



Survey of key data

Raiffeisen BANK d.d. Bosna i Hercegovina Monetary values in EUR million	2025	2024	Change
Income statement			
Net interest income	85	86	(1.5)%
Net commission income	63	60	5.1%
Net income from financial operations	13	10	27.6%
General administrative expenses	(88)	(76)	16.1%
Profit before tax	73	80	(9.4)%
Profit after tax	66	73	(9.3)%
Balance sheet			
Cash and cash equivalents	638	767	(16.8)%
Loans and advances to customers	1,710	1,502	13.9
Deposits from banks and financial institutions	168	173	(3.0)%
Deposits from customers	2,429	2,301	5.6%
Loans taken	112	97	15.4%
Equity (incl. profit)	433	385	12.5%
Total assets	3,073	2,901	5.9%
Regulatory information			
Risk-weighted assets	1,865	1,781	4.8%
Capital adequacy ratio	19.5%	17.3%	13.0%
Performance			
Return on equity (ROE) before tax	18.0%	26.3%	(31.6)%
Return on equity (ROE) after tax	16.5%	24.1%	(31.7)%
Cost/income ratio	53.2%	50.0%	6.4%
Return on assets (ROA) before taxes	2.2%	3.2%	(32.5)%
Resources			
Number of employees	1,350	1,357	(0.5)%
Business units	82	84	(2.4)%



The Raiffeisen Group in Bosnia and Herzegovina consists of Raiffeisen *BANK* d.d. Bosna i Hercegovina, Raiffeisen *LEASING* d.o.o. Sarajevo, Raiffeisen *INVEST* Društvo za upravljanje fondovima d.d. Sarajevo (Fund Management Company), Raiffeisen *CAPITAL* a.d. Banja Luka (brokerage company), and Raiffeisen *ASSISTANCE* d.o.o. Sarajevo.

Raiffeisen *BANK* d.d. Bosna i Hercegovina

Raiffeisen Bank has been operating as a financial institution in Bosnia and Herzegovina since 1992, when it was founded as Market Banka d.d. Sarajevo. With the quality of its operations, it quickly stood out as a very successful and profitable bank and today over 1,300 employees provide services to over 500,000 customers through 82 branches. The main factors of its competitiveness are investing in new technologies, experienced and educated staff who are constantly improving, emphasis on an individual approach to the customer, and monitoring trends in the market and in the industry.

Raiffeisen *LEASING* d.o.o. Sarajevo

Raiffeisen *LEASING* has been operating in Bosnia and Herzegovina for over 25 years. The *LEASING* offer includes a wide range of financial and operating leasing services, fitted to the needs of customers. This member of the Raiffeisen Group in Bosnia and Herzegovina offers a modern, personalised and flexible way of financing, committed to being a reliable partner to customers.

Raiffeisen *INVEST* d.d.

Raiffeisen *INVEST* Društvo za upravljanje fondovima d.d. Sarajevo (Fund Management Company) has been operating on the market of Bosnia and Herzegovina since 2012. Raiffeisen *INVEST* offers new investment products on the BiH market intended for various customer profiles, depending on the level of acceptable risk and expected return on investment.

Raiffeisen *CAPITAL* a.d. Banja Luka

Raiffeisen *CAPITAL* a.d. Banja Luka has been operating on the market of Bosnia and Herzegovina since 2007, as a member of the Banja Luka Stock Exchange (BLSE), providing securities trading services to private individuals and legal entities, both domestic and foreign. It also offers services related to acquisitions of joint-stock companies and services related to block transactions.

Raiffeisen *ASSISTANCE* d.o.o. Sarajevo

The insurance mediation company Raiffeisen *ASSISTANCE* d.o.o. Sarajevo aims to facilitate access to all types of insurance for end users. This member of the Raiffeisen Group has been operating in BiH since 2010.

Overview of Raiffeisen

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Report of the Supervisory Board



Ladies and Gentlemen,

I am pleased to present the key results of Raiffeisen Bank d.d. Bosnia and Herzegovina for the year 2025, which was marked by continued growth and business improvement. The Bank further strengthened its position as one of the market leaders, achieving a total net profit of BAM 131.50 million, capital of BAM 846.5 million, and assets totaling BAM 6 billion. These impressive results confirm our commitment to stability, innovation, and quality service, further reinforcing our role as a trusted partner for our clients and the community.

During the 2025 financial year, the members of the Supervisory Board held 11 ordinary meetings and 1 extraordinary meeting. The overall attendance rate for Supervisory Board meetings was 100 per cent.

The Supervisory Board regularly and comprehensively monitored the business performance and risk developments at Raiffeisen *BANK* dd Bosna i Hercegovina. Discussions were regularly held with the Management Board on the adequacy of capital and liquidity, as well as on the direction of the bank's business and risk strategies. The Supervisory Board also dealt at length with further developments within corporate governance and monitored the implementation of corresponding policies. In course of its monitoring and advisory activities, the Supervisory Board maintained direct contact with the responsible Management Board members,

the auditor and heads of the internal control functions. It also maintained a continuous exchange of information and views with representatives from supervisory authorities on topical issues.

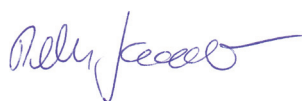
Moreover, the Management Board provided the Supervisory Board with regular and detailed reports on relevant matters concerning performance in the respective business areas. Between meetings, the Supervisory Board maintained close contact with the Chairman and members of the Management Board. The Management Board was available when required for bilateral or multilateral discussions with members of the Supervisory Board, where applicable with the involvement of experts on matters being addressed.

The work undertaken together with the Management Board was based on a relationship of mutual trust and conducted in a spirit of efficient and constructive collaboration. Discussions were open and constructive, and the Supervisory Board passed resolutions after fully considering all aspects. If additional information was required in order to consider individual issues in more depth, this was provided to members of the Supervisory Board without delay and to their satisfaction.

During 2025, the Supervisory Board continuously monitored the overall operations of the Bank and reviewed and approved reporting documents, thereby fulfilling the duties defined by local law and the Bank's Articles of Association. Some of the key topics the Supervisory Board particularly discussed included strategic measures, the mortgage strategy, retail initiatives, compensation topics and next steps, as well as opportunities for improving the infrastructure and architecture of Raiffeisen Bank in Bosnia and Herzegovina.

I would like to take this opportunity to sincerely thank the Management Board and all employees of Raiffeisen *BANK* dd Bosna i Hercegovina for their unwavering efforts, and also our customers for their continued trust.

On behalf of the Supervisory Board
Peter Jacenko,
Chairman of the Supervisory Board



Preface by the Chairman of the Management Board



2025 marked a special year for Raiffeisen Bank, as we celebrated 25 years of doing business in Bosnia and Herzegovina being a "Good Neighbour" symbolizing a profound and lasting impact for our customers, the business community, the local economy, and broader society as well as to our employees. Through steadfast commitment to innovation and customer-centric solutions, we have supported private clients, corporate clients as well as municipalities and other institutions in achieving their financial goals, fostering trust and stability even during turbulent periods. Our contributions have extended beyond banking, enabling small businesses to flourish, advancing digital transformation, and encouraging sustainable practices that have strengthened the economic fabric of Bosnia and Herzegovina.

The positive influence of Raiffeisen Bank can also be seen in the growth of local enterprises, improvement of financial literacy, and development of community. By prioritizing responsible banking and forging meaningful partnerships, we have helped to shape a more resilient and inclusive society. The past 25 years stand to our firm dedication to being more than just a financial institution. We will continue to be a good neighbour, a partner in progress for our customers and country alike.

In the year 2025, Raiffeisen Bank once again delivered a strong and stable performance. We closed the year with a total net profit of BAM 130 million, total deposits of BAM 4.75

billion, and a loan portfolio of BAM 3.35 billion. These results reflect the strength of our business model—built on a solid capital base, sustainable liquidity, and responsible risk management. The banking sector in Bosnia and Herzegovina has also remained resilient, and Raiffeisen Bank has actively contributed to maintaining this stability supported by its conservative regulations and high management standards.

Our commitment to innovation is driven by a deep understanding of our customers' evolving needs. In 2025, we expanded our digital payment solutions, introducing Google Pay and Apple Pay, and further enabling contactless transactions through smart-watches, bracelets, and rings with platforms like Garmin Pay, Fitbit Pay, Fidesmo Pay, and SwatchPay. These advancements make everyday banking faster, easier, and more convenient for our clients. This year, we continued with simplified account opening, enabling new customers to use the Raiffeisen Mobile Banking app to open an account in just three minutes and select the EKONOMIK package, a completely free option packed with valuable benefits. Alongside these technological breakthroughs, we prioritized sustainability and ESG principles, aligning our products and processes to help clients transition to sustainable business models while consistently delivering excellent, efficient service tailored to their needs.

We happily want to leave an impact with the community we are active in. Following the support of Lana Pudar, one of the most successful individual sportspersons in the country, we signed a sponsorship agreement with the Football Association of Bosnia and Herzegovina. Our support has proven to be a powerful unifying force across the country, especially evident after our national football team qualified for the World Championship. This achievement brought immense joy and happiness to people throughout the entire country, inspiring a sense of unity and pride. As a bank, we strive to create this same positive impact through our products and services, aiming to bring joy, simplicity, and lasting value to all our existing and future clients. Moving forward, we will continue to focus on improving our clients' experience by providing top-quality services that enable simple and efficient banking through the use of modern technological solutions as well as personal contact in our branches throughout the country. Just as our sport sponsorships have helped to unite and uplift the nation, we are dedicated to offering solutions that empower our clients and foster a spirit of togetherness and shared success.

Kind regards,
Lars Frankemölle
Chairman of the Management Board

Macroeconomic Overview

Bosnia and Herzegovina is a small and open economy strongly dependent on developments in foreign markets, especially the eurozone. Over 70% of the total exports of BiH still end up on the EU market, which in practice means that domestic economic activity and industrial cycles move in almost complete correlation with the trends of the European economy, and any change within the EU – economic or political – directly affects trade flows and investments. For three consecutive years, export-oriented companies in the electricity, metal and textile sectors have been suffering from strong pressures due to unfavorable economic developments in the eurozone, which is directly reflected in the decline in domestic industrial production.

In terms of Bosnia and Herzegovina's economic outlook and environment in 2025, it is important to note that the country faced a number of internal and external challenges that slowed down its economic progress. Political fragmentation, frequent institutional blocking and a slow pace of reforms remain a strong source of uncertainty, especially since political stability is a key prerequisite for progress on the path to European integration. The geopolitical context continues to have a strong impact on Bosnia and Herzegovina, especially through the indirect effects of European and global developments.

After BiH acquired EU candidate status in December 2022 and received the green light to start membership negotiations in March 2024, the European Union endorsed the Reform Agenda in December 2025 (submitted by BiH in September the same year). Although initial expectations were aimed at of more intensive progress on the EU integration path during 2025 in order to unlock and mobilize a significant amount of favorable EU funds (a total of EUR 977 million in the period 2026-2027) under the Growth Plan for the Western Balkans worth €6 billion, BiH has still not met the final condition for the payment of the first tranche. The disbursement of the first tranche will only be made after the Parliamentary Assembly ratifies two key documents: the Facility Agreement and the Loan Agreement, which is expected to take place in the first quarter of 2026. Bosnia and Herzegovina is a mere step away from opening EU accession negotiations with two more laws to be adopted: the Law on the Courts of BiH and the Law on the High Judicial and Prosecutorial Council, and the appointment of the Chief Negotiator.

The political stalemate at the beginning of the year, including the collapse of the state coalition and heightened political tensions, have adversely affected the investor and consumer confidence in the first quarter of 2025. At the same time, slow recovery of foreign demand and significant increase in minimum wages in both entities, which spilled over into inflation and had subsequent negative effects on the labor market, contributed to the decline in consumption and business activities. Combined with lower public spending, these factors significantly limited the country's growth potential in the first three months, which stood at 1.7% yoy. The next two quarters brought a recovery, more pronounced in the third quarter of 2025 (2.1% yoy) backed by investment growth and consumption recovery. Investment was the primary driver of growth, contributing 2.5 percentage points to the overall GDP growth.

Retail turnover, as a key indicator of private consumption, grew by 2.3%, which is a solid result given the negative momentum from the beginning of the year. The recovery of retail turnover in the second part of the year was also due to the constant growth of gross (14% yoy) and net wages (13.7% yoy), as well as the record growth of retail lending of over 12% compared to last year.

Bosnia and Herzegovina's exports grew by 5.6% during 2025 compared to last year, thanks to the recovery of performance in the EU market (73% share and 5.5% growth yoy) and CEFTA (17.5% share and 6.4% yoy growth) compared to last year. It is important to note that the growth of exports in the said period exceeded the growth of imports of 4.5% compared to last year, which represents a moderate mitigation of the total trade deficit of BAM 12.9 billion, which is an increase of 3.2% compared to last year. Looking at the structure of exports, base metals, machinery, mineral products and wood products recorded solid growth. Trends at the level of distribution by partner countries were mixed: exports to Croatia increased by 18.2%, Slovenia by 5.8%, Serbia by 3.7% and to Italy by only 0.3%, while exports to Germany and Austria recorded a decline of 0.7% and 1.4% year-on-year. BiH reflects strong domestic demand and continues to rely heavily on imports of foreign products, especially in the food segment, highlighting persistent weaknesses in domestic agricultural and food processing capacities.

Over the past two years, industry in Bosnia and Herzegovina has been under strong pressure due to weaker foreign demand, especially from the eurozone. In 2025, Bosnia and Herzegovina's industry did not experience the expected recovery, despite export growth and short-term positive developments in the industrial production index during the year. Industrial production recorded a decline in all key sub-segments: mining (3.2% yoy), processing industry (1.9% yoy) and electricity production (0.9% yoy), resulting in an overall decline in industrial activity of 1.7% yoy. Although exports and imports ended the year on a positive note, the negative trend of industrial production points to slower economic growth and basic structural weaknesses in the B&H economy.

During 2025, inflation accelerated, reaching 4% on average compared to 1.7% the previous year. The highest inflation rate of 4.8% yoy was recorded in July, while the lowest rate was 3.2% yoy in March. The main sources of inflationary pressures were the growth in the prices of food, services, primarily in the category of restaurants and hotels, healthcare, as well as increased household costs (growth in the prices of electricity, water, transport, etc.). Average inflation of 4% in 2025 positions B&H in the middle of the regional ranking group, although in 2024 this rate was among the lowest in the region of Southeast Europe.

Despite the negative trends in the first quarter of 2025, in the rest of the year, BiH recorded positive trends in the labor market compared to the same period of the previous year. In the said period, a satisfactory, decreasing trend of unemployment (4,000 fewer unemployed) and growth in the number of employees (11,000 more employees) was recorded, with double-digit wage growth for the third year in a row. The average survey unemployment rate for the first three quarters of 2025 was 12.6%, which is at the level of the end of 2024, with expectations that the last quarter will bring a further decline in the unemployment rate and stabilisation at the level of 12.4%.

The upward trend in wages is particularly evident, gross wages grew by 14% yoy while net wages grew by 13.7% yoy. The highest average wage was recorded in the sector of Information and Communication (BAM 3,396), Financial sector (BAM 3,244) and sector of Production and Supply of Electricity (BAM 3,125). The service sector recorded the highest growth in gross wages (26.8% yoy) as well as the processing industry (23.4% yoy).

Overall, the last quarter of 2025 should bring a similar level of GDP growth as the third quarter of 2025, taking into account high-frequency indicators, growing private consumption (salaries, personal transfers, lending, tourism, holiday season) and the expected continuation of investment growth. In line with expectations, overall GDP growth in 2025 should reach 2% yoy, despite negative trends in industrial production and increased inflation.

In the context of forecasts for the coming period, the initially expected accelerated recovery to the level of average economic growth in the past five years has been revised slightly downwards, taking into account that 2026 is an election year, and we do not expect significantly accelerated progress in the implementation of the Reform Agenda, which represents a significant potential for accelerated growth. Accordingly, we expect EU-related funds to provide less pronounced impetus to proactive economic momentum in 2026. Nevertheless, the projected recovery in 2026 of 2.5% annually and 2.8% in 2027 is based on a moderate momentum of the investment cycle, private consumption and improvement in the foreign trade position, supported by stronger regional and eurozone growth.

As for the expected GDP growth potential in 2026 and 2027, Bosnia and Herzegovina is entering a period in which investment potential is becoming an increasingly pronounced driver of growth. After a strong recovery in investment activity in the third quarter of 2025, which was the first signal of stabilisation after a period of weakness at the beginning of the year, this trend has a strong potential for additional momentum, which depends on the dynamics of implementation of new European financial mechanisms and strategic reforms. Given that BiH has an approved Reform Agenda, a key document that unlocks the 977 million Growth Plan for the Western Balkans, additional opportunities are opening up for investment in BiH in the period 2026-2027. Given the overall reform and financial mechanisms, investments in the coming period may play a significantly stronger role in GDP growth than in previous years, with the possibility that their share in the economy will remain above 25% of GDP, in line with the trends started in 2024-2025.

Sustainability Management and ESG

Climate and environmental impact management: In 2025, Raiffeisen Bank made a step forward in reducing its climate footprint. Direct emissions (Scope 1) decreased by 23% compared to the previous year, despite the growth of business activities and changes in the energy environment. This improvement is the result of coordinated operational, technical and technological measures, including fleet optimisation, more efficient travel management, introduction of energy-efficient solutions such as heat pumps, and modernisation of branches using environmentally friendly materials.

Investments in renewable energy sources continued through the installation of solar panels and EV chargers, while the electrification of the vehicle fleet began with the introduction of the first electric vehicle. The GREEN IT program was an important lever for reducing energy consumption thanks to the modernisation of the Data Center, transition to energy-efficient IT platforms and cloud solutions, virtualisation, docker technology and replacement of desktop computers with laptops.

The contribution to the circular economy was confirmed by recycling of more than 51,000 units of packaging at its own recycling station (Raiffeisen Recycle), and in parallel, the Bank continued to improve the environmental and climate risk management system, integrating relevant criteria into procurement, decision-making processes and the reward system.

Sustainable financing and support to customer transition: In 2025, the Bank further strengthened its role as one of the key actors of the green transition in Bosnia and Herzegovina by providing favorable credit lines for Retail and SME segments. These lines have been implemented in partnership with leading international financial institutions, including EBRD, EFSE, GEFF and EU, with the aim of financing investments in energy efficiency, renewable energy and sustainable finance for SME and retail customers.

In order to support corporate customers in the transition to sustainable business, the Bank has established a structured ESG approach, including advanced ESG questionnaires, thematic advisory sessions and comprehensive training on CBAM regulations. This approach has given companies the opportunity to assess their readiness to comply with the EU taxonomy and sustainability standards.

In 2025, Raiffeisen Bank maintained a low level of exposure to climate-related and environmental risks in its loan portfolio: the share of facilities exposed to the EU CBAM regulation was only 3.38%, while the share of loans to sectors with high climate and environmental risk was 4.69%, which is significantly below the target limits. This confirms that the Bank has consistently managed portfolio risks, achieved a stable and sustainable asset structure and directed credit investments towards less risky and more sustainable sectors.

On the other hand, financial inclusion has been further improved by implementation of the WE Finance Code pilot project in cooperation with the Central Bank of BiH, through which the first gender-disaggregated financial data in BiH was created and a unique Data Dashboard was developed. In addition, the Bank continued to invest heavily in social projects, including support for the "Give Us a Chance" association, UNICEF Sumer, and the organisations – Heart for Children with Cancer and SOS Children's Villages BiH, which directly contributed to the improvement of support for vulnerable social groups.

During 2025, Raiffeisen Bank continued to build a strong ESG portfolio, which reached BAM 358.7 million, or 11.54% of total loans in the PI, SME and Corporate segments. The three key segments collectively encouraged investments in energy efficiency, emission reduction, and social impact.

The PI segment achieved BAM 44 million of ESG facilities, almost solely through **green loans** focused on household energy efficiency, and successfully exceeded its annual target for the share of new ESG loans.

The SME segment generated BAM 143.5 million of the ESG portfolio, with **social loans accounting for 97%** and **green loans about 3%** of that portfolio. As the strongest social credit holder, the SME segment supported small businesses, gender equality and youth employment, achieving above-the-plan fulfillment of ESG KPIs.

The corporate segment generated BAM 171.2 million of ESG loans, with a ratio of **69% social loans** and **31% green loans,** making the largest single contribution to the overall ESG portfolio. Through financing of green investments, young entrepreneurs and projects in underdeveloped communities, this segment has significantly exceeded the planned ESG targets.

Together, the PI, SME and Corporate segments have further strengthened the Bank's position as one of the leading promoters of green and social finance in the market, reaffirming its strategic commitment to energy, inclusion and sustainable community development.

Digital transformation, innovations and technological sustainability: In 2025, the Bank set new standards for digital banking in BiH by establishing the first fully integrated contactless payment ecosystem that includes Google Pay, Apple Pay and

a range of global digital wallet solutions. Digital services have been further improved by modernisation of mobile and online banking, introduction of mobile account opening, end-to-end tokenization of cards, an expanded wallet ecosystem and functionalities such as PayByLink, and Internet banking for legal entities.

Through the modernisation of the CRM platform, an advanced personalisation of offers has been enabled, which has resulted in international recognition for the best CRM solution. The digitalisation of the branch network has been accelerated by introduction of Digital Signage devices, thus reducing the need for printing and simplified digital applications for banking products.

At the same time, the Bank has invested significantly in the innovation ecosystem — the AI Literacy program was launched in cooperation with Microsoft, the establishment of the Raiffeisen Lab at the Faculty of Electrical Engineering in Sarajevo was ensured, while by supporting the CybHER 2025 program, the Bank actively contributed to strengthening the role of women in the digital and cybersecurity sectors. Future Builders SME Academy has further strengthened its position as one of the most influential entrepreneurship development programs in BiH, offering mentorship, training and practical skills in cooperation with European partners, while the Bank has connected domestic startups with international investors through Sarajevo Slush'D, contributing to the development of the local fintech and AI ecosystem.

Employees and organisational culture: In 2025, the Bank continued to strengthen its organisational culture based on employee well-being, talent development and inclusion. Through the HERO program, continuous psychological support, Fitpass benefits and free health check-ups are all provided, along with implementation of the Employee Health Strategy and improved parental support measures, including extended paid maternity and parental leave and flexible remote work models.

Talent development has been enhanced through the Leadership Academy, the RaiStars program, a mentoring platform with 44 participants, and a trainee program for 20 young professionals. Eight specialised programs were implemented with a total of 257 participants, while internal surveys indicated a high level of employee involvement and satisfaction.

The Bank continued to apply gender-neutral policies, strengthen inclusion and conduct training for working with persons with disabilities, while the Solidarity Fund maintained its role as a key internal support mechanism, bringing together more than 560 employees.

The organisation has further strengthened the team culture through Family Day, sports and volunteer activities, hiking tours and other initiatives, while the quality of HR practices has been reaffirmed by the prestigious Employer Partner Certificate.

Investments in the community and social impact: During 2025, Raiffeisen Bank directed the largest part of its social investments to education and social inclusion, which together account for the largest volume of our donor activities. In education, the focus was on supporting schools, students and programs that contribute to the development of young talent and innovation. Social projects represented the second most important segment of investment, including continuous support to organisations such as Give Us a Chance, as well as centres that take care of children and people with developmental disabilities. Support to culture and the arts has maintained a stable share in the investment structure, contributing to the accessibility of cultural content to the general public. The largest total volume of investment was achieved through sponsorships, especially in the field of sports, professional conferences, innovations and climate-energy events. These projects contribute to the development of an active and resilient society, strengthening physical health, knowledge and shared progress.

Through this distribution of investments, the Bank confirms its commitment to support the areas that have the widest and most long-lasting social impact.

Raiffeisen Bank International Overview

RBI considers Austria, where it is the leading commercial and investment bank, and Central and Eastern Europe (CEE) as its home market. Subsidiaries are represented in 11 markets across the region. In addition to these banks, the group also includes a number of other financial service providers active in areas such as leasing, asset management, factoring, and mergers and acquisitions.

In total, RBI's nearly 42,000 employees provide services to around 18.6 million customers in around 1,300 branches, most of which are located in CEE.

Regional Raiffeisen banks own 61.17 percent of RBI's shares. The remaining shares are in free float.

Raiffeisen BANK dd Bosna i Hercegovina

Raiffeisen BANK dd Bosna i Hercegovina is a subsidiary of Raiffeisen Bank International AG (RBI), a leading universal bank in the region of Central and Eastern Europe (CEE). Raiffeisen Zentralbank Österreich AG-Vienna acquired Market Banka on 21 July 2000 and successfully integrated it into the Raiffeisen network, within which it operates under the name Raiffeisen BANK dd Bosna i Hercegovina.

In May 2001, RZB became the 100% owner of Hrvatska Poštanska banka, when it was renamed to Raiffeisen BANK HPB. Since January 1, 2003, when the project of merging Raiffeisen BANK HPB with Raiffeisen Bank was successfully completed, the Bank has been operating under the unique name Raiffeisen BANK dd Bosna i Hercegovina. With implementation of this project, the Bank has strengthened its position in BiH and significantly expanded its branch network.

In the years that followed, the Bank took on the role of a pioneer in banking operations in Bosnia and Herzegovina and became one of the leaders in the provision of digital banking services. Numerous awards, both international and domestic, are proof of the Bank's successful operations. Some of them are: Global Finance: "Best Bank in BiH", The Banker: "Bank of the Year", EMEA Finance: "Best Bank in BiH" and domestic awards "Golden BAM", Euromoney: "Best Bank for Digital Solutions in BiH", Global Finance: "Best Digital Bank in BiH".

Investing in new technologies, experienced and educated staff that is constantly improving, emphasis on an individual approach to the customer, introduction of new channels of doing business with the Bank and modern products and services, as well as activities in the field of ESG & Sustainability Management and continuous improvement of the agile approach to work are the main factors of Raiffeisen Bank's competitiveness.

Ownership Structure of Raiffeisen **BANK** dd Bosna i Hercegovina:

Raiffeisen BANK dd Bosna i Hercegovina is 100% owned by Raiffeisen SEE Region Holding GmbH.



The gable cross is part of the trademark used by almost every company in the Raiffeisen Banking Group in CEE. It represents two stylized horse's heads, crossed and attached to the gable of a house. It is a symbol of protection rooted in old European folk tradition: a gable cross on the roof was believed to protect the house and its occupants from outside dangers and to ward off evil. In terms of business operations, it symbolizes the protection and security that the members enjoy through their mutual cooperation. Today, the gable cross is one of Austria's best-known trademarks and a well-recognized brand in CEE.

