

**NATIONAL BANK OF GREECE
(CYPRUS) LIMITED**

Annual Report and Financial Statements
Year ended 31 December 2025

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

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BOARD OF DIRECTORS AND OTHER OFFICERS**Board of Directors:**

Chair of the Board: Philippos Mannaris, Independent, Non-Executive Member

Vice Chairman: Christos Christodoulou, Non-Independent, Non-Executive Member

Members: Christodoulos Seferis, Senior Independent Non-Executive Member
Maria Papakokkinou, Independent, Non-Executive Member
Ernestos Panayiotou, Non-Independent, Non-Executive Member
Niki Alexandrou, Independent, Non-Executive Member (appointed on 03/04/2025)
George Agioutantis, CEO, Executive Member
Ioannis Tzimos, General Manager, Executive Member

**The Board of Directors, as at 31
December 2025 comprised the following
Members:**

Chair of the Board: Philippos Mannaris, Independent, Non-Executive Member

Vice Chairman: Christos Christodoulou, Non-Independent, Non-Executive Member

Members: Christos Christodoulou, Non-Independent, Non-Executive Member
Nicholas Defteras, Senior Independent, Non-Executive Member
(deceased 19/11/2025)
Christodoulos Seferis, Independent, Non-Executive Member
Maria Papakokkinou, Independent, Non-Executive Member
Ernestos Panayiotou, Non-Independent, Non-Executive Member
Niki Alexandrou, Independent, Non-Executive Member
George Agioutantis, CEO, Executive Member
Ioannis Tzimos, General Manager, Executive Member

Secretary Christina Roussounides (resigned on 31/12/2025)
Panayiotis Hadjiefthyvoulou (appointed on 01/01/2026)
15 Arch. Makarios III, 1065 Nicosia, Cyprus

Independent Auditors PricewaterhouseCoopers Limited
43 Demostheni Severi Avenue, 1080 Nicosia, Cyprus

Legal Advisers Chrysses Demetriades & Co
Velaris & Velaris LLC

Registered Office 15 Arch. Makarios III, 1065 Nicosia, Cyprus

MANAGEMENT REPORT

YEAR ENDED 31 DECEMBER 2025

The Board of Directors presents the management report together with the audited financial statements of the National Bank of Greece (Cyprus) Limited (the “Bank”) for the year ended 31 December 2025. These financial statements are the separate financial statements of the Bank. Management clarifies that the terms ‘separate financial statements’ and ‘financial statements’ are used interchangeably and with the same meaning throughout these financial statements.

PRINCIPAL ACTIVITY

The main activity of the Bank is the provision of a wide range of banking and financial services. The Bank is a wholly owned subsidiary of National Bank of Greece S.A. (“parent bank”).

OPERATING ENVIRONMENT

The operating environment of the Bank is presented in Note 37 of the financial statements.

REVIEW OF DEVELOPMENTS, POSITION AND PERFORMANCE OF THE BANK’S BUSINESS

As presented on page 13 of the financial statements, the profit of the Bank after taxation amounted to €8.049.791 (2024: profit of €13.642.024).

The main financial highlights for the year are set out below.

	2025	2024
	€’000	€’000
Net Interest Income	40.323	27.079
Net Fee and Commission Income	2.730	5.020
Other income and net foreign exchange	81	927
Staff Costs	(10.823)	(8.873)
Other Operating Expenses	(9.739)	(7.170)
Impairment charge for ECL	(12.073)	(2.419)
Profit for the year after tax	8.050	13.642
Loans and advances to customers (net)	2.149.691	974.339
Deposits and other customer accounts	670.308	584.815
Total Assets	2.735.307	1.197.658
Total Equity	393.756	225.990

	2025	2024
Profitability		
NIM (over average assets)*	2,2%	3,1%
Cost to Income ratio	47,6%	48,6%
NPE Performance		
NPE ratio	0,7%	1,8%
Capital		
Capital Ratio	19,7%	22,6%
RWA’s (€’000)	1.954.978	976.282
Liquidity		
LCR	317%	150%

*Average assets refers to the yearly average of all assets bearing interest

MANAGEMENT REPORT (continued)**YEAR ENDED 31 DECEMBER 2025****BRANCH NETWORK**

The Bank operates in Cyprus through two branches, in Nicosia and Limassol.

GOING CONCERN

Management has made an assessment of the Bank's ability to continue as a going concern.

Despite the uncertain global economic environment as described in Note 37 and Note 40 of the financial statements, the Board of Directors of the Bank has assessed that the Bank has the ability to continue its operations as a going concern on the basis of the Bank's liquidity and capital adequacy position.

PRINCIPAL RISKS AND UNCERTAINTIES, RISK MANAGEMENT, AND USE OF FINANCIAL INSTRUMENTS BY THE BANK

The Bank is exposed to various risks, the most important of which are Credit Risk, Liquidity Risk, and Market Risk (including interest rate risk and foreign exchange risk). Detailed information relating to the Bank's risk exposures and risk management are set out in Note 38 of the financial statements.

Credit risk

Credit risk is defined as the current or prospective risk to earnings and capital arising from a counterparty's failure to meet the terms of any contract with the Bank (actual, contingent or potential claims both on and off-balance sheet) or failure to perform as agreed. Credit risk arises from loans and advances to customers and from our treasury related activities.

The Bank has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from counterparty credit risk. The Bank's exposure and the credit ratings and credit worthiness of counterparties are regularly monitored, and the counterparty credit exposure is spread amongst approved counterparties.

The loan portfolio is assessed on the basis of customer creditworthiness, sector of the economy in which the customer operates and the country of operation and is regularly audited by the Internal Audit department. The Bank's policy regarding the determination of the level of provisions for impairment is described in the material accounting policy information note.

The Bank sets and monitors risk appetite limits relating to credit risk. Furthermore, a limits framework is in place to support the credit granting process and the general rules are documented in the Bank's Credit Policy. Relevant circulars and guidelines outline the parameters for the approval of credit applications and related credit limits.

Further information relating to Banks' credit is set out in Note 38 of the Financial Statements.

Liquidity risk and Funding Risk

Liquidity risk refers to the risk that the Bank does not have sufficient financial resources to meet current and future payments obligations as they fall due. This risk includes the possibility that the Bank may have to raise funding at high cost or sell assets at a discount to fully and promptly satisfy its obligations.

Funding risk is the risk that the Bank does not have sufficiently stable sources of funding or access to sources of funding may not always be available at a reasonable cost and thus the Bank may fail to meet its obligations. Bank assets are mainly funded by funding obtained by the Group and customer deposits. Group funding is obtained in line with the increase in the Bank's loan portfolio. The maturity of the deposits is actively monitored in order to avoid concentration of funding maturities at any point in time.

MANAGEMENT REPORT (continued)**YEAR ENDED 31 DECEMBER 2025****PRINCIPAL RISKS AND UNCERTAINTIES, RISK MANAGEMENT, AND USE OF FINANCIAL INSTRUMENTS BY THE BANK (continued)****Liquidity risk and Funding Risk (continued)**

Further information relating to Banks' risk management in relation to liquidity and funding risk is set out in Note 38 of the Financial Statements.

Market risk

Market risk is the risk of loss from adverse changes in market prices. The Bank is exposed primarily to financial risks emanating from changes in foreign currency exchange rates and interest rates. The ways that these risks are dealt with are analysed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It arises as a result of timing differences on the interest rate repricing of assets and liabilities. The Bank monitors on a continuous basis the interest rate movements and the repricing or maturity structure of its assets and liabilities.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises from an open position in a foreign currency, creating an exposure to a change in the relevant exchange rate. This may arise from the holding of financial assets in one currency funded by liabilities in another currency.

OPERATING ENVIRONMENT / STRATEGIC TARGETS

Despite regional uncertainty and ongoing geopolitical challenges, Cyprus has maintained a stable, growing, and resilient economy, outperforming much of Europe. GDP growth reached around 3.8%, and it is expected to remain strong in the coming years.

Key drivers of growth include professional services, information and communication technology, tourism, and construction. Domestic demand has also supported growth, reflecting strong household consumption and investment. At the same time, a stable labour market has helped sustain spending power and confidence, with unemployment near record lows of around 4%.

Cyprus's public debt has been on a declining path following reductions after the pandemic and earlier fiscal pressures, reaching approximately 55% of GDP by December 2025. Inflation has also fallen significantly, standing at about 0.8%, one of the lowest levels in the Eurozone.

The banking sector has improved substantially, with non-performing exposures reduced to around 4%, alongside strong capital and liquidity buffers, solid profitability, and restored depositor confidence.

Looking ahead, Cyprus faces medium-term risks from climate policies and potential worsening global geopolitical conditions. In addition, the transition to a digital and green economy remains a key challenge, while the implementation of the Recovery and Resilience Plan requires further reforms to strengthen governance and economic resilience.

During February 2026, the geopolitical situation in the Middle East escalated due to the armed conflict. The situation has created heightened uncertainty in international relations and financial markets, with potential implications for global trade, energy supply, and overall economic stability.

MANAGEMENT REPORT (continued)**YEAR ENDED 31 DECEMBER 2025****OPERATING ENVIRONMENT / STRATEGIC TARGETS (continued)**

Although the conflict is taking place outside Cyprus, it may have indirect effects on the Cypriot economy, given its openness and reliance on international trade, tourism, shipping, and financial services. Potential consequences include volatility in energy and commodity prices, disruptions in global supply chains, fluctuations in foreign exchange and capital markets, and heightened uncertainty in sectors such as tourism and transport. The extent and duration of these effects remain uncertain and cannot be reliably estimated at this stage.

The Bank's operating environment is closely linked to economic developments across Europe. During the period, the European economy was influenced by inflation trends, interest rate movements and ongoing geographical uncertainties, all of which impacted financial markets, liquidity conditions and borrower creditworthiness. At the same time, geopolitical uncertainties, including the Russian-Ukrainian War, and energy market volatility have continued to influence economic sentiment and financial stability across the region.

The Bank maintains a diversified lending portfolio that includes both Cyprus-based and international customers (more analysis on the geographical area of the loans is provided in Note 18), with cross-border exposures subject to enhanced risk assessment and monitoring procedures, reflecting the differing risk profiles associated with cross-border activities.

The strategic pillars of the Bank for the medium term are:

- Enhance revenue generation via growth in high quality new lending
- Achieve a lean operating model through further automations and simplification of procedures
- Embedding a holistic ESG framework across the Bank

SHARE CAPITAL

On 25th June 2025 the authorised and issued share capital of the Bank was increased by 38.011.695 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €288.297.783.

On 15th July 2025 the authorised and issued share capital of the Bank was increased by 14.619.883 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €313.297.783.

On 18th November 2025 the authorised and issued share capital of the Bank was increased by 40.935.672 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date is €383.297.783.

RESULTS

The Bank's results for the year ended 31 December 2025 are set out on pages 13 and 17. The profit for the year is transferred to retained earnings.

EVENTS AFTER THE REPORTING PERIOD

Information regarding events after the reporting period is provided in Note 40 to the accompanying financial statements.

BOARD OF DIRECTORS

The members of the Board of Directors at 31 December 2025 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2025, except for:

- Mrs. Niki Alexandrou who was appointed on 3 April 2025 and
- Mr. Nicholas Defteras, who deceased on 19 November 2025

MANAGEMENT REPORT (continued)

YEAR ENDED 31 DECEMBER 2025

INDEPENDENT AUDITORS

The Independent auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors

Philippos Mannaris
Chairman

Panayiotis Hadjiefthyvoulou
Secretary

Nicosia, 29 April 2026



Independent Auditor's Report

To the Members of National Bank of Greece (Cyprus) Limited

Report on the Audit of the Separate Financial Statements

Opinion

In our opinion, the accompanying separate financial statements of parent company National Bank of Greece (Cyprus) Limited (the "Bank") give a true and fair view of the separate financial position of the Bank as at 31 December 2025, and of its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the separate financial statements which are presented in pages 13 to 96 and comprise:

- the balance sheet as at 31 December 2025;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the separate financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under *those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

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

Independence

We remained independent of the Bank throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* as applicable to audits of separate financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the separate financial statements of public interest entities in Cyprus. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

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

Key audit matter	How our audit addressed the key audit matter
<p>Credit loss allowance for loans and advances to customers, using the expected credit loss model in line with the provisions of IFRS 9 “Financial Instruments”</p> <p>We focused on this area as complex models have been developed by the Bank to calculate expected credit losses (“ECL”) and significant judgements are involved in estimating ECL on loans and advances to customers.</p> <p>Loans and advances to customers comprise a large portion of the Bank’s total assets and in view of the significant judgements involved in estimating ECL on loans and advances to customers we have considered this to be a key audit matter.</p> <p>Refer to Note 3 “Material accounting policy information”, Note 5 “Critical Accounting Estimates and Judgments”, Note 20 “Credit loss allowance on loans and advances to customers” and Note 38 “Risk Management” of the separate financial statements.</p>	<p>We updated our understanding of the models used by the Bank and further evaluated management’s implementation process of these models for the calculation of ECL. These included, amongst others, probability-weighted macroeconomic scenarios, staging criteria and loss given default estimates.</p> <p>We have focused on the following judgments and estimates which could give rise to material misstatement or are potentially subject to management bias:</p> <ul style="list-style-type: none"> ● Probability of default (“PD”); ● Loss given default (“LGD”); ● Forward looking information; ● The identification of significant increase in credit risk and the related staging mechanism. <p>In obtaining sufficient and appropriate audit evidence, and using the assistance of PwC credit risk experts, where deemed appropriate, we:</p> <ul style="list-style-type: none"> ● Understood and evaluated the design and implementation of the overall control framework and tested the operating effectiveness of a sample of key controls around the process of loan performance monitoring and the process of ECL data input management; ● Obtained an understanding and assessed the reasonableness of the key outputs calculated by the models through recalculation, benchmarking and other relevant procedures; ● Assessed the appropriateness of ECL model design, and of the loan portfolio segmentation employed therein;

- Evaluated, challenged and tested the reasonableness and appropriateness of the key assumptions and inputs and judgments adopted by management in determining ECL for both local and international lending portfolios, as well as their compliance with the provisions of IFRS 9;
- Reviewed the Bank's methodology for ECL provisioning to establish the relevant key inputs used in the calculation engine and on a sample basis tested key inputs used. Inputs used in the sample tested were compared to the Bank's ECL methodology to ensure consistency;
- Assessed the reasonableness of management's assumptions and weighting for each of the macroeconomic scenarios applied;
- Performed procedures by reference to the criteria and triggers adopted by management to ensure that the Bank applies the three-stage approach for categorisation of loans and advances to customers and that changes in credit quality since initial recognition are appropriately monitored, determined and measured as at the statement of financial position date;
- Performed loan file reviews on a sample basis to inspect pertinent financial information and assessed the adequacy of ECL;
- We evaluated the appropriateness of the Bank's disclosures particularly in relation to critical estimates and judgments.

The results of the above procedures were satisfactory.

Reporting on Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements 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. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those Charged with Governance for the Separate Financial Statements

The Board of Directors is responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

Report on Other Legal and Regulatory Requirements

Requirements of Article 10(2) of the EU Regulation 537/2014

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Bank on 5 October 2017 by the Board of Directors of the Bank for the audit of the separate financial statements for the year ended 31 December 2017. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 9 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Bank, which we issued on 27 April 2026 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Bank and which have not been disclosed in the separate financial statements or the management report.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the separate financial statements.
- In light of the knowledge and understanding of the Bank and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Bank's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Alexandros Papadopoulos.



Alexandros Papadopoulos
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

29 April 2026

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PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at PwC Central, 43 Demostheni Severi Avenue, CY- 1080 Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, PricewaterhouseCoopers Ltd and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	€	€
Interest income	6	68.633.028	47.351.427
Interest expense	7	(28.310.121)	(20.272.442)
		—————	—————
Net interest income		40.322.907	27.078.985
Fee and commission income	8	4.944.769	5.199.878
Fee and commission expense	8	(2.214.726)	(179.950)
Net foreign exchange	9	(401.960)	400.099
Other income	10	482.751	527.312
		—————	—————
		43.133.741	33.026.324
		—————	—————
Staff costs	12	(10.822.758)	(8.872.996)
Depreciation of property, plant and equipment	23, 24	(607.741)	(566.466)
Amortisation of intangible assets	25	(595.641)	(599.331)
Other operating expenses	13	(7.535.959)	(6.004.509)
		—————	—————
		(19.562.099)	(16.043.302)
		—————	—————
Operating profit before credit loss allowance and impairment charge		23.571.644	16.983.022
		—————	—————
Credit loss allowance on loans and advances to customers	20	(12.299.945)	(2.529.021)
Reversal of credit loss allowance on other financial assets	11	226.900	109.693
Impairment charge on investment in subsidiary	17	(1.000.000)	-
		—————	—————
Credit loss allowance and impairment charge for financial and non-financial assets		(13.073.045)	(2.419.328)
		—————	—————
Profit before tax		10.498.599	14.563.694
Income tax	14	(2.448.808)	(921.670)
		—————	—————
Profit for the year		8.049.791	13.642.024
		=====	=====

The notes on pages 18 to 96 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	€	€
Profit for the year		8.049.791	13.642.024
		_____	_____
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of properties	23, 31	(62.800)	132.890
Deferred tax income liability	14(b), 31	102.184	-
Changes in the fair value of equity investments designated at fair value through other comprehensive income	21, 31	(322.734)	2.641.792
		_____	_____
Items that will not be reclassified to profit or loss		(283.350)	2.774.682
		_____	_____
Other comprehensive income for the year, net of tax		(283.350)	2.774.682
		_____	_____
Total comprehensive income for the year		7.766.441	16.416.706
		=====	=====

The notes on pages 18 to 96 form an integral part of the financial statements.

