group applies the Risk-taking and Risk Management Policy for Capital Risk. Capital risk management in the Group is a collaboration of:

- the Bank's Management Board,
- Risk Committee,
- Supervisory Board,
- all commercial sections in the Group,
- Risk Management Section,
- Financial Management Section,
- various committees (Asset-Liability Committee, Risk Management Committee, Lending Committee, Non-performing Loans Committee, Property Management Committee, Sustainable Development Committee).

With regard to capital risk management and in relation to policies of managing other inherent risks within the Group, the following is adopted and implemented where necessary:

- measures to increase the Group's regulatory capital,
- measures to reduce risk-adjusted items, including measures to improve the quality of credit and market portfolios,
- measures to improve the Group's risk profile, and
- measures to ensure adequate regulatory capital in times of stress.

In addition to calculating capital requirements and regulatory capital, the Group also assesses capital requirements and internal capital. The Risk Management Section conducts a comprehensive internal capital requirements assessment process on an annual basis based on the Methodology for the Internal Capital Adequacy Assessment Process. As part of the ICAAP process, it determines how much internal capital the Group needs to implement its development strategy sustainably and makes an allocation of capital across business sectors. A sufficient level of capital enables the Group to bear its risks, absorb losses and sustainably implement its development strategy, even in prolonged periods of adverse developments. The ICAAP process thus enables continuous control of the risks taken by the Bank according to its capabilities. The process includes assessing capital requirements for identified material risks, determining the risk profile, allocating internal capital and monitoring its use.

Comprehensive stress testing and capital planning are also an important part of the ICAAP process. The objective of regular stress testing is to verify that the Group maintains an adequate level of internal capital even in adverse conditions. Stress tests are carried out in accordance with the Stress Testing Programme and the Stress Testing Scenarios for the purposes of the ICAAP process.

In order to cover unexpected losses that could arise from unforeseen events in its operations, the Group ensures adequate internal capital, which depends on its risk profile at any given time and is in line with its assessment of its capital requirements. Based on the results of the ICAAP process, actions are taken to manage or mitigate risks, as appropriate, to ensure that both regulatory capital and internal capital remain adequate and that the Group achieves appropriate levels of capital ratios. Potential actions that the Bank can take in the event of an identified capital shortfall are set out in the Risk Appetite Framework (RAF). The Bank has identified key risk indicators for all material risks in its Risk Appetite Statement (RAS). The RAS is the Group's main strategic document identifying the aggregate level and types of risks that the Group is willing to take or avoid within its risk-taking capacity to achieve its strategic objectives as defined in its business strategy. For these indicators, it defined an operational value based on the business strategy and risk management strategy, as well as an action value and a limit, which represent the upper limit of exposure to individual risks that the Bank is willing to take within its operations.

The actions taken are aligned with the Risk-taking and Risk Management Strategy and the Bank’s risk-taking capacity.

To ensure appropriate capital risk management in accordance with the devised Group Restoration plan, the Group has laid down an array of quantitative indicators to monitor its operations and the related major Group’s risks in key areas that could affect its existence. Yellow and red zone limit values have been set for each indicator, marking the point of commencement for internal processes in line with the Restoration plan. The warning (yellow) limit in the RAS is set above the yellow limit in the Recovery Plan, thus sensibly upgrading the framework for taking and managing risks, including capital risk. Within its competence and powers, the Bank's Asset-Liability Committee monitors, among other things, the equity and capital adequacy of the Bank and Group from a normative aspect, while the Risk Management Committee is responsible for monitoring the capital adequacy of the Bank and Group from an economic aspect.

To monitor capital risk, the Group has selected two indicators, the Common Equity Tier 1 ratio (CET 1) and the OCR overall capital requirement ratio. The indicators are monitored monthly at the Bank’s Asset-Liability Committee and the Risk Management Committee, and quarterly at the Bank’s Management Board, the Risk Committee, and the Bank’s Supervisory Board.

Capital management is a continuous process of determining and maintaining the sufficient scope and quality of capital. The Group must always have at its disposal an adequate amount of capital and capital requirement ratios, which are stipulated by law and depend on the scope and type of services performed by the Group and on the risks the Group is exposed to. In determining the amount and categories of capital, the Group abides by statutory provisions related to capital as stipulated since 1 January 2014 by the Regulation (CRR), the Directive (CRD), EBA guidelines and requirements of the Bank of Slovenia, which the latter prescribes to the Group based on the annual SREP review.