The Management Board



Rainer Schnabl
Chairman of the Management Board



Lars Frankemölle
Board Member



Mirha Krivdić
Board Member

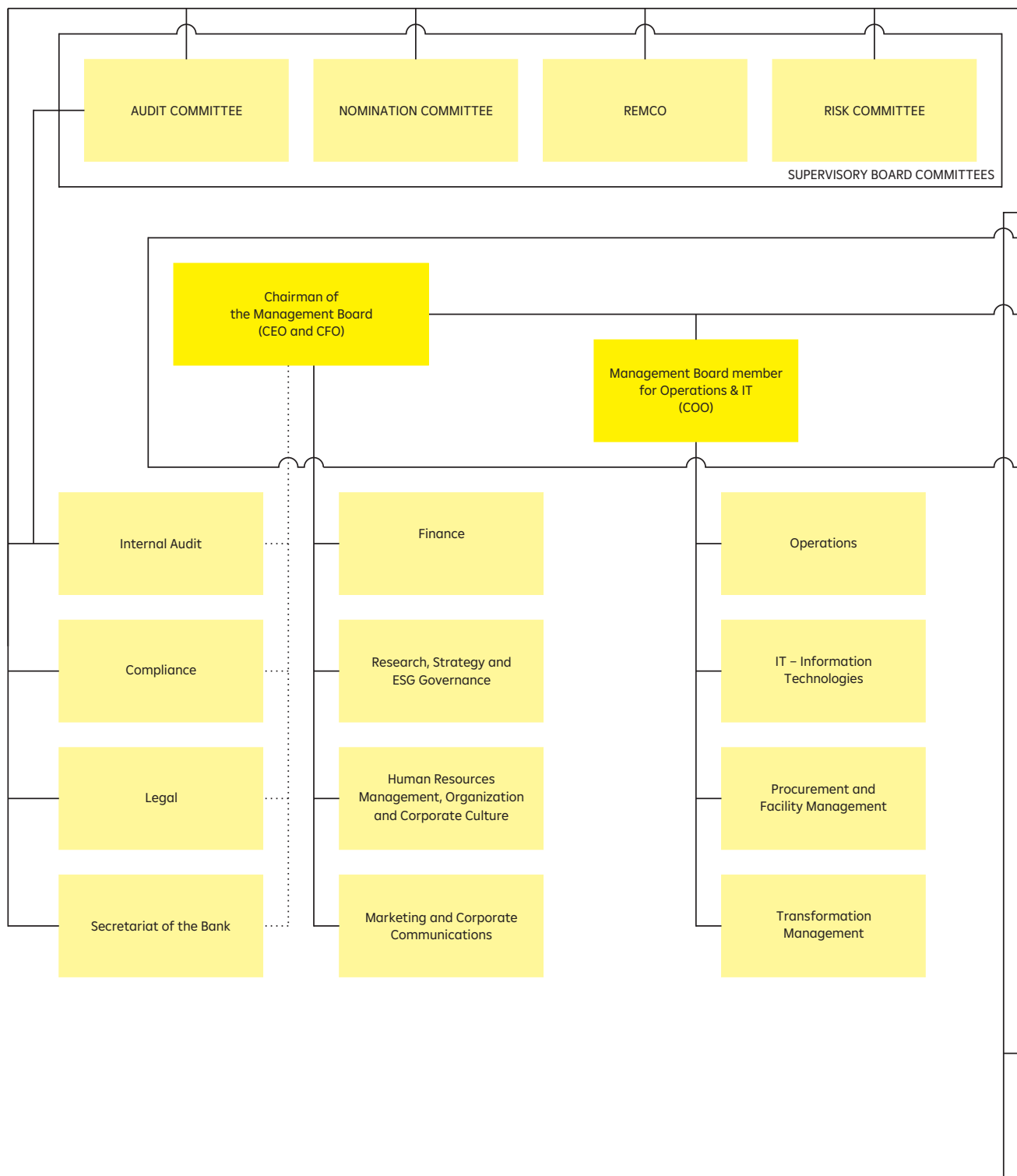


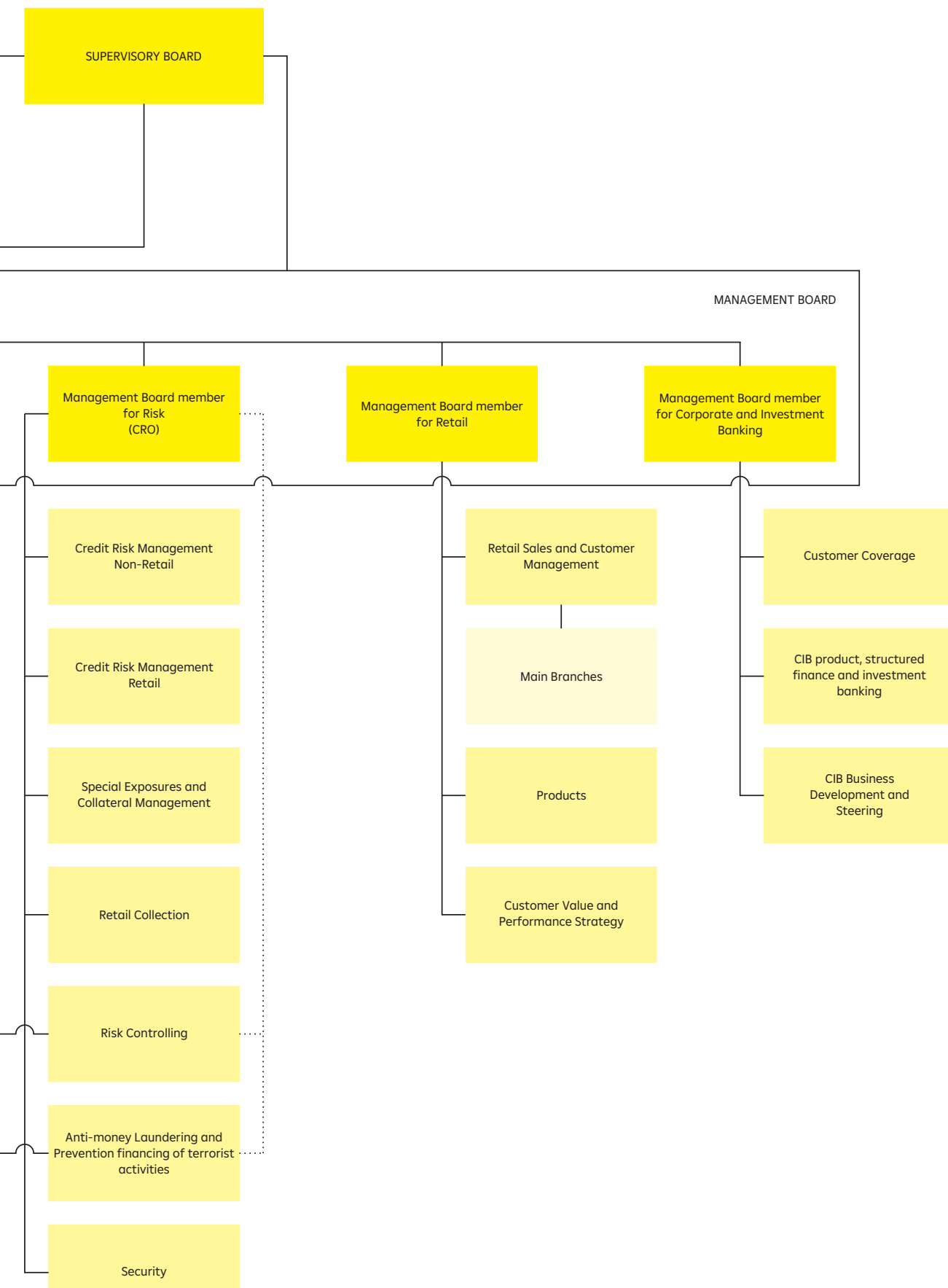
Edin Hrnjica
Board Member



Kreshnik Halili
Board Member

Organisational Structure





Balance Sheet

as of December 31, 2025 and 2024

	2025 (BAM 000)	2025 (EUR 000)	2024 (BAM 000)	2024 (EUR 000)
ASSETS				
Cash and cash equivalents	1,247,244	637,706	1,499,512	766,688
Financial assets measured at fair value through profit and loss account	9,034	4,619	10,422	5,329
Financial assets at fair value through other comprehensive income	575	294	544	278
Financial assets at amortised cost	4,516,619	2,309,311	3,954,871	2,022,093
Prepaid profit tax	2,093	1,070	0	0
Deferred Tax Assets	7,894	4,036	9,090	4,648
Real estate, plants and equipment	127,025	64,947	103,850	53,098
Right of use assets	12,643	6,464	9,167	4,687
Real estate investments	23,459	11,994	27,853	14,241
Intangible assets	44,364	22,683	39,231	20,058
Investments in subsidiaries	11,050	5,650	11,050	5,650
Investments in affiliates	2	1	2	1
Long-term assets intended for sale and discontinued operations	403	206	403	0
Other assets and receivables	7,528	3,849	7,107	206
TOTAL ASSETS	6,009,933	3,072,830	5,673,102	2,900,611
LIABILITIES				
Financial liabilities at amortized cost	5,104,347	2,609,811	4,859,835	2,484,794
Profit tax liabilities	0	0	800	409
Deferred tax liabilities	3,164	1,618	2,317	1,185
Provisions	34,316	17,545	35,557	18,180
Other liabilities	21,569	11,028	22,267	11,385
TOTAL LIABILITIES	5,163,396	2,640,002	4,920,776	2,515,953
CAPITAL				
Share capital	247,167	126,374	247,167	126,374
Share premium	4,473	2,287	4,473	2,287
Reserves	1,230	629	1,230	629
Revaluation reserves	311	159	283	145
Profit	593,356	303,378	499,173	255,223
EQUITY	846,537	432,827	752,326	384,658
TOTAL LIABILITIES AND EQUITY	6,009,933	3,072,830	5,673,102	2,900,611

Income statement

for the years ended December 31, 2025 and 2024

	2025 (BAM 000)	2025 (EUR 000)	2024 (BAM 000)	2024 (EUR 000)
Interest income and similar income at the effective interest rate	183,766	93,958	184,953	94,565
Interest expenses and similar expenses at the effective interest rate	(18,327)	(9,370)	(16,964)	(8,674)
Net interest income and similar income at effective interest rate	165,439	84,588	167,989	85,891
Fee and commission income	161,853	82,754	154,320	78,903
Fee and commission expenses	(38,912)	(19,895)	(37,378)	(19,111)
Net fee and commission income	122,941	62,859	116,942	59,791
Provisioning for impairment losses	(12,789)	(6,539)	3,543	1,812
Other net losses from financial assets	(88)	(45)	(30)	(15)
Net positive exchange rate differences	(71)	(36)	(85)	(43)
Net losses from long-term non-financial assets	10,081	5,154	1,644	841
Dividend income	4,950	2,531	8,622	4,408
Other income	10,870	5,558	10,035	5,131
Personnel expenses	(67,557)	(34,541)	(67,253)	(34,386)
Depreciation costs	(20,613)	(10,539)	(18,618)	(9,519)
Other costs and expenses	(71,038)	(36,321)	(65,841)	(33,664)
Profit from regular operations before tax	142,125	72,667	156,948	80,246
Income tax	(12,112)	(6,193)	(13,628)	(6,968)
Profit from regular operations	130,013	66,475	143,320	73,278
Other comprehensive loss				
Total other comprehensive income	28	14	6	3
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	130,041	66,489	143,326	73,281
Earnings per share (in BAM)	131.5	67.2	145.0	74.1

Financial indicators

Data presented are stated or calculated based on the audited financial statements of the Bank

	2025 (BAM 000)	2024 (BAM 000)	2023 (BAM 000)	2022 (BAM 000)
Year-end				
Total assets	6,009,933	5,673,102	5,195,381	5,024,985
Customer deposits	4,856,225	4,645,445	4,312,171	4,124,055
Customer loans	3,345,305	2,936,701	2,783,592	2,480,281
Share capital	247,167	247,167	247,167	247,167
Equity	846,537	752,326	669,980	623,593
Annual results				
Total income	314,281	305,232	282,810	254,849
Total operating expenses	(172,156)	(148,284)	(155,147)	(147,634)
Profit before tax	142,125	156,948	127,662	107,215
Profit after tax	130,013	143,320	121,970	100,776
Indicators				
Return on assets (ROA) after taxes	2.2%	3.2%	2.4%	2.0%
Return on equity (ROE) after taxes	16.5%	24.1%	18.2%	16.2%
Cost/Income Ratio (CIR)	53.2%	50.0%	56.8%	57.1%

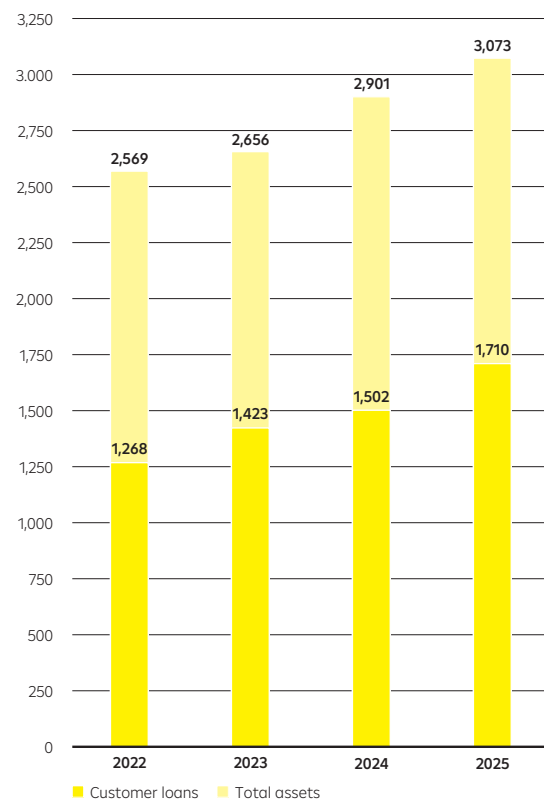
	2025 (EUR 000)	2024 (EUR 000)	2023 (EUR 000)	2022 (EUR 000)
Year-end				
Total assets	3,072,830	2,900,611	2,656,356	2,569,234
Customer deposits	2,482,948	2,375,178	2,204,750	2,108,596
Customer loans	1,710,427	1,501,511	1,423,228	1,268,148
Share capital	126,374	126,374	126,374	126,374
Equity	432,827	384,658	342,555	318,838
Annual results				
Total income	160,689	156,063	143,637	130,302
Total operating expenses	(88,022)	(75,816)	(78,365)	(75,484)
Profit before tax	72,667	80,246	65,273	54,818
Profit after tax	66,475	73,278	62,362	51,526
Indicators				
Return on assets (ROA) after taxes	2.2%	3.2%	2.4%	2.0%
Return on equity (ROE) after taxes	16.5%	24.1%	18.2%	16.2%
Cost/Income Ratio (CIR)	53.2%	50.0%	56.8%	57.1%

Total assets with information on loans

In the total assets of the Bank, net loans of customers in 2025 account for 56%, which is 4% more than in 2024. Gross loans of customers account for 58%. Share of gross loans of private individuals in the total portfolio is 60%, and of legal entities 40%

Total assets with information on loans

in EUR million



	2025 (BAM 000)	2024 (BAM 000)	2023 (BAM 000)	2022 (BAM 000)
Total assets	6,009,933	5,673,102	5,195,381	5,024,985
Customer loans	3,345,305	2,936,701	2,783,592	2,480,281

	2025 (EUR 000)	2024 (EUR 000)	2023 (EUR 000)	2022 (EUR 000)
Total assets	3,072,830	2,900,611	2,656,356	2,569,234
Customer loans	1,710,427	1,501,511	1,423,228	1,268,148

Lending

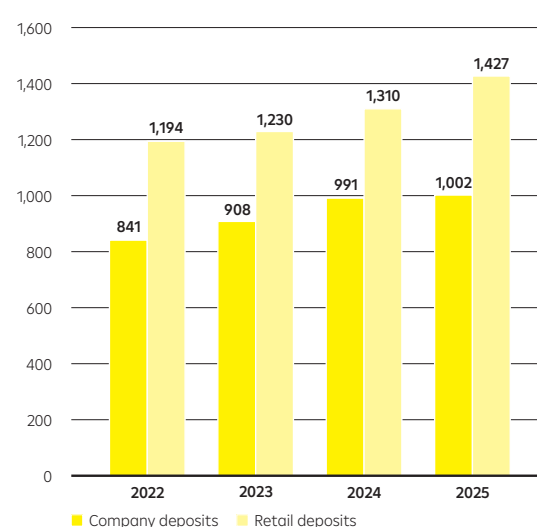
	2025 (BAM 000)	2025 (EUR 000)	2024 (BAM 000)	2024 (EUR 000)	Change %	Difference
Corporate loans	1,383,958	707,606	1,152,378	589,202	20.1%	231,580
Retail loans	2,087,474	1,067,309	1,912,884	978,042	9.1%	174,590
Gross loans	3,471,432	1,774,915	3,065,262	1,567,244	13.3%	406,170
Impairment	(126,127)	(64,488)	(128,561)	(65,732)	(1.9)%	2,434
Net loans	3,345,305	1,710,427	2,936,701	1,501,511	13.9%	408,604

Customer deposits

Retail deposits account for 59% of total deposits and recorded growth in the amount of BAM 228,373 ths. In total retail deposits, term deposits make up 17%, and demand deposits make up 83%. The share of retail deposits in total deposits at YE2025 was 59%, while their share in 2024 was 57%.

Customer deposits

in EUR million



	2025 (BAM 000)	2024 (BAM 000)	2023 (BAM 000)	2022 (BAM 000)
Corporate deposits	1,960,003	1,938,271	1,775,406	1,644,535
Retail deposits	2,790,337	2,561,964	2,404,972	2,335,116

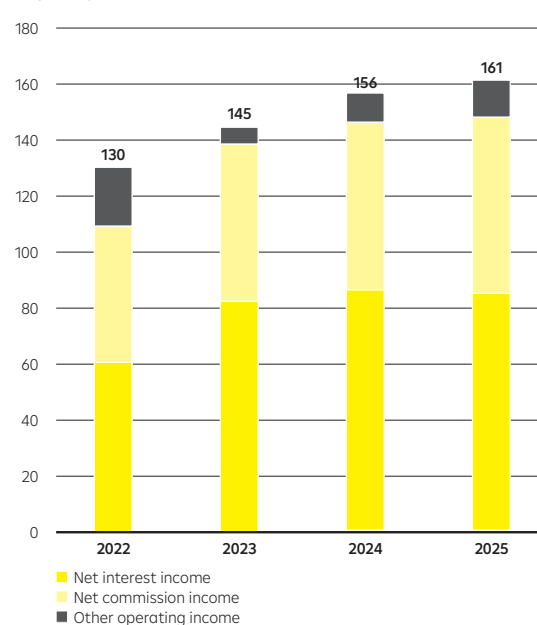
	2025 (EUR 000)	2024 (EUR 000)	2023 (EUR 000)	2022 (EUR 000)
Corporate deposits	1,002,134	991,022	907,751	840,837
Retail deposits	1,426,677	1,309,911	1,229,643	1,193,926

Total income (with total income structure)

In the structure of the Bank's total income, net interest income accounts for 53%, while net commission income accounts for 39%. Interest income went down by 1% compared to the previous year, while interest expenses went up by 8% compared to the last year.

Total income

in EUR million



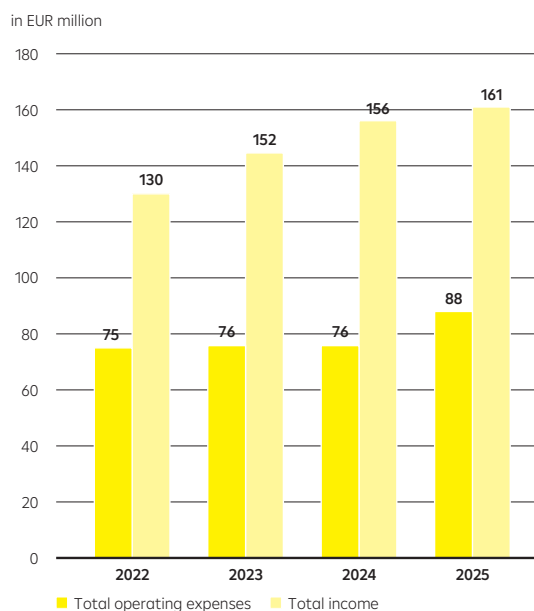
	2025 (BAM 000)	2024 (BAM 000)	2023 (BAM 000)	2022 (BAM 000)
Total income	314,281	305,232	282,810	254,849
Net interest income	165,439	167,989	161,440	118,712
Net commission income	122,941	116,942	109,688	95,073
Other operating income	25,901	20,301	11,682	41,064

	2025 (EUR 000)	2024 (EUR 000)	2023 (EUR 000)	2022 (EUR 000)
Net commission income	160,689	156,063	144,598	130,302
Net interest income	84,588	85,891	82,543	60,696
Net fee and commission income	62,859	59,791	56,083	48,610
Other operating income	13,243	10,380	5,973	20,996

Operating expenses/total income comparison

Total operating expenses of the Bank in the observed period (2025 vs 2024) recorded an increase of 16%, while total income posted a rise by 3%.

Expenses/income comparison



	2025 (BAM 000)	2024 (BAM 000)	2023 (BAM 000)	2022 (BAM 000)
Total operating expenses	(172,156)	(148,284)	(148,284)	(147,634)
Total income	314,281	305,232	296,610	254,849

	2025 (EUR 000)	2024 (EUR 000)	2023 (EUR 000)	2022 (EUR 000)
Total operating expenses	(88,022)	(75,816)	(75,816)	(75,484)
Total income	160,689	156,063	151,654	130,302

Business overview

Corporate Banking	24
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Corporate Banking

In 2025, the Corporate segment maintained stable growth and portfolio quality, confirming its key role in the Bank's overall operations. Despite the challenging environment, the volume of high-quality assets remained at the 2024 level, with a preserved structure and high resilience of the portfolio. The share of non-performing assets remained at an extremely low level of 1.62%, which confirms a responsible approach to risk management and a continuous commitment to the quality of facilities.

The structure of the loan portfolio is still exceptionally strong – as many as 41% of the portfolio is in the best rating categories (up to 4C), and a significant part of the facilities is focused on financially stable companies and long-term sustainability projects. During 2025, the focus was on preparation and development of large strategic projects, the implementation of which will follow in 2026 and will be a key factor for strengthening the portfolio and further sustainable growth of the Bank.

Stable Deposit Base and Strong Liquidity Position

Deposits of corporate customers remained stable in 2025. The largest share, as much as 96.9%, are demand deposits (a'vista) on transaction accounts, which confirms customer trust and stability of relations with key companies in the country.

Digital Transformation and Customer Experience Improvement

The year 2025 is marked by a strong step forward in the digitalisation of operations with legal entities. New internet banking has been implemented, which has significantly improved the user experience and enabled more efficient daily operations.

The daVinci/eFinance digital platform, which enables online application for loans and guarantees, has been recognised as a major step forward in modernisation of the process. Customers have quickly adopted its potential and are actively using digital opportunities that simplify and speed up business processes.

ESG as a Standard of Responsible Banking

Throughout 2025, the Bank continued to actively support ESG principles, supporting customers in their transformation towards sustainable operations. ESG lending is becoming an increasingly important segment of the Corporate portfolio, with 19.7% of total facilities being ESG loans, confirming the strategic focus on financing green and sustainable projects.

Growing customer base and strong presence in all regions

Through the provision of active support and continuous development cooperation with companies, the Corporate segment has successfully retained existing and attracted new customers. The year 2025 ended with 2,996 Corporate customers, with a stable presence in all regions of Bosnia and Herzegovina.

This segment continues to strengthen comprehensive customer relations through development and promotion of loan products, trade finance and documentary business products, cash management solutions and digital channels, thereby ensuring long-term sustainability and competitiveness in the market.

Development of the Loan and Deposit Portfolio

Loans '000 BAM	December 2024	June 2025	December 2025
Credit cards	1,079	979	1,191
Credit lines	16,428	17,254	17,656
Overdraft	114,398	133,099	131,599
Investment loans	254,125	250,076	240,015
Working capital loans	481,425	513,219	479,738
Total	867,456	914,627	870,200

Deposits '000 BAM	December 2024	June 2025	December 2025
Term deposits	120,142	73,185	41,301
Demand deposits	1,224,823	1,204,506	1,273,690
Total	1,344,965	1,277,691	1,314,991

Operations with SME customers (small and medium-sized enterprises)

Raiffeisen BANK dd Bosna i Hercegovina continued to develop existing products in 2025 with the aim of adapting them to market needs. Two key products were aimed at customers from the small and medium-sized enterprise (SME) segment:

EBRD YiB (Youth in Business) – Raiffeisen BANK dd Bosna i Hercegovina has signed an Agreement with the European Bank for Reconstruction and Development (EBRD) on participation in the *Western Balkans Youth Program*. The goal of the Program is to support young entrepreneurs in turning their ideas into sustainable and competitive business solutions.

Loans from this Program are intended for legal entities in the SME category whose management or ownership structure includes more than 50% of persons under the age of 35, and which meet the EU definition of small and medium-sized enterprises (SMEs).

EBRD PRS (Portfolio Risk Sharing program) – At the end of 2025, Raiffeisen BANK dd Bosna i Hercegovina signed a Risk Sharing Agreement (EBRD PRS – Guarantee Fund) with EBRD.

This fund is intended to support SME customers in Bosnia and Herzegovina. Loans from the Guarantee Fund are intended for legal entities that meet the EU definition of MSME.

The main advantages of loan products with this Guarantee Fund include the possibility of long-term financial support, more favorable interest rates and no need for nominal collateral as a security instrument.

Digitalisation and Sustainability in Operations

In line with the Bank's sustainability strategy, implementation of process digitalisation has continued wherever possible. During 2025, customers from the SME segment were offered a number of benefits for projects that encourage the digitalisation of operations. One of the benefits is the possibility of using the SME account set free of charge for 6 or 12 months, depending on the type of customer and the package selected. The Bank's focus on electronic communication channels enables faster access to information and provision of better quality services. The digital application is available through the Bank's official website.

The digital application solution that allows SME customers to apply for a loan and receive a response within minutes will be further enhanced in 2025, including integration of new loan products. In doing so, special attention is paid to implementation of security standards to protect customers.

Support for Women Entrepreneurs

Cooperation with the regional partner "Women in Adria" continued in 2025. As in previous years, the Bank was the main sponsor of the Support Program for Women Entrepreneurs.

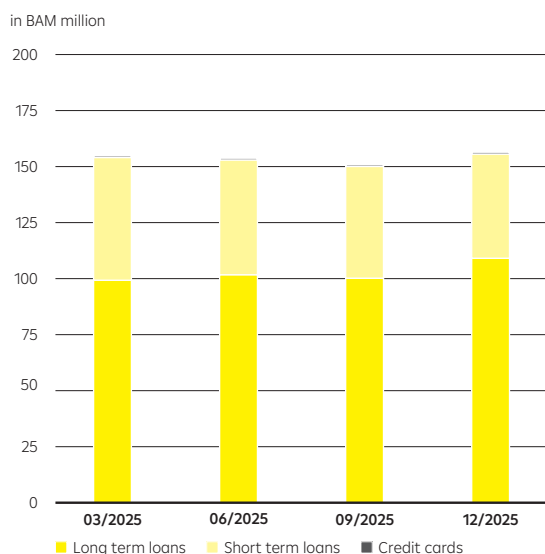
Within the Program, educational workshops were organized for women entrepreneurs with the aim of inspiring, informing, networking and additional empowerment. The focus of the program is to strengthen the position of women in society and their influence in the business environment.