BALANCE SHEET AT 31 DECEMBER 2025

		2025	31 December 2024 (as restated)	01 January 2024 (as restated)
	Note	€	€	€
ASSETS				
Cash and balances with Central Bank of Cyprus	15	386.781.295	88.413.874	107.643.028
Mandatory deposits with Central Bank of Cyprus	15	6.935.998	5.383.973	3.275.798
Deposits with other banks	16	1.776.944	1.140.473	1.105.316
Deposits with related banks	19(a)	84.318.140	27.658.430	15.615.011
Loans and advances to customers	18	2.149.691.091	974.339.372	310.713.460
Equity investments at fair value through other comprehensive income	21	11.762.426	12.085.160	9.443.368
Other financial assets at amortised cost	22	64.287.461	64.391.003	64.470.919
Investment in subsidiary	17	5.753.709	5.709	5.709
Investment in subsidiaries held for sale	17	3.202.000	-	-
Property, plant and equipment	23	10.481.607	10.117.583	9.914.261
Right-of-use assets	24	1.540.521	1.136.913	1.465.553
Intangible assets	25	6.735.905	5.562.641	4.521.146
Other assets	26	1.302.773	5.394.293	5.631.398
Deferred income tax assets	14(b)	737.010	2.029.040	2.757.979
		_____	_____	_____
Total assets		2.735.306.880	1.197.658.464	536.562.946
		=====	=====	=====
LIABILITIES				
Deposits from other banks	27	15.783.378	10.528.458	1.716.840
Deposits and other customer accounts	28	670.307.639	584.815.245	388.805.327
Deposits from related banks	19(b)	1.639.552.424	365.815.396	67.223.383
Lease liabilities	24	1.610.795	1.201.666	1.509.552
Other liabilities	29	12.623.719	8.426.467	6.855.293
Income tax liability		893.438	-	-
Deferred income tax liabilities	14(b)	779.533	881.717	881.717
		_____	_____	_____
Total liabilities		2.341.550.926	971.668.949	466.992.112
		=====	=====	=====
EQUITY				
Share capital	30	383.297.783	223.297.785	83.295.810
Revaluation reserves	31	20.761.848	21.045.198	18.270.516
Accumulated losses		(10.303.677)	(18.353.468)	(31.995.492)
		_____	_____	_____
Total equity		393.755.954	225.989.515	69.570.834
		_____	_____	_____
Total liabilities and equity		2.735.306.880	1.197.658.464	536.562.946
		=====	=====	=====

The financial statements have been approved by the Board of Directors on 29 April 2026.

.....
George Agioutantis
Chief Executive Officer, Executive Member

.....
Paola Ioannou Michalia
Chief Financial Officer

.....
Ioannis Tzimos
General Manager, Executive Member

The notes on pages 18 to 96 form an integral part of the financial statements.

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

	Share Capital	Property revaluation reserve	Revaluation reserve for financial assets at FVOCI	Accumulated losses (1)	Total
	€	€	€	€	€
Balance at 1 January 2024	83.295.810	8.637.334	9.633.182	(31.995.492)	69.570.834
Comprehensive income:					
Profit for the year	-	-	-	13.642.024	13.642.024
Other comprehensive income for the year (Notes 21 & 31)	-	132.890	2.641.792	-	2.774.682
Total comprehensive income for the year	-	132.890	2.641.792	13.642.024	16.416.706
Transactions with owners					
Issue of shares (Note 30)	140.001.975	-	-	-	140.001.975
Total transactions with owners	140.001.975	-	-	-	140.001.975
Balance at 31 December 2024/ 1 January 2025	223.297.785	8.770.224	12.274.974	(18.353.468)	225.989.515
Comprehensive income:					
Profit for the year	-	-	-	8.049.791	8.049.791
Other comprehensive income for the year (Notes 21, 23 & 31)	-	39.384	(322.734)	-	(283.350)
Total comprehensive income for the year	-	39.384	(322.734)	8.049.791	7.766.441
Transactions with owners					
Issue of shares (Note 30)	159.999.998	-	-	-	159.999.998
Total transactions with owners	159.999.998	-	-	-	159.999.998
Balance at 31 December 2025	383.297.783	8.809.608	11.952.240	(10.303.677)	393.755.954

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the National Health System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders. The deemed dividend distribution system is abolished for profits arising from 1 January 2026 onwards

The notes on pages 18 to 96 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	€	€
Net cash from/(used in) operating activities	33	197.267.630	(146.730.824)
Cash flows from investing activities		_____	_____
Purchase of intangible assets	25	(1.768.905)	(1.640.826)
Purchase of property, plant and equipment	23	(622.575)	(248.583)
Dividend income received		191.562	228.687
Interest received on debt securities	22	1.038.250	1.038.249
Net cash used in investing activities		(1.161.668)	(622.473)
Cash flows from financing activities		_____	_____
Issue of share capital	30	159.999.998	140.001.975
Payment of principal portion of lease liability	24	(406.782)	(368.674)
Payment of interest portion of lease liability	24	(37.771)	(44.671)
Net cash from financing activities		159.555.445	139.588.630
Net increase/(decrease) in cash and cash equivalents		355.661.407	(7.764.667)
Credit losses on cash and cash equivalents		(2.958)	(65.156)
Cash and cash equivalents at beginning of the year		116.441.839	124.271.662
Cash and cash equivalents at end of the year	34	472.100.288	116.441.839
		=====	=====

The notes on pages 18 to 96 from an integral part of the financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

1. GENERAL INFORMATION**Country of incorporation**

National Bank of Greece (Cyprus) Limited (the “Bank”) is incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its parent and ultimate holding company is National Bank of Greece S.A. which is incorporated in Greece.

Principal activities

The principal activities of the Bank are the provision of a wide range of banking and financial services.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

During the current year the Bank adopted all the new and revised IFRS Accounting Standards as adopted by the European Union (EU) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Basis of preparation

These financial statements are the separate financial statements of the Bank. Management clarifies that the terms ‘separate financial statements’ and ‘financial statements’ are used interchangeably and with the same meaning throughout these financial statements.

The financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union, and the requirements of the Cyprus Companies Law, Cap. 113.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

As of the date of the authorisation of the financial statements, all IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2025 have been adopted by the European Union through the endorsement procedure established by the European Commission.

These financial statements contain information about National Bank of Greece (Cyprus) Limited as an individual Bank and do not contain consolidated financial information as the parent of a group. The Bank has taken advantage of the exemption under IFRS 10 "Consolidated Financial Statements" and the Cyprus Companies Law, Cap.113 from the requirement to prepare consolidated financial statements as the Bank and its subsidiary are included in the consolidated financial statements of its parent bank, National Bank of Greece S.A., which prepares consolidated and separated financial statements in accordance with IFRS Accounting Standards as adopted by the EU that are available for public use. These consolidated financial statements are available at the National Bank of Greece S.A.'s website (www.nbg.gr).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Basis of preparation (continued)**

The financial statements have been prepared on a going concern basis. Management has made an assessment of the Bank's ability to continue as a going concern. Despite the uncertain economic environment as described in Note 37 and Note 40 of the financial statements, the Board of Directors of the Bank has assessed that the Bank has the ability to continue its operations as a going concern on the basis of the Bank's liquidity and capital adequacy position.

The Bank's presentation currency is the Euro (€), which is also the Bank's functional currency.

The financial statements are prepared on a historical cost basis, except for land and buildings, financial assets at fair value through other comprehensive income and derivative financial instruments that are measured at fair value at the end of each reporting period.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Foreign currency translation*Functional and presentation currency*

Items included in the Bank's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Bank's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in a foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historic cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are recognised in profit or loss, as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income are included in other comprehensive income.

Revenue*Fee and commission income*

Fee and commission income is recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Bank's performance. Such income includes recurring fees for account maintenance, account servicing fees, guarantee issue fee and agency fee income whereby the Bank acts as an agent of a third party in entering and completing a transaction on pre-determined terms and conditions.

Fee and commission income is recognised at a point in time when the Bank satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****Revenue (continued)***Fee and commission income (continued)*

Such income includes fees for commercial loans disbursements, processing payment transactions, fees for cash settlements and collection of cash disbursements.

Initial recognition of financial instruments

Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at settlement date, which is the date on which the asset is delivered to the Bank. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument. Any change in fair value of the assets classified as financial assets at fair value through profit or loss or at other comprehensive income to be received during the period between the trade date and the settlement date is recognised in profit or loss and in OCI, respectively. However changes in the fair value of assets carried at amortized cost between trade date and settlement date are not recognized.

Financial assets – Classification

The Bank classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Bank may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets – Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Bank has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Bank has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recorded at trade date, which is the date when the Bank commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all the risks and rewards of ownership.

Financial assets – Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Bank’s business model for managing the asset and the cash flow characteristics of the asset. The Bank classifies all of its debt instruments at amortised cost.

Under the amortised cost measurement category, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, Loans and advances to customers, Deposits with Banks, Cash Balances with Central Bank and Financial Assets at amortised cost.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****Financial assets – Measurement (continued)***Equity instruments*

The Bank subsequently measures all equity investments at fair value. Where the Bank's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Bank's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – impairment – credit loss allowance for Expected Credit Loss (ECL)

The Bank assesses on a forward-looking basis the ECL for all financial assets measured at AC and for the exposure arising from loan commitments and financial guarantee contracts. The Bank measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "(Impairment charges)/reversal of amount of impairment losses for ECL on other financial assets" and "Reversal of impairment losses for ECL on loans and advances to customers".

Debt instruments, loans and advances to customers and other financial assets measured at AC are presented in the balance sheet net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the balance sheet.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

For all financial assets that are subject to impairment under IFRS 9, the Bank applies the general approach – three stage model for impairment. The Bank applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL").

If the Bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 38, Credit risk section for a description of how the Bank determines when a SICR has occurred. If the Bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Bank's definition of credit impaired assets and definition of default is explained in Note 38, Credit risk section.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial assets – Reclassification**

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Bank has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Bank may write-off financial assets that are still subject to enforcement activity when the Bank seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Bank sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Bank assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Bank derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Bank also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Bank compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Bank recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents for the purposes of the statement of cash flows, consist of balances with original maturity less than three months, including cash, unrestricted balances with central bank and amounts due from other banks.

Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Interest income and expense calculated using the effective interest method**

Interest income for all financial assets carried at amortised cost and all debt financial assets carried at fair value through other comprehensive income is recognised in the profit or loss using the effective interest method. Interest expense for all interest bearing financial instruments is recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, or a shorter period, if appropriate, to the gross carrying amount of a financial asset (i.e. excluding future credit losses) or to the amortised cost of a financial liability. The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument.

The effective interest calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired (“POCI”) financial assets – assets that are credit impaired at initial recognition, the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial assets; and
- (b) Financial assets that are not “POCI” but have subsequently become credit-impaired (or “stage 3”), for which interest income is calculated using the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

When applying the effective interest method, the Bank amortises any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate over the expected life of the financial instrument. However, a shorter period is used if this is the period to which the fees, points paid or received, transaction costs, premiums or discounts relate. This will be the case when the variable to which the fees, points paid or received, transaction costs, premiums or discounts relate is repriced to market rates before the expected maturity of the financial instrument. In such a case, the appropriate amortisation period is the period to the next such repricing date.

Transaction costs include fees and commission paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Interest income and expense calculated using the effective interest method (continued)**

Commitment fees received by the Bank to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Bank will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Bank does not designate loan commitments as financial liabilities at FVTPL.

Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Bank to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee in other income in profit or loss.

At the end of each reporting period, the guarantee is subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Credit related commitments

The Bank issues commitments to provide loans. Commitments to provide loans are initially recognised at their fair value, which is normally evidenced by the amount of fees received. Such loan commitment fees are deferred and included in the carrying amount of the loan on initial recognition. Loan commitments provided by the Bank are measured as the amount of the loss allowance calculated under IFRS 9.

At the end of each reporting period, the commitments are measured at

- (i) the remaining unamortised balance of the amount at initial recognition, plus
- (ii) the amount of the loss allowance determined based on the expected credit loss model.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Credit related commitments (continued)**

For loan commitments (where those components can be separated from the loan), a separate provision for ECL is recognised as a liability in the statement of financial position. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Employee benefits

The Bank and the employees contribute to a defined contributions scheme.

Under the defined contributions scheme the Bank and members of staff pay fixed contributions into a separate provident fund. The Bank's contributions are recognised in the period they relate to and included in staff costs in the income statement. The Bank has no further payment obligations once the contributions have been paid.

Termination benefits

Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits at the earlier of the following dates: (a) when the Bank can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Current and deferred income tax*Current income tax*

Income tax payable/(receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense/(income) for the period except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Bank operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Current and deferred income tax (continued)***Current income tax (continued)*

Where tax losses can be relieved only by carry-forward against taxable profits of future periods a deductible temporary difference arises.

The Bank does not offset current income tax liabilities and current income tax assets.

Deferred income tax

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The tax effects of carry-forward of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to items recognised in other comprehensive income, is also recognised in other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Bank where there is an intention to settle the balances on a net basis.

Special levy

According to the “Special Levy on Credit Institutions Law of 2011 to 2015”, special levy is imposed on credit institutions on a quarterly basis, at the rate of 0,0375% on 31st December, 31st March, 30th June and 30th September on qualifying deposits held by each credit institution. The special levy is included in other operating expenses, Note 13.

Provisions

Provisions are recognized when the Bank has: (a) a present obligation (legal or constructive) arising from past events, (b) it is probable that the obligation will result in an outflow of resources embodying economic benefits and (c) a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Bank becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Bank are not provided in advance. Provisions are not recognised for future operating losses.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Deposits from banks and deposits from customers

Deposits from banks and deposits from customers are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in interest expense in the income statement using the effective interest rate method. Deposits from banks and deposits from customers are derecognised when they are extinguished, that is, when the obligation is discharged.

Related party transactions

Related parties include the parent and ultimate controlling party, fellow subsidiaries, other group companies under common control, directors and key management personnel, their close families, companies owned or controlled by them and companies whose financial and operating policies they can influence. Transactions of similar nature within the same category are disclosed on an aggregated basis.

Comparatives

Comparative figures have been adjusted to conform with changes in the presentation for the current year. Details of the reclassification adjustments are disclosed in Note 35.

4. NEW ACCOUNTING PRONOUNCEMENTS

At the date of approval of these financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at FVOCI.

The Bank is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. NEW ACCOUNTING PRONOUNCEMENTS (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The Bank is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by: (a) enabling subsidiaries to keep only one set of accounting records - to meet the needs of both their parent company and the users of their financial statements and (b) reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements. The Bank is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.
- Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026). IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'. The Bank is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

4. NEW ACCOUNTING PRONOUNCEMENTS (continued)

- Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027). 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. The amendment ensures consistency by applying the same principles for reducing disclosures as used in the original IFRS 19. Key features include exclusions for public accountability disclosures and cross-references to IFRS 18 for management performance. The Bank is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the financial statements the management of the Bank is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates and may cause a material adjustment to the carrying amounts of assets and liabilities.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Expected credit loss measurement (ECL)

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 38. The following components have a major impact under each segment on credit loss allowance: definition of default, significant increase in credit risk ("SICR"), probability of default ("PD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

In assessing the PD, the Bank considers for local portfolio, a two dimensional approach in order to perform the relevant bucketing: the contract's status and the observed days past due ("dpd"). The performed bucketing is clustered under 3 main categories, the Stage 1 ("S1") PD (under P and max dpd <30d) which corresponds to the 12m-pd, the Stage 2 ("S2") PD (under P and max dpd <90dpd) which corresponds to the LT-pd and the Stage 3 ("S3") PD (under S or/and >90dpd) which corresponds to a value of 100%. For international portfolio, the corresponding approach is based on the related PiT pd of the associated model used in order to extract the entity's credit rating score. The performed bucketing is also clustered under 3 main categories, the Stage 1 ("S1") PD (covering rating scores from level 1 up to level 8) which corresponds to the 12m-pd, the Stage 2 ("S2") PD (covering rating scores from level 9 to level 19) which corresponds to the LT-pd and the Stage 3 ("S3") PD (covering rating scores from level 20 to 21) which corresponds to a value of 100%. However, and taking into consideration that the quantitative criterion of 200% increase on the associated 12m PiT pd is also incorporated, the above clustering is providing solely an indicative Staging dimension since the shifts between Stages relates to the customers rating score at origination contrary to the corresponding value at reporting date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Expected credit loss measurement (ECL) (continued)

The abovementioned segmentation and the pre-assignment of the PD clustering to the S1-S3 staging is not a predefined assignment since the final PD used for ECL extraction is also driven by the SICR criteria on a case by case contract and pool level.