The Group's regulatory capital consists of Tier I and Tier II capital. Under the Regulation, Tier I capital consists of Common Equity Tier I and Additional Tier I capital. The calculation of Common Equity Tier 1 capital is based on: paid capital instruments meeting conditions for inclusion into Common Equity Tier I, share premium, revenue reserves, retained earnings/loss, accumulated other comprehensive income, treasury shares, intangible assets and deferred tax assets associated with future returns and not arising out of temporary differences, as well as special credit risk adjustment or adjustment for prudent valuation of financial assets, and inadequate coverage for non-performing exposures. The following constitute deductions from Common Equity Tier 1 capital: loss, treasury shares, intangible assets and deferred tax assets associated with future returns and not arising out of temporary differences, special credit risk adjustment or adjustment for prudent valuation of financial assets, and inadequate coverage for non-performing exposures.

The Group did not have additional Tier I capital either according to the balance as at 31 December 2025 or as at 31 December 2024.

Until October 2025, the Group's Tier II capital consisted of subordinated debt (subordinated liabilities with contractual maturities of 5 years and 1 day, or longer). The amount of subordinated debt included into Tier II capital decreased on a straight-line basis over the final five years prior to maturity (i.e. prior to repayment).

Capital may never drop below the amount stipulated by the Regulation (EU) No 575/2013 (CRR2) or. Regulation (EU) No 2024/1623 (CRR3), and must always equal at least the sum of minimum capital requirements as stated in these Regulations

The table below shows the calculation of the Group's and Bank's capital and capital requirement ratios.

		Group DBS		DBS d. d.	
		2025	2024	2025	2024
COMMON EQUITY TIER I CAPITAL: INSTRUMENTS AND RESERVES					
1	Capital instruments and the related share premium	17,811	17,811	17,811	17,811
	of which: instrument type 1	17,811	17,811	17,811	17,811
2	Retained earnings and revenue reserves	59,830	51,571	59,203	51,571
3	Accumulated other comprehensive income and other reserves	31,413	31,617	31,411	31,616
4	**Common equity tier I capital before regulatory adjustments**	**109,054**	**100,999**	**108,425**	**100,998**
COMMON EQUITY TIER I CAPITAL: REGULATORY ADJUSTMENTS					
5	Additional fair value and credit risk adjustments	(527)	(59)	(513)	(79)
6	Intangible assets (deductions for associated tax liabilities)	(5,574)	(4,417)	(5,478)	(4,328)
7	Direct and indirect holdings in own common equity tier I capital instruments	(601)	(601)	(601)	(601)
8	Total regulatory adjustments to common equity tier I capital	(6,702)	(5,077)	(6,592)	(5,009)
9	Common equity tier I capital	102,352	95,922	101,833	95,989
10	**TIER I CAPITAL (common equity tier I + additional tier I)**	**102,352**	**95,922**	**101,833**	**95,989**
TIER II CAPITAL: INSTRUMENTS AND PROVISIONS					
11	Capital instruments and the related share premium account	0	310	0	310
12	Tier II capital before regulatory adjustments	0	310	0	310
13	**TIER II CAPITAL**	**0**	**310**	**0**	**310**
14	**TOTAL CAPITAL (tier I + tier II)**	**102,352**	**96,232**	**101,833**	**96,299**
15	Total risk-weighted assets	523,696	489,940	526,445	492,711
CAPITAL RATIOS AND CAPITAL BUFFERS					
16	**Common equity tier I capital** (in %)	**19.54**	**19.58**	**19.34**	**19.48**
17	**Tier I capital** (in %)	**19.54**	**19.58**	**19.34**	**19.48**
18	**Total capital** (in %)	**19.54**	**19.64**	**19.34**	**19.54**
19	Common equity tier I capital that qualifies as capital buffer (in %)	19.54	19.58	19.34	19.48
20	Institution-specific buffer requirement (in %)	3.82	3.32	3.82	3.31
21	of which: capital conservation buffer requirement (in %)	2.50	2.50	2.50	2.50
22	of which: countercyclical capital buffer requirement (in %)	1.00	0.50	1.00	0.50
23	of which: systemic risk buffer requirement (in %)	0.32	0.32	0.32	0.31
24	Direct and indirect equity holdings in financial sector entities where the institution does not have a significant investment (amount below 10% threshold, reduced by permitted short positions)	3,224	2,917	3,224	2,917
25	Direct and indirect equity holdings in common equity tier I capital instruments of financial sector entities where the institution has a significant investment (amount below 10% threshold, reduced by permitted short positions)	0	0	5,243	5,243
26	Deferred tax assets arising out of temporary differences (amount under 10% threshold, reduced by associated tax liabilities if conditions from Article 38(3) are met)	3,046	3,039	3,046	3,039