Development of the loan and deposit portfolio (SE Customers):

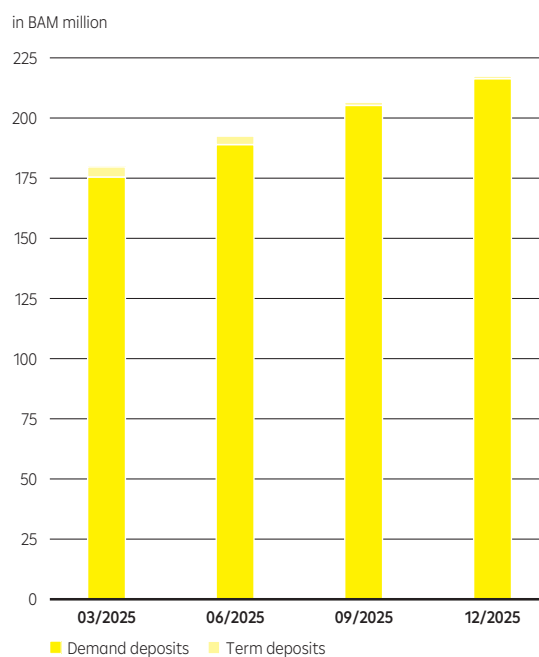
'000 BAM	March 2025	June 2025	September 2025	December 2025
Credit cards	748	751	763	792
Short term loans	54,770	51,235	49,877	46,518
Long term loans	99,289	101,739	100,185	109,087

'000 BAM	March 2025	June 2025	September 2025	December 2025
Term deposits	4,179	3,502	1,313	1,024
Demand deposits	175,503	188,965	205,248	216,365

SE loans



SE deposits

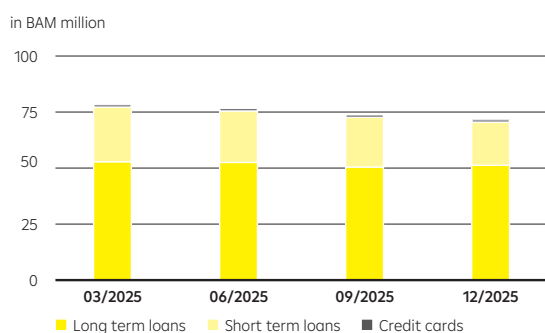


Development of the Loan and Deposit Portfolio (Micro Customers):

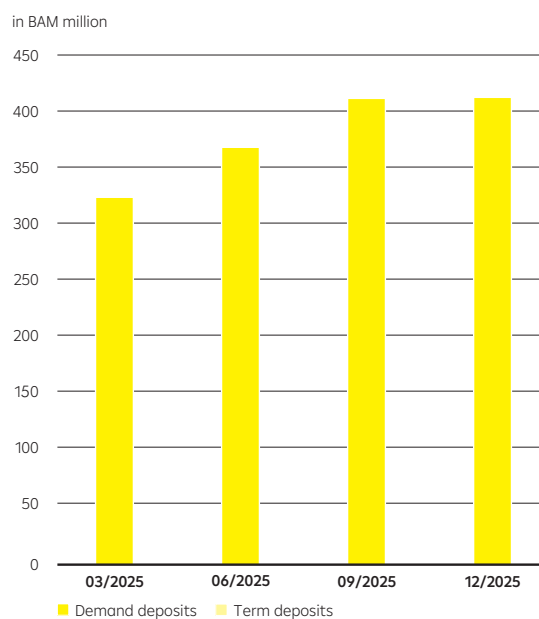
'000 BAM	March 2025	June 2025	September 2025	December 2025
Credit cards	1.032	1.067	1.069	1.027
Short term loans	24.406	23.004	22.193	19.268
Long term loans	52.831	52.506	50.469	51.235

'000 BAM	March 2025	June 2025	September 2025	December 2025
Term deposits	691	659	684	665
Demand deposits	324.445	368.514	411.706	412.613

Micro loans



Micro deposits



Retail Banking

In 2025, Raiffeisen BANK dd Bosna i Hercegovina continuously worked on improving the process regarding digital application for current accounts, a service package for private individuals, as well as for retail deposit, credit and card operations.

The digital nature of the application process allows customers to apply from the comfort of their homes through digital channels. One visit to the branch is enough. This convenience is a response to the growing demand for online banking services and reflects the Bank's commitment to using technology to improve the customer experience.

In addition to the bank's products, digital control over the portfolio and informed financial decision-making by the customer for investment products is also enabled.

Current Account with Service Package for Private Individuals

Service packages are made up of a set of banking and non-banking products and services, for which the user pays a single monthly fee, with the possibility of paying a lower basic fee through the scoring thresholds or no fee for the Tempo, Glamour and Triumph packages.

Within the Service Package, customers have at their disposal debit cards with and without current account overdrafts, credit cards with the possibility of payment in installments, digital services (internet banking, mobile banking, digital wallets).

In 2025, the Bank's offer includes the following service packages: Raiffeisen CLUB (for young people), Pensioner, Moment, Tempo, Glamour, Triumph as well as Ekonomik – a sustainable package for financial inclusion.

Service packages differ according to the products that are included in a particular package and are intended for different customer segments.

In December 2025, customers were provided with an option to open an account, an account package and a debit card through the Bank's mobile application. This modern and simplified process enables new customers to establish a business relationship with the Bank faster and easier. An account is available to the customer in real time immediately after completion of the digital part of the process, while the entire process is finalised with a single visit to the branch. The process is safe and takes only a few minutes.

Retail Deposits

During 2025, after enabling the application for term deposits via website in 2024, the Bank worked on ensuring preconditions for enabling application for deposit products through the RMB application in order to further simplify the process for its customers.

Overview of Retail Deposits

'000 BAM	2025	Change	2024	Change	2023	Change	2022
Demand deposits	817,427	2.6%	796,366	1.2%	787,120	1.1%	778,492
Term deposits	486,077	(7.1)%	523,331	(8.0)%	568,641	(15.4)%	672,248
Current account	1,485,908	19.7%	1,241,142	18.4%	1,047,996	18.7%	882,962
Total	2,789,411	8.9%	2,560,838	6.5%	2,403,756	3.0%	2,333,702

Retail Lending

In 2025, the focus remained on improving digital loan operations.

After implementation of the first fully automated product called ikeš, in 2025 the scope of functionality of this product was further expanded, which enabled a significant growth of iCash loans in the structure of the new volume.

A project has been launched to implement a new technical solution in the process of approving credit facilities, which will mean a complete digital transformation of the loan process and will provide customers with simplicity and speed in applying for loan products.

In 2025, the concept of sustainable lending continued, and for this purpose, a total of 12 million new loans were placed (having features of ESG facilities). The Bank plans to continue its offer in 2026, further enriching its offer with the EBRD credit line, which, as part of the GEFF program, enables customers, users of the Special Purpose – Energy Efficiency Loans to return up to 20% of the total amount of the realised loan.

The growth of total loans of BAM 63 million was mostly related to consumer loans, and was caused by a higher demand for this type of financing.

In order to further grow the loan stock, the Bank has focused on Mortgage Loans, which had a significant growth in volumes and market share since the second half of 2025. The activities that have been taken towards customers are the continuous promotion of housing loans with certain benefits, and the expansion of the list of investors for housing construction as a result of increased construction on the market. In 2026, additional improvements are planned that will make these products even more attractive and affordable for customers.

Overview of the retail loan portfolio

'000 BAM	2025	Change	2024	Change	2023	Change
Long term loans	1,995,328	9.9%	1,813,772	3.7%	1,763,708	7.8%
Short term loans	15,460	(8.8)%	16,950	(6.0)%	16,464	(6.0)%
Card products	87,019	(4.8)%	91,370	11.0%	82,288	(12.3)%
Total	2,099,832	9.1%	1,924,116	3.2%	1,864,483	6.7%

Card business

In 2025, the Bank remained strongly focused on continuous improvement of its products and services, with a particular emphasis on increasing customer engagement in the field of card business and delivering innovative, user-friendly digital solutions.

As part of its digital strategy, the Bank implemented various digital wallets in 2025. Customers have access to a wide range of modern and secure payment methods, including Google Pay, Apple Pay, Fidesmo Pay, Fitbit Pay, Swatch Pay and Garmin Pay, enabling easy contactless payments via mobile devices and wearables.

In parallel, the Bank continued to work on simplifying and optimising internal processes with the aim of improving speed, transparency and comfort for customers. A key step achieved in 2025 was the introduction of a credit card application process through a mobile app, allowing customers to submit an application and receive a final decision in nearly four minutes.

In order to further encourage the use of cards and strengthen everyday interaction with customers, the Bank has implemented several campaigns in cooperation with selected merchants, offering attractive benefits and added value for card users. In addition, the Bank has launched a large prize game with the aim of encouraging customers to a greater number of POS and e-commerce transactions. Through this initiative, customers had the opportunity to win attractive cash prizes, as well as the main prize – a trip to the Maldives.

In accordance with its long-standing commitment to corporate social responsibility, the Bank continued the tradition of donating BAM 0.10 for each Mastercard Shopping credit card transaction. During 2025, the funds were allocated to the humanitarian organisations Heart for Children with Cancer, SUMERO and SOS Children's Villages BiH, with a total of BAM 49,000 donated.

These initiatives confirm the Bank's commitment to innovation, a customer-friendly approach, digital excellence and responsible business, ensuring sustainable growth and a strong customer relationship in an increasingly digitised payments environment.

Card Acceptance at POS Devices

In 2025, POS and e-commerce transactions continued to grow. In particular, POS turnover increased by 15%, while e-commerce turnover recorded a growth of 50%, which further strengthened Raiffeisen Bank's position as one of the leading players in this business segment on the local market.

This growth is the result of the Bank's strategic efforts to expand existing card acceptance solutions through collaboration with new vendors, as well as the implementation of a new unattended payment acceptance solution, aimed at further driving growth in the card acceptance segment.

In addition, the Bank has enhanced its e-commerce offering by enabling Apple Pay and Google Pay transactions, providing merchants with modern, secure and easy payment methods, while supporting the growing volume of digital transactions.

Also, during 2025, the Bank implemented several campaigns aimed at small merchants, encouraging their inclusion in card acceptance with the aim of expanding the acquiring network. These initiatives have contributed to greater availability of card payments and enabled a more convenient payment experience for customers, with a particular focus on tourist zones, where fast, contactless and reliable solutions are crucial.

Card Acceptance at ATMs

The Bank has continuously worked to improve the services available through its ATM network, as well as to optimise user interfaces and screen functionality, with the aim of speeding up transaction processes and further improving the overall user experience. These enhancements allow for easier navigation, faster transaction processing times, and more intuitive access to key banking services.

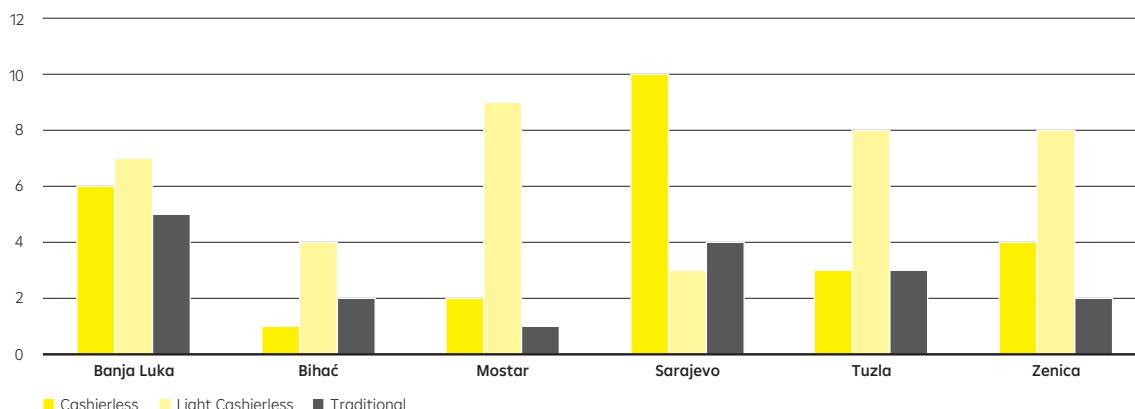
Branch Network Management

In 2025, Raiffeisen Bank continues to improve its operations through the expansion of alternative sales channels, operating in accordance with established agile methodologies. The focus is still on optimisation, modernisation and digitalisation of branches.

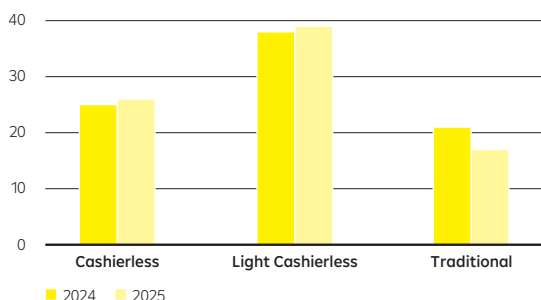
At the end of 2025, the Raiffeisen branch network in Bosnia and Herzegovina includes 82 branches, including 17 traditional branches, 26 digital cashierless branches and 39 light cashierless branches, which operate with cash until 12h noon, and after that focus on financial consulting. The adaptation and renovation of branches according to the new concept is in full swing, and by the end of 2025, the following branches have been adapted according to the latest standards, using ecological materials:

- Brod Agency
- Livno Branch
- Titova Agency
- Zenica 2 Agency
- Kiseljak Agency
- Jelah Agency
- Kotor Varoš Agency
- Laktaši Agency
- Živinice Agency
- Vogošća Agency

Structure of RBBH Branches by Region and Structure 2025

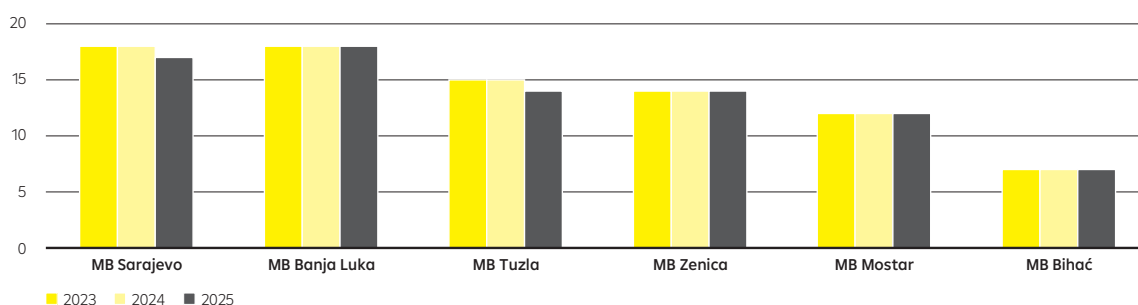


Structure of the RBBiH branch network 2024/2025

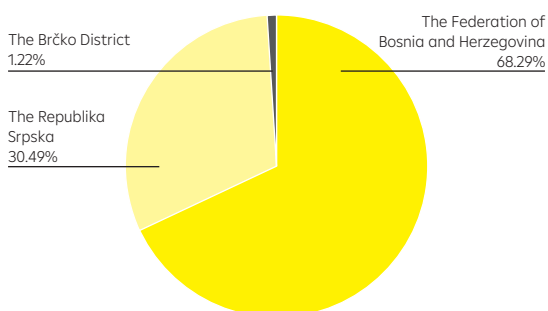


Raiffeisen Bank provides customers with ATM services for private individuals and legal entities. Customers have at their disposal 359 ATMs, of which 203 are deposit/withdrawal devices (56.55%) that enable account balance checks, bill payment and fund transfers. Out of a total of 203 deposit/withdrawal devices, 142 devices offer additional services for legal entities. The Bank offers legal entities quick and easy services of deposits and withdrawals from accounts through special cards for this purpose. Main branches are formed in important administrative and political centres of Bosnia and Herzegovina and provide administrative and professional support to the branch network.

Overview of the Branch Network in 2023-2025



Regional Coverage of the Branch Network



Quality Management

At the very core of Raiffeisen Bank's customer experience approach is the customer – as a partner and a key driver of every improvement that is implemented. Our approach to customer experience is not based on assumptions, but on a deep understanding of the actual needs, expectations and daily challenges that customers face. Through continuous listening, analysis and active involvement of customers, we build banking services that are simple, intuitive and fully adapted to the customer's life. Our ambition is that every interaction, regardless of the communication channel, leaves a clear impression of recognisability, value and trust, and contributes to a long-term positive relationship between the customer and the Bank.

Introduction of the Service Design methodology and strong reliance on a customer-oriented mindset are the key drivers of transformation of the customer experience in the Bank. These approaches allow us to create more intuitive, faster and more efficient banking solutions based on real insights into customer behavior, habits and needs. Through Design Thinking, we identify key challenges and opportunities for improvement, while Service Design – by involving customers in the early stages of the process – directs us towards concrete improvements at all touchpoints.

In addition to this, we manage one of the most important and authentic sources of feedback: customer complaints. We do not see complaints as a formal process, but as an invaluable channel of the "voice of the customer" – a source through which we discover on a daily basis where customers encounter obstacles, what frustrates them and where the opportunities for improvement lie. By integrating Service Design insights and complaint analysis, we have created a unique approach to understanding the customer, which allows us to quickly identify priorities and direct our focus where the result will have the greatest impact.

In today's dynamic banking environment – where customer expectations are rapidly changing and digital channels are becoming the main mode of communication – Raiffeisen Bank BiH has positioned CRM as a strategic pillar for building strong relationships, providing personalised experiences and long-term customer engagement. With only about 10% of customers visiting a physical branch on a monthly basis, the role of CRM in timely, relevant, and meaningful communication has never been more important.

Our "digital-first" approach is visible through the seamless integration of CRM functionality into the Bank's mobile application. Functionalities such as push notifications with direct links, inbox messages, in-app communications, banners and personalised offer lists are built into the mobile application, enabling real-time monitoring of interactions.

We have made a big step forward by implementing real-time targeting and notifications, which allows us to instantly deliver personalised content based on real-time data. This capability has transformed CRM into a dynamic, contextual, and highly customisable tool that aligns with each customer's journey.

Thanks to targeted onboarding campaigns, we have increased our early engagement rate from 19% to 26% year on year. However, CRM at Raiffeisen Bank BiH goes much further than sales — it's about building meaningful, lasting relationships. We recognise and mark important life moments such as birthdays, home loan approvals, travel reviews, annual spending reports, and customers' anniversaries. We also conduct educational campaigns on card security and responsible payments — further strengthening trust and customer care.

Agility is deeply rooted in our CRM culture. We run up to 10 A/B tests every month, allowing for quick experimenting and continuous optimisation.

To further advance innovation, we launched the Brainstorm Hub — an internal collaboration platform that allows colleagues from across the branch network to propose ideas. In this way, we ensure that CRM development remains inclusive, locally relevant and aligned with the real needs of the community.

Our Next Best Offer model ensures that each customer receives the most relevant and valuable offer, tailored to their profile and behavior. In addition, Smart Targeting helps to optimise the quantity and quality of offers sent.

In line with our ESG strategy, we have also introduced Carbon Footprint functionality in the mobile app — enabling customers to make more sustainable financial decisions and strengthening our commitment to responsible banking.

We expanded CRM capabilities to the SME segment, automating campaigns with an emphasis on early engagement, in order to improve business growth and strengthen customer relationships. Based on the success of the "Friends by Account" campaigns, we introduced a referral mechanism for loans for new customers and personalised borrowing suggestions for existing satisfied customers — further increasing their satisfaction and loyalty.

All these initiatives, innovations and strategic investments have resulted in Raiffeisen Bank BiH winning the award for the Best CRM Solution in Bosnia and Herzegovina for 2025. This recognition represents more than just a success — it is a testament to the transformative power of CRM to connect, inspire, and create lasting value for each customer.

By combining the principles of Service Design and CRM strategy, we ensure that every interaction with the customer is both meaningful and data-driven.

Digital Channels

Digital Services

Digital channels have developed digital services and functionalities that create habits towards the services and applications themselves. These services are safe, fast, easy and convenient for customers.

Raiffeisen Mobile App (RMB)

Raiffeisen Bank, as a market leader in business and digitalisation and as a leader in transition, has managed to direct customers towards the use of electronic services in order to reduce queues in branches and facilitate customers' business with the Bank. Over 50% of the Bank's customers use mobile banking, and about 90% of new customers activate mobile banking. From year to year, there is a trend of increasing the number of transactions and volume in relation to the Bank. Currently, over 90% of all transactions are made through our digital services, and over 95% of them through the mobile banking application. It is clear that mobile banking is taking precedence over payments and that as such it has become more important than ever, which is in line with trends and expectations.

Over the past year, we have developed several functionalities that improve the user experience and provide them with additional tools to manage their finances.

Opening a current account, package and card via mobile banking — we have implemented a new process for opening these products through Raiffeisen Mobile Banking. This process provides a faster and easier way for all new customers to open an account. The process itself is digital, innovative, automated, and takes only a few minutes. Customers can open an account anytime, anywhere, with complete security and regulatory protection. With this process, we have set a new standard for digital banking and customer experience, and once again proved that we are pioneers of digital banking and innovation in the local market.

To improve everyday payments and make them faster and more convenient for our customers, Raiffeisen Bank has introduced Apple Pay and Google Pay, ensuring that customers can make secure and contactless payments, using their smartphones and smartwatches.

In the spirit of innovation and transformation of the local market, and as the first bank to implement something of this nature, a functionality is available that allows customers to open one of the funds through Raiffeisen Mobile Banking, significantly facilitating the purchase of shares in Raiffeisen Invest, insight into the balance of shares in the fund amount and in BAM currency, and monitoring the balance of the fund directly through the application. In order to further improve the user experience, for

customers who own funds, we have added another existing fund to Raiffeisen Mobile Banking, Raiffeisen CASH, and enabled them to create a savings plan through the application for all funds, as well as automatically create a standing order. We went a step further and enabled all customers who have never been shareholders in Raiffeisen Invest to apply for membership in the fund completely independently and automatically, without a single visit to the branch – the entire process was completed within one minute via Raiffeisen Mobile Banking.

In addition, in 2025, we have implemented a functionality that allows owners of authorised deposit accounts to view the balance of the accounts under which they are authorised, as well as the ability to pay from authorised accounts to other accounts.

In mid-2025, we added a new functionality to Raiffeisen Mobile Banking, E-statement, with the aim of providing our customers with a simpler insight into account activities in one place, allowing them to quickly and easily download their account statements with just a few clicks.

Other significant functionalities related to Raiffeisen Mobile Banking are push notifications about changes in current account balance for all transactions above BAM 1.00 in real time and a Digital commerce group initiative that enables personalisation and communication for various products, services and promotions of the Bank to Raiffeisen Mobile Banking users.

The Group's strategic decision over the next few years will be based on a mobile application, and in 2026 customers will enjoy new products and functionalities that will be developed, some of which will be fully presented end-to-end.

Digital Sales

Raiffeisen Bank is a market leader in digital business and has achieved excellent results in digital sales. From year to year, we have a larger number of realised products that are initiated digitally, through a website and a mobile application. Raiffeisen Bank offers online applications for private individuals and legal entities:

- Current account for private individuals,
- Current account for legal entities,
- Applying for a current account for students (Club package),
- Applying for a loan for private individuals,
- Applying for a loan for legal entities,
- Applying for a credit card,
- Applying for an overdraft on a current account for private individuals,
- Business card for legal entities,
- Guarantees for legal entities.

The Club package is intended for young people aged 15-26 and is free of charge until they become employed or reach the age of 26. With the benefits contained in the Club package, the Bank strives towards financial literacy of young people. To this end, the Bank has established cooperation with the Faculty of Economics in Sarajevo, the Faculty of Law in Sarajevo, and the Faculty of Natural Sciences and Mathematics in Sarajevo, and the plan is to expand cooperation with other faculties in other cities in Bosnia and Herzegovina.

Treasury, Financial Markets and Investment Banking

Trade & Sales

In 2025, the activities of the Trade and Sales Group were strongly influenced by global financial markets and high volatility of world currencies, which required a professional approach in managing the Bank's currency exposure. Despite the challenging market conditions and intense competition, Raiffeisen Bank managed to maintain its position among the leading banks in the domestic market in the field of foreign exchange trading, continuing the positive trends of previous years.

A special focus was placed on foreign exchange risk management while maintaining a profit orientation, which resulted in a significant share of income from FX operations in the Bank's total profit for 2025. Throughout the year, foreign exchange risk management was performed at the level of individual currencies, with a special emphasis on EUR and BAM, with all open foreign exchange positions maintained within the limits prescribed by the Banking Agency of the Federation of BiH (FBA) and internal limits according to the Raiffeisen Group's methodology.

Thanks to the commitment to meeting the needs of customers, the number of users of the Customer Desk service of legal entities increased by 5% compared to the previous year. New customers are provided with quick access to information on developments in the domestic and international financial markets, as well as the possibility of hedging against currency risk through spot and futures transactions.

The business activities of employees within Trade and Sales were significantly focused on trading in banknotes with domestic banks-partners, with continuous optimisation of cash management costs.

The global money market in 2025 continued to be strongly influenced by the monetary policy of the European Central Bank (ECB). The ECB continued to adjust interest rates in line with current inflation indicators and economic developments in the euro area, which required continuous monitoring of money markets and timely reactions to maximise interest income.

In accordance with market conditions, the Trade and Sales Group continued to place foreign funds, respecting the approved limits of Raiffeisen Bank International (RBI) and the liquidity principle of Raiffeisen Bank Bosna i Hercegovina (RBBH), which ensured stability and efficiency in asset management.

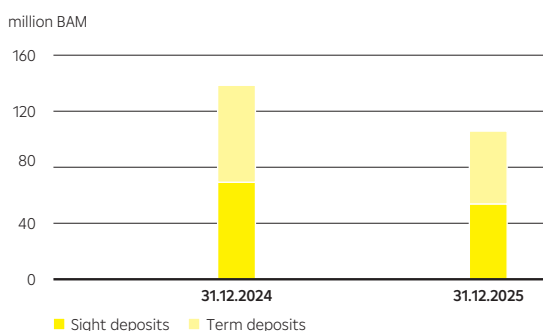
Institutional Customers and Investor Services

Institutional Customers

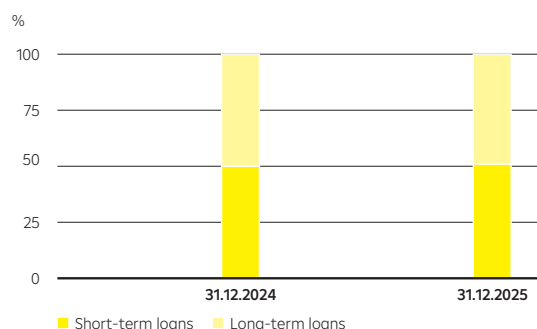
Institutional customers, such as insurance companies, microcredit organisations, fund management companies, investment funds, etc., and the central government at the level of BiH with relevant ministries and state bodies use a large number of the Bank's products, starting from transaction accounts, loans, guarantees, deposits, business cards, POS and e-Pay, to securities services. In 2025, a significant market share in the domestic market was retained, which is even more important given that these customers are very sensitive to the quality of service. The Bank remains the only bank in BiH whose business cards (VISA, Mastercard) are used by state institutions.

The end of 2025 was marked by a 23.6% decline in deposits compared to 2024. In the structure of deposits, there was a slight increase in the percentage of share of term deposits compared to demand deposits, comparing the structure in the previous year.

Deposits of Institutional customers

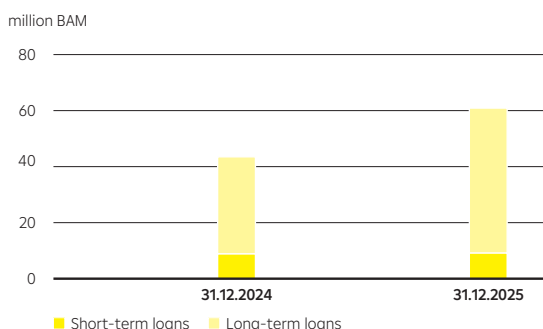


Deposit structure of Institutional customers

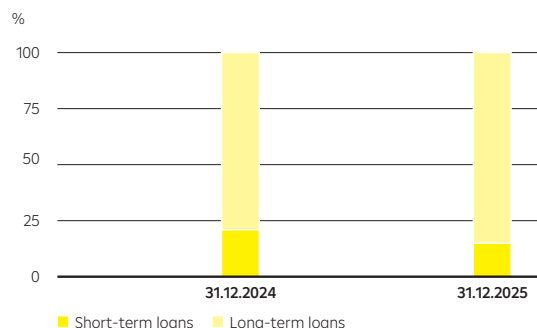


During 2025, there was a significant increase (40%) in approved loans, primarily long-term loans, which also led to a higher share of long-term loans in total loans. This has also contributed to an increase in payment transactions and establishment of stronger business relationships with customers.

Loans of Institutional customers



Loan structure of Institutional customers



Investor Services

Although the past year was marked by large fluctuations in the value of financial instruments on international capital markets, the **Custody** segment achieved a successful business year. 28 new customers have expressed their trust in us and have opted for us as a reliable provider of this service. Existing and new customers were very active in 2025, and the turnover in securities trading on foreign capital markets increased by 115.54%.

In the segment of **depository business segment** in 2025, the Bank successfully performed all operations in accordance with legal regulations and to the satisfaction of its customers. Within the **fund administration segment**, the focus was on maintaining and preserving stable business through further improvement of the high level of quality of customer services. Licenses for performing depository activities in the issue and trading of securities, as well as for the activities of depositories of funds, have been successfully extended, whereby the FBiH Securities Commission confirmed that the Bank permanently meets all legal requirements for the provision of depository bank services.