For the S1 local contracts, and as at 31 December 2025 (€410,0 million & €233,3 million for on balance and off balance sheet exposures respectively excluding exposures to financial institutions and sovereign) the increase of the 12m-pd by 0,4% and 1,20% (PD buckets 1 & 2), results to additional expected credit losses of €836.579 on the S1 portfolio as per the table below:

PD Bucket_S1	12-m PD Increase	ECL Impact_S1 portfolio
P/0 dpd	0,40%	€836.579
P/ 1-30 dpd	1,20%	

For the S1 contracts, the decrease of the 12-m PD by 0,2% and 0,40% (PD buckets 1 & 2) results to decreased expected credit losses of €211.094 on the S1 portfolio as per the table below:

PD Bucket_S1	12-m PD Decrease	ECL Impact_S1 portfolio
P/0 dpd	-0,20%	(€211.094)
P/ 1-30 dpd	-0,40%	

For the S1 local contracts, and as at 31 December 2024 (€919,7 million & €494,5 million for on balance and off balance sheet exposures respectively excluding exposures to financial institutions and sovereign) the increase of the 12m-pd by 0,4% and 1,20% (PD buckets 1 & 2), results to additional expected credit losses of €649.668 on the S1 portfolio as per the table below:

PD Bucket_S1	12-m PD Increase	ECL Impact_S1 portfolio
P/0 dpd	0,40%	€649.668
P/ 1-30 dpd	1,20%	

For the S1 contracts, the decrease of the 12-m PD by 0,2% and 0,40% (PD buckets 1 & 2) results to decreased expected credit losses of €323.641 on the S1 portfolio as per the table below:

PD Bucket_S1	12-m PD Decrease	ECL Impact_S1 portfolio
P/0 dpd	-0,20%	(€323.641)
P/ 1-30 dpd	-0,40%	

In assessing LGDs for secured exposures, the Bank considers the range of relevant risk drivers, including: collateral type, geography (location of the collateral) and seniority of the lending exposure. Management exercises its judgment, in determining the relevant valuation collateral haircuts as well as the respective time to liquidation (FLI components are introduced in approximating the relevant values for real estate collaterals) used to determine the collateral values for LGD calculation and applied to consider liquidity and quality of pledged assets. When the collateral values exceed the individual credit exposures, the minimum LGD floor (LTV bucket ≤ 60%) is applied for the measurement of ECL.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)*Expected credit loss measurement (ECL) (continued)*

For unsecured exposures, the LGD parameter is approximated as $1 - \text{Recovery Rate}$ which is quantified via the Cure Rate factor, as calculated per product for Retail Exposures and as per Industry Sector for Local Corporate Exposures. For International Corporate Exposures, the Recovery Rate is determined by geographical region, i.e. the EU region¹ and the Emerging Markets region².

In its collective assessment model, the Bank uses loan to value (LTV) buckets ($\leq 60\%$, $(60\% - 80\%)$, $(80\% - 100\%)$, $(100\% - 150\%)$, $>150\%$) in order to assign an LGD for each bucket. As at 31 December 2025, if all loans were downgraded by 1 LTV bucket, this would have resulted in additional expected credit losses on loans and advances to customers of €1,9 million (2024: €1,4 million).

Macroeconomic Scenarios used in ECL measurement

The Bank determines the ECL, which is a probability-weighted amount by evaluating a range of possible outcomes. Management uses forward-looking scenarios and assesses the suitability of weights used. These are based on management's assumptions taking into consideration macroeconomic, market and other related factors. Changes in these assumptions and in the external factors could significantly impact ECL. Macroeconomic inputs and weights per scenario are based on external market data.

Qualitative adjustments or overlays are occasionally made when calculated inputs do not capture all the characteristics of the market. These are reviewed and adjusted if considered necessary by the Bank's Management. In December 2023, the Risk Committee, approved the adjusted/increased LGD values for IBNR contracts (i.e. contracts individually assessed with zero individual provision) as these have been proposed and calculated by the Bank's division. The proposed increase in ECL amounts regarding the contracts which have been individually assessed and no ECL amount has been recognized, was based on the increased uncertainty in the economy, following the COVID pandemic, the war in Ukraine and the significant variation in interest rates. These unexpected market conditions (fluctuations) cannot be fully and timely captured by the methodologies in place used by Financial Institutions. This adjustment is captured under the approved Management Overlays Procedure Manual. The abovementioned adjustment introduced in year 2023 was also adopted in years 2024 and 2025. However, for the year 2025 and taking into consideration the alterations on the assumptions in determining the Bank's portfolio examined under Individual assessment, contracts individually assessed with zero individual provision comprised a small and insignificant part on the Bank's total portfolio.

Economic and credit conditions within geographical areas are influenced by many factors with a high degree of interdependency so that there is no one single factor to which the Bank's ECL as a whole is particularly sensitive. The Bank uses three different economic scenarios, i.e. Base, Optimistic and Adverse.

Moreover, in 2025, the Bank has proceeded with the recalculation of the credit risk parameters used in the calculation of the ECL amount so that the calculated ECL accurately reflects the Bank's historical performance/information as well as to capture the current macroeconomic conditions of Cyprus and International economy (EU and Emerging Markets). On this purpose, validation metrics and stationarity tests have also been performed to examine the validity of the existing and new macro-models introduced regarding the Bank's International portfolio used for approximating the LT-PDs. Based on the results of the tests performed, the Bank proceeded with the updating of its 2nd generation macro models and the introduction of the new models capturing the Bank's International portfolio both the EU version as well as the EM version. The updated models for retail and corporate portfolios, contrary to the previous models, incorporate as independent/explanatory macro variables the Gross Domestic Product (GDP), Unemployment (UN) and

¹ As provided by EBA, "Call For Advice for the purposes of Benchmarking Of National Loan Enforcement Frameworks", EBA/Rep/2025/36, October 2025.

² As provided by Moody's, "Sovereign Default and Recovery Rates", 1983-2024.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Macroeconomic Scenarios used in ECL measurement (continued)

Harmonized Index of Consumer Prices (HICP), variables commonly used by systemic banks in similar macro-model analysis. For the International macro models, the GDP_EU27 and the GDP_OECD have been used as explanatory variables for EU and EM respectively using at the same time leads and lags of their differences in growth %s in order to ensure the stationarity of the said series.

The most significant year-end assumptions relating to macroeconomic scenarios used for the ECL estimate for the year 2025 under the three economic scenarios used by the Bank are set out below. The scenarios "base", "optimistic" and "adverse" were used for all portfolios.

LOCAL PORFOLIO

		2025	2026	2027	2028
A. Retail					
			%		
GDP Nominal (y-o-y)	Base	3,6	4,3	5,0	4,8
	Optimistic	3,8	7,3	7,0	6,6
	Adverse	2,9	-3,3	0,1	1,3
			%		
HICP (eop, y-o-y)	Base	0,2	1,8	2,1	1,9
	Optimistic	0,3	2,9	3,1	2,9
	Adverse	0,1	0,3	0,2	0,3
			%		
Unemployment	Base	4,5	4,4	4,4	4,4
	Optimistic	4,4	3,9	3,8	3,7
	Adverse	4,7	6,6	6,8	6,6
B. Corporate					
			%		
GDP Nominal (y-o-y)	Base	3,6	4,3	5,0	4,8
	Optimistic	3,8	7,3	7,0	6,6
	Adverse	2,9	-3,3	0,1	1,3
			%		
Unemployment	Base	4,5	4,4	4,4	4,4
	Optimistic	4,4	3,9	3,8	3,7
	Adverse	4,7	6,6	6,8	6,6
International Portfolio – EU Segment					
			%		
GDP_Growth Rate_EU27	Base	1,3	1,2	1,6	1,6
	Optimistic	1,5	2,1	1,9	1,8
	Adverse	1,0	-1,9	-	0,5
			%		
International Portfolio – EM Segment					
			%		
GDP_Growth Rate_OECD	Base	1,7	1,7	1,8	1,8
	Optimistic	1,7	2,5	2,4	2,2
	Adverse	1,7	-0,8	0,2	0,9

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Macroeconomic Scenarios used in ECL measurement (continued)

The most significant year-end assumptions relating to macroeconomic scenarios used for the ECL estimate for the year 2024 are set out below. The scenarios "base", "optimistic" and "adverse" were used for all portfolios.

		2024	2025	2026	2027
A. Retail					
		%			
GDP Nominal (y-o-y)	Base	5,9	5,3	5,1	4,8
	Optimistic	6,7	9,1	7,6	6,7
	Adverse	4,6	-2,9	0,4	1,7
		%			
HICP (eop, y-o-y)	Base	3,2	1,8	1,8	1,8
	Optimistic	3,5	3,3	3,0	2,6
	Adverse	2,7	-0,6	-0,1	0,5
		%			
Unemployment	Base	5,10	4,90	4,80	4,80
	Optimistic	5,00	4,30	4,00	3,90
	Adverse	5,20	6,20	6,60	6,60
B. Corporate					
		%			
GDP Nominal (y-o-y)	Base	5,9	5,3	5,1	4,8
	Optimistic	6,7	9,1	7,6	6,7
	Adverse	4,6	-2,9	0,4	1,7
		%			
Unemployment	Base	5,10	4,90	4,80	4,80
	Optimistic	5,00	4,30	4,00	3,90
	Adverse	5,20	6,20	6,60	6,60

The weightings assigned to each economic scenario as at 31 December 2025 were as follows:

	Base	Optimistic	Adverse
Loans and Advances to Customers	60%	15%	25%

As at 31 December 2025, if the scenarios weights were changed as per the table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,44 million.

Base	Optimistic	Adverse
60%	10%	30%

As at 31 December 2025, if the scenarios weights were changed as per the below table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,67 million.

Base	Optimistic	Adverse
55%	5%	40%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Macroeconomic Scenarios used in ECL measurement (continued)

As at 31 December 2025, if the scenarios weights were changed as per the below table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,73 million.

Base	Optimistic	Adverse
50%	5%	45%

The weightings assigned to each economic scenario as at 31 December 2024 were as follows:

	Base	Optimistic	Adverse
Loans and Advances to Customers	60%	15%	25%

As at 31 December 2024, if the scenarios weights were changed as per the table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,17 million.

Base	Optimistic	Adverse
60%	10%	30%

As at 31 December 2024, if the scenarios weights were changed as per the below table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,22 million.

Base	Optimistic	Adverse
55%	5%	40%

As at 31 December 2024, if the scenarios weights were changed as per the below table below, this would have resulted in additional expected credit losses on the loans and advances to customers of €0,24 million.

Base	Optimistic	Adverse
50%	5%	45%

As at 31 December 2025, if unemployment is increased by 3%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -34,9% and -17,9% respectively. For International portfolio, the independent variable (GDP growth rate EU27 and OECD) has been decreased by 10% both for EU as well as the Emerging Markets macro/econometric model. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €2,5 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	+3,00%	€2.470.560
GDP_Nominal	-34,90%	
HICP	-17,90%	
GDP_Growth Rate_EU27	-10,00%	
GDP_Growth Rate_OECD	-10,00%	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Macroeconomic Scenarios used in ECL measurement (continued)

As at 31 December 2025, if unemployment is increased by 4%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -44,9% and -20,3% respectively. For International portfolio, the independent variable (GDP growth rate EU27 and OECD) has been decreased by 11% both for EU as well as the Emerging Markets macro/econometric model. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €3,5 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	+4,00%	€3.495.756
GDP_Nominal	-44,90%	
HICP	-20,30%	
GDP_Growth Rate_EU27	-11,00%	
GDP_Growth Rate_OECD	-11,00%	

As at 31 December 2025, if unemployment is increased by 5%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -45,0% and -21,2% respectively. For International portfolio, the independent variable (GDP growth rate EU27 and OECD) has been decreased by 12% both for EU as well as the Emerging Markets macro/econometric model. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €3,6 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	5,00%	€3.597.856
GDP_Nominal	-45,00%	
HICP	-21,20%	
GDP_Growth Rate_EU27	-12,00%	
GDP_Growth Rate_OECD	-12,00%	

As at 31 December 2024, if unemployment is increased by 3%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -27,8% and -19,1% respectively. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €0,036 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	+3,00%	€36.031
GDP_Nominal	-27,80%	
HICP	-19,10%	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Macroeconomic Scenarios used in ECL measurement (continued)

As at 31 December 2024, if unemployment is increased by +4%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -35,50% and -21,90% respectively. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €0,043 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	+4,00%	€43.138
GDP_Nominal	-35,50%	
HICP	-21,90%	

As at 31 December 2024, if unemployment is increased by +5%, then GDP Nominal and Harmonised Index of Consumer Prices (HICP) will change by -43,30% and -23,10% respectively. As per the below tabulated scenarios, this would have resulted to additional expected credit losses of €0,051 million on the total portfolio as per the table below:

		ECL Impact_Total portfolio
Unemployment	5,00%	€50.895
GDP_Nominal	-43,30%	
HICP	-23,10%	

Significant increase in credit risk ("SICR")

IFRS 9 does not include a definition of significant increase in credit risk. The Bank assesses whether significant increase in credit risk has occurred since initial recognition using predominantly quantitative and in certain cases qualitative information. Regarding the relative criteria the determination of the relevant thresholds to determine whether a significant increase in credit risk has occurred, involves management judgment. The Bank has also in place absolute criteria for SICR measurement which are triggered based on predetermined cut off values / backstop criteria (quantitative & qualitative).

In order to determine whether there has been a significant increase in credit risk, the Bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of non-financial factors used for the determination of the internal credit risk of the borrower.

The SICR criteria, are evaluated/validated on an annual basis as indicated on the Bank's policy.

Expected lifetime of revolving facilities

Judgment is exercised on the measurement period of expected lifetime for revolving facilities. The Bank exercises judgment in determining the period over which ECL should be computed, on the basis of historical experience with respect to the typical average life of such facilities.

Business model assessment

The business model drives classification of financial assets. Management applies judgment in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Business model assessment (continued)

When assessing sales transactions, the Bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the “hold to collect” business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the “hold to collect” business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The Bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial assets expected only in a stress case scenario, or in response to an isolated event that is beyond the Bank’s control, is not recurring and could not have been anticipated by the Bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

Related party transactions

The Company enters into transactions with its related parties in the normal course of business. These transactions are priced predominantly at market rates. Judgment is applied in determining whether transactions are priced at market rates and are recognized at initial recognition at their fair value. Judgements are made by comparing prices with relevant benchmarks.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Deferred tax assets are recognised by the Bank in respect of tax losses to the extent that is probable that future taxable profits will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. These variables have been established on the basis of significant management judgment and are subject to uncertainty. It is possible that the actual future events could be different from the assumptions made, resulting in material adjustment to the carrying amount of deferred tax assets.

The assumptions with greater influence on deferred tax are disclosed in Note 14.

6. INTEREST INCOME

	2025	2024
	€	€
Loans and advances to customers at amortised cost	61.725.035	38.789.016
Deposits with banks and Central Bank at amortised cost	5.986.820	7.640.595
Other financial assets at amortised cost (Note 22)	921.173	921.816
	68.633.028	47.351.427
	=====	=====

Interest income from loans and advances to customers includes interest on the net carrying amount of impaired loans and advances to customers amounting to €283.135 (2024: €437.194).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
7. INTEREST EXPENSE

	2025	2024
	€	€
Deposits and other customer accounts at amortised cost	7.337.539	6.600.303
Deposits from banks at amortised cost	20.934.882	13.626.354
Interest expense relating to leases (Note 24)	37.700	45.785
	<u>28.310.121</u>	<u>20.272.442</u>
	=====	=====

8. FEE AND COMMISSION INCOME AND EXPENSE

	2025	2024
	€	€
Fees	3.503.683	3.106.439
Commissions	1.441.086	2.093.439
	<u>4.944.769</u>	<u>5.199.878</u>
	=====	=====

Fee and commission income

The Bank's fee and commission income are primarily recognised at a point in time. According to the Bank's policy some fees relating to loans (e.g. loan approval fees) as well as fees relating to issuance of guarantees are amortised over the life of the contract.

Fee and commission expense

The fee and commission expense includes intragroup charges relating to guarantees provided on certain exposures amounting to €1.200.500 for the year ended 31 December 2025 (2024: €169.950) and referral fee of €1.000.000 for the year ended 31 December 2025 (2024: €nil). For more details refer to Note 36.

9. NET FOREIGN EXCHANGE

Net foreign exchange comprises the translation of monetary assets in foreign currency at the end of the reporting period, realised exchange gains or losses from transactions in foreign currency which have been settled during the year and the revaluation of foreign exchange derivatives.

10. OTHER INCOME

	2025	2024
	€	€
Dividend income	191.562	228.687
Other income	291.189	298.625
	<u>482.751</u>	<u>527.312</u>
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
11. REVERSAL OF CREDIT LOSS ALLOWANCE ON OTHER FINANCIAL ASSETS

	2025	2024
	€	€
Reversal of impairment charge on balances with banks – ECL	1.666	65.003
Reversal of impairment charge on other financial assets at amortised cost – ECL	225.234	44.690
	226.900	109.693
	=====	=====

12. STAFF COSTS

	2025	2024
	€	€
Salaries	7.578.445	6.801.299
Employer’s contributions	1.390.946	1.236.109
Provident fund contributions	636.062	571.402
Other staff expenses	419.824	264.186
Voluntary redundancy cost	797.481	-
	10.822.758	8.872.996
	=====	=====

The number of staff employed by the Bank as of 31 December 2025 was 143 (2024: 131). The average number of staff employed by the Bank for 2025 was 139 (2024: 128).

The Bank operates a defined contribution plan and the Bank’s contribution to the provident fund for the year 2025 remained at 9% (2024: 9%).

During 2025 the Bank provided for termination benefits to 5 full time employees at a total cost of €797.481.