The Group's regulatory capital as at 31 December 2025 amounted to EUR 102,352 thousand, up EUR 6.1 million year-on-year. In 2025, the Group repaid the subordinated debt, which constituted additional capital. The qualitative capital structure improved at the end of 2025 compared to 2024, as at the end of 2025, CET1 capital represented the only capital in the capital structure (in 2024, its share was 99.7%). Total capital requirements at Group level totalled EUR 41,896 thousand at the year-end of 2025, up EUR 2,701 thousand year-on-year.

The increase in the Group's own funds requirements for credit risk is mainly due to an increase in exposures to municipalities and retail exposures. The capital requirement for operational risk decreased in 2025 compared to 2024 based on the calculation under EU Regulation 2024/1623 (CRR 3), as explained in Chapter 5.6 Operational Risk Management.

The OCR overall capital requirement ratio as at 31 December 2025 thus stood at 19.54%, down 0.1 of a percentage point year-on-year. The Common Equity Tier 1 ratio (CET 1) was 19.54% as at 31 December 2025, which is 0.04 percentage points less than on 31 December 2024. The reason for the decrease in capital ratios is the growth of the credit portfolio.

Given the Group's internal capital adequacy assessment established in the ICAAP process, the reported capital requirement ratio is considered appropriate for managing the risk of potential losses. The Group will continue to ensure an adequate amount of capital to sustain its normal operations in the future. Based on the SREP process, the Bank of Slovenia imposed minimum capital requirement ratios for the Group for 2025, i.e. the ratio of the total capital requirement OCR plus capital buffers in the amount of 14.57%, which is increased by the P2G capital guideline[2] to total 15.07%. In 2025, the Group met all the capital adequacy ratios imposed by the Bank of Slovenia.

The Bank's regulatory capital as at 31 December 2025 amounted to EUR 101,833 thousand, up EUR 5.5 million year-on-year. In 2025, the Bank repaid the subordinated debt, which constituted additional capital. The qualitative capital structure improved at the end of 2025 compared to 2024, as at the end of 2025, CET1 capital represented the only capital in the capital structure (in 2024, its share was 99.7%). Total capital requirements at the level of the Bank totalled EUR 42,116 thousand at the year-end of 2025, up EUR 2,699 thousand year-on-year. The increase in the Bank's own funds requirements for credit risk is mainly due to an increase in exposures to municipalities and retail exposures. The capital requirement for operational risk decreased in 2025 compared to 2024 based on the calculation under EU Regulation 2024/1623, as explained in Chapter 5.6 Operational Risk Management.

The OCR overall capital requirement ratio as at 31 December 2025 thus stood at 19.34 %, down 0.2 of a percentage point year-on-year. Common Equity Tier 1 ratio was 19.34 % as at 31 December 2025, down 0.14 of a percentage point year-on-year. The reason for the decrease in capital ratios is the growth of the credit portfolio.

As part of the SREP process, the Bank of Slovenia imposed no minimum capital requirement ratios for the Bank for 2025, but only imposed these ratios at the Group level.