In the **Brokerage segment**, the Bank operates as a professional intermediary on the Sarajevo Stock Exchange, and in 2025 it ranked first in terms of the number of transactions and turnover. The Brokerage Department achieved 55.66% of the total turnover on the Sarajevo Stock Exchange, among the 4 brokerage companies currently present on the Stock Exchange. Last year, we were the only professional intermediary whose services were used by the FBiH Ministry of Finance for the organisation of primary issues of government bonds and treasury bills.

Treasury Department

Sources of Funding and Financial Institutions

In 2025, the Bank continued its long-standing cooperation with supranational financial institutions to obtain attractive sources of funding in line with market requirements as well as sources of funding in order to meet regulatory minimum requirements for own funds and eligible liabilities.

In terms of standard sources of funding, in the past year, the Bank used available sources of funding for the current purposes of environmental sustainability and social components. The focus was on arrangements for which there is a demand on the market as well as those that carry financial benefits for successfully verified customer projects (such as youth financing lines, green financing, digitalisation and automation, etc.) within the financing program of supranational financial institutions operating in the market of Bosnia and Herzegovina.

Financial Statements

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Annual business report for 2025

a) All significant events that occurred in the period from the end of the business year to the date of submission of the financial statements

The Banking Agency of the Federation of Bosnia and Herzegovina issued a decision on credit risk management and the determination of expected credit losses, which enters into force on December 23, 2025 and applies from June 30, 2026.

Apart from the above, between the balance sheet date and the date of approval of these financial statements, there were no significant events requiring disclosure.

b) Assessment of the expected future development of the legal entity

Bosnia and Herzegovina recorded a gradual improvement in economic activity during 2025, with an average annual growth rate of 2.0% in the first three quarters. This growth was mainly driven by the recovery of investment activity (average growth of 6.1%) and an increase in private consumption (average growth of 2.2%), supported by a stable financial environment. Overall, economic developments in the country demonstrated a degree of resilience despite weakened performance in the industrial sector and challenging international trade dynamics. The real sector experienced moderate but continuous growth throughout the year, supported by real wage increases, higher remittance inflows, and strong credit demand, particularly in the household segment. The services sector—especially tourism, transport, administrative services, and information technology—continued to emerge as a key driver of growth, partially offsetting weaknesses in manufacturing and mining. Although industrial production remained in negative territory and below potential, overall economic activity maintained a stable trajectory.

At the same time, inflation accelerated again in 2025, reaching an average annual rate of around 4%. This was primarily driven by notable increases in food and service prices, while the housing segment—particularly electricity costs—added further upward pressure toward the end of the year. Transport prices acted as a partial stabilizer due to the decline in fuel prices, though this was insufficient to significantly counterbalance the overall rise in inflation. Exports remained subdued amid industrial slowdown and weaker demand from key European markets, but the current account deficit began to gradually narrow due to strong remittance inflows, higher service-sector revenues, and foreign direct investment.

Looking ahead to 2026, a slight acceleration of economic growth is expected, with projected GDP growth of 2.5% year-on-year. This growth should be supported by stable private consumption, underpinned by expected real wage stability, continued credit activity, and persistent remittance inflows. Both infrastructure and private investments are expected to maintain a meaningful contribution to growth, particularly with the anticipated benefits of implementing measures from the Reform Agenda and the potential absorption of EU funds linked to reform progress. The external sector could gradually recover if growth in the euro area stabilizes, though trade dynamics will remain subject to risks such as geopolitical tensions, possible shifts in global trade policies, and volatility in energy prices. Inflation in 2026 is expected to gradually ease but remain above the 2% target, averaging around 2.7%, with continued pressures in food and service categories.

The banking sector in Bosnia and Herzegovina remained one of the most stable pillars of the overall economic system during 2025, recording continuous annual growth in both lending (11.1%) and deposit activity (10.2%), along with strong capital and liquidity positions. Household lending continued to grow at a robust pace (12.2%), while the corporate sector recorded more moderate growth (8.3%) due to global uncertainty and firms' cautious approach to new investments. Bank profitability remained stable compared to the end of 2024, supported by low risk costs and high-quality assets. Notably, the non-performing loan ratio continued to decline throughout the year, reaching historically low levels of 2.7%, further strengthening financial stability and sector resilience.

The political landscape in 2025 was marked by significant challenges but also meaningful de-escalation among key actors, enabling the restoration of institutional functionality and laying the groundwork for progress toward the European Union. Bosnia and Herzegovina is on the verge of opening accession negotiations with the EU, with three remaining conditions in the area of rule of law and the appointment of the Chief Negotiator for the upcoming negotiation process. The adoption of the Reform Agenda and its connection to the EU Reform and Growth Facility (the Growth Plan for the Western Balkans) provides a structured and measurable approach to reforms, with financial incentives linked solely to concrete results. Projections for 2026, which is an election year, indicate that no significant formal acceleration of the EU integration process is expected, but consistent reform implementation may support faster economic development, stronger investor confidence, improved fiscal discipline, and medium-term economic convergence toward EU standards.

In line with the projected trends of key macroeconomic indicators, the Bank adjusted its initial expectations for the growth of core lending and deposit categories to the anticipated economic and political environment. These expectations, as well as the overall Business Plan and results for 2026, continue to be revised through the Bank's regular quarterly financial forecasting processes.

c) The most important activities related to research and development

During 2025, the Bank made significant progress in integrating ESG principles into its business model, strategy, and processes, aligning with EU practices, regulatory expectations, and RBI Group standards. The Research, Strategy and ESG Governance unit coordinated ESG activities across all business units and led the alignment with the FBA Guidelines on climate and environmental risks, as well as the requirements for financial inclusion and sustainable operations.

ESG governance is structured around three pillars: (1) sustainability management and environmental practices within the Bank, (2) ESG business activities, and (3) ESG regulatory requirements and reporting. Based on this structure, the Bank established processes for ESG data collection and the ESG credit process, enabling the identification, evaluation, and monitoring of ESG-relevant transactions, including the alignment of Green and Social Loans with RBI Group standards and local regulations.

Under Pillar 1 – Sustainability Management and Environmental Practices within the Bank – direct emissions (Scope 1) were reduced by ~26.3% through energy optimization, digitalization, sustainable mobility initiatives, installation of solar panels, EV chargers, and the procurement of the first electric vehicle, as well as the application of ESG criteria in procurement.

Within Pillar 2, the Bank continued its work on financial inclusion, green transition, and client support. Numerous initiatives were carried out to educate and raise awareness among employees and clients on various ESG topics, such as: ESG principles and EU regulations with a particular focus on CBAM, the green transition and economic growth, and ESG risk management in the financial sector. An intensive Transition Finance Advisory program was implemented with a selected group of clients, focusing on energy-efficient/solar solutions, alongside a detailed portfolio review through e-questionnaires and emissions analysis in priority sectors, enabling more accurate exposure assessments, especially in high-emission industries.

With the support of international partners (EBRD, EU, EFSE, GEFF), favorable funding for green investments was secured, particularly for households and the SME sector. ESG criteria were integrated into the product offering through new models of green and social financing, resulting in an ESG portfolio—representing 11.54% of the total business portfolio—covering the following key areas: the PI segment focused exclusively on green loans for household energy efficiency and CO₂ reduction; the SME segment combining green loans for environmental improvements with social loans aimed at gender equality, employment, and youth development; and the Corporate segment including green loans for significant emission reductions and social loans for entrepreneurship development, infrastructure, and job creation in underdeveloped areas.

Initiatives such as ESG Green Days and the Future Builders SME Academy further strengthened the sustainability culture within the Bank and among clients, creating platforms for knowledge sharing, capacity building, and the promotion of green and social business practices in line with modern ESG trends and market needs.

Under Pillar 3, the Bank further strengthened regulatory compliance by integrating ESG requirements into internal policies, ICAAP/ILAAP assessments, and Public Disclosures, which for the first time included ESG content. GHG footprints for Scope 1, 2, and 3 were published, enhancing transparency and responsible management of environmental impact. In the area of risk management, the Bank expanded its existing ESMS system and implemented comprehensive integration of ESG risks into credit, market, operational, and liquidity risk, aligning processes with Group best practices and regulations. A set of internal documents—ESG manuals, methodologies, KRI indicators, and a GHG manual—was established, defining clear rules for identifying, assessing, and managing ESG risks. The ESG Cockpit continues to be used to monitor and supports consolidated reporting at the RBI Group level.

Overall, throughout 2025, the Bank further strengthened its ESG framework, improved risk management, regulatory compliance, and transparency, and reaffirmed its strategic commitment to sustainable operations and supporting clients in transitioning toward long-term sustainable practices.

d) Information on the purchasing of own shares, or stakes

In 2025, the Bank did not repurchase its own shares or stakes.

e) Information on business segments

The Group operates in five basic business segments that are presented, in more detail, in Note 7.

f) Used financial instruments if significant to assess the financial position and performance of the legal entity

Sources of funding

The strategic funding framework is primarily based on providing the sources of funding according to the purpose and deadlines that would provide funds for planning the credit activity of business functions while maintaining a cost-effective, risk-free level of liquidity.

When drawing up the general annual funding plan, the following shall be considered:

- a) the need for funding arising from the planned/budgeted strategic development of the balance sheet, i.e. planned business activities in the segment of credit placement.
- b) planned deposit-based activities.
- c) maintaining liquidity within the regulatory framework as well as within the Group.
- d) the need for sources of funding from supranational institutions (credit lines).

In defining the general annual funding plan, the Bank has determined that the defined funding source plans are in line with the:

- business model of the bank
- comprehensive business strategy
- risk exposure tolerance
- assessment of the stability of funding sources
- available sources of funding on the market
- expected changes in the risk of funding sources
- adequate degree of reliance on public funding sources
- acceptable impact on the bank's lending activities, etc.

The analysis of historical data, compared with the plan for the upcoming period and considering potential additional findings, assesses the feasibility of the liquidity plan and funding sources. Based on historical indicators, it is estimated that the structure of funding sources is both adequate and sufficient for implementing the Bank's business plans and supporting its growth.

After executing the funding source plan, the Bank regularly monitors the assessment of its funding sources and associated risks on a monthly basis by back-testing the plan. Achieved values are compared with the planned figures, including both the sources and placements, as well as compliance with regulatory requirements and the internal requirements

Special attention is given to the back testing of the funding source plan after the end of the financial year. The testing should demonstrate whether the defined or planned sources of funding have been achieved, whether all regulatory and grouping requirements and restrictions have been met, as well as whether they were sufficient to maintain the existing active portfolio and enable its growth in accordance with business plans.

Through analysis, we concluded that the realized sources of funding enabled the fulfillment of all regulatory and internal liquidity requirements and restrictions and allowed the maintenance and growth of the active portfolio.

Cash and placements

As part of its ongoing liquidity optimization, the Bank evaluates the cash held for business purposes, as well as funds held in foreign accounts for payment and other transactions. This assessment considers current market interest rates, the ratings and adequacy of the banks with which the Bank holds funds (such as Money Market or nostro accounts), and the calculation of Risk-Weighted Assets (RWA).

This approach enables maximum liquidity optimization, considering these factors, which ultimately has a positive impact on the Bank's financial position and overall performance. Regarding market operations, the Bank does not engage in derivative transactions (financial instruments) that would be significant for assessing its financial position. While the Bank offers FX Forward and Flexi Forward transactions to clients, these are of small volume and generate minimal revenue.

Regarding the securities portfolio, the Bank does not maintain them in the "trading book" but rather as "held to maturity." The total securities portfolio consists of the Markets portfolio and the Treasury portfolio, with the latter primarily serving as a liquidity buffer. The financial results for 2025, specifically the income generated from securities, are as follows: income from the Markets portfolio amounted to approximately BAM 128 thousand, while income from the Treasury portfolio totaled approximately BAM 14,681 thousand.

Most of the "significant" portion of the Bank's revenue relates to FX spot transactions, but these are standard currency exchange transactions.

The Bank does not hold financial instruments such as futures, options, etc., nor does it offer them as products.

g) Objectives and policies of the legal entity related to financial risk management; together with risk protection policies for each planned transaction for which protection is required

Credit risk

The credit risk taking and management strategy reflects the Bank's profitability, credit quality and portfolio growth objectives and is in line with the Bank's risk appetite framework and within the same credit risk, diversification policy and the Bank's overall corporate strategy and business objectives.

The credit risk taking and management strategy includes:

- Establishing an appropriate credit risk management environment,
- Constant building of a strong credit culture,
- Continuity in the strategic approach so that it is sustainable in the long run and through different economic cycles
- Adequate and effective communication of credit risk strategy and policy throughout the bank. All relevant staff should have a clear understanding of the bank's approach to approving and managing credit risk and should be responsible for adhering to internal policies and procedures.
- Identification of target markets and overall characteristics that the Bank would like to achieve in its loan portfolio, including different levels of diversification and concentration tolerance,
- Sustainable and responsible investment through the application of ESG (Environmental, Social and Governance) factors
- Application of adequate policies and procedures for securing credit placements to mitigate credit risk,
- Minimizing the negative consequences of investments with deteriorating credit quality implemented through:
 - lending in accordance with adopted policies,
 - continuous active and professional customer relationship management,
 - early identification and active management of increased credit risk
 - correct credit risk categorization,
 - defining appropriate strategies for non-performing loans,
 - easy to understand and strong program for the collection of non-performing loans in the event of an obvious or potential loss to the Bank.

The aim of credit risk management is to ensure that the appropriate level of risk required for sustainable development, which implies a macroeconomic environment, is not exceeded.

General principles for credit risk management:

- Risk awareness and understanding,
- Responsibility of the Business Segment,
- Separation and independence of risk functions.

Credit risk management is defined in current credit policies that are updated on an annual basis. The following units: The Retail Credit Risk Management Unit and the Non-Retail Credit Risk Management Unit prepare credit policy proposals for the respective business segments, and the said proposals are subject to decision-making by the Management Board and the Supervisory Board of the Bank.

Credit risk management includes the management of all sub-categories of credit risk to which the Bank is exposed or may be exposed.

They are managed through:

- conducting the process of analysis, ranking of clients and risk assessment when approving placements,
- deciding on approving placements based on clearly defined criteria in credit policies, including cross-border transactions,
- active portfolio monitoring and proposal for asset classification,
- maintaining exposure by type of business, products, clients and industries at the desired level (it is defined through the annual budgeting process, defining credit policy, limits, etc.)
- maintaining the probability of default (PD) / Default rate at an acceptable level
- management of collateral instruments
- applying credit risk mitigation techniques (collateral instruments are one of the main strategies and measures used to reduce credit risk exposure)
- maintaining the coverage of the portfolio with eligible collateral at a satisfactory level (minimum coverage depending on the client's rating is defined annually through a respective credit policy, and it is maintained on a target level through control of credit policy exceptions, constant monitoring of value and collateral eligibility elements).
- implementation of collection strategy, as well as the recovery of problematic placements, by applying the technique of active management of problematic placements in all stages of delay, received special attention from individual organizational units Special Assets Management, Non-Retail & SE and Collateral and Collection of Receivables Retail.
- maintaining the final loss after collection at a satisfactory level (Loss Given Default), through adequate collateralization and provisions.

Liquidity risk

The liquidity management strategic framework encompasses adjusted liquidity management, asset liquidity management, and borrowed liquidity management (liabilities), all while adhering to key principles of liquidity management and ILAAP guidelines in liquidity planning and funding sources. These include accountability, proportionality, continuity, risk significance, comprehensiveness, and a "forward-looking" approach.

Liquidity and liquidity risk management are incorporated into the strategies, policies, and procedures that ensure effective diversification both in terms of sources of funds and in terms of their maturity.

When forecasting and planning cash flows, special attention is given to the monitoring of local market environment, primarily in terms of clients' needs, in the form of monitoring the maturity of large deposits and planning their reactivation. In planning its liquidity needs, the Bank includes planning the outflows against off-balance sheet liabilities (letters of credit, guarantees, and agreed credit lines), whereas for maturity deposits it estimates potential outflows based on previous observations (experiences) reliant on annual trends and models developed internally.

In defining and maintaining an adequate level of liquidity, the Bank pays special attention to providing sufficient capacity of liquidity reserves that may be used for short-term intervention in the case of liquidity shock.

The amount of required and reserve liquidity is formed by the Bank on the basis of the current and projected position and liquidity ratios, taking into account the general objectives set by the Bank's annual budget. Thus, an appropriate portfolio of liquid assets is planned, which can always:

- (1) meet the current and expected liquidity needs,
- (2) meet the regulatory liquid asset requirements.

The Bank's liquidity risk management is based on:

- Strategy and Plan for providing funds for the implementation of business plans and plans for difficult – to predict and emergency situations, in the short and long terms, which should demonstrate the Bank's ability to preventively and effectively manage both routine and unexpected changes in its liquid position
- Clearly defined liquidity risk management process (identification, assessment, measurement, exposure monitoring and control of the entire process) with clearly defined roles and responsibilities, and documented in internal acts
- Developed information system that is the basis of successful liquidity risk management on a daily basis and its control.

Also, liquidity risk management implies involvement in its management of the Bank's bodies that, in this process, are supported by the committees and all employees who are indirectly or directly involved in assuming, managing and controlling the liquidity risk, primarily:

- *The Bank's Management Board and the Supervisory Board* is responsible for the risk management strategy, as well as deciding on a comprehensive framework for liquidity risk management at the bank level
- *Senior management* is responsible for implementing risk management policies, overseeing the implementation, maintenance and management of information and other systems, and establishing effective internal control over the liquidity risk management process
- *Assets and Liabilities Management Committee (ALCO Committee)*, composed of senior management, usually from the Treasury function and the Risk Management function (usually the liquidity risk management department), and
- *Risk management control functions* that have the necessary experience in controlling this risk, apply appropriate processes and procedures and perform relevant expertise.

Market risk

The market risk management strategy aims to limit exposure to market risks i.e. maintain the level of assumed risk within the planned risk profile, in line with regulatory limits. To ensure an adequate level of exposure to market risks, so-called internal limits have been established, primarily based on regulatory requirements.

The process of assuming and managing market risks and the process of controlling these risks are clearly separated in organizational terms, which means that the organizational unit Markets is primarily in charge of managing and assuming the market risks, whereas control of the said risks is performed by the Risk Controlling Unit i.e. the Market Risk Management Group.

The Market Risk Management Group performs daily controls of compliance of positions with internal and regulatory limits and they are defined in valid internal documents.

Market risk management policy is based on clearly defined roles and responsibilities, procedures and work processes, methods of identification, measurement, monitoring, control, reporting and escalation procedures.

The process of managing and assuming the market risk and the process of controlling this risk are clearly separated into different organizational units in charge of this risk, which means that managing and assuming the market risk is primarily carried out in the organizational unit Markets/Trade and Sales, whereas its control is performed within the Risk Controlling Unit, i.e. the Market Risk Management Group.

The roles and responsibilities for identification, measurement, monitoring, control, reporting and escalation procedures are described in detail in the umbrella documents Risk Controlling / Market Risk Management Group, namely the Market Risk Management Rulebook and the Market Risk Management Procedures.

Interest rate risk in the banking book

The interest rate risk management strategy in the banking book is based on establishing a risk appetite framework taking into account current and future business plans and activities as well as the ability to assume this risk that respects regulatory constraints. In order to fulfill the strategy, the Bank sets indicators and target values or limits. Controls and actions taken in case of violation of limits and internal indicators allow timely response and mitigation of this risk. Control frequencies are organized on a daily basis (for defined internal RBI indicators), in order to enable timely verification of the status of utilization of limits and internal indicators, and to adequately take all remedial measures to mitigate risk, and in case of violation of limits, to take necessary activities of "return of positions" within the defined limits.

Interest rate risk management is based on the following principles:

- managing the balance in refinancing assets with regard to terms, currencies and types of interest rates, for the purpose of minimizing the risk of changes in interest rates and the impact on business results
- defining the limit of interest rate risk exposure by analyzing interest-rate sensitive assets and liabilities, which are sensitive to changes in interest rates in terms of maturity and amount
- contracting interest rates as determined by the Bank's Tariff
- determining the components of reference interest rates
- stress testing
- monitoring profitability indicators.

The process of controlling the interest rate risk in the banking book consists of risk measuring and modeling, setting and monitoring limits, controlling and managing positions within the limit, as well as the process of escalating limits.

The interest rate risk management policy in the banking book is based on the clearly defined roles and responsibilities, procedures and work processes, methods of identification, measurement, monitoring, control, reporting and escalation procedures.

Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or external events, including legal risk.

The strategy related to operational risk management includes:

- clear internal organization with separate operational risk management functions (responsible operational risk specialists – so-called DORS functions and operational risk managers – so-called ORM functions) as well as functions of control of these risks (Operational Risk Controlling – so-called ORC function, Executive Director for Risk – CRO, Operational Risk Management and Control Committee – ORMCC), and finally, the internal audit function that oversees the complete operational risk management / control system
- clearly defined, transparent and consistent lines of responsibility,
- raising awareness of the existence of operational risk,
- consistent adherence to internal documents as well as external regulatory guidelines governing the subject area,
- monitoring the maintenance of losses in accordance with the "shadow budget",
- organization of implementation of individual activities (collecting the operational risk events, risk assessment, scenario analyses, risk treatment plans, general ledger analysis, revision of early warning indicators) in accordance with the Group's plan,
- organization of training for new employees regarding the minimum standards of operational risk management,
- organization of training for ORM / DORS functions,
- focus on further raising awareness of the importance of operational risk management.

Operational risk management includes identifying, measuring, managing and monitoring exposures that result from inadequate or failed internal processes, human interactions and systems, or are the result of external events.

The operational risk management framework consists of processes, structures, controls and systems applied in operational risk management, thus ensuring the establishment of key management elements and operational activities. Managing and controlling operational risk contributes to strengthening business objectives and meeting regulatory requirements.

Responsibilities of the Management Board for the preparation and approval of the separate financial statements

The Management Board is required to prepare separate financial statements, which provide a true and fair view of the financial position of the Bank and of the results of its operations and cash flows, in accordance with the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina (FBiH), which are based on the Law on Accounting and Auditing in FBiH, Law on Banks of FBiH, and bylaws of the Banking Agency of the Federation of Bosnia and Herzegovina (Agency or FBA), adopted pursuant to the aforementioned laws. The Management Board is responsible for maintaining proper accounting records that allow the preparation of such financial statements at any time. Management has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

The Management Board is responsible for selecting accounting policies that comply with applicable accounting standards and for their consistent application. This includes making reasonable and prudent judgments and estimates, as well as preparing the financial statements on a going concern basis, unless it is inappropriate to assume that the Bank will continue operating.

The Management Board is required to submit the Bank's annual report, along with the separate annual financial statements, to the Supervisory Board. The Supervisory Board and the General Assembly then approve and adopt the separate financial statements.

The separate financial statements, presented on pages 16 to 124, were approved by the Management Board of the Bank on March 04, 2026, for submission to the Supervisory Board. In confirmation of this, they are signed by:

For and on the behalf of the Management Board



Chairman of the Management Board
Lars Frankemölle



Management Board member
Nermina Alić

Raiffeisen Bank dd Bosna i Hercegovina
Zmaja od Bosne bb
71000 Sarajevo
Bosnia and Herzegovina
March 04, 2026

Independent auditor's report

To the Shareholder of Raiffeisen Bank dd Bosna i Hercegovina

Opinion

We have audited the separate financial statements of Raiffeisen bank dd Bosna i Hercegovina (hereinafter 'the Bank'), which comprise separate statement of comprehensive income, the separate statement of financial position as at 31 December 2025, and the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina.

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 are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Federation of Bosnia and Herzegovina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Consolidated financial statements

We draw your attention to Note 3 to the separate financial statements stating that the Parent Company is within the Raiffeisen Bank Group and that the consolidated financial statements of the Group prepared in accordance with the statutory financial reporting framework in the Federation of Bosnia and Herzegovina will be issued separately. In the accompanying separate financial statements, investments in subsidiaries and associates are stated at cost. A better understanding of the financial position of the Group as a whole can be obtained by reviewing the consolidated financial statements.

Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the year ended 31 December 2025. 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.

Loss allowances for loans to and receivables from customers (expected credit losses)

In its separate financial statements for the year ended 31 December 2025 the Bank presented financing to customers in the amount of BAM 3,471,432 thousand and total expected credit loss in the amount of BAM 126,127 thousand.

Key Audit Matter	How the Key Audit Matter Was Addressed in Our Audit
For accounting policies, see Note 3. For additional information regarding the identified key audit matter see notes 6, 12, and 23.3.	
Credit risk represents one of the most important types of financial risks which the Bank is exposed to. Determining appropriate methods and models by the Management to measure and manage credit risk is therefore one of the most important areas in safeguarding the Bank's capital. As part of the credit risk management process, appropriate determination and measurement of loss allowances for expected credit losses represents one of the key considerations for the Management.	In order to address the risks associated with loss allowances for expected credit losses on loans to and receivables from customers, identified as key audit matter, we have designed audit procedures that allowed us to obtain sufficient and appropriate audit evidence for our conclusion.
In determining both the timing and the amount of loss allowance for expected credit losses on loans to and receivables from customers, the Management exercises significant judgement in relation to the following areas: • Use of historical data in the process of determining risk parameters; • Estimation of the credit risk related to the exposure on loans and receivables from customers; • Assessment of credit risk stage allocation for loan exposures and receivables from customers; • Assessment on the significance of subsequent changes in credit risk of an exposure for the purposes of identifying whether significant increase in credit risk has occurred, leading to changes in stage • allocation and the required measurement of lifetime expected credit losses; • Assessment of the forward-looking information; • Expected future cash flows from operations, which could be available for recovering given loans; • Valuation of collateral and assessment of the period in which a cash proceeds based on potential repossession and sale for individually assessed credit losses.	We performed the following audit procedures with respect to area of financing: • Review and verification of the Bank's methodology for recognizing loss allowances for expected credit losses and comparing the reviewed methodology against the requirements of the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina; • Obtaining understanding of control environment and internal controls implemented by the Management within the process of measuring loss allowances for expected credit losses, including used applications and information technology tools and corresponding internal controls; • Evaluating design and inspecting implementation of identified internal controls relevant to the process of measuring loss allowances for expected credit losses; • Testing identified relevant controls for operating effectiveness; • Performing substantive tests over recognition and measurement of loss allowances for expected credit losses on sample of loans allocated to Stage 1 and Stage 2, focusing on: i. models applied in stage allocation and transitions between stages; ii. assumptions used by the Management in the expected credit loss measurement models; criteria used for determination of significant increase in credit risk; iii. assumptions applied to calculate lifetime probability of default; iv. methods applied to calculate loss given default; v. methods applied to incorporate forward-looking information; vi. re-performing calculation of expected credit losses on a selected sample. • Performing substantive tests over recognition and measurement of loss allowance for expected credit losses on sample of individually assessed loans allocated to Stage 3 (non-performing loans), which included: i. assessment of customer's financial position and performance following latest credit reports and available information ii. review of judgements and assumptions applied in the calculation and measurement of expected future cash flows from operations, taking into consideration customer's financial position and performance in the current economic environment; iii. reviewing and assessing expected future cash flows and periods in which cash proceeds from potential repossession and sale from collateral and estimated realization period; iv. assessment of appropriateness of transition of financing exposures between stages and allocation of credit exposures with granted moratoria. v. recalculation of expected credit losses on a sample selected using the following criteria: assessment of customer credit risk, industry risk, days of delay in payment of overdue loan receivables and other receivables, etc. vi. Assessed the completeness and accuracy of disclosures related to expected credit losses in the context of the requirements statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina.
Since determination of appropriate loss allowances for expected credit losses on loans and receivables requires the use of complex models (generally dependent on IT elements) and significant judgement from the Management, process of measuring expected credit losses may be exposed to Management bias. This fact led to the determination of loss allowances for expected credit losses on loans and receivables from customers, recognized in accordance with the statutory accounting regulations applicable to banks in Federation of Bosnia and Herzegovina as a key audit matter in our audit of the financial statements for the year ended 31 December 2025.	

Other information

Management is responsible for the other information. The other information comprises the information included in Management's business 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 and will 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 on the other information, 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 Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the statutory accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina, and for such internal control as the management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization 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 fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when we decide, in extremely rare circumstances, that the matter should not be reported in our independent auditor's report because the negative consequences of reporting could reasonably be expected to outweigh the public interest benefit.