13. OTHER OPERATING EXPENSES

	2025	2024
	€	€
Repairs and maintenance	2.135.473	1.325.794
Special levy on deposits	961.312	710.197
Occupancy costs	461.313	496.663
Other operating expenses	3.977.861	3.471.855
	7.535.959	6.004.509
	=====	=====

According to the “Special Levy on Credit Institutions Law of 2011 to 2015”, special levy is imposed on credit institutions on a quarterly basis, at the rate of 0,0375% on 31st December, 31st March, 30th June and 30th September on qualifying deposits held by each credit institution.

The total fees charged by PwC Cyprus for audit services provided on the annual statutory financial statements for the year ended 31 December 2025 amounted to €100.000 (2024: €85.000). No audit services were provided by other PwC network firms. PwC Cyprus and other PwC network firms have not provided any other assurance services, tax advisory services or non assurance related services.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
14. INCOME TAX
(a) Tax recognised in profit or loss:

	2025 €	2024 €
Corporation tax (Pillar Two Tax)	893.438	-
Deferred tax	1.292.030	728.939
Withholding tax	263.340	192.731
	<hr/>	<hr/>
Total income tax charge	2.448.808 =====	921.670 =====

On 22 December 2022, the European Commission approved Directive 2022/2523 which provides for a minimum effective rate of 15% for the global activities of large multinational groups (Pillar Two Tax). The Directive (EU) 2022/2523 that follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting was voted into Law 151(I)/2024 (the 'Cyprus Pillar Two Law') in December 2024. The Bank is in scope of the Cyprus Pillar Two Law for the year ended 31 December 2025, so the current tax expense includes €893.438 related to Pillar Two top up taxes.

The tax on the Bank's profit before the tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2025 €	2024 €
Profit before tax	10.498.599 =====	14.563.694 =====
Tax calculated at the applicable corporation tax rate of 12,5%	1.312.325	1.820.462
Tax effect of expenses not deductible for tax purposes	1.603.188	352.727
Tax effect of allowances and income not subject to tax	(80.245)	(143.447)
Notional interest deduction	(1.279.898)	(1.108.072)
Top up tax	893.438	-
	<hr/>	<hr/>
Income tax charge	2.448.808 =====	921.670 =====

The Bank is subject to income tax on taxable profits, at the rate of 12,5%, increased to 15% from 1 January 2026.

Brought forward losses of only five years may be utilized. From 1 January 2026, the timeframe for carry forward of tax losses has been extended to seven years.

Until 31 December 2025, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 17%. From 1 January 2026, interest is subject to 15% income tax as part of the net profits.

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 17%, reduced to 5% from 1 January 2026. In addition, in certain cases, dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
14. INCOME TAX (continued)
(b) Deferred income tax assets and liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

	Revaluation of land and buildings	Total
	€	€
At 1 January 2024	881.717	881.717
Credited to: Other comprehensive income	-	-
	<hr/>	<hr/>
At 31 December 2024/1 January 2025	881.717	881.717
Credited to: Other comprehensive income	(102.184)	(102.184)
	<hr/>	<hr/>
At 31 December 2025	779.533	779.533
	=====	=====

Deferred income tax assets

	Tax losses	Total
	€	€
At 1 January 2024	2.757.979	2.757.979
Charged to:		
Profit or loss for the year	(728.939)	(728.939)
	<hr/>	<hr/>
At 31 December 2024/1 January 2025	2.029.040	2.029.040
Charge to:		
Profit or loss for the year	(1.292.030)	(1.292.030)
	<hr/>	<hr/>
At 31 December 2025	737.010	737.010
	=====	=====

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Bank performed its assessment for the recoverability of the deferred tax asset as at 31 December 2025 and 31 December 2024 taking into account the Bank's actual and historic performance, the key objectives of the Bank's strategy, the macroeconomic environment in Cyprus, the impact of tax legislations enacted as at the reporting date and the detailed financial business plan approved by the Board.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
15. CASH, BALANCES AND MANDATORY DEPOSITS WITH CENTRAL BANK OF CYPRUS

	2025	2024
	€	€
Cash in hand	3.173.536	3.263.053
Balances with the Central Bank of Cyprus:		
- due within three months	383.628.369	85.174.594
- between three months to one year	6.935.998	5.383.973
Total gross	393.737.903	93.821.620
ECL allowance	(20.610)	(23.773)
Total: net of ECL allowance	393.717.293	93.797.847
	=====	=====

Cash and balances with central banks are classified as current.

Analysed as:

	2025	2024
	€	€
Cash and balances with Central Bank of Cyprus	4.060.034	3.406.791
Mandatory deposits with Central Bank of Cyprus	6.935.998	5.383.973
Placements with Central Bank of Cyprus	382.721.261	85.007.083
Total	393.717.293	93.797.847
	=====	=====

16. DEPOSITS WITH OTHER BANKS

	2025	2024
	€	€
Interbank accounts	1.777.153	1.140.500
Total gross	1.777.153	1.140.500
ECL allowance	(209)	(27)
Total: net of ECL allowance	1.776.944	1.140.473
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
16. DEPOSITS WITH OTHER BANKS (continued)

The maturity of the above balances is presented below:

	2025	2024
	€	€
Due within three months	1.606.969	947.723
Between three months and one year	170.184	192.777
	<hr/>	<hr/>
Total gross	1.777.153	1.140.500
ECL allowance	(209)	(27)
	<hr/>	<hr/>
Total: net of ECL allowance	1.776.944	1.140.473
	=====	=====

The fair value of the above balances approximates their carrying amount.

Placements with banks bear interest which is based on the interbank rate of the relevant term and currency.

Deposits with other banks are classified as “financial assets at amortised cost”.

17. INVESTMENT IN SUBSIDIARIES

The subsidiary companies and their principal activities are described below:

Name	Participation	Principal activities	2025	31 December 2024 (as restated)
			€	€
National Securities Cyprus Limited	100%	Dormant company	1.709	1.709
Ovelicum Limited	100%	Special purpose entity	251.000	1.000
Pacolia Holdings Limited	100%	Special purpose entity	5.501.000	1.000
Cortelians Limited	100%	Special purpose entity	1.551.000	1.000
Merbolium Limited	100%	Special purpose entity	1.651.000	1.000
			<hr/>	<hr/>
			8.955.709	5.709
			=====	=====

All subsidiary companies referenced above are registered in Cyprus.

The movement of the Bank’s investments in subsidiaries is presented below:

	2025	2024 (as restated)
	€	€
Balance as the beginning of the period	5.709	5.709
Share capital increase in subsidiaries	9.950.000	-
Impairment charge	(1.000.000)	-
	<hr/>	<hr/>
Balance at the end of the period	8.955.709	5.709
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
17. INVESTMENT IN SUBSIDIARIES (continued)
Investments in subsidiaries held for sale

As at 31 December 2025, the Bank classified Merbolium Limited and Cortelians Limited as held for sale. The subsidiaries are Special Purpose Vehicles (SPVs) whose principal assets consist of residential properties acquired through Debt for Asset Swap agreement. During the year, the Bank entered into binding sale agreements for the disposal of its entire equity interests in these SPVs.

The investments in subsidiaries were measured at the lower of their carrying amount and fair value less cost to sell. The agreed sale consideration under the sale agreement was used as the basis for estimating fair value less costs to sell. Based on this assessment the Bank recognized in its profit or loss for the year ended 31 December 2025 an impairment loss of €1.000.000 which reflected the difference between the recoverable amount and the carrying amount.

18. LOANS AND ADVANCES TO CUSTOMERS

	2025	31 December 2024 (as restated)
	€	€
Loans and advances to customers – at amortised cost	2.178.445.444	989.131.316
Credit loss allowance on loans and advances to customers (Note 20)	(28.754.353)	(14.791.944)
Total: net of ECL allowance	2.149.691.091	974.339.372
	=====	=====

The analysis of gross advances based on their remaining contractual maturity at 31 December is presented below:

	2025	2024 (as restated)
	€	€
Due within three months	97.011.980	104.589.560
Between three months and one year	82.127.181	94.807.650
Between one and five years	1.378.983.063	467.871.211
Over five years	620.323.220	321.862.895
Total: Gross	2.178.445.444	989.131.316
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
18. LOANS AND ADVANCES TO CUSTOMERS (continued)

The analyses of advances by industry sector is presented below:

	2025	2024 (as restated)
	€	€
Trade and Services	863.289.370	287.804.249
Manufacturing	309.583.599	146.157.286
Construction	303.303.194	53.564.501
Professional services	267.604.795	122.758.547
Transportation	133.532.306	129.645.949
Communication	131.213.566	113.610.656
Energy	102.634.180	53.501.063
Tourism	41.354.270	41.685.980
Retail	25.563.437	29.600.049
Other sectors	366.727	10.803.036
	<hr/>	<hr/>
Total: Gross	2.178.445.444	989.131.316
	=====	=====

Analysis by geographical area:

	2025	2024 (as restated)
	€	€
Cyprus	485.738.393	311.681.763
Germany	419.987.744	217.284.880
Luxembourg	286.099.331	20.716.410
Italy	166.123.994	-
France	127.789.385	62.297.610
Spain	103.762.024	9.978.716
United Kingdom	83.444.077	38.226.030
Netherlands	72.765.341	12.752.048
Czech Republic	68.813.453	25.590.483
Switzerland	58.784.743	28.718.788
Finland	50.106.237	-
Serbia	42.321.738	43.275.801
Estonia	40.286.619	47.852.048
Jersey	39.602.706	-
Marshall Islands	37.514.701	45.406.534
Ireland	35.037.342	42.318.355
Romania	19.672.349	7.643.514
Greece	15.670.394	9.626.664
Bulgaria	14.601.405	16.001.997
Other countries	10.323.468	49.759.675
	<hr/>	<hr/>
Total: Gross	2.178.445.444	989.131.316
	=====	=====

The fair value of loans and other advances to customers approximates their carrying amount at the balance sheet date. Loans and advances to customers are categorized as “financial assets at amortised cost”.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
19. BALANCES WITH RELATED BANKS
(a) Deposits with related banks

	2025	2024
	€	€
National Bank of Greece S.A. (parent bank)	84.320.048	27.659.022
ECL allowance	(1.908)	(592)
	<hr/>	<hr/>
Total: net of ECL allowance	84.318.140	27.658.430
	=====	=====

The maturity of the above balances is presented below:

	2025	2024
	€	€
Due within three months	83.691.414	27.056.469
Between three months and one year	628.634	602.553
ECL allowance	(1.908)	(592)
	<hr/>	<hr/>
Total: net of ECL allowance	84.318.140	27.658.430
	=====	=====

The fair value of the above balances approximates their carrying amount.

(b) Deposits from related banks

	2025	2024
	€	€
National Bank of Greece S.A. (parent bank)	1.621.949.701	345.875.818
National Bank of Greece S.A. – Cairo Branch	17.602.723	19.939.578
	<hr/>	<hr/>
	1.639.552.424	365.815.396
	=====	=====

The maturity of the above balances is presented below.

	2025	2024
	€	€
Due within three months	29.260.895	253.239.806
Between three months and one year	156.006.921	112.575.590
Between one year and five years	1.454.284.608	-
	<hr/>	<hr/>
	1.639.552.424	365.815.396
	=====	=====

The fair value of the above balances approximates their carrying amount.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
20. CREDIT LOSS ALLOWANCE ON LOANS AND ADVANCES TO CUSTOMERS
€

Balance at 1 January 2024	12.252.868
Impairment charge for the year	3.832.832
Write offs	(1.394.026)
Provision on accrued interest for interest income not recognised	100.270
	<hr/>
Balance at 31 December 2024 (Note 18)	14.791.944
Impairment charge for the year	14.019.852
Write offs	(129.606)
Provision on accrued interest for interest income not recognised	72.163
	<hr/>
Balance at 31 December 2025 (Note 18)	28.754.353
	=====

Amounts recognised in profit or loss:

	2025	2024
	€	€
Credit loss allowance on loans and advances to customers	14.073.069	3.958.168
Bad debts recovered	(1.773.124)	(1.429.147)
	<hr/>	<hr/>
	12.299.945	2.529.021
	=====	=====

During the year ended 31 December 2025 the Bank has written off €182.823 (2024: €1.510.149) loans and advances that are subject to enforcement rights.

21. FINANCIAL ASSETS – INVESTMENTS IN EQUITY SECURITIES

Equity investments at fair value through other comprehensive income (FVOCI) comprise the following:

	2025	2024
	€	€
<i>Listed equity securities:</i>		
Master Card International Incorporation	10.411.043	10.733.777
<i>Unlisted equity securities:</i>		
JCC Payment Systems Ltd	1.351.383	1.351.383
	<hr/>	<hr/>
Equity investments at fair value through other comprehensive income	11.762.426	12.085.160
	=====	=====

The movement of financial assets at FVOCI is as follows:

	2025	2024
	€	€
Carrying amount at 1 January	12.085.160	9.443.368
Net (loss)/gain from changes in fair value recognised in OCI	(322.734)	2.641.792
	<hr/>	<hr/>
Carrying amount at 31 December	11.762.426	12.085.160
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
22. OTHER FINANCIAL ASSETS AT AMORTISED COST

Financial assets at amortised cost include the following debts investments:

	2025	2024
	€	€
Government bonds	64.290.836	64.407.913
ECL allowance	(3.375)	(16.910)
Total: net of ECL allowance	64.287.461	64.391.003
	=====	=====
	2025	2024
	€	€
Listed on the Cyprus Stock Exchange	36.222.251	36.216.343
Listed on the Italian Stock Exchange	28.068.585	28.191.570
ECL allowance	(3.375)	(16.910)
Total: net of ECL allowance	64.287.461	64.391.003
	=====	=====

The maturity of the above investments is presented below:

	2025	2024
	€	€
Within three months	28.068.585	-
Between one and five years	23.131.628	51.317.939
Over five years	13.090.623	13.089.974
Total: Gross carrying amount	64.290.836	64.407.913
ECL allowance	(3.375)	(16.910)
Total: net of ECL allowance	64.287.461	64.391.003
	=====	=====

The movement of financial assets at amortised cost is as follows:

	2025	2024
	€	€
At 1 January	64.391.003	64.470.919
Interest income (Note 6)	921.173	921.816
Interest received	(1.038.250)	(1.038.249)
ECL allowances reversal	13.535	36.517
At 31 December	64.287.461	64.391.003
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
23. PROPERTY, PLANT AND EQUIPMENT

	Land, Buildings and installations €	Motor Vehicles €	Furniture and equipment €	Total €
Cost or valuation				
1 January 2024	9.814.512	78.732	3.879.420	13.772.664
Additions	15.214	-	233.369	248.583
Revaluations	38.300	-	-	38.300
Write-offs	-	-	-	-
31 December 2024/1 January 2025	9.868.026	78.732	4.112.789	14.059.547
Additions	270.533	-	352.042	622.575
Revaluations	(62.800)	-	-	(62.800)
Write-offs	-	-	(59.638)	(59.638)
31 December 2025	10.075.759	78.732	4.405.193	14.559.684
	=====	=====	=====	=====
				==
Accumulated depreciation				
1 January 2024	38.553	78.732	3.741.118	3.858.403
Charge for the year	96.831	-	81.320	178.151
Revaluation	(94.590)	-	-	(94.590)
Write-offs	-	-	-	-
31 December 2024/1 January 2025	40.794	78.732	3.822.438	3.941.964
Charge for the year	86.944	-	108.423	195.367
Revaluation	-	-	-	-
Write-offs	-	-	(59.254)	(59.254)
31 December 2025	127.738	78.732	3.871.607	4.078.077
	=====	=====	=====	=====
				==
Net book value				
31 December 2025	9.948.020	-	533.587	10.481.607
	=====	=====	=====	=====
				==
31 December 2024	9.827.232	-	290.351	10.117.583
	=====	=====	=====	=====
				==

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
23. PROPERTY, PLANT AND EQUIPMENT (continued)
Fair value measurement of the Bank's freehold land and buildings

The Bank's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Bank's land and buildings are performed by independent valuers not related to the Bank. The valuers have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The fair value of the properties was determined using the market comparable approach that reflects recent transaction prices for similar properties and discounted cash flow approach that reflects the annual return or potential return of the investor from the property held. The fair value of the land and buildings has been determined by an independent valuer and approved by the parent bank NBG SA.

The Bank adopted a valuation technique using unobservable inputs. Accordingly, the fair value was classified as Level 3.