As at 31 December 2025, the Bank's equity holdings in financial sector entities where it had a significant investment (100% of capital), were DBS Leasing d. o. o. and DBS Nepremičnine d. o. o. The equity investment in DBS Leasing totalled EUR 3,720 thousand as at 31 December 2025 (the same as at the previous year-end); consistent with Article 49(2) of the Regulation it was not deduced from capital, but was included in the calculation of the capital requirement for credit risk. The equity investment in DBS Nepremičnine d. o. o. totalled EUR 1,523 thousand as at 31 December 2025 (the same as at the previous year-end). Consistent with the provisions of Article 4(1) and 4(18) of the Regulation, DBS Nepremičnine d. o. o. is considered an ancillary services undertaking and therefore one of the financial sector entities under Article 4(1) and 4(27c) of the same. In the calculation of capital and capital requirements for credit risk, Article 49(2) of the Regulation applies to DBS Nepremičnine d. o. o. the same as to DBS Leasing d. o. o.

1 Pillar 2 Guidance.

The table below shows the balancing of the Group's items of capital with its financial statements.

Code	Items	Prudential consolidation 2025	Inclusion into calculation of capital for the purpose of CA as at 31 December 2025	Explanation from Regulation 575/2013
1	Cash, balances at central banks, and sight deposits at banks	403,200		
2	Financial assets held for trading	0	0	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
3	Financial assets measured at fair value through other comprehensive income	117,914	(118)	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
4	Financial assets measured at amortised cost	1,042,237		
	- Debt securities	160,027		
	- Loans to banks	5		
	- Loans to customers	878,213		
	- Other financial assets	3,992		
5	Tangible assets	24,501		
	- Property, plant and equipment	12,551		
	- Investment property	11,950		
6	Intangible assets	5,574	(5,574)	deduction item Article 36 b - fully
7	Income tax assets	5,640		
	- Current tax assets	2,613		
	- Deferred tax assets	3,027		
	Depending on future profitability and not arising out of temporary differences	0	0	deduction item Article 36 c - 100% of item's value during transitional period
	Depending on future profitability and arising out of temporary differences	3,027		
8	Other assets	2,024		
9	Non-current assets held for sale, and discontinued operations	0		
10	**TOTAL ASSETS** (from 1 to 9)	**1,601,090**		
11	Financial liabilities held for trading	0		deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
12	Financial liabilities measured at amortised cost	1,479,220		
	- Deposits by banks and central banks	1,439		
	- Deposits by customers	1,466,388	0	included on the basis of Articles 62 and 63
	- Other financial liabilities	11,127		
13	Provisions	2,434		
14	Income tax liabilities	182		
	- Current tax liabilities	4		
	- Deferred tax liabilities	178		
15	Other liabilities	5,728		
16	**TOTAL LIABILITIES** (from 11 to 15)	**1,487,564**		
17	Share capital	17,811	17,811	fully included; Article 26
18	Share premium	31,257	31,257	fully included; Article 26
19	Accumulated other comprehensive income	156	156	fully included; Article 26
20	Revenue reserves	59,247	59,247	included only until 31 Dec 2024. 50% of the 2025 profit is not included; Article 26
21	Treasury shares	(601)	(601)	deduction item, Article 36 f - fully
22	Retained earnings (including profit/loss for the year)	5,656		
	- Retained earnings	583	583	retained earnings of the Bank are included following a decision of the General Meeting, Article 26
	- Profit for the period	5,073		does not yet meet the conditions for inclusion
23	**EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT** (from 17 to 22)	**113,526**		
24	TOTAL EQUITY (23)	113,526		
25	**TOTAL EQUITY AND LIABILITIES** (16 + 24)	**1,601,090**	**102,761**	**Regulatory capital (sum of capital from SFP)**
			(409)	deduction item Article 26(2) and Delegated Regulation No 183/2014
			102,352	**Regulatory capital**

The table below shows the balancing of the Bank's items of capital with its financial statements.