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

Yuri Sidorovich, Procurator



Deloitte d.o.o. Sarajevo

Radićeva 8

Sarajevo, Bosnia and Herzegovina

March 04, 2026



Adna Valjevac, Licensed auditor



Separate Statement of comprehensive income

for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	2025	2024
Interest and similar income calculated using the effective interest rate	8	183,766	184,953
Interest and similar expense calculated using the effective interest rate	9	(18,327)	(16,964)
Net interest and similar income calculated using the effective interest rate		165,439	167,989
Fee and commission income	10	161,853	154,320
Fee and commission expense	11	(38,912)	(37,378)
Net fee and commission income		122,941	116,942
Impairment losses and provisions	12	(12,789)	3,543
Other losses from financial assets, net	13	(88)	(30)
Net positive foreign exchange gains		(71)	(85)
Net gain from non-current non-financial assets	14	10,081	1,644
Dividend income	15	4,950	8,622
Other income	16	10,870	10,035
Employee expenses	17	(67,557)	(67,253)
Depreciation costs	24, 25, 26, 27	(20,613)	(18,618)
Other expenses and costs	18	(71,038)	(65,841)
Profit before tax		142,125	156,948
Income tax	19	(12,112)	(13,628)
Net profit for the year		130,013	143,320
Other comprehensive income		28	6
Total comprehensive income		130,041	143,326
Earnings per share (BAM)	34	131.50	144.96

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

Separate Statement of financial position

as at 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	20	1,247,244	1,499,512
Financial assets at fair value through PL	21	9,034	10,422
Financial assets at fair value through other comprehensive income	22	575	544
Financial assets at amortized cost	23	4,516,619	3,954,871
Obligatory reserves at the Central Bank of BiH	23.1	500,742	475,635
Deposits in other banks	23.2	9,951	-
Loans and receivables to customers	23.3	3,345,305	2,936,701
Other financial assets at amortized cost	23.4	660,621	542,535
Prepaid profit tax		2,093	-
Deferred tax assets	19	7,894	9,090
Property, plant and equipment	24	127,025	103,850
Right-of-use assets	25	12,643	9,167
Investment property	26	23,459	27,853
Intangible assets	27	44,364	39,231
Investments in subsidiaries	28	11,050	11,050
Investments in associates	29	2	2
Non-current assets for sale and assets to be discontinued		403	403
Other assets and receivables	30	7,528	7,107
TOTAL ASSETS		6,009,933	5,673,102
LIABILITIES			
Financial liabilities at amortized cost	31	5,104,347	4,859,835
Deposits from banks and other financial institutions	31.1	105,885	145,210
Client deposits	31.2	4,750,340	4,500,235
Borrowings	31.3	219,965	190,681
Lease liabilities	31.4	12,750	9,258
Other financial liabilities at amortized cost	31.5	15,407	14,451
Income tax liabilities		-	800
Deferred tax liabilities	19	3,164	2,317
Provisions	32	34,316	35,557
Credit risk of commitments and guarantees	32.1	11,853	10,313
Court litigation	32.2	9,068	11,148
Other provisions	32.3	13,395	14,096
Other liabilities	33	21,569	22,267
TOTAL LIABILITIES		5,163,396	4,920,776
EQUITY			
Share capital	34	247,167	247,167
Share premium		4,473	4,473
Reserves		1,230	1,230
Revalorization reserves		311	283
Retained earnings		593,356	499,173
TOTAL EQUITY		846,537	752,326
TOTAL LIABILITIES AND EQUITY		6,009,933	5,673,102

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

For and on the behalf of the Management Board

Chairman of
the Management Board
Lars Frankemölle



Raiffeisen Bank dd Bosna i Hercegovina
Zmaja od Bosne bb
71000 Sarajevo
Bosnia and Herzegovina
March 04, 2026



Management
Board member
Nermina Alić



Separate Statement of cash flows

for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflow from interest and similar income calculated at effective interest rate		168.976	177.800
Outflow from interest and similar income calculated at effective interest rate		(6.710)	(13.692)
Inflows from fees and commissions		161.853	154.320
Outflow from fee and commissions		(38.732)	(37.378)
Inflow from collection of previously written off loans and interests		7.755	10.154
Outflow from employee payments		(67.557)	(67.253)
Outflow from operating cost and expenses		(68.385)	(63.196)
Other inflow from operating activities		12.251	12.557
Other outflow from operating activities		(2.264)	(3.578)
Paid income tax		(13.956)	(14.413)
Net cash flow from operating activities before changes in operating assets and operating liabilities		153.231	155.321
Net (increase) in obligatory reserves with CBBiH		(25.133)	(37.882)
Net (increase) / decrease in bank placements		(10.000)	204.384
Net (increase) in loans given to customers loans		(423.078)	(161.358)
Net (increase) in other assets and receivables		(120.246)	(168.343)
Net (decrease) / increase in deposits from banks and other financial institutions		(39.325)	13.472
Net increase in customer deposits		250.087	319.886
Net (decrease) in other liabilities at amortized cost		(1.280)	(6.385)
Net increase / (decrease) in provisions for liabilities		(9)	1.470
Net increase / (decrease) in other liabilities		19	(3)
Net cash flow from operating activities		(215.734)	320.562
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	24	(14.921)	(10.828)
Acquisition of intangible assets	27	(12.205)	(11.863)
Dividend received	15	4.950	8.622
Net cash flow from investing activities		(22.176)	(14.069)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(35.830)	(60.980)
Inflows from bank loans		15.647	32.271
Payment of loan principals		(19.971)	(17.281)
Inflows from loans from other financial institutions		39.117	73.344
Payment of principal of loan from other financial institutions		(5.334)	(8.343)
Repayment of principals on leases		(7.987)	(7.101)
Net cash flow from financing activities		(14.358)	11.910
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(252.268)	318.403
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	20	1.499.512	1.181.109
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20	1.247.244	1.499.512

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

Separate Statement of changes in equity

for the year ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

	Share capital	Share premium	Reserves	Revalorization reserves	Retained earnings	Total
Balance as at 31 December 2023	247,167	4,473	1,230	277	416,833	669,980
Profit for the year	-	-	-	-	143,320	143,320
Other comprehensive income	-	-	-	6	-	6
Total comprehensive income	-	-	-	6	143,320	143,326
Published dividends	-	-	-	-	(60,980)	(60,980)
Balance as at 31 December 2024	247,167	4,473	1,230	283	499,173	752,326
Profit for the year	-	-	-	-	130,013	130,013
Other comprehensive income	-	-	-	28	-	28
Total comprehensive income	-	-	-	28	130,013	130,041
Published dividends	-	-	-	-	(35,830)	(35,830)
Balance as at 31 December 2025	247,167	4,473	1,230	311	593,356	846,537

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

Notes to the separate financial statements

for the year that ended 31 December 2025

(all amounts are expressed in thousands of BAM, unless otherwise stated)

1. General information

History and incorporation

RAIFFEISEN BANK JOINT STOCK COMPANY BOSNIA AND HERZEGOVINA (hereinafter referred to as "the Bank"), with its registered office at Zmaja od Bosne bb, Sarajevo, Novo Sarajevo, is authorized to conduct the following activities:

- 64.19 Other monetary intermediation
- 64.91 Financial leasing
- 64.92 Other credit intermediation
- 64.99 Other financial services, except insurance and pension funds, n.e.c.
- 66.12 Brokerage activities in securities and commodity contracts
- 66.19 Other auxiliary activities related to financial services, except insurance and pension funds
- 66.22 Activities of insurance agents and brokers
- 70.22 Consultancy activities related to business and other management

As of 31 December 2025, the Bank employed 1,350 people (31 December 2024: 1,357 employees).

During 2025 and as of the date of this report, the following are the Bank's management bodies:

Supervisory Board

During 2025 and on the date of this report, the members of the Supervisory Board were:

Peter Jacenko	Chairman
Markus Kirchmair	Deputy Chairman until 14th August 2025
Matthias Dekan	Member
Elisabeth Geyer – Schall	Member until August 26th 2025; Deputy Chairwoman from August 27th 2025
Elitza Kavrakova	Member from August 15th 2025
Gerda Lottersberger-Roschitz	Member
Zinka Grbo	Member
Amila Pilav – Velić	Member

During 2025 and on the date of this report, the members of the Audit Committee were:

Audit Committee

Alda Shehu	Chairwoman
Biljana Ekinović	Member
Meliha Bašić	Member

During the period covered by this report and on 31 December 2025, the Management Board consists of the Chairman of the Management Board and Management Board members. The following persons performed these functions during the year and on the day of this report:

Management Board

Rainer Schnabl	Chairman until February 28, 2026
Lars Frankemölle	Member until February 28, 2026; Chairman from March 1, 2026
Mirha Krivdić	Member
Nermina Alić	Member from March 1, 2026
Edin Hrnjica	Member
Kreshnik Halili	Member

2. Basis of preparation

2.1. Reporting framework

The financial statements have been prepared in accordance with the legal accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina ("FBiH"), which are based on the FBiH Law on Accounting and Auditing, the FBiH Law on Banks and bylaws of the Banking Agency of the Federation of Bosnia and Herzegovina ("Agency" or "FBA") adopted on the basis of the laws referred to above.

- The FBiH Law on Accounting and Auditing prescribes the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS").
- The Law on Banks of the FBiH prescribes the preparation of annual financial statements in accordance with the aforementioned Law on Accounting and Auditing of the FBiH, this law, and the bylaws adopted on the basis of both laws.
- The Agency adopted the *Decision on Credit Risk Management and Determination of Expected Credit Losses* (the "Decision"), applicable from January 1, 2020, which resulted in certain differences arising from the calculation of impairment for credit losses due to the application of minimum rates prescribed by the Decision, which are not required by IFRS 9: "Financial Instruments" ("IFRS 9"). The decision also has an impact on the valuation of non-financial assets arising from credit operations (acquired tangible assets whose valuation is within the scope of other relevant IFRSs).

The main differences between the legal accounting regulations applicable to banks in the Federation of Bosnia and Herzegovina (i.e. primarily the requirements of the Decision) and the requirements for recognition and measurement under IFRS are explained below.

In accordance with the provisions of the Decision, the Bank had on 31 December 2025 calculated impairment for credit losses in the amount of BAM 44,150 thousand against the amount obtained by calculation, which is the result of the Bank's internal model for calculating expected credit losses, compliant with the requirements of IFRS 9, with the details as follows:

- By applying Article 23 of the Decision prescribing the application of minimum impairment rates for all exposures allocated to credit risk level 1 – calculated difference in the amount of BAM 15,124 thousand,
- Application of Article 24 of the Decision prescribing the application of minimum impairment rates for all credit exposures in credit risk level 2 – calculated difference in the amount of BAM 15,409 thousand,
- Application of minimum impairment rates prescribed in Article 25 of the Decision for exposures at credit risk level 3 (non-performing assets) – calculated difference in the amount of BAM 7,818 thousand.
- Application of the minimum impairment rates prescribed in Article 26 of the Decision for trade receivables, receivables based on factoring and financial leasing and other receivables – the difference in the amount of BAM 5,799 thousand.

The table below presents the effects of the previously described difference between the legal accounting regulations applicable to banks in the FBiH and the requirements for recognition and measurement under the International Financial Reporting Standards:

All amounts are expressed in thousands of BAM	1 January 2024	31 December 2024	31 December 2025
Assets	(31,178)	(34,113)	(36,223)
Liabilities	5,413	6,620	7,927
Equity	(36,591)	(40,733)	(44,150)

Where accounting policies align with International Financial Reporting Standards, the relevant IFRSs are referenced in these financial statements when describing the Bank's accounting policies.

These financial statements are separate financial statements of the Bank, prepared in accordance with the Law on Accounting and Auditing in FBiH, the Law on Banks of FBiH and bylaws of the Banking Agency of the Federation of Bosnia and Herzegovina. As explained in Note 28 and 29, the Bank is a parent within the Raiffeisen Bank BH Group and will also prepare consolidated financial statements, which will be approved by the Management Board. For better understanding of the Raiffeisen Bank Group as a whole, users should read the consolidated financial statements.

These separate financial statements were authorized by the Management Board on March 04, 2026 for adoption by the Supervisory Board.

2.2. Basis for measurement

The separate financial statements have been prepared on the historical cost basis, except for the financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a regular transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation techniques. In estimating the fair value of an asset or a liability, the Bank considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these separate financial statements is determined on such a basis.

The principal accounting policies adopted are stated below.

2.3. Functional and presentation currency

These separate financial statements are presented in thousands of Bosnian marks (000 BAM) which is also the functional currency. Bosnian (Convertible) Mark is pegged to Euro (1 EUR = 1.95583 BAM).

2.4. Use of judgments and estimates

The preparation of separate financial statements requires the Management to make judgments, estimates and assumptions that impact the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are likely to be recognized in the future periods, if the revision impacts those periods as well. Information on areas with significant uncertainty in the estimates and judgments used in applying accounting policies that have the most significant impact on the amounts recognized in these financial statements are disclosed in Note 4.

3. Significant accounting policies

3.1. Foreign currency transactions

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Profits and losses arising on translation are included in the income statement for the period.

The Bank values its assets and liabilities at the middle rate of the Central Bank of Bosnia and Herzegovina valid at the reporting date. The principal rates of exchange set forth by the Central Bank and used in the preparation of the Bank's statement of financial position at the reporting dates were as follows:

31 December 2025	EUR 1 = BAM 1.95583	USD 1 = BAM 1.66355
31 December 2024	EUR 1 = BAM 1.95583	USD 1 = BAM 1.87268

3.2. Interest income and expense

Effective interest rate

Interest income and expense are recognized in profit or loss using the effective interest rate method. The "effective interest rate" is the rate that discounts exactly the estimated future cash payments or receipts through the expected life of the financial instrument to:

- gross carrying amount of the financial asset; or
- the amortized costs of the financial liability.

When computing the effective interest rate for financial instruments other than purchased or credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instruments, but not the expected credit loss ("ECL"). For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including the expected credit loss.

The calculation of the effective interest rate includes all paid or received transaction costs, fees and points that constitute an integral part of the effective interest rate. Transaction costs include all incremental costs that may be attributed directly to the acquisition or issuance of financial assets or financial liability.

Amortized cost and gross carrying value

The "amortized cost" is the amount at which a financial asset or a financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization, using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment).

"Gross carrying amount of financial assets" is the amortized cost of financial assets before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

Effective interest rate on a financial asset or financial liability is calculated on initial recognition of a financial asset or liability. In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of an asset (when asset is not credit-impaired) or to the amortized cost of the liability. The effective interest rate is revised as a result of periodic estimation of cash flows of floating rate instruments to reflect developments in market interest rates.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Interest income and expense are recognized in balance sheet using the effective interest rate method. The effective interest rate is the rate that accurately discounts the estimated future cash receipts or payments through the expected life of the financial asset or financial liability (or shorter period, where appropriate) to the carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

Calculation of the effective interest rate includes the costs of transactions, fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that may be directly attributed to the acquisition or issue of a financial asset or financial liability.

Interest income and expense on other financial assets and financial liabilities at fair value through the balance sheet are recognized in net profit or loss under other financial instruments at fair value through the balance sheet.

3.3. Fee and commission income and expenses

Fee and commission income and expenses that are an integral part of the effective interest rate on a financial asset or liability are included in the effective interest rate measurement and are recognized in interest income and expense.

The Bank provides banking services to retail and corporate customers, including account management, overdraft management, foreign currency transaction management, and management of credit cards and services.

The fees for ongoing account management are charged against the customer's account on a monthly basis. The Bank sets the rates on an annual basis, separately for retail and corporate banking customers.

Fee and commission income and expenses, as such, comprise mainly the fees related to credit card transactions, the issue of guarantees and letters of credit, domestic and foreign payment transactions and other services and are recognized in profit and loss statement when the related service is performed.

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognizes revenue when it transfers a service to a customer.

Revenue from account fees and services is recognized throughout the period of service delivery.

Revenue from transactions is recognized at the point in time when the transaction takes place.

A contract with a customer that results in a recognized financial instrument in the Bank's financial statements may be partially within the scope of IFRS 9 and partially within the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate the measurement of the part of the contract that falls under the scope of IFRS 9 and then applies IFRS 15 to the rest of the contract.

3.4. Net trading gains

"Net trading gains" comprises gains less losses, related to trading assets and liabilities, and includes all changes in fair value, interests, dividends and exchange rate differences.

3.5. Net income from other financial instruments at fair value through profit and loss

Net income from other financial instruments measured at fair value through profit and loss relates to non-trading derivatives held for risk management purposes that do not constitute a part of qualifying hedging relationships; financial assets and financial liabilities are measured at fair value through profit and loss. The listed items include fair value changes, interests, dividends and foreign exchange differences.

3.6. Dividend income

Dividend income is recognized in the income statement when the right to receive income is established and if the amount of dividend can be reliably measured.

3.7. Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract transfers the right to control the use of an identified asset, the Bank uses the definition of a lease in accordance with IFRS 16 "Leases".

i) Bank as a lessee

The Bank recognizes right-of-use assets and a lease liability from the lease commencement date. The right-of-use asset is initially measured at cost, which is equal to the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct costs incurred and an estimate of costs that may arise from dismantling and removing the asset in question, renewing the location of the asset or restoring the asset into the condition required under the terms of lease agreement.

The right-of-use asset is subsequently depreciated using the straight-line method to the end of the lease term, or over the period for which the lease is expected to be active. In addition, right-of-use assets are periodically reduced by impairment losses, if applicable, or adjusted for a particular re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, using the interest rate referred to in the contract, or if that rate cannot be easily determined, an incremental borrowing rate. The Bank applies an incremental borrowing rate of 2% as a discount rate.

The Bank determines an incremental borrowing rate by obtaining data on interest rates from various external funding sources and makes certain adjustments to reflect the terms of the lease and the types of assets that are subject of the lease.

Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments, including in-substance fixed payments; less any prepayments received in connection with the lease; variable payments that depend on a particular index or rate and that are initially measured against that index or rate on the first day of the lease;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the lessee is realistically likely to exercise, and penalties for early termination of a lease, if the period of lease duration indicates that the lessee exercised that option.

The lease liability is measured at amortized cost using the effective interest rate method. It is re-examined when the change in future lease payments occurs arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, in the case when Bank changes its assessment of whether it will exercise purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, the carrying amount of the right-of-use asset is properly adjusted or the originated difference is recorded in the income statement if the carrying amount of the right-of-use asset is reduced to zero.

The Bank discloses right-of-use assets and the lease liability as separate items in the statement of financial position.

The Bank opted not to recognize right-of-use assets and liabilities for low-value assets (asset limit value is EUR 5,000) and short-term leases.

The Income Statement and Other Comprehensive Income Report show interest expense on the lease liability separately from the depreciation of the right of use asset. Interest expense on a lease liability is a component of financial costs.

ii) Bank as a Lessor

Payments made under the operating leases are recognized as income using the straight-line method in income statement over the life of the lease and are recognized in the statement of financial position in the event of a mismatch between the actual time of payment and the designated lease expense.

3.8. Taxation

Tax expense, on income tax base, is the sum of current tax liabilities and deferred taxes.

Current income tax

Tax expense is based on a taxable profit for the year. Net income differs from taxable income of the period reported in Income Statement and Other Comprehensive Income Report, as it includes items of income and expenses that are taxable or non-taxable in other years, as well as items that are never taxable or deductible. The Bank's current tax liabilities are calculated by applying tax rates that are in effect or in the process of being adopted at the reporting date.

Deferred income tax

Deferred tax is the expected tax to be payable or recoverable based on differences between the carrying amount of assets and liabilities in the separate financial statements and the corresponding tax basis used in the computation of taxable profit and is calculated using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent where it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The book value of deferred tax assets is reviewed at each reporting date and reduced to the extent where it is no longer probable that sufficient taxable profit will be available to allow all or part of the tax assets to be recovered.

3.9. Investments in subsidiaries

A subsidiary is an entity which is controlled by the Bank. Control is achieved in such a way that the Bank is entitled to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity.

Investments in subsidiaries in these separate financial statements are valued at cost less any impairment losses, where existing.

3.10. Investments in associates

An associate is an entity over which the Bank has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates in these separate financial statements are stated at cost of acquisition less any impairment losses, where existing.

3.11. Financial assets and liabilities

Recognition and initial measurement

The Bank initially recognizes loans and receivables, deposits, debt securities and subordinated liabilities on the date on which they originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trading date, meaning the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus any transaction costs that are directly attributable to its acquisition or issue, except for financial assets and liabilities at fair value through profit and loss.

3.11.1. Financial assets

(i) Classification and subsequent measurement

On initial recognition, Bank classifies its financial assets in accordance with the following categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit and loss (FVPL)

Reverse repo transactions

A reverse repo transaction is a collateralized money market transaction in which the Bank temporarily places liquid funds while simultaneously receiving high-quality securities as collateral, with the counterparty being obliged to repurchase those securities on a pre-defined date and at a pre-agreed price. The difference between the purchase price and the repurchase price is recognized as income calculated using the effective interest rate method. Securities received as collateral are not recognized in the Bank's statement of financial position.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are the instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, bonds and receivables.

Classification and subsequent measurement depend on:

- (i) Purpose of financial asset management (business model)
- (ii) Contractual characteristics of cash flows ("Sole Payments of Principal and Interest", hereinafter "SPPI test" or "SPPI")

Based on these factors, the Bank classifies its financial assets depending on the purpose of acquisition of financial instruments, as follows:

- **Financial assets measured at amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent sole payments of principal and interest ("SPPI"), and that are not designated at fair value through profit and loss, are measured at amortized cost. After initial recognition, the carrying amount of these assets is adjusted to any expected credit loss (ECL) allowance recognized and measured as described in Note 3.11.1 (iv).

Interest income is calculated using the effective interest rate and is included in the line item *"Interest income calculated using the effective interest rate method"*.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables originate when the Bank grants cash funds to customers without the intent to trade these receivables and include placements and loans issued to banks, customer loans and receivables, and assets with the Central Bank.

- **Financial assets at fair value through other comprehensive income**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent sole payments of principal and interest, and that are not designated at fair value through profit and loss are measured at fair value through other comprehensive income.

Measurements in fair value of financial assets measured through other comprehensive income are recognized through other comprehensive income, except for recognition of gains or losses on impairment, interest income and foreign exchange differences that are recognized in profit or loss, except in case of equity securities where unrealized gains/losses are never reclassified to profit or loss.

When the financial asset through other comprehensive income is derecognized, the cumulative gain or loss, previously recognized through other comprehensive income, is reclassified from equity to income statement. Interest income is calculated using the effective interest rate method.

- **Financial assets at fair value through profit and loss**

Financial assets are subsequently measured at fair value through profit or loss unless subsequently measured at amortized cost or at fair value through other comprehensive income. Gains and losses arising from changes in the fair value of a financial asset at fair value through profit or loss are recognized in the income statement.

In addition, the Bank has the option to designate, on initial recognition, financial assets that otherwise meet the requirements to be measured at fair value profit and loss, if doing so significantly reduces the accounting non-compliance that may otherwise arise.

Purpose of managing financial assets (Business model)

All financial assets, except for equity securities that fall into the category of investments in associates, joint ventures and subsidiaries, are grouped into business models that indicate the way in which a group of financial assets are jointly managed as a whole to achieve specific business objective and define the way in which financial assets are expected to generate cash flows.

Business models of the Bank are:

- The business model the objective of which is to hold assets for the collection of contractual cash flows – it integrates all financial assets held for the purpose of collection of contractual cash flows over the lifetime of financial instruments. For the purpose of collection, the business model is subjected to SPPI test, and the following financial assets are allocated to this model:
 - cash on transaction accounts held in other banks,
 - placements with other banks
 - loans to customers,
 - other receivables.

Credit risk is an underlying risk that is managed under this business model.

- The business model aimed to collect the contractual cash flows and sale of financial assets – it integrates financial assets held for the purpose of collecting the contractual cash flows and sale of financial assets. The following financial assets are allocated to the business model for the purpose of collection and sale:
 - debt securities (pass SPPI test),
 - equity securities (fail SPPI test),

Liquidity risk is an underlying risk that is managed under this business model.

- The business model where financial assets are measured at fair value through profit and loss (fails SPPI test) – it combines all financial assets that are not held under the two previously mentioned business models. Financial assets in this business model are managed to realize cash flows by selling assets and generating short-term profits.

Contractual cash flow characteristics (SPPI)

In terms of the sole payment of principal and interest, the test of contractual cash flow characteristics constitutes one of the criteria for the classification of financial assets in the individual measurement category. SPPI test is performed for the purpose of establishing whether the interest rate on unsettled principle reflects the fee for time (temporal) value of money, credit risk and other basic borrowing risks, lending costs and profit margin.

SPPI test is performed:

- for all financial assets, allocated to the business model the purpose of which is to hold financial assets for the collection of contractual cash flows, and the business model aimed at collecting contractual cash flows and selling financial assets on the date of its initial recognition,
- for each financial asset in cases where the original asset was significantly modified and therefore again recognized as a new asset,
- when introducing new models and/or loan programs to determine, in advance, the eligibility of the considered loan term and conditions in relation to the need to subsequently monitor the value of any financial assets that would arise from them.

Equity instruments

Equity instruments are the instruments that meet the definition of equity from the issuer's perspective; that is, the instruments that do not include the contractual obligation of payment and include the evidence on residual interest in the issuer's net assets. Examples of equity investments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's Management Board opted, at initial recognition, to irrevocably designate equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as at fair value through other comprehensive income when those investments are held for purposes other than to generate return on investment. When this choice is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including disposals. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. When representing a return on such investments, dividends continue not to be recognized in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at fair value through profit and loss are included in the "Net trading income" line in the statement of profit or loss.

(ii) Derecognition of financial assets

The Bank derecognizes financial assets (in whole or in part) when the contractual rights to receive the cash flows from the financial instrument expire or when it loses control over contractual rights over that financial asset. This occurs when the Bank transfers substantially all the risks and rewards of ownership to another business entity or when rights have been realized, transferred or expired.

When the financial assets is derecognized, the difference between the carrying amount (or the carrying amount allocated to the portion of the assets that is derecognized) and the fee amount received (including any new assets less any new liabilities) and any cumulative gain or loss previously recognized through comprehensive income, is recognized in the income statement.

Any cumulative gain or loss recognized through comprehensive earnings for equity securities designated at fair value through other comprehensive income is not recognized in the profit or loss when such securities become derecognized, but is directly recognized as retained earnings.

(iii) Modification of financial assets

Modification of exposure is the procedure where the terms of original contract are changed and where the modification may be:

- 1) caused by current borrower's' needs (for example, reduction in the effective interest rate due to market changes, extension of duration of collateral substitution, etc.) and not by financial difficulties of the borrower,
- 2) caused by the current financial difficulties of the borrower or the difficulties that will arise soon, i.e. deterioration of the borrower's creditworthiness.

A modification of a financial asset exists when a change has been made to some or all of the contractual terms.

In the case of a financial asset line that represents a debt instrument (securities and loans and receivables), the Bank determines whether the modification is significant or whether the difference between the present value of the remaining modified cash flows discounted using the original effective interest rate and the current value of the modified cash flows discounted using the original effective interest rate exceeds 10%.

If the modification is significant, the Bank ceases to recognize (derecognizes) the original financial asset and starts to recognize new financial assets at fair value plus transaction costs and recalculates the new effective interest rate for the asset. The modification date is consequently considered to be the date of initial recognition for the purpose of calculating the impairment, including the need to determine whether significant increase in credit risk has occurred.

Furthermore, the Bank also assesses whether the new financial asset recognized is deemed to be credit-impaired at the date of initial recognition, especially in circumstances where the modification was driven by the financial difficulties of the debtor. The differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the modification of the financial asset is not significant and the modification did not result in derecognition of the financial asset, the Bank then first recalculates the gross carrying amount of the asset based on the revised cash flows of the financial asset and recognizes the difference as gain or loss in the profit or loss. The new gross carrying amount is recalculated by discounting modified cash flows at the original effective interest rate (or using an effective interest rate adjusted for credit risk in the case of POCI assets).