The valuation levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

Details of the Bank's land and buildings and information about the fair value hierarchy as at 31 December are as follows:

	Quoted prices in active markets for identical assets (level 1) 2025 €	Significant other observable inputs (level 2) 2025 €	Significant unobservable inputs (level 3) 2025 €	Total 2025 €
Land	-	-	6.810.000	6.810.000
Buildings	-	-	2.830.000	2.830.000
	----- -	----- -	----- 9.640.000	----- 9.640.000
	=====	=====	=====	=====

	Quoted prices in active markets for identical assets (level 1) 2024 €	Significant other observable inputs (level 2) 2024 €	Significant unobservable inputs (level 3) 2024 €	Total 2024 €
Land	-	-	6.907.800	6.907.800
Buildings	-	-	2.795.000	2.795.000
	----- -	----- -	----- 9.702.800	----- 9.702.800
	=====	=====	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

23. PROPERTY, PLANT AND EQUIPMENT (continued)

Information about fair value measurements using significant unobservable inputs (Level 3) – 31 December 2025

Details of the Bank's land and buildings and information about the fair value hierarchy as at 31 December 2025 are as follows:

Description	Fair value at 31 December 2025			Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair values
	Land	Office building	Valuation technique(s)			
Land and office building – Nicosia	6.400.000	2.600.000	Market comparable approach	Price per square meter	€2.450 for new building and €6.350 for preserved building	The higher the price per square meter, the higher the fair value
Land and office building – Larnaca	410.000	230.000	Market comparable approach	Price per square meter	€1.062 for mezzanine floor and €3.700 for ground floor	The higher the price per square meter, the higher the fair value

Information about fair value measurements using significant unobservable inputs (Level 3) – 31 December 2024

Details of the Bank's land and buildings and information about the fair value hierarchy as at 31 December 2024 are as follows:

Description	Fair value at 31 December 2024			Unobservable inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair values
	Land	Office building	Valuation technique(s)			
Land and office building – Nicosia	6.337.800	2.565.000	Market comparable approach	Price per square meter	€2.400 for new building and €6.300 for preserved building	The higher the price per square meter, the higher the fair value

24. RIGHT-OF-USE ASSET

This note provides information for leases where the Bank is a lessee. The Bank has no leases where it is the lessor.

(i) The Bank's leasing arrangements

The Banks leases various offices, branches, a saloon car and an apartment. Rental contracts are typically made for fixed periods of 2 years to 6 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

24. RIGHT-OF-USE ASSET (continued)

(ii) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2025	2024
	€	€
Right-of-use assets		
Buildings	1.514.334	1.097.633
Cars	26.187	39.280
Total	1.540.521	1.136.913
	=====	=====
Lease liabilities		
Current	479.339	391.890
Non-current	1.131.456	809.776
Total	1.610.795	1.201.666
	=====	=====

During the year ended 31 December 2025, the Bank recognized one new lease contract relating to an Office Building. In relation to the new lease contract the rental period is for four years and includes an option to extend for further four years. The rent shall be increased by 8% every two years. The Bank has the right at any time after the expiry of the initial term to terminate the present rental agreements by providing two months' notice to the lessor and four months' notice after the end of the first two years.

Amounts recognised in profit or loss

The income statement shows the following amounts relating to leases:

	2025	2024
	€	€
Depreciation charge of right-of-use assets		
Buildings	399.281	375.222
Cars	13.093	13.093
Total	412.374	388.315
	=====	=====
Interest expense (Note 7)	37.700	45.785
Total	37.700	45.785
	=====	=====

The total cash outflow for leases in 2025 was €444.553 (2024: €413.345).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

25. INTANGIBLE ASSETS

	Computer software
	€
At 1 January 2024	
Cost	14.253.724
Accumulated amortisation	(9.732.578)
Net book amount	<u>4.521.146</u>
Year ended 31 December 2024	
Opening net book amount	4.521.146
Additions	1.640.826
Amortisation charge	(599.331)
Closing net book amount	<u>5.562.641</u>
	Computer software
	€
At 31 December 2024	
Cost	15.894.550
Accumulated amortisation	(10.331.909)
Net book amount	<u>5.562.641</u>
Year ended 31 December 2025	
Opening net book amount	5.562.641
Additions	1.768.905
Amortisation charge	(595.641)
Closing net book amount	<u>6.735.905</u>
At 31 December 2025	
Cost	17.663.455
Accumulated amortisation	(10.927.550)
Net book amount	<u>6.735.905</u> =====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

26. OTHER ASSETS

	2025	2024 (as restated)
	€	€
Financial assets		
Receivable from property expropriation	-	3.608.320
Debtors and other receivables	1.195.319	1.653.321
Fair value of derivatives (1)	96.847	120
Prepaid expenses	10.607	132.532
	<hr/>	<hr/>
Total other assets	1.302.773	5.394.293
	<hr/> <hr/>	<hr/> <hr/>

(1) Forward foreign exchange contracts

The nominal value of the outstanding forward foreign exchange contracts as at 31 December 2025 was €6 million (2024: €10 million).

27. DEPOSITS FROM OTHER BANKS

	2025	2024
	€	€
Interbank borrowing	15.783.378	10.528.458
	<hr/> <hr/>	<hr/> <hr/>

The maturity of the above balances is presented below:

	2025	2024
	€	€
Due within three months	15.709.153	10.305.780
Between three months and one year	74.225	222.678
	<hr/>	<hr/>
	15.783.378	10.528.458
	<hr/> <hr/>	<hr/> <hr/>

The fair value of the above balances approximates their carrying amount.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

28. DEPOSITS AND OTHER CUSTOMER ACCOUNTS

	2025	2024
	€	€
Time and notice accounts	424.673.766	317.180.112
Demand and current accounts	169.361.682	189.730.968
Savings accounts	76.272.191	77.904.165
	<u>670.307.639</u>	<u>584.815.245</u>
	=====	=====

Analysis by geographical area

	2025	2024
	€	€
Cyprus	618.522.426	528.963.699
Greece	31.791.760	34.157.191
United Kingdom	5.439.587	5.791.326
Other countries	14.553.866	15.903.029
	<u>670.307.639</u>	<u>584.815.245</u>
	=====	=====

The fair value of the above balances approximates their carrying amount.

The maturity analysis of the above mentioned balances is presented below:

	2025	2024
	€	€
Due within three months	479.340.025	395.233.788
Between three months and one year	190.967.614	189.581.457
	<u>670.307.639</u>	<u>584.815.245</u>
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
29. OTHER LIABILITIES

	2025	2024 (as restated)
	€	€
Liabilities		
Amounts due to suppliers	1.950.638	325.315
Receipts on behalf of third parties	575.597	576.733
Cheques – drafts payable	546.806	1.744.865
Value added tax payable	365.553	130.641
Provisions for staff unpaid leave	337.332	338.479
Provisions for litigations, claims and complaints	89.000	127.000
Pending inward swifts	-	82.887
Other liabilities	8.557.680	4.697.485
	12.422.606	8.023.405
Other provisions		
Provisions for off balance sheet items	103.849	50.655
Other	97.264	352.407
	201.113	403.062
Total	12.623.719	8.426.467

30. SHARE CAPITAL

	2025		2024	
	Shares	€	Shares	€
Authorised:				
Ordinary shares of Euro 1,71 each	224.150.750	383.297.783	130.583.500	223.297.785
Issued and fully paid				
Ordinary shares of Euro 1,71 each	224.150.750	383.297.783	130.583.500	223.297.785

On 29th January 2024 the authorised and issued share capital of the Bank was increased by 35.087.700 ordinary shares of €1,71 each thus the total authorised and issued share capital of the Bank following this increase was €143.295.777.

On 3rd April 2024, following the transfer of assets and liabilities from NBG SA – Cyprus Branch, the authorised and issued share capital of the Bank was increased by 1.300 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €143.298.000.

On 31st July 2024 the authorised and issued share capital of the Bank was increased by 8.771.900 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €158.297.949.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
30. SHARE CAPITAL (continued)

On 14th October 2024 the authorised and issued share capital of the Bank was increased by 38.011.600 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €223.297.785.

On 25th June 2025 the authorised and issued share capital of the Bank was increased by 38.011.695 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €288.297.783.

On 15th July 2025 the authorised and issued share capital of the Bank was increased by 14.619.883 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date was €313.297.783.

On 18th November 2025 the authorised and issued share capital of the Bank was increased by 40.935.672 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date is €383.297.783.

The total increase of share capital within the year 2025 amounted to €160.000.000 (2024: €140.001.975).

31. REVALUATION RESERVES

	Land and buildings	Financial assets at FVTOCI	Total
	€	€	€
Balance at 1 January 2024	8.637.334	9.633.182	18.270.516
Gains from changes in fair value (Note 21 & Note 23)	132.890	2.641.792	2.774.682
Balance at 31 December 2024/1 January 2025	8.770.224	12.274.974	21.045.198
Gains from changes in fair value (Note 23)	(62.800)	(322.734)	(385.534)
Deferred income tax liability (Note 14(b))	102.184	-	102.184
Balance at 31 December 2025	8.809.608	11.952.240	20.761.848

32. CONTINGENT LIABILITIES AND COMMITMENTS

The nominal value of the contingencies and commitments as at 31 December are presented below:

	2025	2024
	€	€
Customers' unutilised credit limits	357.425.543	267.410.530
Letters of Guarantee	36.172.666	42.084.166
Acceptances and Endorsements	29.228.345	390.967.864
Letters of Credit	2.531.750	100.261.207
	425.358.304	800.723.767

Pending litigations and claims

The Bank is defendant in certain claims and legal actions and proceedings arising in the ordinary course of business. These actions and proceedings are generally based on alleged violations of consumer protection, banking, employment and other laws. None of these actions and proceedings is individually material.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
32. CONTINGENT LIABILITIES AND COMMITMENTS (continued)
Pending litigations and claims

The Bank establishes provisions for all litigations, for which it believes it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. For the cases for which a provision has not been recognized, management is not able to reasonably estimate possible losses, since the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty as to the likelihood of the final result, there is uncertainty as to the outcome of pending appeals and there are significant issues to be resolved. However, in the opinion of management, after consultation with legal counsel, the final outcome of these matters is not expected to have a material adverse effect on the Bank's Balance Sheet, Income Statement and Cash Flow Statement, taking into account that as at 31 December 2025 the Bank has provided for cases under litigation the amount of €89.000 (2024: €127.000).

33. NET CASH FROM OPERATING ACTIVITIES

	Note	2025 €	2024 €
Profit before taxation		10.498.599	14.563.694
Depreciation of property, plant and equipment	23	195.367	178.151
Depreciation of right-of-use assets	24	412.374	388.315
Amortisation of intangible assets	25	595.641	599.331
Provision for unused annual leave		29.399	30.282
Impairment losses on loans and advances to customers (Reversal of impairment losses)/Impairment losses on other financial assets	20	14.073.069 (231.020)	3.958.168 119.907
(Gain)/Loss from derivative financial instruments		(325.703)	303.561
Write offs of property, plant and equipment		59.638	-
Other write offs		166.379	-
Dividend income	10	(191.562)	(228.687)
Interest income on debt securities	6	(921.173)	(921.816)
Reversal of impairment losses on other financial assets at amortised cost		(13.535)	(36.518)
Impairment on investment in subsidiaries		1.000.000	-
		25.347.473	18.954.388
Increase in loans and other advances to customers		(1.199.374.788)	(667.584.080)
Increase in deposits and other customer accounts		85.492.394	196.009.918
Decrease/(Increase) in deposits with other banks		22.593	(11.689)
Increase in deposits with related banks		(26.081)	(602.553)
Increase in obligatory balances with Central Bank of Cyprus		(1.552.025)	(2.108.175)
Increase in deposits from other banks		5.254.920	8.811.618
Increase in deposits from related banks		1.273.737.027	298.235.749
Decrease in other assets		4.188.369	237.105
Increase in other liabilities		4.437.201	1.528.347
Cash from/(used in) operating activities		197.527.083	(146.529.372)
Tax paid		(259.453)	(201.452)
Net cash from/(used in) operating activities		197.267.630	(146.730.824)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
34. CASH AND CASH EQUIVALENTS (continued)

Analysis of cash and cash equivalents

	2025	2024
	€	€
Cash in hand (Note 15)	3.173.536	3.263.053
Non-obligatory balances with Central Bank of Cyprus (Note 15)	383.628.369	85.174.594
Deposits with related banks – due within three months (Note 19(a))	83.691.414	27.056.469
Deposits with other banks – due within three months (Note 16)	1.606.969	947.723
	472.100.288	116.441.839
	=====	=====

For the purpose of preparing the statement of cash flows, the maturities of cash equivalents relating to the balances with related and other banks and with the Central Bank of Cyprus, are based on their original contractual maturity.

35. PRIOR YEAR ADJUSTMENT

During the year 2025, the Bank discovered a misclassification between the financial assets at amortised cost, the investment in subsidiaries and the stock of properties. This resulted in a material understatement of loans and advances to customers presented in 2024 and prior financial years, and a corresponding overstatement of stock of properties on the statement of financial position. The Bank restated each of the affected financial statement line items for the prior periods as follows:

	As originally presented	Restatement	As restated
	€	€	€
1 January 2024			
Stock of properties	10.009.757	(10.009.757)	-
Loans and advances to customers	300.763.460	9.950.000	310.713.460
Other assets	5.571.641	59.757	5.631.398
Investment in subsidiaries	1.709	4.000	5.709
Other liabilities	(6.851.293)	(4.000)	(6.855.293)
31 December 2024			
Stock of properties	10.062.315	(10.062.315)	-
Loans and advances to customers	964.389.372	9.950.000	974.339.372
Other assets	5.281.978	112.315	5.394.293
Investment in subsidiaries	1.709	4.000	5.709
Other liabilities	(8.422.467)	(4.000)	(8.426.467)

The above reclassification adjustments did not have any impact on the income statement, the statement of comprehensive income, the statement of changes in equity or the statement of cash flows.

36. RELATED PARTY TRANSACTIONS

The parent and ultimate holding company (and also the Ultimate Controlling Party) of the Bank is National Bank of Greece S.A., a company registered in Greece, which prepares consolidated financial statements available for public use. The consolidated financial statements of National Bank of Greece S.A. are available at the National Bank of Greece S.A. website (www.nbg.gr) and its registered office is located at Eolou 86, 10559 Athens, Greece.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
36. RELATED PARTY TRANSACTIONS (continued)

Details of transactions between the Bank and other related parties are disclosed below.

Trading transactions

During the year, the Bank entered into the following trading transactions with related parties:

Transaction with National Bank of Greece S.A – parent bank

	2025	2024
	€	€
Nature of transaction - Interest and other income		
Interest income	1.276.208	1.273.551
Commission income	-	171.730
Management fees	-	25.500
Other income	-	55.805
	<u>1.276.208</u>	<u>1.526.586</u>
Nature of transaction - Interest and other expenses		
Interest expense	20.530.538	13.523.981
Commission expense	2.200.500	-
Other expenses	858.018	352.792
	<u>23.589.056</u>	<u>13.876.773</u>

Transaction with subsidiaries of National Bank of Greece S.A

	2025	2024
	€	€
Nature of transaction - Interest and other expenses		
Maintenance expense	398.716	470.509
Interest expense	9.228	-
	<u>407.944</u>	<u>470.509</u>

Balances with related companies

The following balances were payable to related parties at the end of the reporting period:

	2025	2024
	€	€
Deposits and other customer accounts		
National Securities S.A. - related party under common control	10.853	11.223
NBG Management Services Limited – (related party under common control until liquidation in 2025)	-	744.458
National Securities (Cyprus) Limited - subsidiary	792	1.072
Bankteco Eood – related party under common control	1.009.728	-
	<u>1.021.373</u>	<u>756.753</u>
	=====	=====

Deposits with and from related banks are presented in Note 19 to the financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
36. RELATED PARTY TRANSACTIONS (continued)
Loans and advances to subsidiaries

	2025	2024 (as
	€	restated)
		€
Loans and advances to subsidiaries		
Cortelians Ltd	-	2.050.000
Merbolium Ltd	-	2.150.000
Pacolia Holdings Ltd	-	5.500.000
Ovelicium Ltd	-	250.000
	-----	-----
	-	9.950.000
	=====	=====

Other transactions

- (i) Based on the “Agreement and Instrument Transfer” dated 28/03/2024, it was agreed that in exchange for good and valuable consideration comprising the Bank’s issue and allotment of 1300 ordinary shares with nominal value €1,71 per share, all assets and liabilities of NBG SA – Cyprus Branch were to be transferred to the Bank. The transfer was completed on 2 April 2024. Main items transferred included credit facilities and deposits to customers as well as deposits from NBG SA. These amounted to €211million, €5 million and €210 million respectively. The amount of off-balance sheet items transferred to the Bank amounted to €436 million. This transaction included non-cash items amounting to €356.264 under balances with related banks.
- (ii) A lien agreement has been signed between the Bank and the Parent, in order to provide guarantee for (a) any exposure amount exceeding the Large Exposure Limit of the Bank and (b) full amount of shipping loans. As at 31 December 2025 this amount was €160 million (2024: €75million) which included full coverage of two shipping loans amounting to €38 million (2024: €45million). As per lien agreement, the Bank is required to pay on a quarterly basis to its parent, NBG SA, a guarantee fee calculated as a percentage on the maximum amount of capital covered. The amount paid for 2025 amounted to €1.200.500 (2024: €169.950).
- (iii) On 29 December 2025, the Bank proceeded with a capital increase in its four Special Purpose Vehicles (SPVs) amounting to €9.950.000. The purpose of the capital injection was to facilitate the repayment of outstanding loans previously granted by the Bank to the SPVs. This was a non-cash transaction.
- (iv) In 2025, a referral fee was introduced, representing an expense paid to the parent company, NBG SA, for all cross-border loans referred to NBG Cyprus. The total provision for 2025 amounted to €1.000.000.

Key management personnel related transactions

	2025	2024
	€	€
Loans and advances to members of the Board of Directors and connected persons	180	2.399
	=====	=====
Deposits of members of the Board of Directors and connected persons	283.043	334.237
	=====	=====
Interest expense	1.996	5.914
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
36. RELATED PARTY TRANSACTIONS (continued)

Connected persons include spouses, minor children and companies in which Directors or key management personnel hold, directly or indirectly, at least 20% of the voting shares.

All transactions with members of the Board of Directors and their connected persons are made on normal business terms as for comparable transactions with customers of a similar credit standing. All transactions with key management personnel are made on the same terms as those applicable to the rest of the Bank's employees.