Code	Items	2025	Inclusion into calculation of capital for the purpose of CA as at 31 December 2025	Explanation from Regulation 575/2013
1	Cash, balances at central banks, and sight deposits at banks	403,200		
2	Financial assets held for trading	0	0	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
3	Financial assets measured at fair value through other comprehensive income	117,914	(118)	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
4	Financial assets measured at amortised cost	1,037,839		
	- Debt securities	160,027		
	- Loans to banks	14		
	- Loans to customers	874,842		
	- Other financial assets	2,956		
5	Long-term equity participation in subsidiaries, associates and joint ventures	5,243	(5)	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
6	Tangible assets	24,399		
	- Property, plant and equipment	12,449		
	- Investment property	11,950		
7	Intangible assets	5,478	(5,478)	deduction item Article 36 b - fully
8	Income tax assets	5,510		
	- Current tax assets	2,483		
	- Deferred tax assets	3,027		
	Depending on future profitability and not arising out of temporary differences	0	0	deduction item Article 36 c - 100% of item's value during transitional period
	Depending on future profitability and arising out of temporary differences	3,027		
9	Other assets	703		
10	**TOTAL ASSETS** (from 1 to 9)	**1,600,286**		
11	Financial liabilities held for trading	0	0	deduction item Article 34 - additional value adjustments, 0.1% of carrying amount
12	Financial liabilities measured at amortised cost	1,479,040		
	- Deposits by banks and central banks	1,439		
	- Deposits by customers	1,466,565	0	included on the basis of Articles 62 and 63
	- Other financial liabilities	11,036		
13	Provisions	2,380		
14	Income tax liabilities	178		
	- Current tax liabilities	0		
	- Deferred tax liabilities	178		
15	Other liabilities	5,502		
16	**TOTAL LIABILITIES** (from 11 to 15)	**1,487,100**		
17	Share capital	17,811	17,811	fully included; Article 26
18	Share premium	31,257	31,257	fully included; Article 26
19	Accumulated other comprehensive income	154	154	fully included; Article 26
20	Revenue reserves	59,247	59,247	included only until 31 Dec 2024. 50% of the 2025 profit is not included; Article 26
21	Treasury shares	(601)	(601)	deduction item, Article 36 f - fully
22	Retained earnings (including profit/loss for the year)	5,318		
	Retained earnings	(44)	(44)	included in full, by decision of the General Meeting; Article 26
	Profit for the period	5,362		does not yet meet the conditions for inclusion
23	**TOTAL EQUITY** (from 17 to 22)	**113,186**		
24	**TOTAL EQUITY AND LIABILITIES** (16 + 23)	**1,600,286**	**102,223**	**Regulatory capital (sum of capital from SFP)**
			(390)	deduction item Article 26(2) and Delegated Regulation No 183/2014
			101,833	**Regulatory capital**

5.8. Asset encumbrance

(a) Assets

Group DBS

	2025				2024			
	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of non-encumbered assets	Fair value of non-encumbered assets	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of non-encumbered assets	Fair value of non-encumbered assets
Assets of the reporting institution	**10,262**	**-**	**1,590,828**	**-**	**4,246**	**-**	**1,575,968**	**-**
Sight deposits	0	-	394,834	-	0	-	486,659	-
Equities	0	0	3,224	3,224	0	0	2,980	2,980
Debt securities	9,005	8,963	265,712	265,618	3,007	2,698	191,464	185,892
Loans and other financial assets other than demand loans	1,257	-	880,953	-	1,239	-	852,234	-
Other assets	0	-	46,105	-	0	-	42,631	-

DBS d. d.

	2025				2024			
	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of non-encumbered assets	Fair value of non-encumbered assets	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of non-encumbered assets	Fair value of non-encumbered assets
Assets of the reporting institution	**10,262**	**-**	**1,590,024**	**-**	**4,246**	**-**	**1,575,144**	**-**
Sight deposits	0	-	394,834	-	0	-	486,659	-
Equities	0	0	3,224	3,224	0	0	2,980	2,980
Debt securities	9,005	8,963	265,712	265,618	3,007	2,698	191,464	185,892
Loans and other financial assets other than demand loans	1,257	-	876,555	-	1,239	-	847,584	-
Other assets	0	-	49,699	-	0	-	46,457	-

(b) Collateral received

Group DBS

	2025		2024	
	Fair value of encumbered collateral received or own debt securities issued	Fair value of received collateral or own debt securities issued available for encumbrance	Fair value of encumbered collateral received or own debt securities issued	Fair value of received collateral or own debt securities issued available for encumbrance
Collateral received by the reporting institution	**0**	**0**	**0**	**0**
Equity instruments	0	0	0	0
Debt securities	0	0	0	0
Loans and other financial assets other than demand loans	0	0	0	0
Other collateral received	0	0	0	0
Own debt securities issued other than own covered bonds or ABSs	**0**	**0**	**0**	**0**

DBS d. d.