If the modification occurs because of the financial difficulties of the debtor, the gain or loss is recorded together with the impairment loss. In other cases, it is recorded as interest income calculated using the effective interest rate method.

(iv) Impairment

The Agency's decision, which is based on IFRS 9, emphasizes a "three-stage" model for impairment of financial assets, based on changes in credit quality since initial recognition of financial assets.

Impairment of financial assets is recognized on the basis of the expected credit loss model (ECL) for assets subsequently measured at amortized cost and assets subsequently measured at fair value through other comprehensive income (other than equity instruments).

The Agency's decision, which is based on IFRS 9, requires an assessment of the expected losses at the level of losses expected in the next 12 months (Stage 1) from the initial entry of the financial instrument. The time period for calculating the expected loss becomes an entire remaining life of the asset which is subject to the valuation, where the credit quality of the financial instrument experienced a "significant" deterioration in relation to the initial measurement (Stage 2) or in case the asset is partially or fully non-performing (Stage 3). More specifically, the impairment provisions under IFRS 9 include:

- allocation of performing financial assets at different credit risk levels ("staging"), corresponding to the value adjustments based on expected losses over the next 12 months (the so-called "Stage 1") or the lifetime for an entire remaining duration of the instrument (the so-called "Stage 2"), when significant increase in credit risk is present;
- allocation of partially or fully non-performing financial assets in the so-called "Stage 3", always with the value adjustments based on expected losses over an entire duration of the instrument;
- inclusion of Expected Credit Losses (ECL) in the calculation, as well as the expected future changes of the macroeconomic scenario.

ECL measurement

Expected credit losses under the internal impairment model are measured as follows:

- *financial assets that are not credit-impaired at the reporting date*: as the present value of the missing cash (i.e. the difference between the cash flows to the entity under the contract and the cash flows that the bank expects to receive)
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of expected future cash flows
- *undrawn credit liabilities*: as the present value of the difference between the agreed cash flow to the Bank if the liability is undrawn, and the cash flow that the Bank expects to receive; and
- *financial guarantee agreements*: expected payments to settle the guarantee holder less the amount that the Bank expects to reimburse.

See Note 5.1.3. explaining in detail the internal impairment model.

The Bank measures expected credit losses in line with the requirements of the Decision on Credit Risk Management and Determination of Expected Credit Losses. The impairment requirements of the Decision are based on the expected credit loss model under the IFRS 9, but it has certain specificities (for example, the prescribed minimum expected credit loss rate for credit risk levels). Following the regulatory requirements, the Bank updated the impairment methodology in line with the requirements of the Decision and defined the minimum criteria for measuring expected losses in accordance with the schedule of exposures to credit risk levels, as described below.

1 Credit risk level 1:

The Bank shall determine and record the expected credit losses for exposures allocated to the credit risk level 1 at least in the following amounts:

- a) for low risk exposures – 0.1% of exposure,
- b) for exposures to central governments and central banks outside Bosnia and Herzegovina for which there is a credit assessment by a recognized external credit rating institution which is assigned to credit quality level 3 and 4 in accordance with Article 73 of the Decision on calculation of bank's capital – 0.1 % of exposure
- c) for exposures to banks and other financial sector entities for which there is a credit assessment by a recognized external credit rating institution which is assigned to credit quality level 1, 2 or 3, in accordance with Article 73 of the Decision on calculation of bank's capital – 0.1 % of exposure,
- d) for other exposures – 0.5% of the exposure amount.
If the bank does not have an adequate time series, volume and/or quality of relevant historical data and is therefore unable to determine the PD parameter using its own model in an appropriate and documented manner, the bank may not determine the expected credit loss for other exposures classified in credit risk level 1 in an amount lower than 1% of the exposure.
- e) for credit exposures classified in credit risk level 1 for which a significant increase in the interest rate has been identified during the exposure monitoring process, the bank may not determine expected credit losses in an amount lower than 2% of the exposure.

If, in accordance with its internal methodology, the Bank determines that the expected credit losses exceed those specified by the aforementioned provisions of the Decision, the Bank shall apply the higher amount determined.

2 Credit risk level 2:

For exposures allocated to the credit risk level 2, the Bank determines and records the expected credit losses in the amount higher than the 2 below:

- a) 5% of exposure,
- b) the amount determined in accordance with the Bank's internal methodology.
- c) If the bank does not have an adequate time series, volume and/or quality of relevant historical data, and is therefore unable to determine the value of the PD parameter using its own model in an appropriate and documented manner, the bank may not determine the expected credit loss for other exposures classified in credit risk level 2 in an amount lower than 8% of the exposure.
- d) For credit exposures classified in credit risk level 2 for which a significant increase in the interest rate has been identified during the exposure risk monitoring process, the bank may not determine expected credit losses in an amount lower than 12% of the exposure.

If, in accordance with its internal methodology, the Bank determines that the expected credit losses exceed those specified by the provisions of the Decision mentioned above, the Bank shall apply the higher amount determined.

3 Credit risk level 3:

The minimum rates of expected credit losses allocated to Level 3 depend on whether the exposure is secured by eligible collateral or not, and accordingly, the minimum rates are as follows:

- a) exposures secured by eligible collateral:

Days past due	Minimum expected credit loss
Up to 180 days	15%
from 181 to 270 days	25%
from 271 to 365 days	40%
from 366 to 730 days	60%
from 731 to 1460 days	80%
over 1460 days	100%

Exceptionally, if the Bank has taken appropriate legal action and can document the certainty of collection from eligible collateral in the next three years, the increase in the level of expected credit losses is not required to exceed 80% of the exposure. In doing so, the estimate of future cash flows from eligible collateral reduced to present value must be greater than 20% of that receivable. If the Bank fails to collect receivables in the specified period of 3 years, it is obliged to record the ECL in the amount of 100% of the exposure.

b) exposures not secured by eligible collateral:

Days past due	Minimum expected credit loss
Up to 180 days	15%
from 181 to 270 days	45%
from 271 to 365 days	75%
from 366 to 456 days	85%
over 456 days	100%

In the case of restructured exposures, the Bank will maintain the expected credit losses at the level of coverage formed on the date of restructuring approval, which may not be lower than 15% of the exposure, for all 12 months of the recovery period. For the third and each subsequent restructuring of a previously restructured exposure that was allocated to credit risk level 3 or POCI assets at the time of restructuring, the Bank determines and records the expected credit losses in the amount of 100% of the exposures. The Bank is obligated to determine and record an expected credit loss of 100% in the accounting for exposures related to cases where the debtor has failed to fulfill its obligation to the Bank within 60 days from the date of protest, based on the previously issued guarantee.

If, in accordance with its internal methodology, the Bank determines that the expected credit losses exceed those specified by the provisions of the Decision mentioned above, the Bank shall apply the higher amount determined.

For exposures related to cases when the debtor fails to settle its obligation to the bank no later than 60 days from the day when the protest was performed on the basis of a previously issued guarantee, the Bank determines and records the expected credit loss in the amount of 100% of the exposure.

If the Bank, in accordance with its internal methodology, determines the amount of expected credit losses higher than the amounts arising from the provisions of the Decision, the Bank determines and records these amounts in the books.

The minimum rates of expected credit losses for trade receivables, factoring and financial leasing receivables and other receivables are applied according to the table as follows:

Days past due	Minimum expected credit loss
there is no material past due amount	0,5%
up to 30 days	2%
from 31 to 60 days	5%
from 61 to 90 days	10%
from 91 to 120 days	15%
from 121 to 180 days	50%
from 181 to 365 days	75%
over 365 days	100%

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at fair value through other comprehensive income are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occur.

The evidence that financial asset is impaired include the following observable data:

- the borrower or issuer experiences significant financial difficulties
- a breach of contract such as a default or past due event
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for security due to financial difficulties

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- *financial assets measured at amortized cost*: as a deduction from the gross carrying amount of the assets;
- *loan commitments and financial guarantee contracts*: generally, as a provision;
- *where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component*: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- *financial assets measured at fair value through other comprehensive income (FVOCI)*: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is also their fair value. However, the loss allowance is disclosed and recognized in the fair value reserve.

See also Note 5.1.3..

POCI assets – purchased or originated credit impaired assets

Purchased or originated credit-impaired financial asset is an asset where there is objective evidence of impairment (default) at initial recognition.

Such assets may originate in the following cases:

- bank repurchases at a significant discount an asset for which there is objective evidence of impairment
- there is a significant modification of the instrument which is already in default
- the significant modification of the instrument itself is the very reason for default
- bank grants a new loan to a customer whose significant portion of the portfolio is already in default

The Bank does not purchase any impaired assets (so called bad debts), therefore POCI assets are instruments that are initially recognized or subsequently recognized due to a significant modification, which were in default at the date of recognition.

Write-offs

Receivables arising from credit placements are written off when all sources of collection have been exhausted or when no future positive or negative cash flows are expected from the credit placements.

Write-off of loan receivables represents a loss. The consequence of writing off loan receivables is their derecognition from the accounting records, except in cases of accounting write-off, when the Bank acts in accordance with regulations, namely the Decision on Credit Risk Management and Determination of Expected Credit Losses.

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation that financial asset will be recovered in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower has no assets or sources of income that may generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at individual asset level.

Recoveries of amounts previously written off are included in "impairment losses on financial instrument" in the statement of profit or loss and other comprehensive income. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Banks's procedures.

The Bank writes off a loan or an investment in debt security, either partially or in full, and any related allowance for impairment losses, when Bank's Credit Board determines that there is no realistic prospect of recovery.

The Bank performs an accounting write-off of the balance sheet exposure two years after it has recorded expected credit losses of 100% of the gross carrying amount of that exposure and declared it fully due.

3.11.2. Financial liabilities

(i) Classification

The Bank classifies financial liabilities at fair value through profit or loss and at amortized cost. The classification depends on the purpose for which the financial instruments have been acquired. The Management determines the classification of financial instruments at initial recognition and reviews that classification at each reporting date.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss have two sub-categories: financial instruments held for trading (including derivatives) and those initially designated by the Management into this category. A financial instrument is classified in this category only if it is acquired or incurred solely for the purpose of selling or repurchasing it in the near term for the purpose of short-term profit taking or designated as such by management at initial recognition. The Bank has no financial liabilities classified at fair value through profit or loss.

Other financial liabilities

Other financial liabilities comprise all financial liabilities not measured at fair value through profit and loss and include due to customers, due to banks and other financial institutions, and subordinated debt.

(ii) Initial and subsequent measurement

Financial liabilities at fair value through profit or loss are initially recognized at fair value, while transaction costs are immediately expensed. Subsequent measurement is also at fair value.

(iii) Modification of financial liabilities

Gains and losses arising from a change in the fair value of financial liabilities at fair value through profit or loss are recognized in the income statement.

Other financial liabilities are initially measured at fair value including transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate.

(iv) Derecognition of financial liabilities

The Bank derecognizes financial liabilities when, and only when the Bank's obligations are discharged, cancelled or expired.

The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amounts and financial liability is derecognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortization cost of the liability is re-calculated by discounting the modified cash flows at original effective interest rates, resulting in the recognition as gain or loss in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. The costs and fees incurred are recognized as an adjustment to the carrying amount of the liability or amortized amount over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

3.11.3. Offsetting of financial assets and liabilities

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

Income and expenses are presented on a net basis only when permitted under the IFRS, or for gains and losses arising from similar transactions such as in the trading activities.

3.11.4. Fair value measurement of financial assets and financial liabilities

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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When appropriate, the Bank measures the fair value of an instrument using the quoted price in active market for that instrument. A market is considered active if transactions for the asset or liability take place with adequate frequency and in volume sufficient to provide pricing information on an ongoing basis (Level 1 of the fair value hierarchy).

If there is no quoted price in active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (Level 2 and Level 3 of the fair value hierarchy). The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of financial instrument at initial recognition is normally the transaction price – the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability measured at fair value has a bid price and an ask price, the Bank measures assets and long positions at the bid price and liabilities and short positions at the ask price.

The portfolios of financial assets and financial liabilities, that are exposed to market risk and credit risk managed by the Bank on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustments of each of the individual instruments in the portfolio.

The fair value of demand deposits is not less than the amount payable on demand.

The Bank recognizes transfers between levels of the fair value hierarchy within the reporting period that saw the change.

Classification of assets and liabilities is presented as follows:

All amounts are expressed in thousands of BAM	Financial assets valued at amor- tized cost	Financial assets valued at FVtPL	Financial assets valued at FVtOCI	Financial liabilities valued at amor- tized cost	Financial liabilities valued at FVtPL	Financial liabilities valued by FVtOCI	Non- financial assets and liabil- ities	Equity	Total as at 31.12.2025
Cash and cash equivalents	1,247,244	-	-	-	-	-	-	-	1,247,244
Financial assets at fair value through PL	-	9,034	-	-	-	-	-	-	9,034
Financial assets at fair value through OCI	-	-	575	-	-	-	-	-	575
Financial assets at amortized cost	4,516,619	-	-	-	-	-	-	-	4,516,619
Prepaid profit tax	-	-	-	-	-	-	2,093	-	2,093
Deferred tax assets	-	-	-	-	-	-	7,894	-	7,894
Tangible assets	-	-	-	-	-	-	163,127	-	163,127
Intangible assets	-	-	-	-	-	-	44,364	-	44,364
Investments in subsidiaries, joint ventures and associated companies	-	-	-	-	-	-	11,052	-	11,052
Long-term assets intended for sale and assets of operations to be suspended	-	-	-	-	-	-	403	-	403
Other assets and receivables	-	-	-	-	-	-	7,528	-	7,528
TOTAL ASSETS	5,763,863	9,034	575	-	-	-	236,461	-	6,009,933
Financial liabilities at amortized cost	5,104,347	-	-	-	-	-	-	-	5,104,347
Income tax liabilities	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	3,164	-	3,164
Provisions	-	-	-	-	-	-	34,316	-	34,316
Other liabilities	-	-	-	-	-	-	21,569	-	21,569
TOTAL LIABILITIES	5,104,347	-	-	-	-	-	59,049	-	5,163,396
Share capital	-	-	-	-	-	-	-	247,167	247,167
Share premium	-	-	-	-	-	-	-	4,473	4,473
Reserves	-	-	-	-	-	-	-	1,230	1,230
Revaluation reserves	-	-	-	-	-	-	-	311	311
Accumulated earnings	-	-	-	-	-	-	-	593,356	593,356
TOTAL EQUITY	-	-	-	-	-	-	-	846,537	846,537

All amounts are expressed in thousands of BAM	Financial assets valued at amortized cost	Financial assets valued at FVtPL	Financial assets valued at FVtOCI	Financial liabilities valued at amortized cost	Financial liabilities valued at FVtPL	Financial liabilities valued by FVtOCI	Non-financial assets and liabilities	Equity	Total as at 31.12.2024
Cash and cash equivalents	1,499,512	-	-	-	-	-	-	-	1,499,512
Financial assets at fair value through PL	-	10,422	-	-	-	-	-	-	10,422
Financial assets at fair value through OCI	-	-	544	-	-	-	-	-	544
Financial assets at amortized cost	3,954,871	-	-	-	-	-	-	-	3,954,871
Deferred tax assets	-	-	-	-	-	-	9,090	-	9,090
Tangible assets	-	-	-	-	-	-	140,870	-	140,870
Intangible assets	-	-	-	-	-	-	39,231	-	39,231
Investments in subsidiaries, joint ventures and associated companies	-	-	-	-	-	-	11,052	-	11,052
Long-term assets intended for sale and assets of operations to be suspended	-	-	-	-	-	-	403	-	403
Other assets and receivables	-	-	-	-	-	-	7,107	-	7,107
TOTAL ASSETS	5,454,383	10,422	544	-	-	-	207,753	-	5,673,102
Financial liabilities at amortized cost	4,859,835	-	-	-	-	-	-	-	4,859,835
Income tax liabilities	-	-	-	-	-	-	800	-	800
Deferred tax liabilities	-	-	-	-	-	-	2,317	-	2,317
Provisions	-	-	-	-	-	-	35,557	-	35,557
Other liabilities	-	-	-	-	-	-	22,267	-	22,267
TOTAL LIABILITIES	4,859,835	-	-	-	-	-	60,941	-	4,920,776
Share capital	-	-	-	-	-	-	-	247,167	247,167
Share premium	-	-	-	-	-	-	-	4,473	4,473
Reserves	-	-	-	-	-	-	-	1,230	1,230
Revaluation reserves	-	-	-	-	-	-	-	283	283
Accumulated earnings	-	-	-	-	-	-	-	499,173	499,173
TOTAL EQUITY	-	-	-	-	-	-	-	752,326	752,326

3.11.5. Specific financial instruments

Cash and cash equivalents

For the purpose of cash flow reporting, the cash and cash equivalents include cash with the Central Bank, balances and funds held at the current accounts with other banks and financial assets in other banks with original maturities of 3 months from the date of acquisition.

The cash and cash equivalents are carried at amortized cost in the statement of financial position.

The cash and cash equivalents exclude the obligatory minimum reserve with the Central Bank as these funds are not available for the Bank's day-to-day operations. The obligatory minimum reserve with the Central Bank is a required reserve to be held by all commercial banks licensed in Bosnia and Herzegovina.

Placements with banks and the obligatory reserve with the Central Bank

Placements with banks with maturity over 3 months and the obligatory reserve with the Central Bank are classified as loans and receivables and are carried at amortized cost less impairment losses.

Loans and receivables

Loans and receivables are presented at amortized cost net of impairment allowances to reflect the estimated recoverable amounts.

The "Loans and receivables" caption in the statement of financial position include:

- loans and receivables measured at amortized cost (see Note 3.11.1), that are initially measured at fair value plus initial costs, and subsequently at their amortized cost using the effective interest method
- loans and receivables at fair value through profit or loss, measured at fair value with changes in fair value that are recognized in profit or loss.

The "Financial assets at fair value through profit and loss" caption in the statement of financial position includes:

- debt securities measured at fair value through profit or loss.

The "Financial assets at amortized cost" caption in the statement of financial position includes:

- debt securities measured at amortized cost
- other financial asset measured at amortized cost

The "Financial assets at fair value thru other comprehensive income" caption in the statement of financial position includes:

- equity securities measured at fair value through other comprehensive income

The Bank opted to recognize through other comprehensive income the changes in the fair value of certain investments in securities that are not held for trading. The selection is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on equity instruments are never reclassified to profit or loss and no impairment is recognized in profit or loss. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in other comprehensive income. Cumulative gains and losses recognized in other comprehensive income are transferred to retained earnings on disposal of an investment.

Financial guarantees and loan commitments

"Financial guarantees" are the contracts that require the Bank to perform specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the contractual terms of a debt instrument. "Loan commitments" are the Bank's commitments to provide a loan under the pre-specified terms and conditions.

Interest-bearing borrowings and subordinated debt

Interest-bearing borrowings and subordinated debt are classified as other financial liabilities and are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost with any difference between proceedings (net of transaction costs) and redemption value being recognized in the profit or loss statement over the period of the borrowings using the effective interest rate method.

Current accounts and deposits from banks and customers (bank and client deposits)

Current accounts and deposits are classified as other liabilities and initially measured at fair value plus transaction costs and subsequently stated at their amortized cost using the effective interest method.

3.12. Property and equipment

Recognition and measurement

Property and equipment are initially stated at cost less accumulated depreciation and impairment losses. The purchase cost includes the purchase price and all costs directly attributable to bringing the asset into operating condition for its intended use. Subsequent cost is included in net book value or is accounted for as separate assets only if it is probable that the future economic benefits embodied within the part will flow to the Bank and that its cost can be measured reliably. The costs of day-to-day repairs and maintenance are recognized in the income statement as incurred.

Depreciation is charged from the moment the asset is ready for its intended use. It is calculated on the basis of the estimated useful life of the asset, using the straight-line method as follows.

Estimated depreciation rates in 2025 and 2024 were as follows:

Buildings	2%
Vehicles	14.28%
Office equipment	10%-50%

The gain or loss arising on the retirement or disposal of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income in the period in which they occurred.

3.13. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses. The cost includes all expenditure that is directly attributable to the acquisition of the items.

Estimated depreciation rates were as follows:

Other intangible assets	16.6%-50.0%
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3.14. Investment property

Investment property includes the property held to earn rental income or for capital appreciation, or both, and are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is stated at its cost, less accumulated depreciation and any accumulated impairment losses. Depreciation commences when the assets are ready for their intended use and is calculated on the basis of the estimated useful life of the asset, using the straight-line method as follows:

Buildings	2%
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3.15. Impairment of non-financial assets

At each reporting period date, the Bank reviews the carrying amounts of its property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the fair value of asset less the costs of sale or the value in use, depending on which is higher. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense in profit or loss.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the said asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.16. Provisions for liabilities and charges

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events for which it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation will be made.

Provisions for liabilities and charges are maintained at the level that the Bank's management considers sufficient for absorption of losses incurred. Management determines the sufficiency of provisions on the basis of insight into specific items; current economic circumstances of the risk, characteristics of certain transaction categories, as well as other relevant factors. Provisions are released only for such expenditures in respect of which provisions are recognized at inception. If an outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

3.17. Employee benefits

On behalf of its employees, the Bank pays personal income tax and contributions for pension, disability, health and unemployment insurance, on and from salaries, which are calculated as per the set legal rates during the course of the year on the gross salary. The Bank pays above tax and contributions for the benefit of the pension and health insurance fund of the Federation of Bosnia and Herzegovina (on Federation and cantonal levels), Republic of Srpska and Brčko District.

In addition, meal allowances, transport allowances and vacation bonuses are paid in accordance with the local legislation. These expenses are recognized in the statement of profit or loss and other comprehensive income in the period in which the salary expense is incurred.

Retirement severance payments

The Bank makes provision for retirement severance payments in line with the actuary report. When retiring, the employees receive the severance payment in the amount of 6 average employee salaries, or 6 average salaries at the level of the Federation of Bosnia and Herzegovina/ Republic of Srpska/ Brčko District (depending on the place of employee's work), depending on what is more favorable for an employee.

The Bank recognizes the cost of retirement severance payments in the period in which severance payments were earned.

3.18. Equity and reserves

Share capital

Share capital includes the paid-in ordinary shares and is denominated in BAM at nominal value.

Retained earnings

Profit for the year after appropriations to owners is allocated to retained earnings.

Fair value reserves

Fair value reserves comprise changes in fair value of financial assets available-for-sale (from January 1, financial assets at fair value through other comprehensive income).

Dividends

Dividends on ordinary shares are recognized as a liability in the period in which they are approved by the Bank's shareholders.

3.19. Earnings per share

The Bank publishes basic and diluted earnings per share (in English – EPS) data. Basic EPS is calculated by dividing the profit or loss in the current period attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank does not have preference shares.

3.20. Adoption of new and revised standards

3.20.1 Initial application of new amendments to the existing standards effective for the current reporting period

The following new amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by Association of accountants, auditors and financial workers of the Federation of Bosnia and Herzegovina are effective for the current reporting period:

Standard	Name
Amendments to IAS 21	Lack of Exchangeability-issued in August 2023

The adoption of these new standards, amendments to the existing standards and interpretation has not led to any material changes in the Bank's Financial statements.

3.20.2 New standards and amendments to existing standards in issue not yet adopted

At the date of authorization of these financial statements, the following new standards, amendments to existing standards and new interpretation were in issue, but not yet effective:

Standard	Name	Effective date
Amendments to IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments-issued in May 2024	1st of January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity-issued in December 2024	1st of January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11-issued in July 2024	1st of January 2026
IFRS 18	Presentation and Disclosures in Financial Statements-issued in April 2024	1st of January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures-issued in May 2024	1st of January 2027
Amendments to IFRS 10 and IAS 28	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture-issued in September 2014	deferred indefinitely

The Bank has elected not to adopt these new standards, amendments to existing standards and new interpretation in advance of their effective dates. The Bank anticipates that the adoption of these standards, amendments to existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of first implementation.

4. Critical accounting judgements and key sources of estimation uncertainty

Over the course of its regular business operations, the Bank makes estimates and judgments about uncertain events, including estimates and assumptions about the future. Such accounting assumptions and estimates are regularly evaluated and are based on historical experience and other factors such as the expected development of future events that may be reasonably assumed under the existing circumstances, but nevertheless necessarily represent sources of estimation uncertainty. The estimation of impairment losses in the Bank's credit risk portfolio represents the major source of estimation uncertainty. This and other key sources of estimation uncertainty, that have a significant risk of causing a possible material adjustment to the carrying amounts of assets and liabilities in the next financial year, are described below.

Impairment losses on loans and receivables

The Bank monitors the creditworthiness of its customers on an ongoing basis. The need for impairment of the Bank's on and off-balance sheet exposure to credit risk is assessed on a monthly basis.

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

- Note 3.11.1 (i): classification of financial assets: assessment of the business model within which the assets are classified and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- Note 5.1.3 (i): establishing the criteria for determining whether the credit risk of financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into measurement of ECL and selection of ECL measurement models.

Information about assumptions and estimation uncertainties that have the major effect on adjustments recognized in the year ended December 31 2025 and December 31 2024 are included in the following notes.

- Note 5.1.3: impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- Note 3.11.4: determination of the fair value of financial instruments with significant unobservable inputs
- Note 3.11.1.(iv): impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

Interest rate-induced risk

In line with the Article 7 of the Decision on Credit Risk Management and Determination of Expected Credit Losses, the Bank is obliged to assess the debtor's exposure to interest-induced credit risk based on receivables contracted at variable interest rate. In doing so, the Bank assesses credit risk in terms of possible changes in the financial position of the borrower due to interest rate changes, i.e. assesses the ability of the debtor to settle obligations to the Bank in accordance with the agreed conditions, in the event of a potential change in the interest rate. Significant judgments and estimates related to impairment of expected credit losses are particularly complex in the current uncertain environment triggered by negative macroeconomic developments, geopolitical situation, rising energy prices and inflation, and money market changes. During 2025, inflation in Bosnia and Herzegovina recorded an accelerated trend compared to the previous year, primarily due to a pronounced increase in price levels in the segments of food and services.

The Bank continues to conduct increased monitoring and puts an emphasis on the management of interest-induced credit risk. The management of interest-induced credit risk is described in more detail in Note 5.1.1. *Credit quality analysis*.

Taxation

The Bank provides for tax liabilities in accordance with the tax laws of the Federation of Bosnia and Herzegovina. Tax returns are subject to the approval by the tax authorities that are in charge of carrying out subsequent inspections of taxpayers' records

Regulatory requirements

The Banking Agency of the FBiH (FBA) is authorized to carry out regulatory inspections of the Bank's operations and may request changes to the carrying values of assets and liabilities, in accordance with the corresponding regulations.

Court proceedings

As of December 31, 2025, the total amount of litigation is 50,940 thousand KM (December 31, 2024 50,304 thousand). The Bank conducts an individual assessment of each litigation and determines the provision amount accordingly. The assessment and proposal for the provision amount are carried out by the Bank's Legal Affairs Department and the Finance Sector, while the final decision on the provision amount is made by the Bank's Management Board.

As stated in Note 33, as of December 31, 2025, the Bank has set aside 9,068 thousand KM (December 31, 2024: 11,148 thousand KM), an amount the Management Board considers sufficient. Since the assessment is made on a case-by-case basis, it is not practical to estimate the financial impact of changes in the assumptions on which Management bases its provision estimates at the reporting date.

Provisions for severance payments

When calculating provisions for severance payments, the Bank discounts expected future cash flows arising from the said liabilities, using the discount rates that, according to the actuary report, best reflect the time value of money.

5. Financial risk management

The Bank's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk, interest rate risk in the banking book, and subcategories of strategic and business financial risks.

The Bank has established an integrated risk management system that encompasses the analysis, assessment, acceptance, and management of various risks or combinations thereof. Risk acceptance is fundamental to the Bank's financial operations, while operational risk, as a non-financial risk, is an inevitable consequence of business activities.

The Management Board is responsible for establishing and overseeing the framework for managing both financial and non-financial risks to which the Bank is exposed.