The remuneration of Directors and other members of key management during the year was as follows:

	2025	2024
	€	€
Fees paid to Directors as members of the Board	171.963	164.167
	=====	=====
Executive Directors emoluments		
Salaries and other short-term benefits	324.059	343.837
Employer's contributions	21.919	21.883
	-----	-----
	345.978	365.720
	-----	-----
Total compensation	517.941	529.887
	=====	=====

37. OPERATING ENVIRONMENT

Despite regional uncertainty and ongoing geopolitical challenges, Cyprus has maintained a stable, growing, and resilient economy, outperforming much of Europe. GDP growth reached around 3.8%, and it is expected to remain strong in the coming years.

Key drivers of growth include professional services, information and communication technology, tourism, and construction. Domestic demand has also supported growth, reflecting strong household consumption and investment. At the same time, a stable labour market has helped sustain spending power and confidence, with unemployment near record lows of around 4%.

Cyprus's public debt has been on a declining path following reductions after the pandemic and earlier fiscal pressures, reaching approximately 55% of GDP by December 2025. Inflation has also fallen significantly, standing at about 0.8%, one of the lowest levels in the Eurozone.

The banking sector has improved substantially, with non-performing exposures reduced to around 4%, alongside strong capital and liquidity buffers, solid profitability, and restored depositor confidence.

Looking ahead, Cyprus faces medium-term risks from climate policies and potential worsening global geopolitical conditions. In addition, the transition to a digital and green economy remains a key challenge, while the implementation of the Recovery and Resilience Plan requires further reforms to strengthen governance and economic resilience.

During February 2026, the geopolitical situation in the Middle East escalated due to the armed conflict. The situation has created heightened uncertainty in international relations and financial markets, with potential implications for global trade, energy supply, and overall economic stability.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

37. OPERATING ENVIRONMENT (continued)

Although the conflict is taking place outside Cyprus, it may have indirect effects on the Cypriot economy, given its openness and reliance on international trade, tourism, shipping, and financial services. Potential consequences include volatility in energy and commodity prices, disruptions in global supply chains, fluctuations in foreign exchange and capital markets, and heightened uncertainty in sectors such as tourism and transport. The extent and duration of these effects remain uncertain and cannot be reliably estimated at this stage.

The Bank's operating environment is closely linked to economic developments across Europe. During the period, the European economy was influenced by inflation trends, interest rate movements and ongoing geographical uncertainties, all of which impacted financial markets, liquidity conditions and borrower creditworthiness. At the same time, geopolitical uncertainties, including the Russian-Ukrainian War, and energy market volatility have continued to influence economic sentiment and financial stability across the region.

The Bank maintains a diversified lending portfolio that includes both Cyprus-based and international customers (more analysis on the geographical area of the loans is provided in Note 18), with cross-border exposures subject to enhanced risk assessment and monitoring procedures, reflecting the differing risk profiles associated with cross-border activities.

38. RISK MANAGEMENT

The Bank's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. The Bank's overall risk management policies focus on the unpredictability of financial markets and seek to minimise the potential adverse effects on the Bank's financial performance, financial position and cash flows.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bank. Credit risk arises mainly from loans and advances to banks, customers and loan commitments, but can also arise from financial guarantees, investments in debt securities and other exposures resulting from its trading activities including derivatives, other financial assets and balances with other banks.

The Bank has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Bank's exposure and the credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits approved by the Bank and which are reviewed and approved at least on an annual basis.

The loan portfolio is assessed on the basis of customer creditworthiness, the sector of the economy in which the customer operates and the country of operation.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

38. RISK MANAGEMENT (continued)

a) Credit risk (continued)

Credit concentration risk

Credit concentration risk arises from exposures to each counterparty, groups of connected counterparties, and counterparties in the same economic sector, geographic region or from the same activity. The following categories of credit concentration risk are recognized by the Bank:

- Single-name concentrations (including group of connected clients);
- Industry concentrations;
- Geographical concentrations;
- Collateral and guarantees concentration.

For the purposes of managing and monitoring concentration risks the Bank has established appropriate limits, a monitoring and reporting framework as well as appropriate measures and methodologies for the allocation of capital as mitigant.

Maximum exposure to credit risk and collateral and other credit enhancements

The main types of collateral obtained by the Bank for loans and advances to customers are mortgages of properties, blocked deposits, bank guarantees, pledges of equity securities of public companies, fixed and floating charges over corporate assets, assignment of life insurance policies and personal and corporate guarantees.

Collateral held as security for other financial assets is determined by the nature of the instrument. Debt securities and other eligible bills are generally unsecured.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)

Maximum exposure to credit risk and collateral and other credit enhancements (continued)

The table below represents the maximum exposure to credit risk, the tangible and measurable collateral and other credit enhancements held as well as the net exposure to credit risk. Personal guarantees are an additional form of collateral, but are not included in the information below as their fair value cannot be easily and accurately estimated.

	Maximum exposure to credit risk €	Fair value of collateral and credit enhancements held by the Bank				Total collateral €	Net exposure to credit risk €
		Cash €	Securities €	Property €	Other €		
2025							
Balances with Central Bank of Cyprus	390.543.757	-	-	-	-	-	390.543.757
Deposits with banks	86.095.084	-	-	-	-	-	86.095.084
Loans and advances to customers	2.149.691.091	169.565.266	8.719.619	167.731.306	35.664.024	381.680.215	1.768.010.876
Debt securities at amortised cost	64.287.461	-	-	-	-	-	64.287.461
Other financial assets	1.292.166	-	-	-	-	-	1.292.166
On-balance sheet total	2.691.909.559	169.565.266	8.719.619	167.731.306	35.664.024	381.680.215	2.310.229.344
Contingent liabilities and commitments							
Acceptances and endorsements	29.228.345						
Letters of guarantee	36.172.666						
Letters of credit	2.531.750						
Undrawn credit lines and other commitments to lend	357.425.543						
Off-balance sheet total	425.358.304						
Total credit risk exposure	3.117.267.863						

For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported on the balance sheet.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)

Maximum exposure to credit risk and collateral and other credit enhancements (continued)

	Maximum exposure to credit risk €	Fair value of collateral and credit enhancements held by the Bank				Total collateral €	Net exposure to credit risk €
		Cash €	Securities €	Property €	Other €		
2024							
Balances with Central Bank of Cyprus	90.534.794	-	-	-	-	-	90.534.794
Deposits with banks	28.798.903	-	-	-	-	-	28.798.903
Loans and advances to customers	964.389.372	59.985.565	35.523.739	181.189.928	39.239.226	315.938.458	648.450.914
Debt securities at amortised cost	64.391.003	-	-	-	-	-	64.391.003
Other financial assets	5.261.641	-	-	-	-	-	5.261.641
On-balance sheet total	1.153.375.713	59.985.565	35.523.739	181.189.928	39.239.226	315.938.458	837.437.255
Contingent liabilities and commitments							
Acceptances and endorsements	390.967.864						
Letters of guarantee	42.084.166						
Letters of credit	100.261.207						
Undrawn credit lines and other commitments to lend	267.410.530						
Off-balance sheet total	800.723.767						
Total credit risk exposure	1.954.099.480						

For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported on the balance sheet.

The above balances exclude loans and advances to related parties amounting to €10m as at 31 December 2024. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Forborne exposures

The credit tools commonly used by the Bank to manage liquidity problems faced by its clients in the repayment of their debts is the restructuring of their finances by renegotiating the current terms of the loan agreement.

Regulation EU no. 575/2013 established the framework for prudential requirements on the management by credit institutions of loans arrears and non-performing loans.

The European Banking Authority (EBA) published in 2014 its technical standards with respect to non-performing and forborne exposures. Exposures include all debt instruments (loans and advances and debt securities) and off-balance sheet exposures, except those held for trading exposures.

According to the EBA technical standards, forborne exposures are those debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor (including part of total refinancing of a debt contract) which aim to address existing or anticipated difficulties on the part of the debtor to service debt in accordance with the current repayment schedule. Changes in the terms and conditions of a contract that do not occur because the customer is not able to meet the terms and conditions of the contract due to financial difficulties do not constitute forbearance measures.

The most significant prerequisite for the forbearance of an exposure is the existence of customer repayment ability i.e. the customer is viable.

The forbearance measures to be taken and their duration thereof are determined on the basis of specific customer information, based on the prevailing economic conditions and in accordance with relevant legislation or regulatory Directives.

Every effort is being taken by the Bank for the proper assessment of the new repayment schedule on the basis of the forbearance measures, in order to avoid a new default.

The below tables present the Bank's forborne exposures in accordance with the EBA technical standards, the tangible and measurable collateral and other credit enhancements held and the net exposure to credit risk.

	Maximum exposure to credit risk	Fair value of collateral	Net exposure to credit risk
	€	€	€
2025			
Stage 2	2.060.626	2.060.626	-
Stage 3	1.971.035	1.589.062	381.973
	4.031.661	3.649.688	381.973
	=====	=====	=====
	Maximum exposure to credit risk	Fair value of collateral	Net exposure to credit risk
	€	€	€
2024			
Stage 2	2.867.592	2.867.592	-
Stage 3	3.333.868	2.884.863	449.005
	6.201.460	5.752.455	449.005
	=====	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025**38. RISK MANAGEMENT (continued)****a) Credit risk (continued)***Other financial assets at amortised cost*

Other financial assets at amortised cost include loans and advances to customers, financial assets at amortised costs, cash and balances with Central Bank of Cyprus, Deposits with other and related banks.

The Bank considers the probability of default upon initial recognition of financial asset at amortised cost and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Bank compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower/counterparty;
- significant increases in credit risk on other financial instruments of the same borrower/counterparty;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Bank has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Bank. Where loans or receivables have been written off, the Bank continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Bank uses three categories for loans, receivables, other receivables, debt securities at amortised cost which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit rating companies, such as Moody's and Fitch.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)

Credit quality of loans and other advances to customers

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows.	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount.
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due as well as any breach on the recorded 12 month and lifetime PD thresholds and ratings downgrades. In addition the forbearance status is considered.	Stage 2: Lifetime expected losses	Gross carrying amount.
Non-performing	Interest and/or principal repayments are 90 days past due. Also the contamination rule (pulling effect) is in place with regards to corporate portfolio.	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance).

Over the term of the loans and advances to customers, financial assets at amortised cost, cash and balance with Central Bank of Cyprus, Deposits with other and related banks, the Bank accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Bank considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data.

The Bank provides for credit losses against loans and advances to customers, financial assets at amortised cost, cash and balances with Central Bank of Cyprus, Deposits with other and related banks. The following tables contain an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised. The gross carrying amounts below also represent the Bank's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024.

The following tables analyse the Bank's loans and advances in accordance with internal credit rating category.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit quality of loans and other advances to customers (continued)
Loans and advances to customers

Bank's internal credit rating RMIII	Gross carrying amount €	Credit loss allowance €	Carrying amount (net of impairment provision) €
A1	71.916.933	153.222	71.763.712
A2	7.966.276	52.777	7.913.499
B1	54.009.930	188.804	53.821.126
B2	51.435.269	98.701	51.336.568
C1	7.874.669	13.562	7.861.107
C2	39.411.243	169.653	39.241.590
D1	995.753	1.520	994.232
D2	2.368.850	2.320	2.366.530
E1	276.964	1.105	275.859
E2	988.060	2.856	985.203
F	10.741.549	7.267.772	3.473.778
Total as at 31 December 2025	247.985.496	7.952.292	240.033.204

RMIII

Relates to the Bank's main rating tool/software which covers the needs for quantitative (throughout financial data/figures) and qualitative analysis of firms. The model, which has been internally developed by NBG SA (calibrated and validated locally) deals with all types of enterprises that may or may not produce full financial data.

Bank's internal credit rating – Empirical Model	Gross carrying amount €	Credit loss allowance €	Carrying amount (net of impairment provision) €
LOW	229.260.367	685.006	228.575.361
MEDIUM	5.005.394	2.572	5.002.822
CONSIDERABLE	0	0	0
HIGH	1.076.608	362	1.076.246
D	5.472.859	5.137.031	335.828
Total as at 31 December 2025	240.815.228	5.824.971	234.990.257

Empirical Model

Relates to the Bank's rating tool which covers the needs (solely) for qualitative analysis of firms under special lending (financing for developing purposes, project finance, object finance and income producing real estate).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit quality of loans and other advances to customers (continued)

Bank's internal credit rating CL	Gross carrying amount €	Credit loss allowance €	Carrying amount (net of impairment provision) €
1	138.485.137	28.260	138.456.877
2	-	-	-
3	-	-	-
4	46.276.695	43.134	46.233.561
5	4.581.821	17.267	4.564.554
6	150.148.186	960.591	149.187.595
7	132.185.747	293.598	131.892.149
8	90.199.069	372.615	89.826.453
9	149.662.557	528.804	149.133.753
10	354.229.026	2.119.050	352.109.976
11	115.776.211	1.243.736	114.532.475
12	386.794.270	6.143.416	380.650.855
13	121.306.003	3.226.620	118.079.383
14 - 21	-	-	-
Total as at 31 December 2025	1.689.644.721	14.977.091	1.674.667.630
Total portfolio as at 31 December 2025	2.178.445.444	28.754.353	2.149.691.091

CreditLens Model

Relates to the Bank's main rating tool/platform which covers the needs for quantitative (throughout financial data/figures) and qualitative analysis of firms under International lending. The platform, which is developed by Moody's in cooperation with NBG SA, consists of 4 major applications, i.e the Commercial Real Estate (CRE) model, the Project/Object scorecard and two (2) RiskCal models, one (1) for the EU Risk based countries and one (1) for the Emerging Market Risk based countries.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit quality of loans and other advances to customers (continued)

Bank's internal credit rating - RMIII	Gross carrying amount €	Credit loss allowance €	Carrying amount (net of impairment provision) €
A1	479.006.877	1.375.070	477.631.807
A2	295.391.915	1.500.948	293.890.967
B1	89.004.962	329.057	88.675.905
B2	29.252.031	110.876	29.141.155
C1	17.842.473	70.812	17.771.661
C2	2.234.811	13.174	2.221.637
D1	879.933	15.639	864.294
D2	1.500.360	1.854	1.498.506
E1	174.942	1.015	173.927
E2	2.065.893	58.590	2.007.303
F	12.416.846	7.757.530	4.659.316
Total as at 31 December 2024	929.771.043	11.234.565	918.536.478

Bank's internal credit rating – Empirical Model	Gross carrying amount €	Credit loss allowance €	Carrying amount (net of impairment provision) €
LOW	40.174.554	19.762	40.154.792
MEDIUM	2.720.407	2.562	2.717.845
CONSIDERABLE	-	-	-
HIGH	1.060.789	84	1.060.705
D	5.454.523	3.534.971	1.919.552
Total as at 31 December 2024	49.410.273	3.557.379	45.852.894

Total portfolio as at 31 December 2024	979.181.316	14.791.944	964.389.372
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The above balances exclude loans and advances to related parties amounting to €10m as at 31 December 2024. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

Cash and balances with Central Bank of Cyprus

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) €	Carrying amount (net of impairment provision) (€)
Performing	0,005%	390.564.367	(20.610)	390.543.757
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2025		390.564.367	(20.610)	390.543.757

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Due from other and related banks

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) (€)	Carrying amount (net of impairment provision) (€)
Performing	0,002%	86.097.201	(2.117)	86.095.084
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2025		86.097.201	(2.117)	86.095.084

Financial assets at amortised cost – Cyprus & Italian Government bonds

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) (€)	Carrying amount (net of impairment provision) (€)
Performing	0,005%	64.290.836	(3.375)	64.287.461
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2025		64.290.836	(3.375)	64.287.461

Cash and balances with Central Bank of Cyprus

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) €	Carrying amount (net of impairment provision) (€)
Performing	0,026%	90.558.567	(23.773)	90.534.794
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2024		90.558.567	(23.773)	90.534.794

Due from other and related banks

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) (€)	Carrying amount (net of impairment provision) (€)
Performing	0,002%	28.799.522	(619)	28.798.903
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2024		28.799.522	(619)	28.798.903

Financial assets at amortised cost – Cyprus & Italian Government bonds and treasury bills

Internal credit assessment	Expected credit loss rate	Gross carrying amount (€)	(ECL) (€)	Carrying amount (net of impairment provision) (€)
Performing	0,026%	64.407.913	(16.910)	64.391.003
Underperforming	N/A	-	-	-
Not performing	N/A	-	-	-
Total as at 31 December 2024		64.407.913	(16.910)	64.391.003