	2025		2024	
	Fair value of encumbered collateral received or own debt securities issued	Fair value of received collateral or own debt securities issued available for encumbrance	Fair value of encumbered collateral received or own debt securities issued	Fair value of received collateral or own debt securities issued available for encumbrance
Collateral received by the reporting institution	**0**	**0**	**0**	**0**
Equity instruments	0	0	0	0
Debt securities	0	0	0	0
Loans and other financial assets other than demand loans	0	0	0	0
Other collateral received	0	0	0	0
Own debt securities issued other than own covered bonds or ABSs	**0**	**0**	**0**	**0**

(c) Encumbered assets/collateral received and related liabilities

Group DBS

	2025		2024	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	0	0	0	0
Other encumbered liabilities	1,257	10,262	1,239	4,246
Total	**1,257**	**10,262**	**1,239**	**4,246**

DBS d. d.

	2025		2025	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	0	0	0	0
Other encumbered liabilities	1,257	10,262	1,239	4,246
Total	**1,257**	**10,262**	**1,239**	**4,246**

(d) Information on the importance of encumbrance

The Group’s encumbered assets include investments in debt securities measured amortised cost, and as non-marketable assets (loans to the state). According to the Decision on Liquid Assets for the Purpose of the Bank Liquidation Fund (Official Gazette RS, No 6/15), a bank must have investments in financial instruments, the so-called liquid investments in the amount as determined for each bank by the Bank of Slovenia, to meet cash requirements for payments in the Bank Liquidation Fund. The volume of formed investments for the purpose of the Bank Liquidation Fund for the Bank amounted to EUR 2,077 thousand until 17 June 2025, and from 18 June onwards, it amounts to EUR 7,630 thousand. The purpose of the fund is to finance compulsory liquidation measures that may be imposed on the bank by the Bank of Slovenia. As at 31 December 2025, the encumbered assets for the needs of the Bank Liquidation Fund amount to EUR 9,005 thousand. To secure card settlements and other liabilities to Mastercard, the Bank has a guarantee fixed term deposit with HSBC Bank. As at 31 December 2025, the balance of the deposit amounts to EUR 1,257 thousand.

RISK AND CAPITAL MANAGEMENT
(disclosures under Pillar 3 of the Basel Accord)

CONTENTS

1. INTRODUCTION

European banks have to disclose many types of information to enable stakeholders a more precise estimate of the risks the banks are exposed to in their operations. Part 8 of the Regulation on Prudential Requirements for Credit Institutions and Investment Firms (Regulation (EU) No 575/2013) provides minimum disclosure requirements for information concerning risk management and capital requirements, and it is directly binding for all member states. Some disclosure requirements do not apply to the Group – because they refer to different approaches to calculating capital requirements, or because they refer to lines of business not conducted by the Group – and therefore they are not included in this report.

In calculating its regulatory capital requirements, the Group uses the following approaches:
- credit risk – standardised approach,
- operational risk – calculation in accordance with Article 313 of Regulation (EU) No 2024/1623 (CRR 3).

The DBS Group meets the conditions set out in Article 94(1) of the CRR Regulation regarding the small trading book business, and therefore has included the capital requirements for trading book items in the calculation of the capital requirement for credit risk since May 2021.

2. SCOPE OF APPLICATION

Pursuant to the capital requirements legislation, the Group has to disclose information about its risk and capital management on a consolidated basis. Calculations at Group level are based on prudential consolidation, which includes DBS d. d. and the subsidiaries DBS Leasing d. o. o. and DBS Nepremičnine d. o. o. Subsidiaries are included in prudential consolidation using the full consolidation method.

The table below contains a list of Group companies, their main features and the method of consolidation. More on individual companies is available in the Business Report of the Annual Report under section IV.

Subsidiaries	Business activity	Group's share of voting rights	Registered office	Consolidation method for financial reporting	Prudential consolidation method
DBS Leasing d. o. o.	Finance	100%	Republic of Slovenia	Full	Full
DBS Nepremičnine d. o. o.	Buying and selling of own real estate	100%	Republic of Slovenia	Full	Full

3. CAPITAL REQUIREMENTS, TOTAL RISK EXPOSURE AND KEY METRICS

3.1. Capital requirements and total risk exposure

The group discloses capital requirements and total risk exposure based on Article 438 (d). In calculating its regulatory capital requirements, the Group uses the following approaches:

- credit risk – standardised approach, and
- operational risk – calculation in accordance with Article 313 of Regulation (EU) No 2024/1623 (CRR 3).