Risk management is an integral part of the internal management system. The Rulebook on internal organization of Raiffeisen bank dd Bosnia and Herzegovina regulates the basic principles of organization and organizational structure of the Bank, the basics of job description and main responsibilities and the scope of work of organizational units and organizational parts of the Bank, including the risk management competencies.

Risk control, as a control function, provides an integral framework for control and monitoring of all types of risk.

Risk control's main objective is to coordinate the implementation of instruments, methods, parameters and standards, to measure and monitor risk in order to avoid threats, and to improve the risk/return rate within the risk limit. This includes:

- a) Defining the methodologies and parameters for risk measurement (closely with risk management functions)
- b) Implementation of risk measurement and risk control
- c) Conducting a scenario analysis and stress test in order to examine the impact of the extreme and severe crisis on the bank's position
- d) Risk reporting at aggregated level

The Risk Control Department independently controls the effectiveness of the risk management process, which should include the regular and timely identification, measurement, assessment, mastering, monitoring and control of risks, including the reporting on the risks to which the bank is exposed or may be exposed in its operations. Risk Control informs the Audit Committee, the Risk Board and the Supervisory Board of the Bank, while informing the Bank's Management Board in order to timely and effectively implement the given recommendations to remove illegalities, irregularities, deficiencies and weaknesses of the established controls.

5.1. Credit risk

Risk limit control and mitigation procedures

The Bank is exposed to credit risk which is the risk that the other contractual party will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to industry segments. Such risks are monitored on a regular basis and are subject to annual or more frequent review.

Credit risk exposure is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest payment and principal repayment obligations and by changing the lending limits where appropriate. Exposure to credit risk is also managed, to a certain extent, by obtaining collateral and corporate and personal guarantees.

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. "Settlement risk" is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities, or other assets as contractually agreed.

For certain types of transaction, the Bank mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits are part of the credit approval/limit monitoring process. Acceptance of settlement risk on free-settlement trades requires transaction-specific or counterparty-specific approvals from the Bank's Risk Management Department.

The Supervisory Board of the Bank makes decision on the composition and authorizations of the Credit Committee and the Credit Committee for Non-performing Loans. The Credit Committee, within its authority, may delegate credit authorizations to the lower decision-making levels and appoint credit decision-makers. Credentials and procedures of the Credit Committee and the Credit Committee for NPL are defined in the defined in the rules of procedure of these bodies.

Off-balance-sheet credit instruments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and letter of credits carry the same risk as loans and are secured with similar collateral as are loans.

5.1.1 Credit risk analysis

5.1.1.1 Maximum exposure to credit risk before collateral held or other credit improvements

The maximum credit risk exposure of the statement of financial position line items is stated as follows:

All amounts are expressed in thousands of BAM	Notes	31 December 2025	31 December 2024
Cash and accounts with banks (cash at treasury)	20	997,330	1,200,640
Loans to and receivables from customers at fair value	21	9,034	10,422
Obligatory reserves at the Central Bank of BiH	23.1	500,742	475,635
Bank deposits	23.2	9,951	-
Loans and advances to customers at amortized cost	23.3	3,345,305	2,936,701
Debt instruments at amortized cost	23.4	636,380	513,272
Other financial assets	23.4	24,241	29,263
		5,522,983	5,165,933

The maximum credit risk exposure of off-balance sheet items is stated as follows:

All amounts are expressed in thousands of BAM	Notes	31 December 2025	31 December 2024
Neopozive obaveze za davanje kredita, neto	32	569,011	758,481
Ostale stavke vanbilansne izloženosti, neto	32	691,197	395,205
		1,260,208	1,153,686

The following table presents the information on credit quality of financial assets measured at amortized cost. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed.

Explanation of terms "Stage 1", "Stage 2" and "Stage 3" is included in Note 3.11.1.

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Cash and accounts with banks (cash at treasury)					
Excellent	-	-	-	-	-
Strong	333,784	-	-	-	333,784
Good	72,575	-	-	-	72,575
Satisfactory	592,182	-	-	-	592,182
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	75,984
Total gross amount	998,541	-	-	-	998,541
Less: loss allowance	(1,211)	-	-	-	(1,211)
Net carrying amount	997,330	-	-	-	997,330

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Cash and accounts with banks (cash at treasury)					
Excellent	-	-	-	-	-
Strong	435,408	-	-	-	435,408
Good	52,812	-	-	-	52,812
Satisfactory	638,136	-	-	-	638,136
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	75,984	-	-	-	75,984
Total gross amount	1,202,340	-	-	-	1,202,340
Less: loss allowance	(1,700)	-	-	-	(1,700)
Net carrying amount	1,200,640	-	-	-	1,200,640

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
Loans to and receivables from customers at fair value		
Excellent	-	-
Strong	6	10
Good	1,831	1,702
Satisfactory	6,042	7,407
Substandard	1,156	1,325
Credit impaired	362	327
Unrated	-	-
Total gross	9,397	10,771
Less: Fair value adjustment	(363)	(349)
Total	9,034	10,422

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Obligatory reserves with Central Bank					
Excellent	-	-	-	-	-
Strong	-	-	-	-	-
Good	-	-	-	-	-
Satisfactory	501,243	-	-	-	501,243
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	501,243	-	-	-	501,243
Less: loss allowance	(501)	-	-	-	(501)
Net carrying amount	500,742	-	-	-	500,742

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Obligatory reserves with Central Bank					
Excellent	-	-	-	-	-
Strong	-	-	-	-	-
Good	-	-	-	-	-
Satisfactory	476,111	-	-	-	476,111
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	476,111	-	-	-	476,111
Less: loss allowance	(476)	-	-	-	(476)
Net carrying amount	475,635	-	-	-	475,635

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Deposits with banks					
Excellent	-	-	-	-	-
Strong	-	-	-	-	-
Good	10,001	-	-	-	10,001
Satisfactory	-	-	-	-	-
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	10,001	-	-	-	10,001
Less: loss allowance	(50)	-	-	-	(50)
Net carrying amount	9,951	-	-	-	9,951

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Deposits with banks					
Excellent	-	-	-	-	-
Strong	-	-	-	-	-
Good	-	-	-	-	-
Satisfactory	-	-	-	-	-
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	-	-	-	-	-
Less: loss allowance	-	-	-	-	-
Net carrying amount	-	-	-	-	-

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Loans to and receivables from customers at amortized cost					
Excellent	13,318	922	-	-	14,240
Strong	374,840	2,196	-	25	377,061
Good	1,765,440	63,238	-	726	1,829,404
Satisfactory	858,332	117,759	-	409	976,500
Substandard	32,981	125,514	-	925	159,420
Credit impaired	-	-	108,100	5,692	113,792
Unrated	933	82	-	-	1,015
Total gross amount	3,045,844	309,711	108,100	7,777	3,471,432
Less: loss allowance	(17,696)	(18,632)	(86,441)	(3,358)	(126,127)
Net carrying amount	3,028,148	291,079	21,659	4,419	3,345,305

In 2025, the Bank changed the scale used as a basis for assessment of the credit quality of financial assets.

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Loans to and receivables from customers at amortized cost					
Excellent	9,425	330	-	-	9,755
Strong	212,285	2,679	-	29	214,993
Good	1,598,759	68,443	-	902	1,668,104
Satisfactory	775,660	121,220	-	530	897,410
Substandard	29,786	128,539	-	647	158,972
Credit impaired	-	-	109,072	6,181	115,253
Unrated	449	326	-	-	775
Total gross amount	2,626,364	321,537	109,072	8,289	3,065,262
Less: loss allowance	(17,251)	(21,449)	(85,520)	(4,341)	(128,561)
Net carrying amount	2,609,113	300,088	23,552	3,948	2,936,701

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Debt instruments at amortized cost					
Excellent	154,995	-	-	-	154,995
Strong	398,710	-	-	-	398,710
Good	28,538	-	-	-	28,538
Satisfactory	56,138	-	-	-	56,138
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	638,381	-	-	-	638,381
Less: loss allowance	(2,001)	-	-	-	(2,001)
Net carrying amount	636,380	-	-	-	636,380

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Debt instruments at amortized cost					
Excellent	160,802	-	-	-	160,802
Strong	295,273	-	-	-	295,273
Good	20,558	-	-	-	20,558
Satisfactory	37,977	-	-	-	37,977
Substandard	-	-	-	-	-
Credit impaired	-	-	-	-	-
Unrated	-	-	-	-	-
Total gross amount	514,610	-	-	-	514,610
Less: loss allowance	(1,338)	-	-	-	(1,338)
Net carrying amount	513,272	-	-	-	513,272

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	31 December 2025 Total
Irrevocable loan commitments				
Excellent	11,303	438	-	11,741
Strong	87,834	2,200	-	90,034
Good	380,392	14,250	-	394,642
Satisfactory	60,142	15,105	-	75,247
Substandard	299	1,059	-	1,358
Credit impaired	-	-	241	241
Unrated	337	-	-	337
Total gross amount	540,307	33,052	241	573,600
Less: loss allowance	(2,756)	(1,661)	(172)	(4,589)
Net carrying amount	537,551	31,391	69	569,011

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	31 December 2024 Total
Irrevocable loan commitments				
Excellent	11,391	148	-	11,539
Strong	96,787	816	-	97,603
Good	390,692	26,143	525	417,360
Satisfactory	18,230	729	-	18,959
Substandard	-	75	-	255
Credit impaired	-	-	214	214
Unrated	525	198	-	723
Total gross amount	517,805	28,109	739	546,653
Less: loss allowance	(2,581)	(1,439)	(271)	(4,291)
Net carrying amount	515,224	26,670	468	542,362

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	31 December 2025 Total
Other off-balance exposures				
Excellent	977	41	-	1,018
Strong	117,369	332	-	117,701
Good	433,996	43,131	116	477,243
Satisfactory	72,101	16,965	-	89,066
Substandard	-	4,819	-	4,819
Credit impaired	-	-	659	659
Unrated	7,954	-	-	7,954
Total gross amount	632,397	65,288	775	698,460
Less: loss allowance	(3,015)	(3,790)	(458)	(7,263)
Net carrying amount	629,382	61,498	317	691,197

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	31 December 2024 Total
Other off-balance exposures				
Excellent	293	39	-	332
Strong	880	10	-	890
Good	-	-	534	534
Satisfactory	1,785	64	-	1,849
Substandard	12	-	-	12
Credit impaired	-	-	-	-
Unrated	1,429	353	-	1,782
Total gross amount	564,829	51,983	534	617,346
Less: loss allowance	(2,995)	(2,613)	(414)	(6,022)
Net carrying amount	561,834	49,370	120	611,324

Following table presents information on the balance of loans and receivables from customer advances that were received in stages 1, 2 and 3.

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2025 Total
Customer loans and receivables at amortized cost					
Current	3,002,893	237,807	15,072	4,566	3,260,338
Overdue < 30 days	42,951	57,604	4,352	910	105,817
Overdue > 30 days < 90 days	-	14,300	2,979	195	17,474
Overdue > 90 days	-	-	85,697	2,106	87,803
Gross carrying amount	3,045,844	309,711	108,100	7,777	3,045,844
Less: loss allowance	(17,696)	(18,632)	(86,441)	(3,358)	(126,127)
Total	3,028,148	291,079	21,659	4,419	3,345,305

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	31 December 2024 Total
Customer loans and receivables at amortized cost					
Current	2,581,454	243,733	9,136	4,733	2,839,056
Overdue < 30 days	44,910	62,211	8,911	851	116,883
Overdue > 30 days < 90 days	-	15,593	4,832	314	20,739
Overdue > 90 days	-	-	86,193	2,391	88,584
Gross carrying amount	2,626,364	321,537	109,072	8,289	3,065,262
Less: loss allowance	(17,251)	(21,449)	(85,520)	(4,341)	(128,561)
Total	2,609,113	300,088	23,552	3,948	2,936,701

Interest rate-induced credit risk

In line with the Article 7 of the Decision on Credit Risk Management and Determination of Expected Credit Losses, the Bank is obliged to assess the debtor's exposure to interest-induced credit risk based on receivables contracted at a variable interest rate. In doing so, the Bank assesses credit risk in terms of possible changes in the financial position of the borrower due to interest rate changes, i.e. assesses the ability of the debtor to settle obligations to the Bank in accordance with the agreed conditions, in the event of a potential change in the interest rate.

When assessing the client's creditworthiness, the Bank assesses the effects of interest-induced credit risk based on receivables contracted at variable interest rates, whereby the Bank assesses credit risk, i.e. the debtor's ability to settle liabilities to the Bank in accordance with the agreed conditions, in the event of a potential change in the interest rate.

The Bank regularly reports to relevant stakeholders on the impact of Interest Rate-Induced Credit Risk and on portfolio quality. Additionally, in accordance with the Decision on Temporary Measures for Mitigating the Risks of Rising Interest Rates, the Bank is required to report to the Regulator on a monthly basis regarding the implementation of the measures prescribed by the aforementioned decision and their impact on the credit portfolio, using predefined reporting templates.

In 2025, there were no significant changes in interest rates on loans to individuals or legal entities in the local banking market in Bosnia and Herzegovina. The average increase in interest rates at the BiH market level was only 129 basis points compared to June 2022, when the ECB interest rate hike cycle began and when the local regulators introduced decisions establishing a recommended limit for increases in interest rates.

This mild increase in average interest rates, combined with the maintained quality of the credit portfolio for both individuals and legal entities — with a record-low NPL level of 3.5% in 2025 at the BiH market level — was certainly supported by the decisions of the regulators in BiH (the entity banking agencies), which introduced a cap limiting interest rate growth to 200 basis points relative to June 30, 2022. Banks had the discretion to exceed this limit, but doing so required them to recognize a significantly higher level of provisioning.

A second reason for the absence of a significant rise in interest rates in BiH is the fact that the local banking sector relies primarily on domestic deposits for funding and does not have substantial funding sources from the EU (directly linked to Euribor). The third contributing factor is strong competition in the banking market, where banks must carefully consider any potential increase in interest rates in the context of preserving their market position.

The Plan for the application of temporary measures aimed at mitigating the risk that may result from a significant increase in interest rates for loan exposures of Raiffeisen BANK dd Bosnia and Herzegovina defines:

- Comparison of the current level of interest rates against the interest rate levels on the reference date 30 June 2022 (new and current exposures);
- Interest rate growth forecasts and effects of this growth on credit risk;
- Measures to be taken by the bank to mitigate the credit risk and ramifications for credit users;
- Communication with clients;
- Manner of documenting/recording the credit activities;
- Effect of measures on IFRS 9 and expected credit losses;
- Special internal control system measures;
- The monitoring and reporting system in the Bank and reporting to the Agency on the activities and measures under the Decision.

For all interest rate changes exceeding 200 bps compared to the reference date of June 30, 2022, the Bank is required to calculate an increased amount of expected credit losses. Specifically, for exposures classified in credit risk level 1, a minimum of 2% must be applied instead of 0.5%, and for exposures in credit risk level 2, a minimum of 12% must be applied instead of 5%.

As of the reporting date of December 31, 2025, in the retail (PI) portfolio, 88 accounts with a total exposure of BAM 621 thousand recorded an interest rate increase of more than 200 bps, resulting in a total impact on the increase in ECL of BAM 15 thousand (BAM 9 thousand for level 2 and BAM 6 thousand for level 1).

As of the reporting date of December 31, 2025, in the non-retail portfolio, 88 accounts with a total exposure of BAM 39.2 million recorded an interest rate increase of more than 200 bps, resulting in a total impact on the increase in ECL of BAM 711.7 thousand (BAM 520.1 thousand for level 1 and BAM 191.6 thousand for level 2).

The analysis and monitoring of the portfolio subject to interest rate-induced credit risk is carried out on a regular basis, and reports are submitted to local stakeholders as well as to the relevant RBI units.

The Bank is required to report to the Regulator on a monthly basis regarding the application of the measures from the aforementioned decision and their impact on the credit portfolio.

The Bank's policy regarding the acquisition of collateral has remained largely unchanged during the reporting period. In 2025, there were no significant modifications to the conditions of collateral acceptability, nor were there any notable changes in the quality of collateral compared to the previous period. The process of regularly assessing the market value of collateral, in accordance with the timeframes defined by the applicable collateral procedures, has been consistently implemented. Additionally, the Bank conducts an annual analysis of sold collateral. Based on the results of the achieved sales values, the corrective factors (discount rates) applied to collateral are adjusted, if necessary. However, during 2025, there was no need to modify these corrective factors.

The Bank also has a process in place to acquire collateral as a protective measure to prevent the sale of real estate serving as collateral for NPL loans at exceptionally low prices in court sales (executive proceedings). This process is applicable to both the SEM NRT & SE Late Stage and Retail Collection segments through the court.

The strategy is reflected in the process by which, based on adequate analyses, the protective price of an asset is determined (considering the bank's claims and the asset's value). The Bank does not allow the sale of the asset below this price, thereby safeguarding its position and preventing the asset from being sold at a price significantly lower than its market value in enforcement proceedings.

Throughout the year, the Bank also holds items of acquired assets, or collateral, in both financial and non-financial asset positions. These assets serve as security for credit exposure in the event of a debtor's default on debt obligations. The acquisition process primarily applies to real estate, and only in exceptional cases to equipment and vehicles. Acquired assets are classified as such in the Bank's Statement of Financial Position when the conditions for their acquisition are met in accordance with relevant regulations. These assets are intended for eventual sale.

The Bank's policy regarding the acquisition of assets remained unchanged during the reporting period.

Residential mortgage lending

The tables below outline credit exposures from mortgage loans and advances to retail customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination, and market value is monitored and adjusted to market trends, once a year at minimum. For credit-impaired loans, the value of collateral is based on the most recent market value appraisals.

5.1.2. Collateral and other credit improvements

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
LTV ratio		
Less than 50%	137,318	96,451
51–70%	88,481	69,247
71–90%	206,446	156,552
91–100%	24,834	13,304
More than 100%	19,486	22,113
Total	476,565	357,667

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
Credit-impaired loans		
Less than 50%	518	483
91%–100	–	–
More than 100%	5,519	4,960
Total	6,037	5,443

5.1.3 Amounts arising from expected credit loss (ECL)

i. Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative or qualitative criteria have been met. The criteria for determining a significant increase in credit risk are defined for the proper allocation of exposure in Stage 1 or Stage 2.

Quantitative criteria

With regard to corporate clients, the quantitative criteria assesses whether the risk of default on liabilities has increased significantly from the initial recognition through the threshold of 250% (250%-threshold is temporally dependent) increase in the likelihood of default. Quantitative criteria are set individually for each product. No grouping of exposure is performed, i.e. measuring a significant increase in credit risk on a collective basis.

As a quantitative measure in case of retail clients, a comparison is made of the remaining probability of default on the reporting date, with the corresponding expected conditional PD from the original vintage curve (i.e. consideration of the PD at the beginning, given the condition that the observed risk line survives, i.e., fully repayable or defaulted, until the reporting date). This increase in credit risk is measured through a relative approach and compared to a fixed threshold value (SICR threshold). Threshold levels are calculated at the portfolio level, for all portfolios that are included in a life-based PD models based on estimates.

Qualitative criteria

Elements that will be the main determinants that need to be considered for the purpose of assessing the steps between the various stages are the following:

- Eventual presence of due amount which remains overdue over 30 days. In such a case, the credit risk of such exposure is considered "significantly increased" and is classified to Stage 2;
- Existence of "forbearance" measures;
- Qualitative information on credit quality deterioration due to which the client is placed on monitoring list;
- Certain indicators of the internal credit risk monitoring system and early warning system.

Determining the presence of any of the above mentioned determinants constitutes a prerequisite for change of credit risk level.

(ii) Credit risk grades

The Bank uses internal credit risk grading that reflects its assessment of the probability of default of individual customers. The Bank uses internal rating models tailored to the various categories of customers. Borrower and loan specific information collected at the time of loan application is included into this rating model. In addition, the model enables experience-based judgment of the Credit Risk Officer to be included into the final internal credit rating for each exposure. This allows for consideration of relevant factors which may have not been included as part of the other inputs into the rating model. The credit grades are calibrated in such a way that the risk of default increases exponentially as credit risk grade increases.

The following are additional considerations for each type of portfolio held by the Bank.

Corporate clients

For corporate business, the rating is determined at the borrower level. The Business Relationship Manager incorporates any updated or new information and borrower credit assessments into the credit system on an ongoing basis. In addition, the relevant Business Relationship Manager will also update information about the creditworthiness of the borrower every year using the sources such as public financial statements. This will determine the updated PD and the corresponding internal credit rating.

The Bank has two rating models in Corporate Client segment: Large Corporate Rating Model and Regular Corporate Rating Model. According to the general concept, corporate client rating scale includes 27 rating grades for non-default clients and 1 grade for default clients.

In addition, the Bank uses SMB rating model in the category of small and medium-sized enterprises. According to the general concept, the SMB client ranking scale includes a total of 27 rating grades for non-default clients in order to obtain all of the foreseen risk categories under the internal rating system.

Local and regional governments

The Bank uses the Local and Regional Governments rating model for local and regional governments. According to the general concept of the LRG ranking scale, clients include 27 rating grades for non-default clients and 1 grade for default client.

Project financing

For project financing purposes, the Bank uses the project finance rating model. According to the general concept of the rating scale, PF client ranking scale includes 4 ratings for non-default clients and 1 rating for default clients.

Financial institutions

The Bank uses the following rating models for financial institutions: FI (Bank) Rating Model, Insurance Rating Model, Sovereigns Rating Model and Funds Rating Model. In the process of ranking the clients in the category of financial institutions, the final rating is determined at the level of the RBI Responsible Unit. According to the general concept, the client ranking scale for the clients falling under FI (Bank) and Sovereigns rating models has 27 rating grades for non-default clients and 1 grade for default clients. The rating scale under the two remaining rating models has 9 grades for non-default clients, and 1 grade for default clients.

Retail client segment (Physical Entities and Micro Clients*)

After the date of initial recognition, for retail business, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score. Any other known information about the borrower which impacts their creditworthiness such as unemployment and previous delinquency history – is also incorporated into the behavioral score. This score is mapped to a PD.

A micro client is a legal entity with annual revenue of less than BAM 2,550,000 / EUR 1,303,794.29 and exposure of less than BAM 255,000 / EUR 130,379.42, as well as individuals operating as sole proprietors.

(iii) Definition of default

The status of failure to settle the obligations under the Bank's placements is determined based on RBI guidelines based on the requirements defined by EU Regulation 575/2013 (CRR), Article 178, EBA Guidelines for the application of the definition of default status pursuant to the Article 178 of the (EU) Regulation No 575/2013 and EBA Regulatory Technical Standards concerning the materiality thresholds for overdue claims referred to in Article 178 of EU Regulation 575/2013.

In the retail segment, the default is determined on the placement level for private individuals, whereas, for all legal entities (including Micro customers), the default status is determined on the client (obligor) level.

Non-retail portfolio

The staging criteria are selected in line with IFRS 9 and based on risk parameters available in the Bank. After being assigned a default status, the client undergoes an individual estimate of potential losses (ILLP), thus also obtaining the Stage 3 status under IFRS 9 methodology, which at that moment represents a non-performing asset.

The default status, i.e. individual loan loss provision, is granted for all debt placements of the borrower or to a group of debtors who:

- in settling obligations to the Bank, are more than 90 days overdue, taking into account the materiality threshold of EUR 500 and 1.0% (for details see below) of the value of total contracted credit placements (quantitative criterion); or
- are very likely to be unable to settle the obligations to the Bank from their primary sources of funding (qualitative criterion).

The Bank (i.e. RBI Group) has defined qualitative indicators that are currently being used to identify the likelihood that a client will not be able to settle his/her obligations to the Bank (e.g. initiated bankruptcy proceedings, partial debt write-off, cessation of interest payments, cross-default etc.)

The instructions for identifying and managing the business relationship with non-Retail & SE default clients specify other details.

IFRS 9 requires the use of several scenarios (minimum 2) within ILLP calculation, considering the following principles:

- Certainty of scenarios
- Possibility of documenting these scenarios
- Historical parameters / indicators

The scenario that is certain to happen/to be realized in the next period will be assigned a weight of 90% probability, while scenarios whose likelihood is less realistic will be given the weight of 10% probability, as a unified rule for all clients. The weights will be revised annually. In the case of a client who is going concern as a second scenario, it is possible to use collateral through a court proceedings where on the basis of historical observations it is concluded that a weighting of 10% should be used (analysis based on historical changes in the last 5 years, the transfer of clients from the early stage to the late stage – analysis will be revised annually).

Portfolio of Retail Clients (Physical Entities and Micro clients)

As in the case of non-Retail clients, in the Retail segment, once assigned the default status, the client is moved to Stage 3 under the IFRS 9 methodology, which at that moment represents a non-performing asset.

Provisions for loan losses must be assigned to all placements of a debtor or group of debtors who:

- in settling obligations to the Bank, are more than 90 days overdue, taking into account the materiality threshold of EUR 100 and 1.0% of the value of total contracted credit placements (quantitative criterion)
- are very likely to be unable to settle the obligations to the Bank (qualitative criterion).

The Bank's internal procedures define qualitative criteria under which credit exposure is assigned a status of the client who is very likely not to be able to meet his/her obligations towards the Bank (e.g. bankruptcy of the debtor, cross-default, poor restructuring, etc.).

(iv) Inclusion of prediction factors

In 2022, due to the harmonization of the Decision of the FBiH Banking Agency "Decision on credit risk management and determination of expected credit losses", Article 22 "Allocation of exposure to lower level of credit risk" and "Default definition of Raiffeisenbank International", the recovery period was updated for transfer from credit risk level 3 to credit risk level 2 for a period of at least 6 months (previously 3 months), provided that the DPDEBA counter has not exceeded 30 days (previously 60 days) during the observed period. With the above harmonization, the local regulations have been fully complied with.

Multiple macroeconomic scenarios are also included in ECL calculation. The Bank applies three perspective global economic scenarios (baseline, upside and downside) and this approach is considered sufficient for the calculation of an unbiased expected loss in most economic environments. In calculating the expected credit loss, the Bank allocates weights of 50%: 25%: 25% for each of the three macroeconomic scenarios (baseline, upside and downside).

The Probability of Default (PD) is, where relevant, adapted to the macroeconomic status. The macroeconomic model also includes information about the future. The baseline macroeconomic forecasts with a two year horizon are reviewed and updated at least once every quarter and are submitted to the responsible units within the RBI Group.

Forward-looking information is considered in the credit risk assessment. This means that lifelong PD, historical rating and its accompanying PD include information about the future.

Adjustment is made using macroeconomic perspectives in the observed period.

The basic scenario with the prescribed addendum, aimed to reflect the effects arising from the probability of realization of alternative macroeconomic scenarios.

(v) Modified financial assets

The contractual terms of a loan may be modified for several reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognized and the renegotiated loan recognized as a new loan at fair value in accordance with the accounting policies disclosed in Note 3.11.1. (iii).

When the terms of financial asset are modified and the modification does not result in derecognition, determination of whether the asset's credit risk has increased significantly reflects the comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; and
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When the modification results in derecognition, a new loan is recognized and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to customers experiencing financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Bank's forbearance policy, loan forbearance is guaranteed on a selective basis if the debtor is currently in default on its debt, or if there is a high default risk, or if there is an evidence that the debtor made all reasonable efforts to pay under the original contractual terms and that the debtor is expected to be able to meet the revised terms.

The revised terms mostly include extension of the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action.

In general terms, forbearance is a qualitative indicator of a significant increase in credit risk. Expectation of forbearance may constitute evidence that exposure is credit-impaired (see Note 3.11.1). A customer needs to demonstrate consistently good payment behavior over a period of time, before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased so that the loss allowance reverts to being measured again at an amount equal to Stage 1.

(vi) Expected Credit Loss Measurement

The credit risk and ECL assessments are unbiased and probability-adjusted, and incorporate all available information relevant to the assessment, including the information about past events, current conditions and reasonable and sustainable forecasts of future events and economic conditions at the reporting date. In addition, the ECL assessment should consider the time value of money. In general, the Bank calculates ECL using three main components: a probability of default (hereinafter: PD); loss given default (hereinafter: LGD); and exposure at default (hereinafter: EAD).