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – total loans

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans to customers between the beginning and the end of the year ended 2025:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
€	€	€	€	€	€	€	€	
Opening balances at 1 January 2025	3.275.327	224.116	11.382.430	14.881.873	919.675.924	41.634.770	17.870.622	979.181.316
Transfers:								
Transfer from Stage 1 to Stage 2			-		(28.539.033)		-	-
	(58.033)	58.033		-		28.539.033		-
Transfer from Stage 1 to Stage 3	(190)	-	190	-	(32.532)	-	32.532	-
Transfer from Stage 2 to Stage 1	8.871	(8.871)	-	-	1.554.136	(1.554.136)	-	-
Transfer from Stage 2 to Stage 3	-	(10.711)	10.711	-	-	(214.089)	214.089	-
Transfer from Stage 3 to Stage 1	7.805	-	(7.805)	-	100.665	-	(100.665)	-
Transfer from Stage 3 to Stage 2	-	14.495	(14.495)	-	-	322.064	(322.064)	-
New financial assets originated or purchased	8.023.992	58.562	-	8.082.554		7.098.657	68.890	1.330.574.77
					1.323.407.232			9
Changes in PDs/LGDs/EADs	4.908.712	(152.395)	1.091.018	5.847.335	-	-	-	-
Interest for the year	-	-	-	-	58.551.235	2.891.549	348.711	61.791.495
Write offs	(296)	(870)	(128.407)	(129.573)	(778)	(13.665)	(168.080)	(182.523)
Repayments	-	-	-	-	(173.458.931)		(1.729.628)	(192.919.623
						(17.731.064))
Provision of accrued interest not recognised	467	537	71.160	72.164	-	-	-	-
Closing balances as at 31 December 2025	16.166.655	182.896	12.404.802	28.754.353	2.101.257.918	60.973.119	16.214.407	2.178.445.44
								4

* Stage 3 exposures may shift to stage 2 if obligations are met for a continuous period of 12 months

The above balances exclude loans and advances to related parties amounting to €10m as at 1 January 2025. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – mortgage loans

The following table discloses the changes in the credit loss allowances and gross carrying amount for loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
€	€	€	€	€	€	€	€	
Opening balances at 1 January 2025	8.235	81.127	2.500.024	2.589.385	8.307.201	11.762.999	4.140.457	24.210.657
Transfers:								
Transfer from Stage 1 to Stage 2	(3.283)	3.283	-	-	(5.279.634)	5.279.634	-	-
Transfer from Stage 1 to Stage 3	(6)	-	6	-	(15.842)	-	15.842	-
Transfer from Stage 2 to Stage 1	969	(969)	-	-	73.775	(73.775)	-	-
Transfer from Stage 2 to Stage 3	-	(1.937)	1.937	-	-	(178.681)	178.681	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	6.133	(6.133)	-	-	224.754	(224.754)	-
New financial assets originated or purchased	349	24.792	-	25.141	22.434	495.801	-	518.235
Changes in PDs/LGDs/EADs	(3.997)	(67.856)	(406.921)	(478.774)	-	-	-	-
Interest for the year	-	-	-	-	83.360	575.022	233.809	892.191
Write offs	-	-	(116.914)	(116.914)	-	-	(116.914)	(116.914)
Repayments	-	-	-	-	(1.589.375)	(2.242.961)	(765.361)	(4.597.697)
Provision of accrued interest not recognised	-	142	33.301	33.443	-	-	-	-
Closing balances as at 31 December 2025	2.267	44.715	2.005.300	2.052.282	1.601.919	15.842.793	3.461.760	20.906.472

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – consumer loans

The following table discloses the changes in the credit loss allowances and gross carrying amount for loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
€	€	€	€	€	€	€	€	
Opening balances at 1 January 2025	13.643	15.124	657.887	686.654	3.258.240	1.171.399	959.754	5.389.393
Transfers:								
Transfer from Stage 1 to Stage 2	(7.681)	7.681	-	-	(1.959.445)	1.959.445	-	-
Transfer from Stage 1 to Stage 3	(184)	-	184	-	(16.690)	-	16.690	-
Transfer from Stage 2 to Stage 1	5.712	(5.712)	-	-	134.425	(134.425)	-	-
Transfer from Stage 2 to Stage 3	-	(126)	126	-	-	(18.962)	18.962	-
Transfer from Stage 3 to Stage 1	4.615	-	(4.615)	-	4.709	-	(4.709)	-
Transfer from Stage 3 to Stage 2	-	6.107	(6.107)	-	-	34.115	(34.115)	-
New financial assets originated or purchased	682	68	-	750	262.808	32.417	-	295.225
Changes in PDs/LGDs/EADs	(13.032)	(10.462)	(116.150)	(139.644)	-	-	-	-
Interest for the year	-	-	-	-	71.141	100.384	45.474	216.999
Write offs	(0)	(154)	(9.758)	(9.912)	(259)	(10.453)	(10.700)	(21.412)
Repayments	-	-	-	-	(441.295)	(689.623)	(92.322)	(1.223.240)
Provision for accrued interest not recognised	467	372	23.479	24.318	-	-	-	-
Closing balances as at 31 December 2025	4.222	12.898	545.046	562.166	1.313.634	2.444.297	899.034	4.656.965

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – corporate loans

The following table discloses the changes in the credit loss allowances and gross carrying amount for loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
€	€	€	€	€	€	€	€	
Opening balances at 1 January 2025	3.253.448	127.866	8.224.517	11.605.831	908.110.483	28.700.374	12.770.411	949.581.268
Transfers:				-				
Transfer from Stage 1 to Stage 2	(47.069)	47.069	-	-	(21.299.955)	21.299.955	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	2.190	(2.190)	-	-	1.345.937	(1.345.937)	-	-
Transfer from Stage 2 to Stage 3	0	(8.647)	8.647	-	-	(16.446)	16.446	-
Transfer from Stage 3 to Stage 1	3.190	-	(3.190)	-	95.956	-	(95.956)	-
Transfer from Stage 3 to Stage 2	0	2.255	(2.255)	-	-	63.195	(63.195)	-
New financial assets originated or purchased	8.022.961	33.702	-	8.056.663		6.570.439	68.890	1.329.761.319
Changes in PDs/LGDs/EADs	4.925.742	(74.077)	1.614.091	6.465.756	1.323.121.990	-	-	9
Interest for the year	-	-	-	-	58.396.735	2.216.144	69.428	60.682.307
Write offs	(296)	(716)	(1.735)	(2.747)	(519)	(3.212)	(40.465)	(44.196)
Repayments	-	-	-	-	(171.428.262)	(14.798.482)	(871.945)	(187.098.689)
Provision for accrued interest not recognized	-	23	14.380	14.403	-	-	-	-
Closing balances as at 31 December 2025	16.160.166	125.285	9.854.455	26.139.906	2.098.342.365	42.686.030	11.853.614	2.152.882.009

The above balances exclude loans and advances to related parties amounting to €10m as at 1 January 2025. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – total loans

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1 12 month ECL €	Stage 2 Lifetime ECL €	Stage 3 Lifetime ECL €	Total €	Stage 1 12 month ECL €	Stage 2 Lifetime ECL €	Stage 3 Lifetime ECL €	Total €
Opening balances at 1 January 2024	1.253.202	298.628	10.701.037	12.252.867	257.334.931	32.394.580	23.286.818	313.016.329
Transfers:								
Transfer from Stage 1 to Stage 2	(132.337)	132.337	-	-	(26.094.162)	26.094.162	-	-
Transfer from Stage 1 to Stage 3	(687)	-	687	-	(296.037)	-	296.037	-
Transfer from Stage 2 to Stage 1	64.819	(64.819)	-	-	4.184.681	(4.184.681)	-	-
Transfer from Stage 2 to Stage 3	-	(13.116)	13.116	-	-	(482.546)	482.546	-
Transfer from Stage 3 to Stage 1	18.144	-	(18.144)	-	36.183	-	(36.183)	-
Transfer from Stage 3 to Stage 2	-	46.232	(46.232)	-	-	1.903.002	(1.903.002)	-
New financial assets originated or purchased	2.897.669	8.579	227.061	3.133.309	829.914.101	3.617.199	2.145	833.533.445
Changes in PDs/LGDs/EADs	(734.367)	(182.235)	1.697.021	780.419	-	-	-	-
Interest for the year	-	-	-	-	35.832.153	2.520.783	529.359	38.882.295
Write offs	(91.407)	(2.210)	(1.291.376)	(1.384.993)	(116.251)	(10.255)	(1.383.826)	(1.510.332)
Repayments	-	-	-	-	(181.119.675)	(20.217.474)	(3.403.272)	(204.740.421)
Provision of accrued interest not recognised	291	720	99.260	100.271	-	-	-	-
Closing balances as at 31 December 2024	3.275.327	224.116	11.382.430	14.881.873	919.675.924	41.634.770	17.870.622	979.181.316

* Stage 3 exposures may shift to stage 2 if obligations are met for a continuous period of 12 months.

The above balances exclude loans and advances to related parties amounting to €10m as at 31 December 2024. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – mortgage loans

The following table discloses the changes in the credit loss allowance and gross carrying amount for mortgage loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1 12 month ECL€	Stage 2 Lifetime ECL €	Stage 3 Lifetime ECL €	Total €	Stage 1 12 month ECL €	Stage 2 Lifetime ECL €	Stage 3 Lifetime ECL €	Total €
Opening balances at 1 January 2024	8.546	64.867	3.884.539	3.957.952	9.460.665	12.557.690	7.189.451	29.207.806
Transfers:								
Transfer from Stage 1 to Stage 2	(599)	599	-	-	(832.252)	832.252	-	-
Transfer from Stage 1 to Stage 3	(95)	-	95	-	(162.787)	-	162.787	-
Transfer from Stage 2 to Stage 1	293	(293)	-	-	395.026	(395.026)	-	-
Transfer from Stage 2 to Stage 3	-	(9.813)	9.813	-	-	(273.931)	273.931	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	41.665	(41.665)	-	-	176.985	(176.985)	-
New financial assets originated or purchased	2.928	4.460	225.246	232.634	678.608	405.050	2.145	1.085.803
Changes in PDs/LGDs/EADs	(2.839)	(20.870)	(912.441)	(936.150)	-	-	-	-
Interest for the year	-	-	-	-	400.465	486.905	246.003	1.133.373
Write offs	-	-	(721.079)	(721.079)	-	-	(794.279)	(794.279)
Repayments	-	-	-	-	(1.632.524)	(2.026.926)	(2.762.597)	(6.422.047)
Provision of accrued interest not recognised	-	513	55.516	56.029	-	-	-	-
Closing balances as at 31 December 2024	8.234	81.128	2.500.024	2.589.386	8.307.201	11.762.999	4.140.456	24.210.656

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – consumer loans

The following table discloses the changes in the credit loss allowance and gross carrying amount for consumer loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
	€	€	€	€	€	€	€	€
Opening balances at 1 January 2024	22.315	30.710	652.154	705.179	2.846.392	1.881.704	1.129.241	5.857.337
Transfers:								
Transfer from Stage 1 to Stage 2	(525)	525	-	-	(82.197)	82.197	-	-
Transfer from Stage 1 to Stage 3	(478)	-	478	-	(47.116)	-	47.116	-
Transfer from Stage 2 to Stage 1	10.747	(10.747)	-	-	473.392	(473.392)	-	-
Transfer from Stage 2 to Stage 3	-	(1.535)	1.535	-	-	(46.887)	46.887	-
Transfer from Stage 3 to Stage 1	15.251	-	(15.251)	-	25.469	-	(25.469)	-
Transfer from Stage 3 to Stage 2	-	180	(180)	-	-	55.721	(55.721)	-
New financial assets originated or purchased	1.480	1.471	1.799	4.750	315.100	44.083	-	359.183
Changes in PDs/LGDs/EADs	(35.434)	(5.377)	81.304	40.493	-	-	-	-
Interest for the year	-	-	-	-	165.850	41.830	53.389	261.069
Write offs	(3)	(197)	(87.533)	(87.733)	(5.442)	(4.335)	(106.242)	(116.019)
Repayments	-	-	-	-	(433.208)	(409.523)	(129.446)	(972.178)
Provision for accrued interest not recognised	290	94	23.581	23.965	-	-	-	-
Closing balances as at 31 December 2024	13.643	15.124	657.887	686.655	3.258.240	1.171.399	959.754	5.389.393

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Loans and advances to customers – corporate loans

The following table discloses the changes in the credit loss allowance and gross carrying amount for corporate loans to customers between the beginning and the end of the reporting period:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		12 month ECL	Lifetime ECL	Lifetime ECL	
€	€	€	€	€	€	€	€	
Opening balances at 1 January 2024	1.222.341	203.051	6.164.344	7.589.736	245.027.874	17.955.186	14.968.126	277.951.186
Transfers:								
Transfer from Stage 1 to Stage 2	(131.214)	131.214	-	-	(25.179.712)	25.179.712	-	-
Transfer from Stage 1 to Stage 3	(114)	-	114	-	(86.133)	-	86.133	-
Transfer from Stage 2 to Stage 1	53.779	(53.779)	-	-	3.316.263	(3.316.263)	-	-
Transfer from Stage 2 to Stage 3	-	(1.768)	1.768	-	-	(161.728)	161.728	-
Transfer from Stage 3 to Stage 1	2.893	-	(2.893)	-	10.714	-	(10.714)	-
Transfer from Stage 3 to Stage 2	-	4.388	(4.388)	-	-	1.670.296	(1.670.296)	-
New financial assets originated or purchased	2.893.261	2.648	16	2.895.925	828.920.392	3.168.067	-	832.088.459
Changes in PDs/LGDs/EADs	(696.095)	(155.988)	2.528.157	1.676.074	-	-	-	-
Interest for the year	-	-	-	-	35.265.838	1.992.048	229.968	37.487.854
Write offs	(91.404)	(2.013)	(482.764)	(576.181)	(110.810)	(5.920)	(483.305)	(600.035)
Repayments	-	-	-	-	(179.053.944)	(17.781.025)	(511.229)	(197.346.198)
Provision for accrued interest not recognized	1	113	20.163	20.277	-	-	-	-
Closing balances as at 31 December 2024	3.253.448	127.866	8.224.517	11.605.831	908.110.482	28.700.373	12.770.411	949.581.266

The above balances exclude loans and advances to related parties amounting to €10m as at 31 December 2024. These balances were classified as Stage 1 and no expected credit loss allowance was recognised. The loans were fully settled during the year ended 31 December 2025.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Bank will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans and advances. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down.

The Bank monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2025 is as follows:

	Stage 1	Stage 2	Stage 3	Total
	(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	
	€	€	€	€
Issued letters of guarantees/letters of credit and acceptances and endorsements	55.171.377	12.679.877	81.507	67.932.761
Provision for issued letters of guarantees/credit	(174)	(837)	(287)	(1.298)
	Stage 1	Stage 2	Stage 3	Total
	(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	
	€	€	€	€
Loan commitments - unutilised credit facilities	344.683.699	12.720.645	21.199	357.425.543
Provision for loan commitments	(93.691)	(8.439)	(421)	(102.551)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
 Year ended 31 December 2025

38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit related commitments (continued)

Movements in the provision for loan commitments were as follows:

	Stage 1 (12- months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total provision €
Provision for loan commitments at 1 January 2025	27.813	8.786	4.632	41.231
Loan commitments (fees charged)	59.707	3.889	(2.276)	61.320
Other movements	6.171	(4.236)	(1.935)	-
Provision for loan commitments at 31 December 2025	93.691	8.439	421	102.551

Movements in the provision for letters of guarantees/credit were as follows:

	Stage 1 (12- months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total provision €
Provision for letters of guarantees/letters of credit and acceptances and endorsements at 1 January 2025	6.454	463	2.507	9.424
Issued guarantees (fees charged)	(8.291)	410	(245)	(8.126)
Other movements	2.011	(36)	(1.975)	-
Provision for letters of guarantees/letters of credit and acceptances and endorsements at 31 December 2025	174	837	287	1.298

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit related commitments (continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2024 is as follows.

	Stage 1 (12-months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total €
Issued letters of guarantees/letters of credit and acceptances and endorsements	402.183.612	130.810.083	319.542	533.313.237
Provision for issued letters of guarantees/credit	(6.454)	(463)	(2.507)	(9.424)
	Stage 1 (12-months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total €
Loan commitments – unutilised credit facilities	255.004.991	12.365.721	39.818	267.410.530
Provision for loan commitments	(27.813)	(8.786)	(4.632)	(41.231)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)
Credit related commitments (continued)

Movements in the provision for loan commitments were as follows:

	Stage 1 (12- months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total provision €
Provision for loan commitments at 1 January 2024	32.350	8.455	17.507	58.312
Loan commitments (fees charged)	(9.841)	5.161	(12.401)	(17.081)
Other movements	5.304	(4.830)	(474)	-
Provision for loan commitments at 31 December 2024	27.813	8.786	4.632	41.231

Movements in the provision for letters of guarantees/credit were as follows:

	Stage 1 (12- months ECL) €	Stage 2 (lifetime ECL for SICR) €	Stage 3 (lifetime ECL for credit impaired) €	Total provision €
Provision for letters of guarantees/letters of credit and acceptances and endorsements at 1 January 2024	707	161	1.533	2.401
Issued guarantees (fees charged)	5.615	427	980	7.022
Other movements	132	(125)	(6)	1
Provision for letters of guarantees/letters of credit and acceptances and endorsements at 31 December 2024	6.454	463	2.507	9.424

The total outstanding contractual amount of undrawn credit lines and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
a) Credit risk (continued)

Credit quality of the Bank's assets exposed to credit risk other than loans and other advances to customers – Analysis by credit rating agency

Balances with Central Bank of Cyprus and deposits with banks are analysed by Moody's rating as follows:

	2025	2024
	€	€
Aaa – Aa3	394.170	131.869
A1 – A3	391.234.882	91.296.805
Baa1 – Baa3	85.001.530	27.897.068
Unrated	8.260	7.954
	476.638.842	119.333.696
	=====	=====

Investments in debt securities, comprising of government bonds and treasury bills, are analysed by Moody's rating as follows:

	2025	2024
	€	€
A3	36.218.876	36.199.433
Baa2/Baa3	28.068.585	28.191.570
	64.287.461	64.391.003
	=====	=====

	2025	2024
	€	€
Issued by:		
Cyprus sovereign	36.218.876	36.199.433
Italy sovereign	28.068.585	28.191.570
	64.287.461	64.391.003
	=====	=====

	2025	2024
	€	€
Classified as:		
Financial assets at amortised cost	64.287.461	64.391.003
	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

38. RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet current and future payments obligations as and when they fall due. This risk includes the possibility that the Bank may have to raise funding at a higher cost or sell assets at a discount.