The Bank meets the conditions set out in Article 94(1) of Regulation (EU) No 2019/876 regarding the small trading book business, and therefore includes the capital requirements for trading book items in the calculation of the capital requirement for credit risk.

The capital requirement for individual risks totals 8% of the total exposure to a particular type of risk. The table below shows the breakdown of the Group's individual capital requirements and total risk exposure at the year-ends of 2025 and 2024.

Table: Capital requirements and total risk exposure of The Group (template EU OV1)

		Total risk exposure amounts (TREA)		Total own funds requirements
		2025	2024	2025
1	Credit risk (excluding CCR)	460,162	419,858	36,813
2	Of which the standardised approach	460,162	419,858	36,813
3	Of which the Foundation IRB (F-IRB) approach	0	0	0
4	Of which slotting approach	0	0	0
EU 4a	Of which equities under the simple risk weighted approach	0	0	0
5	Of which the Advanced IRB (A-IRB) approach	0	0	0
6	Counterparty credit risk - CCR	0	0	0
7	Of which the standardised approach	0	0	0
8	Of which internal model method (IMM)	0	0	0
EU 8a	Of which exposures to a CCP	0	0	0
EU 8b	Of which credit valuation adjustment - CVA	0	0	0
9	Of which other CCR	0	0	0
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	0	0	0
17	Of which SEC-IRBA approach	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA approach	0	0	0
EU 19a	Of which risk weight 1 250% / deduction	0	0	0
20	Position, foreign exchange and commodities risks (Market risk)	0	0	0
21	Of which the standardised approach	0	0	0
22	Of which IMA	0	0	0
EU 22a	Large exposures	0	0	0
23	Operational risk	63,534	70,081	5,083
EU 23a	Of which basic indicator approach	63,534	70,081	5,083
EU 23b	Of which standardised approach	0	0	0
EU 23c	Of which advanced measurement approach	0	0	0
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	Total	523,696	489,940	39,195

The total exposure amount increased by 6.9 percentage points in 2025 compared to 2024 due to an increase in credit risk exposure. The largest increase arises from an increase in exposure to municipalities and retail exposures.

However, operational risk exposure decreased by 9.3 percentage points in 2025 compared to 2024, due to a change in the calculation methodology in accordance with the Regulation (EU) No 2024/1623.

3.2 Key metrics

In accordance with Article 447 of Part 8 of CRR, the Group discloses the key metrics disclosed in Template EU KM1. The Group calculates capital and capital requirement ratios pursuant to the legislation. The detailed requirements of the Bank of Slovenia and the actual calculations for the Group for 2025 are shown in the table below. In 2025, the Group met the regulatory requirements for capital ratios, leverage ratio and buffers (capital conservation buffer, systemic risk buffer and the Group's own countercyclical capital buffer).

Table: Key metrics template (template EU KM1)

		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	102,352	96,212	96,378	94,324	95,922
2	Tier 1 capital	102,352	96,212	96,378	94,324	95,922
3	Total capital	102,352	96,223	96,490	94,536	96,232
	Risk-weighted exposure amounts					
4	Total risk exposure amount	523,696	522,526	539,603	481,287	489,940
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19.54	18.41	17.86	18.27	19.58
6	Tier 1 ratio (%)	19.54	18.41	17.86	18.27	19.58
7	Total capital ratio (%)	19.54	18.42	17.88	18.31	19.64
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.75	2.75	2.75	2.75	3.00
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.55	1.55	1.55	1.55	1.69
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.06	2.06	2.06	2.06	2.25
EU 7d	Total SREP own funds requirements (%)	10.75	10.75	10.75	10.75	11.00
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00	0.00	0.00	0.00	0.00
9	Institution specific countercyclical capital buffer (%)	1.00	1.00	1.00	1.00	0.50
EU 9a	Systemic risk buffer (%)	0.32	0.32	0.32	0.32	0.32
10	Global Systemically Important Institution buffer (%)	0.00	0.00	0.00	0.00	0.00
EU 10a	Other Systemically Important Institution buffer (%)	0.00	0.00	0.00	0.00	0.00
11	Combined buffer requirement (%)	3.82	3.82	3.82	3.82	3.32
EU 11a	Overall capital requirements (%)	14.57	14.57	14.57	14.57	14.32
12	CET1 available after meeting the total SREP own funds requirements (%)	8.79	7.66	7.11	7.52	8.64
	Leverage ratio					
13	Total exposure measure	1,638,101	1,627,750	1,611,636	1,660,576	1,609,526
14	Leverage ratio (%)	6.25	5.91	5.98	5.68	5.96