Bank assets are mainly funded by deposits. The maturity of the deposits is actively monitored in order to avoid concentration of funding maturities at any point in time. The responsibility for the management of liquidity rests with the treasury department and the operations and support division.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Bank's short, medium and long-term funding and liquidity requirements, in order to also ensure compliance with the limits set by the applicable regulatory limits.

Analysis of financial assets and financial liabilities by remaining contractual maturity

The following liquidity tables analyse the financial assets and financial liabilities of the Bank into relevant maturity groupings based on their remaining contractual maturity at 31 December. The amounts disclosed in the table for financial liabilities are based on undiscounted cash flows.

Financial assets

The financial assets are presented on the same basis as the one provided to the management of the Bank and to the Central Bank of Cyprus, as this presentation is considered to be the most appropriate presentation of the Bank's liquidity. Accordingly, the analysis of the financial assets does not include any interest receivable cash flows.

Current accounts, overdrafts and amounts in arrears are included within the first maturity time band which reflects their contractual maturity. All other loans and advances to customers are analysed according to their contractual repayment schedule.

Balances with banks are analysed in the time bands according to the number of days remaining from 31 December until their contractual maturity date. Financial assets with no contractual maturity (i.e. equity securities) are included in the "over 5 years" time band. The investments are classified in the relevant time band according to their contractual maturity.

Financial liabilities

All financial liabilities for the repayment of which notice is required, are included in the relevant time bands as if notice had been given on 31 December. Fixed deposits are classified in time bands based on their contractual maturity.

Contingent liabilities and commitments

The limits of loans and advances are commitments to provide credit to customers. The limits are granted for predetermined periods and can be cancelled by the Bank after giving relevant notice to the customers. Thus, the unutilised credit facilities are included within the first maturity time band.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
b) Liquidity risk (continued)
Analysis of financial assets and financial liabilities by remaining contractual maturity (continued)

	Less than 1 month €	Between 1-3 months €	Between 3 months to 1 year €	Between 1-5 years €	Over 5 years €	Total €
2025						
Financial assets						
Cash and balances with Central Bank of Cyprus	386.781.295	-	6.935.998	-	-	393.717.293
Deposits with banks	85.296.267	-	798.818	-	-	86.095.085
Loans and advances to customers	84.497.705	12.514.275	82.127.181	1.378.983.063	620.323.220	2.178.445.444
Equity investments at fair value through other comprehensive income	-	-	-	-	11.762.426	11.762.426
Other financial assets at amortised costs	-	28.067.096	-	23.130.423	13.089.942	64.287.461
Other financial assets	488	1.234.390	57.288	-	-	1.292.166
	<u>556.575.755</u>	<u>41.815.761</u>	<u>89.919.285</u>	<u>1.402.113.486</u>	<u>645.175.588</u>	<u>2.735.599.875</u>
	=====	=====	=====	=====	=====	=====
Financial liabilities						
Deposits from banks	44.972.659	-	158.882.447	1.488.948.489	-	1.692.803.595
Deposits and other customer accounts	369.764.963	109.575.062	190.967.614	-	-	670.307.639
Other financial liabilities	4.063.977	-	8.175.725	182.904	-	12.422.606
	<u>418.801.599</u>	<u>109.575.062</u>	<u>358.025.786</u>	<u>1.489.131.393</u>	<u>-</u>	<u>2.375.533.840</u>
	=====	=====	=====	=====	=====	=====
Off-balance sheet items						
Acceptances and endorsements	8.363.167	14.356.501	6.508.677	-	-	29.228.345
Letters of guarantee	99.816	1.189.593	5.889.603	13.900.660	15.092.994	36.172.666
Letters of credit	54.660	2.477.090	-	-	-	2.531.750
Amount of unutilised credit facilities	357.425.543	-	-	-	-	357.425.543
	<u>365.943.186</u>	<u>18.023.184</u>	<u>12.398.280</u>	<u>13.900.660</u>	<u>15.092.994</u>	<u>425.358.302</u>
	=====	=====	=====	=====	=====	=====
	Less than 1 month €	Between 1-3 months €	Between 3 months to 1 year €	Between 1-5 years €	Over 5 years €	Total €
2024						
Financial assets						
Cash and balances with Central Bank of Cyprus	88.413.874	-	5.383.973	-	-	93.797.847
Deposits with banks	28.003.573	-	795.330	-	-	28.798.903
Loans and advances to customers	93.991.098	10.598.462	84.857.650	467.871.211	321.862.895	979.181.316
Equity investments at fair value through other comprehensive income	-	-	-	-	12.085.160	12.085.160
Other financial assets at amortised costs	-	-	-	51.304.465	13.086.538	64.391.003
Other financial assets	-	1.310.440	59.528	3.667.163	-	5.037.131
	<u>210.408.545</u>	<u>11.908.902</u>	<u>91.096.481</u>	<u>522.842.839</u>	<u>347.034.593</u>	<u>1.183.291.360</u>
	=====	=====	=====	=====	=====	=====

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

38. RISK MANAGEMENT (continued)

b) Liquidity risk (continued)

Analysis of financial assets and financial liabilities by remaining contractual maturity (continued)

	Less than 1 month €	Between 1-3 months €	Between 3 months to 1 year €	Between 1-5 years €	Over 5 years €	Total €
Financial liabilities						
Deposits from banks	263.358.338	187.249	112.798.267	-	-	376.343.854
Deposits and other customer accounts	334.268.756	60.965.032	189.581.457	-	-	584.815.245
Other financial liabilities	1.582.727	228.975	6.018.946	192.757	-	8.023.405
	<u>599.205.821</u>	<u>61.381.256</u>	<u>308.398.670</u>	<u>192.757</u>	<u>-</u>	<u>969.178.504</u>
	=====	=====	=====	=====	=====	=====
Off-balance sheet items						
Acceptances and endorsements	165.045.587	64.574.362	143.126.479	18.221.436	-	390.967.864
Letters of guarantee	269.327	1.008.351	9.406.001	16.382.600	15.017.887	42.084.166
Letters of credit	6.771.583	31.815.027	61.674.597	-	-	100.261.207
Amount of unutilised credit facilities	267.410.530	-	-	-	-	267.410.530
	<u>439.497.027</u>	<u>97.397.740</u>	<u>214.207.077</u>	<u>34.604.036</u>	<u>15.017.887</u>	<u>800.723.767</u>
	=====	=====	=====	=====	=====	=====

The above balances exclude loans and advances to related parties amounting to €10m as at 31 December 2024. The loans were fully settled during the year ended 31 December 2025.

c) Market risk

Market risk is the risk of loss from adverse changes in market prices. The Bank is exposed primarily to financial risks emanating from changes in foreign currency exchange rates and interest rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It arises as a result of timing differences on the interest rate repricing of assets and liabilities. The Bank monitors on a continuous basis the interest rate movements and the repricing or maturity structure of its assets and liabilities.

Interest rate risk is measured using interest rate sensitivity gap analysis where the difference between assets and liabilities repricing in each time band is calculated, separately for each currency. The difference is then multiplied with the assumed change in interest rates for the period from the repricing date until twelve months from the date of the analysis, in order to find the annual impact on earnings of any changes in interest rates for the next twelve months for each currency.

Sensitivity analysis

The table below indicates the effect on the Bank's net profit and equity, if interest rates for the main currencies were 200 basis points higher (2024: 200 basis points). A positive number below indicates an increase in profit. For a decrease of 200 basis points there would be an equal and opposite impact on the net profit and equity.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
c) Market risk (continued)
Sensitivity analysis (continued)

	Euro €'000	USD Dollars €'000	British Pound €'000	Other currencies €'000	Total €'000
Change in interest rates					
2025					
+200 b.p. in all currencies	15.989	361	(57)	(2)	16.291
	=====	=====	=====	=====	=====
2024					
+200 b.p. in all currencies	9.224	303	28	(2)	9.553
	=====	=====	=====	=====	=====

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises from an open position in a foreign currency, creating an exposure to a change in the relevant exchange rate. This may arise from the holding of financial assets in one currency funded by liabilities in another currency.

In order to manage currency risk, the Bank has approved open position limits for each currency. Adherence to the limits is monitored on a daily basis by the treasury department and the operations and support division.

The table below sets out the Bank's foreign exchange risk resulting from its open foreign exchange positions. A positive number below indicates an increase in profit/equity. For a corresponding decrease there would be an equal and opposite impact on profit/equity.

Currency	Open position €'000	Change in exchange rate %	Impact on net profit/ equity €'000
2025			
US Dollar	401	+5	20
British Pound	322	+5	16
Other currencies	317	+5	14
2024			
US Dollar	5.561	+5	278
British Pound	831	+5	42
Other currencies	395	+5	20

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2025

38. RISK MANAGEMENT (continued)**d) Operational risk**

Operational risk is the risk of loss arising from fraud, error, omission, systems failure or other external events. The Bank manages operational risk through the various established policies, limits and written procedures. The Risk Management Unit, in cooperation with all units and divisions, is responsible for managing the Bank's operational risk. Furthermore, this is supported by the reviews undertaken by the Internal Audit division.

e) Regulatory risk

The operations of the Bank are supervised by the Central Bank of Cyprus. Licensed banking institutions in Cyprus have to comply with the requirements of both the European Union and Cyprus regulatory frameworks. Legal or regulatory changes may be introduced in the future either by the European Union or by the Central Bank of Cyprus which may adversely affect the results and financial position of the Bank.

f) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

With reference to the above, the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Fair value measurements recognised in the statement of financial position

The Bank uses the following hierarchy for determining and disclosing fair value:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques.

- The fair values of equity investments at fair value through other comprehensive income that are traded on an active market are determined with reference to quoted market prices. Unquoted equity securities are valued using valuation techniques that include inputs from non-observable data. The non-observable inputs to the models for the valuation of unquoted equity investments include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry in which the investee operates.
- The fair values of derivative instruments are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
f) Fair value of financial instruments (continued)

The following table provides the Bank's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 €	Level 2 €	Level 3 €	Total €
2025				
Financial assets at FVTPL				
Derivative financial assets	-	96.847	-	96.847
Financial assets at FVOCI				
Equities	10.411.043	-	1.351.383	11.762.426
Total	<u>10.411.043</u>	<u>96.847</u>	<u>1.351.383</u>	<u>11.859.273</u>
	=====	=====	=====	=====
	Level 1 €	Level 2 €	Level 3 €	Total €
2024				
Financial assets at FVTPL				
Derivative financial assets	-	120	-	120
Financial assets at FVOCI				
Equities	10.733.777	-	1.351.383	12.085.160
Total	<u>10.733.777</u>	<u>120</u>	<u>1.351.383</u>	<u>12.085.280</u>
	=====	=====	=====	=====

During 2025 and 2024 there were no transfers between levels.

Reconciliation of Level 3 fair value measurements

	Unlisted equity investments	
	2025 €	2024 €
Balance of 1 January	1.351.383	1.264.197
Gains recognised in other comprehensive income	-	87.186
Balance at 31 December	<u>1.351.383</u>	<u>1.351.383</u>
	=====	=====

For the valuation at fair value of the investments in equity securities which are classified as Level 3, a valuation method based on the Bank's equity at which the investment is held as well as estimates of the management of the Bank have been used.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025
38. RISK MANAGEMENT (continued)
f) Fair value of financial instruments (continued)

The following table presents the carrying amounts and the fair value of financial instruments not measured at fair value, grouped into Levels 1 to 3.

	Level 1 €	Level 2 €	Level 3 €	Fair value for disclosure purposes €	Carrying amount €
2025					
Financial assets measured at amortised cost					
Loans and advances to customers	-	2.162.470.795	-	2.162.470.795	2.149.691.091
Deposits with banks	-	86.095.084	-	86.095.084	86.095.084
Financial assets at amortised cost	63.476.498	-	-	63.476.498	64.287.461
Financial liabilities measured at amortised cost					
Deposits and other customer accounts	-	670.307.639	-	670.307.639	670.307.639
Deposits from banks	-	1.655.335.802	-	1.655.335.802	1.655.335.802
	Level 1 €	Level 2 €	Level 3 €	Fair value for disclosure purposes €	Carrying amount €
2024					
Financial assets measured at amortised cost					
Loans and advances to customers	-	-	974.339.372	974.339.372	974.339.372
Deposits with banks	-	28.798.903	-	28.798.903	28.798.903
Financial assets at amortised cost	62.871.872	-	-	62.871.872	64.391.003
Financial liabilities measured at amortised cost					
Deposits and other customer accounts	-	584.815.245	-	584.815.245	584.815.245
Deposits from banks	-	376.343.854	-	376.343.854	376.343.854

The cash and balances with central bank and deposits due from and due to banks are financial instruments whose carrying value is a reasonable approximation of fair value, because they are mostly short-term in nature.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS**Year ended 31 December 2025****39. CAPITAL MANAGEMENT**

In June 2013, the European Parliament and the Council of Europe issued Directive 2013/36/EU and Regulation (EU) No 575/2013 (known as Capital Requirements Directive IV (“CRD IV”) and Capital Requirements Regulation (“CRR”) respectively), which incorporate the key amendments that have been proposed by the Basel Committee for Banking Supervision (known as (“Basel III”). Directive 2013/36/EU and Regulation (EU) No 575/2013 has been directly applicable to all EU Member States since 1 January 2014 and certain changes under CRD IV were implemented gradually.

In June 2024, Regulation (EU) 2024/1623 (CRR 3) amending Regulation (EU) No 575/2013 and Directive (EU) 2024/1619 (CRD 6) amending Directive 2013/36/EU were published in the Official Journal of the European Union. The revised regulatory framework of CRR 3 / CRD 6 (known as "Basel IV framework") has been effective since 1 January 2025 (excluding the revised Fundamental Review of the Trading Book (“FRTB”) in force from 1 January 2027), with a transitional phase for certain rules outlined within. EU Member States were required to transpose the requirements of CRD 6 into national law, to be applied from 11 January 2026.

Regulation (EU) No 575/2013, as amended by Regulations (EU) No 876/2019 (CRR 2) and (EU) 2024/1623 (CRR 3), defines the minimum capital requirements (Pillar I requirements) and Directive 2013/36/EU, as amended by Directives 2019/878/ EU (CRD V) and (EU) 2024/1619 (CRD 6), defines the combined buffer requirements for EU institutions. In addition, Directive 2013/36/EU provides (Art. 97 et seq.) that Competent Authorities regularly carry out the Supervisory Review and Evaluation process (“SREP”), to assess and measure risks not covered, or not fully covered, under Pillar I and determine additional capital and liquidity requirements (Pillar II requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank’s individual profile. Pillar I (minimum regulatory requirement) and Pillar II requirements form the Total SREP Capital Requirement (TSCR).

The Bank is required to meet its Overall Capital Requirements (OCR) that consists of the Total SREP Capital Requirement (TSCR) and the Capital Conservation Buffer (CCoB) as well as the Countercyclical Capital Buffer (CCyB), plus the Pillar 2 Guidance set by the SREP decision.

During 2025, the Bank’s Total Capital Ratio was at all times above the applicable regulatory thresholds.

The aim of the Bank is to maintain a strong capital basis, well above regulatory requirements, ensuring the execution of the Bank’s business plan and the achievement of its strategic goals.

40. EVENTS AFTER THE REPORTING PERIOD*Disposal of subsidiaries*

On 27 and 29 January 2026, the Bank finalized the disposal of two of its wholly-owned special purpose vehicle (“SPV”), which held two residential properties, for total consideration of €3.2 million.

Increase of Share Capital

On 29th January 2026 the authorised and issued share capital of the Bank was increased by 46.783.625 ordinary shares of €1,71 each, thus the total authorised and issued share capital of the Bank to date is €463.297.781.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year ended 31 December 2025

40. EVENTS AFTER THE REPORTING PERIOD (continued)

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated during February 2026 due to the armed conflict. As of the date of approval of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

Challenges for companies may include disruptions to supply chains, higher energy and raw material costs and increased uncertainty in operational and financial planning. The impact on the Bank largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

Overall, the total exposure in the region amounts to €622 million (11 obligors). In terms of impact severity, based on the responsible Business Units' preliminary assessment and the available information as at 30 March 2026, almost the entire perimeter of affected clients is considered as "low impact", with the exception of one local exposure of €5 million classified as "medium impact".

As affected countries, the Bank assumed countries with (a) active war zone (Israel, Iran, Lebanon), (b) direct threat (Saudi Arabia, UAE, Jordan, Bahrain, Kuwait, Qatar, Oman, Syria, Iraq) or (c) potential spillover impact (Egypt, Turkey, Cyprus, Azerbaijan, Yemen). The analysis assumes for the countries under categories (b) and (c) that no significant infrastructure damage/ active war zone scenario or a significantly prolonged geopolitical tension will materialize; to be re-assessed as the situation evolves.

There are no other material events after the reporting period, which have a bearing on the understanding of financial statements.

Independent auditor's report on pages 7 to 12.