		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00	0.00	0.00	0.00	0.00
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00	3.00	3.00	3.00
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00	0.00	0.00	0.00	0.00
EU 14e	Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	655,905	651,272	644,893	635,169	618,264
EU16a	Cash outflows - Total weighted value	184,041	181,200	176,014	171,586	158,537
EU16b	Cash inflows - Total weighted value	23,069	21,972	19,062	13,898	8,167
16	Total net cash outflows (adjusted value)	160,972	159,228	156,952	157,688	150,370
17	Liquidity coverage ratio (%)	407.46	409.02	410.88	402.80	411.16
	Net Stable Funding Ratio					
18	Total available stable funding	1,368,485	1.344,400	1,306,312	1,283,696	1,310,780
19	Total required stable funding	640,096	593,261	574,656	581,254	666,832
20	NSFR ratio (%)	213.79	226.61	227.32	220.85	196.57

As at 31 December 2025, the Group's total capital ratio (OCR) and common equity ratio (CET 1) equalled 19.54%. Compared to 31 December 2024, the OCR decreased by 0.1 percentage points and the CET 1 by 0.04 percentage points. The reason for the decrease in capital ratios is the growth of the credit portfolio.

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You Tube profile: https://www.youtube.com/@dezelnabankaslovenije

BRANCH NETWORK[3]

NAME	ADDRESS	TELEPHONE
Deželna banka Slovenije d. d. Branch Unit Central Slovenia	Kolodvorska ulica 9, 1000 Ljubljana	00386 1 472 72 28
Branches: Ljubljana (headquarters and branch), Ljubljana Barje, Domžale, Medvode, Litija, Izlake, Vrhnika, Grosuplje, Logatec, Dobrova, Cerknica, Kranj, Lesce, Srednja vas v Bohinju, Cerklje, Kamnik, Gorenja vas, Škofja Loka.		
Deželna banka Slovenije d. d. Branch Unit Podravje	Ulica Staneta Severja 12, 2000 Maribor	00386 2 330 28 53
Branches: Maribor, Rače, Slovenska Bistrica, Lenart, Ptuj, Ormož, Slovenj Gradec, Radlje, Prevalje.		
Deželna banka Slovenije d. d. Branch Unit Pomurje	Kocljeva 9, 9000 Murska Sobota	00386 2 521 49 05
Branches: Murska Sobota, Lendava, Ljutomer, Križevci, Gornja Radgona, Apače, Sveti Jurij ob Ščavnici.		
Deželna banka Slovenije d. d. Branch Unit Celje	Kocbekova 5, 3000 Celje	00386 3 425 13 61
Branches: Celje, Laško, Slovenske Konjice, Vojnik, Žalec, Vransko, Šentjur, Šmarje pri Jelšah, Imeno, Šoštanj, Velenje, Mozirje, Ljubno ob Savinji, Gornji Grad.		
Deželna banka Slovenije d. d. Branch Unit Primorska	Gregorčičeva 11, 5000 Nova Gorica	00386 5 330 36 90
Branches: Koper, Sežana, Ilirska Bistrica, Nova Gorica, Tolmin, Idrija, Postojna.		
Deželna banka Slovenije d. d. Branch Unit Dolenjska	Novi trg 9, 8000 Novo mesto	00386 7 393 51 83
Branches: Novo mesto, Šentjernej, Črnomelj, Metlika, Ivančna Gorica, Brežiče, Krško, Kočevje, Ribnica, Velike Lašče.		

[3] branches as at 1 March 2026