(vii) Loss allowance

The following table outlines the changes in the credit risk stage for customer loans and receivables, and changes in impairment by class of financial instrument.

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	2025 Total
Loans to and receivables from customers at amortized cost					
Balance at 1 January 2025	(17,251)	(21,449)	(85,520)	(4,341)	(128,561)
New approvals	(5,602)	(6,144)	(26,088)	(859)	(38,693)
Derecognition	31,982	684	4,001	-	36,667
Write offs	-	-	23,051	-	23,051
Collection	-	-	27,765	-	27,765
Transfer to Stage 1	5,676	11,005	(1,280)	1,833	17,234
Transfer to Stage 2	18,977	(618)	3,856	92	22,307
Transfer to Stage 3	(51,478)	(2,110)	(32,226)	(83)	(85,897)
Balance at December 31 2025	(17,696)	(18,632)	(86,441)	(3,358)	(126,127)

All amounts are expressed in thousands of BAM	Stage 1	Stage 2	Stage 3	POCI	2024 Total
Loans to and receivables from customers at amortized cost					
Balance at 1 January 2024	(19,649)	(29,537)	(94,265)	(5,526)	(148,977)
New approvals	(8,875)	(5,990)	(5,291)	(984)	(21,140)
Derecognition	3,873	5,088	4,157	-	13,118
Write offs	-	-	27,085	-	27,085
Collection	-	-	11,774	-	11,774
Transfer to Stage 1	(4,359)	(6,838)	7,933	2,370	(894)
Transfer to Stage 2	10,835	8,842	(5,593)	(274)	13,810
Transfer to Stage 3	924	6,986	(31,320)	73	(23,337)
Balance at December 31 2024	(17,251)	(21,449)	(85,520)	(4,341)	(128,561)

In 2025, the Bank recorded a decrease in impairment levels compared to 2024 in the amount of BAM 2,434 thousand, of which BAM 2,387 thousand relates to a reduction in impairment. An amount of BAM 2,817 thousand refers to the decrease in level 2 impairments, primarily as a result of the implementation of the Macro PD model for consumer loans, credit cards and overdrafts within the Retail segment, as well as a deterioration in the segment of non-performing exposures.

5.1.4. Concentration of credit risk by geographic location

The Bank monitors concentrations of credit risk by sector and by geographic region.

Geographic concentration in net carrying amounts of credit exposure is as follows:

All amounts are expressed in thousands of BAM	Bosnia & Herzegovina	EU countries	Non-EU countries	Total
31 December 2025				
Cash and current accounts with banks	591,590	269,095	136,645	997,330
Loans and receivables at fair value	-	-	-	-
Financial assets at fair value through other comprehensive income	9,034	-	-	9,034
Obligatory reserve with the BiH Central Bank	500,742	-	-	500,742
Deposits with banks	9,951	-	-	9,951
Loans and receivables at amortized cost	3,345,305	-	-	3,345,305
Debt instruments at amortized cost	55,592	493,492	87,296	636,380
Other financial assets	16,912	204	7,125	24,241
	4,529,126	762,791	231,066	5,522,983
31 December 2024				
Cash and current accounts with banks	637,498	453,163	109,979	1,200,640
Loans and receivables at fair value	10,422	-	-	10,422
Financial assets at fair value through other comprehensive income	10,422	-	-	10,422
Obligatory reserve with the BiH Central Bank	475,635	-	-	475,635
Deposits with banks	-	-	-	-
Loans and receivables at amortized cost	2,936,701	-	-	2,936,701
Debt instruments at amortized cost	37,784	427,759	47,729	513,272
Other financial assets	19,768	3,283	6,212	29,263
	4,117,808	884,205	163,920	5,165,933

Economic sector risk concentration is presented in Note 24.2.

5.2. Liquidity risk

Liquidity risk is the loss risk arising from the existing or expected inability of the Bank to settle its due financial obligations.

- The Bank is exposed to daily calls for disbursement of funds that it settles with available cash resources consisting of:
 - overnight deposits,
 - funds on current accounts,
 - maturing deposits,
 - withdrawal of loan funds,
 - guarantees and other derivatives that are settled from margins and
 - other amounts on demand for monetary derivatives.

The Bank does not maintain cash resources in the amount necessary to cover all these needs that may arise. From experience, it can predict with high reliability the minimum amounts of reinvestment of overdue funds. The Bank sets limits on the minimum amounts due, which should be available to settle the amount payable on demand, as well as the minimum amounts of interbank and other loans to cover unexpected amounts of funds withdrawn on demand.

The Bank maintains liquidity in accordance with the regulations of the FBiH Banking Agency governing liquidity risk, and group and internal acts related to maintaining the adequate liquidity reserve.

Special consideration is given to liquidity measures set by regulatory requirements:

- Liquidity Coverage Ratio (LCR) is monitored on a daily basis and reported to the regulator on a monthly basis; it represents the liquidity coverage ratio over a 30-day stress period
- Net Stable Funding Ratio (NSFR), which is monitored monthly and reported to the regulator on a quarterly basis, is the ratio of available stable financing to the required stable financing, for the purpose of ensuring the bank's long-term resilience to liquidity risk.

LCR is maintained at the level above regulatory and internally defined limits (internally defined limits are >140%).

NSFR is maintained at a level above the internally defined limit (internally defined limits are >120%).

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
Liquidity buffer	1,608,041	1,366,815
Net cash outflows	660,763	513,878
Liquidity Coverage Ratio (LCR)	243%	266%

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
Stable financing available	4,652,551	4,224,114
Stable financing needed	2,720,717	2,545,392
Net Stable Funding Ratio (NSFR)	171.00%	165.95%

Maturity analysis

The table below outlines the remaining contractual maturities of the Bank's assets and liabilities as at December 31 2025 and December 31 2024, except for financial assets at fair value through other comprehensive income that are classified in accordance with their secondary liquidity characteristic as maturing within one month, and obligatory reserves which, although not short-term, depend on the liabilities on which it is calculated, and are classified in the maturity period within one month.

All amounts are expressed in thousands of BAM	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
31 December 2025						
Assets						
Cash and cash equivalents	801,142	296,055	82,253	67,794	-	1,247,244
Loans and receivables at fair value	111	57	258	1,442	7,166	9,034
Obligatory reserve with the BiH Central Bank	500,742	-	-	-	-	500,742
Deposits with banks	1	9,950	-	-	-	9,951
Loans and receivables at amortized cost	460,813	158,132	722,294	1,334,608	669,458	3,345,305
Debt instruments at amortized cost	10,032	32,046	101,329	492,973	-	636,380
Other financial assets	24,241	-	-	-	-	24,241
Total financial assets	1,797,082	496,240	906,134	1,896,817	676,624	5,772,897
Due to banks and other financial institutions	57,832	4,945	21,575	21,533	-	105,885
Deposits from customers	4,267,555	60,425	206,284	212,767	3,309	4,750,340
Subordinated debt	-	-	190	-	44,984	45,174
Borrowings	9,278	1,017	12,442	152,054	-	174,791
Lease liabilities	300	561	2,347	7,023	2,519	12,750
Other financial liabilities	15,394	-	12	1	-	15,407
Total financial liabilities	4,350,359	66,948	242,850	393,378	50,812	5,104,347

All amounts are expressed in thousands of BAM	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
31 December 2024						
Assets						
Cash and cash equivalents	1,499,512	-	-	-	-	1,499,512
Loans and receivables at fair value	95	61	273	1,555	8,438	10,422
Obligatory reserve with the BiH Central Bank	475,635	-	-	-	-	475,635
Deposits with banks	-	-	-	-	-	-
Loans and receivables at amortized cost	247,683	149,405	688,855	1,257,200	593,558	2,936,701
Debt instruments at amortized cost	11,613	49,940	122,092	329,627	-	513,272
Other financial assets	29,246	-	-	17	-	29,263
Total financial assets	2,263,784	199,406	811,220	1,588,399	601,996	5,464,805
Liabilities						
Due to banks and other financial institutions	65,565	-	15,704	63,941	-	145,210
Deposits from customers	3,890,058	38,346	287,245	281,345	3,241	4,500,235
Subordinated debt	-	-	190	-	44,984	45,174
Borrowings	8,486	573	17,373	119,075	-	145,507
Lease liabilities	264	491	2,130	6,034	339	9,258
Other financial liabilities	3,853	10,598	-	-	-	14,451
Total financial liabilities	3,968,226	50,008	322,642	470,395	48,564	4,859,835

The table below outlines the Bank's remaining contractual maturity for its non-derivative financial liabilities. The table was prepared based on the undiscounted cash flows of financial liabilities, in line with the earliest date on which Bank may have an obligation to make the payment. Table includes the payment of interest and principal:

Maturity for non-derivative financial liabilities

All amounts are expressed in thousands of BAM	Net Carrying amount	Less than 1 month	2 to 3 months	4 months to 1 year	2 to 5 years	Over 5 years	Gross nominal outflow
31 December 2025							
Due to banks and other financial institutions	105,885	3	19	349	677	-	106,933
Deposits from customers	4,750,340	2	70	1,119	2,680	378	4,754,589
Subordinated debt	45,174	-	-	1,789	5,372	5,240	57,575
Borrowings	174,791	887	1,132	2,689	12,050	1,008	192,557
Lease liabilities	12,750	21	41	161	367	169	13,509
Other financial liabilities	15,407	-	-	-	-	-	15,407
	5,104,347	913	1,262	6,107	21,146	6,795	5,140,570

All amounts are expressed in thousands of BAM	Net Carrying amount	Less than 1 month	2 to 3 months	4 months to 1 year	2 to 5 years	Over 5 years	Gross nominal outflow
31 December 2024							
Due to banks and other financial institutions	145,210	1	-	133	2,232	-	147,576
Deposits from customers	4,500,235	2	21	702	5,312	541	4,506,813
Subordinated debt	45,174	-	-	1,901	5,710	7,470	60,255
Borrowings	145,507	1,266	523	2,272	10,080	1,737	161,385
Lease liabilities	9,258	15	30	114	203	15	9,635
Other financial liabilities	14,451	-	-	-	5	-	14,456
	4,859,835	1,284	574	5,122	23,542	9,763	4,900,120

The components of Bank's liquidity reserves are presented in the table in Note 20.

5.3. Market risk

Market risk is defined as the risk of possible balance and off-balance losses due to changes in market prices of trading and banking book positions. Market risk estimates are based on changes in exchange rates, interest rates, credit spreads, equity and commodity prices, and other market parameters.

The Bank's market risk management is conducted in accordance with the local regulations and decisions and instructions of local regulators and in accordance with RBI Group standards (RBI Group regulatory framework and the decision of the RBI Managing Board) and is defined in the internal rules, procedures and policies that are subject to regular internal audits, aimed at complying with regulatory changes, as well as improving the process of (market) risk management due to changes in market conditions, defined strategies and business goals. The process of managing market risk inherently includes mitigation, assessing and limiting exposure before assuming risk, and the assessment and control of assumed risk of the entire bank portfolio i.e. trading and banking book. Notwithstanding the restrictions imposed by the regulator, the Bank limits exposure to market risks in accordance with its business strategies harmonized at the level of RBI, product approval process and limit system on market risk positions, i.e. establishing limits on the open positions of market risk, limits on the Bank's portfolio sensitivity, in line with the changes of risk factors and establishing the system of limits on Value at Risk ("VaR") at the level of the book (trading and banking book), level of segments (Assets and Liabilities management and Capital Markets) and at the level of the entire portfolio. In addition, the limit is established on the reduction of market value of financial instruments carried at fair value, the so-called Stop loss limits.

Another important part of the market risk management process is stress testing of the Bank's portfolio with regard to extreme changes of market conditions and the calculation of portfolio sensitivity under crisis scenarios, as well as the impact it has on the financial performance. Stress testing of extreme changes in market conditions is performed by RBI on a daily basis.

The Bank is exposed to the following subcategories of market risk: currency/foreign exchange risk, position risk, credit spread risk, risk of adjustment of credit valuation actively managed by the Bank. Within the annual risk assessment for the purpose of Bank's ICAAP and ILAAP, none of these risks were found to be significant for the Bank.

5.3.1. Foreign exchange risk

Foreign exchange risk is the risk of loss arising from the changes in currency exchange rates and/or prices of gold. The Bank is not exposed to the foreign exchange risk of gold positions, meaning, they are not the subject of Bank's business operations.

The strategy used under the foreign exchange risk management is to limit the exposure, i.e. to maintain the level of assumed risk within the planned preference or planned risk profile for foreign exchange risk, taking into account regulatory restrictions. In order to maintain an adequate level of foreign exchange risk, the Bank has defined restrictions, the so-called internal limits with primary consideration of regulatory limits.

In addition to the VaR limit system, the Bank limits its exposure by applying the foreign exchange limits on open positions for each currency, the limit on the entire long or short position of the Bank, as well as the loss limits.

The carrying amounts of the Bank's monetary assets and liabilities per currency at the reporting period date were as follows:

All amounts are expressed in thousands of BAM	BAM	EUR*	USD	Other currencies	Total
As at 31 December 2025					
ASSETS					
Cash and cash equivalents	801,142	296,055	82,253	67,794	1,247,244
Loans and receivables at fair value	-	9,034	-	-	9,034
Obligatory reserve with the BiH Central Bank	500,742	-	-	-	500,742
Deposits with banks	-	9,951	-	-	9,951
Loans and receivables at amortized cost	2,725,957	619,348	-	-	3,345,305
Debt instruments	27,901	555,462	53,017	-	636,380
Other financial assets	15,267	8,966	5	3	24,241
	4,071,099	1,498,816	135,275	67,797	5,772,897
LIABILITIES					
Due to banks and other financial Institutions	39,930	63,010	2,880	65	105,885
Due to customers	3,360,268	1,189,552	132,706	67,814	4,750,340
Subordinated debt	-	45,174	-	-	45,174
Borrowings	-	174,791	-	-	174,791
Lease liabilities	12,750	-	-	-	12,750
Other financial liabilities	14,665	392	338	12	15,407
	3,427,613	1,472,919	135,924	67,891	5,104,347

The Bank has a large number of contracts containing a foreign currency clause. The BAM value of the principal under such contracts is determined by movements in foreign exchange rates. The principal balance of these exposures is included in the table above, in the "EUR" column. In line with its strategic foreign exchange risk management objectives, the Bank has decided to gradually reduce its exposure to contracts denominated in a foreign currency clause, with the aim of optimizing the portfolio structure and minimizing foreign exchange risks.

All amounts are expressed in thousands of BAM	BAM	EUR*	USD	Other currencies	Total
As at 31 December 2024					
ASSETS					
Cash and cash equivalents	743,853	577,024	114,622	64,013	1,499,512
Loans and receivables at fair value	-	10,422	-	-	10,422
Obligatory reserve with the BiH Central Bank	475,635	-	-	-	475,635
Deposits with banks	-	-	-	-	-
Loans and receivables at amortized cost	2,387,045	549,656	-	-	2,936,701
Debt instruments	37,784	457,569	17,919	-	513,272
Other financial assets	18,123	8,079	175	2,886	29,263
	3,662,440	1,602,750	132,716	66,899	5,464,805
LIABILITIES					
Due to banks and other financial Institutions	65,182	73,903	6,050	75	145,210
Due to customers	3,059,695	1,247,202	126,646	66,692	4,500,235
Borrowings	-	45,174	-	-	45,174
Subordinated debt	-	145,507	-	-	145,507
Lease liabilities	9,258	-	-	-	9,258
Other financial liabilities	13,687	360	244	160	14,451
	3,147,822	1,512,146	132,940	66,927	4,859,835

The following table presents the five largest Value at Risk (VaR) amounts recorded as of December 31, 2025, and their corresponding values as of December 31, 2024. VaR is calculated based on a statistical model with a 99% confidence level and under the assumption of a constant portfolio over a one-day horizon.

All amounts are expressed in thousands of BAM		VaR	
Currency	2025	Currency	2024
USD	<1	CHF	<1
JPY	<1	USD	<1
NOK	<1	CZK	<1
CAD	<1	HUF	<1
CNY	<1	CNY	<1

The following table details the Bank's sensitivity to a 10% increase or decrease in foreign currency rates against the relevant local currency. The 10%- sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents assessment of the reasonably possible change in foreign exchange rates.

All amounts are expressed in thousands of BAM	Result		Result	
	USD 2025	USD 2024	JPY 2025	CZK 2024

Profit or loss	(33,29)	(5)	0,02	4
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5.3.2. Interest rate risk

Interest rate risk reflects the possibility of loss of profit and/or erosion of capital due to the fluctuations of interest rates. It pertains to all balance and off-balance positions that are sensitive to fluctuations of interest rates. This risk comprises two components: income component and investment component.

The income component arises from the fact that passive and active interest rates of the Bank are not harmonized (interest on placements is fixed, interest on liabilities is variable, and vice versa).

The investment component results from inverted relationship between the fluctuations of prices and interest rates on securities. The Bank strives to ensure protection from interest risk by harmonizing the types of interest rates (fixed, floating and variable), currency, related interest rate and the date of interest rate change for all products covered under the contracts it concludes (which are sensitive to interest rate changes).

Any inconsistency between the abovementioned elements results in exposure of the Bank to interest rate risk.

5.3.2.1. BPV interest rate sensitivity analysis

On the daily basis, positions of interest rate risk undergo sensitivity analysis for 1 basis point during the parallel shift of yield curve which provides values of gains and losses of portfolio for a particular day (1BPV=0,01%).

The table below presents the changes of the portfolio present value, with interest rate growth by 1 basis point as at December 31 2025 and December 31 2024, expressed in thousands of BAM for the following currencies: BAM, EUR and USD, while the changes of present values for other currencies are immaterial.

All amounts are expressed in thousands of BAM	2025	2024
Currency		
BAM	(136)	(171)
EUR	(68)	(25)
USD	6	8
Total BPV	(199)	(187)

The table below presents effects on present value of portfolio in the event of yield curve shift by 50 bps, at 31 December 2025 and 31 December 2024, for the currencies with material exposure:

All amounts are expressed in thousands of BAM	2025	2024
Currency		
BAM	(6,760)	(8,405)
EUR	(3,295)	(1,196)
USD	292	414
Total BPV	(9,762)	(9,187)

5.4. Capital risk management

In compliance with laws, regulations and internal acts, the Bank monitors and reports quarterly to regulators on its capital, risk-weighted exposures and capital adequacy ratios.

Through its management reporting, the Bank also regularly monitors capital movements, achieved capital adequacy ratios as well as the effects on capital of all changes in methodology.

In 2025, the Bank complied with all regulatory capital requirements and achieved the capital adequacy ratio of 19.53%.

The Bank Regulatory Capital consists of Common Equity capital (Tier 1) and Additional capital (Tier 2).

The core capital of the Bank (Common equity T1) is the sum of Common equity CET 1 capital and Additional Tier 1 capital AT 1. The Tier 1 capital of the Bank (fully equal to Common equity Tier 1) consists of issued share capital, share premium, retained earnings and other reserves formed from profit after taxation, based on decision of the Bank's General Assembly, net revaluation reserves based on changes in fair value of assets (accumulated comprehensive income), reduced for the Common equity CET 1 of financial sector entities that are heavily invested by the Bank, intangible assets and deferred tax assets.

Tier 2 capital is comprised of subordinated debt.

The minimum capital ratio requirements are as follows:

- Common Equity Tier 1 capital ratio 6.75%
- Tier 1 capital ratio 9.00%
- Regulatory capital ratio 12.00%

In addition to the statutory minimum capital adequacy ratio, the Bank is also required to provide the buffer for capital preservation that is to be maintained in the form of Tier 1 capital in the amount of 2.5% of the total risk exposure amount.

In accordance with the provisions of the Law on Banks and the related bylaws of the Agency, a List of Systemically Important Banks in the Federation of Bosnia and Herzegovina has been established.

In accordance with Article 4, paragraph (4) of the Decision on the Method of Determining a Systemically Important Bank and the Capital Buffer for a Systemically Important Bank, the Banking Agency of the Federation of BiH determined a capital buffer rate of 2.00% for Raiffeisen Bank dd BiH, as one of the four systemically important banks. The total risk-weighted exposure amount used for calculating capital adequacy includes:

- risk-weighted assets and credit equivalents,
- position, foreign exchange and commodity risks, and
- operational risk

The capital adequacy ratio, calculated in accordance with the prescribed methodology, exceeded the required minimum limit of 12% as of December 31, 2025 and December 31, 2024. The table below presents the Bank's capital structure and capital requirements as of December 31, 2025 and December 31, 2024.

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2024
Common equity CET 1 capital		
Issued share capital – ordinary shares	247,167	247,167
Share premium	4,473	4,473
Retained earnings and other statutory reserves	463,343	355,853
Accumulated comprehensive income	311	284
Other reserve	1,230	1,230
Common equity CET 1 capital – regulatory adjustments:		
Intangible assets	(29,735)	(31,848)
Deferred tax assets	(7,894)	(9,090)
Significant investments in financial sector entities	(11,374)	(11,374)
Total Common equity CET 1 capital	667,521	556,695
Additional Tier 1 equity	-	-
TOTAL TIER 1 EQUITY	667,521	556,695
Additional capital	-	-
Subordinated debt	44,984	44,984
General credit risk impairments	-	-
Missing loan loss provisions	-	-
TOTAL TIER 2 CAPITAL (T 2)	44,984	44,984
TOTAL REGULATORY CAPITAL (unaudited)	712,505	601,679
Total risk-weighted assets (unaudited)	3,648,431	3,482,560
Common Equity capital ratio	18.30%	15.99%
Tier 1 capital ratio	18.30%	15.99%
Total capital ratio	19.53%	17.28%

In May 2025, the Bank paid a dividend in the amount of BAM 35,830 thousand (2024: BAM 60,980 thousand).

The Bank is required to ensure and maintain the leverage ratio, as an additional safeguard and simple capital protection measure, at a minimum level of 6%. The Bank's leverage ratio, defined as the ratio of Tier 1 capital to the Bank's total exposure amount at the reporting date and expressed as a percentage, exceeded the required minimum and amounted to 10.56% as of December 31, 2025.

As an instrument for optimizing the total amount of risk-weighted assets, the Bank recognized a reverse repurchase transaction ("reverse repo") of EUR 100 million within its credit portfolio as of December 31, 2025. The transaction was concluded with Raiffeisen Bank International AG.

6. Fair value of financial instruments

The fair value of financial assets and financial liabilities that are traded in active markets is based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

6.1. Valuation techniques

The Bank measures fair values using the following fair value hierarchy, reflecting the significance of the inputs used in measurement.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and these parameters have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and equity prices, foreign exchange rates, equity prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank determines the fair value of debt securities (treasury bills and bonds) using an internal valuation model which considers their remaining maturity and the latest available auction prices of equivalent instruments.

Fair value of available-for-sale equity securities and securities at fair value through profit or loss traded on an active market is measured using the price of these instruments at the reporting date at closing bid prices.

6.2. Fair value of the Bank's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table analyses financial instruments measured at fair value at the reporting date distributed according to the fair value hierarchy. The amounts are based on the values recognized in the statement of financial position.

All amounts are expressed in thousands of BAM	Note	Level 1	Level 2	Level 3	Total
31 December 2025					
Financial assets at fair value through PL					
Loans to customers	21	-	-	9,034	9,034
Financial assets at fair value through other comprehensive income					
Equity securities issued by non-resident legal entities	22	-	-	575	575
Total		-	-	9,609	9,609

All amounts are expressed in thousands of BAM	Note	Level 1	Level 2	Level 3	Total
31 December 2024					
Financial assets at fair value through PL					
Loans to customers	21	-	-	10,422	10,422
Financial assets at fair value through other comprehensive income					
Equity securities issued by non-resident legal entities	22	-	-	544	544
Total		-	-	10,966	10,966

6.3. Financial instruments not measured at fair value

The following table presents the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy where each fair value measurement is categorized.

All amounts are expressed in thousands of BAM	Net book value	Fair value	Difference	Level 1	Level 2	Level 3
31 December 2025						
Assets						
Cash and cash equivalents	1,247,244	1,248,456	(1,212)	-	-	1,248,456
Obligatory reserve with the Central Bank of BiH	500,742	501,243	(501)	-	-	501,243
Deposits with other banks	9,951	10,002	(51)	-	-	10,002
Loans and receivables	3,345,305	3,401,214	(55,909)	-	-	3,401,214
Other financial assets at amortized cost	660,621	657,465	3,156	633,140	-	24,325
out of which: securities	636,380	633,140	3,240	633,140	-	-
Total	5,763,863	5,818,380	(54,517)	633,140	-	5,185,240
Liabilities						
Due to banks and other financial institutions	105,885	106,060	(175)	-	-	106,060
Deposits from customers	4,750,340	4,734,511	15,829	-	-	4,734,511
Borrowings	219,965	225,968	(6,003)	-	-	225,968
Lease liabilities	12,750	12,750	-	-	-	12,750
Other financial liabilities at amortized cost	15,407	15,407	-	-	-	15,407
Total	5,104,347	5,094,696	9,651	-	-	5,094,696

The following table presents the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy where each fair value measurement is categorized.

All amounts are expressed in thousands of BAM	Net book value	Fair value	Difference	Level 1	Level 2	Level 3
31 December 2024						
Assets						
Cash and cash equivalents	1,499,512	1,501,342	(1,830)	-	-	1,501,342
Obligatory reserve with the Central Bank of BiH	475,635	476,110	(475)	-	-	476,110
Deposits with other banks	-	-	-	-	-	-
Loans and receivables	2,936,701	3,000,926	(64,225)	-	-	3,000,926
Other financial assets at amortized cost	542,535	539,127	3,408	509,865	-	29,262
out of which: securities	513,272	509,865	3,407	509,865	-	-
Total	5,454,383	5,517,505	(63,122)	509,865	-	5,007,640
Liabilities						
Due to banks and other financial institutions	145,210	144,863	347	-	-	144,863
Deposits from customers	4,500,235	4,490,985	9,250	-	-	4,490,985
Borrowings	190,681	194,549	(3,868)	-	-	194,549
Lease liabilities	9,258	9,258	-	-	-	9,258
Other financial liabilities at amortized cost	14,451	14,416	35	-	-	14,416
Total	4,859,835	4,854,071	5,764	-	-	4,854,071

When estimating the fair value of the Bank's financial instruments and assigning the instruments to the relevant level of fair value hierarchy, the following methods, assumptions and limitations described below are applied by the Bank in accordance with the approach revised within RBBH Group:

Cash and cash equivalents

The carrying values of cash, balances with banks and with the Central Bank are generally deemed to approximate their fair value due to the short-term maturity. Loans and receivables to banks are mostly represented by overnight and short-term deposits; therefore, there is no significant difference between fair value of those deposits and their book value.

Loans and receivables from customers

Fair value is estimated through discounted cash flow method in case of positions with residual medium-long term maturities, while it is approximated with the book value, reduced for group impairment/individual adjustment in case of short-term loans, loans payable on demand or with an indefinite maturity for impaired loans.

Amounts due for deposits from customers

For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the date of reporting. The estimated fair value of fixed-maturity deposits is based on discounted cash flows using rate currently offered for deposits of similar remaining maturities. Considering that maturity of most liabilities to customers is short term, fair value is approximately equal to the carrying amount.

Amounts due to banks and other financial institutions

Most of the banks' borrowings are short-term and carry a variable interest rate; therefore, Management estimates that their carrying amount approximates their fair value.

The subordinated loan carries a variable interest rate and, accordingly, its carrying amount is considered to approximate its fair value.

Lease liabilities

The carrying value of lease liabilities approximately equals to its fair value as there is no significant difference between incremental borrowing rate and market rate.

7. Business segments

The Bank operates in five basic business segments: corporate segment (business with legal entities); retail segment (business with micro companies and physical entities); segment of financial institutions; treasury and investment business segment and other business segments.

This is presented in the following segments:

Business segments	Segmentation criteria
Corporate	
a) Large, medium-sized enterprises	Companies with a total turnover above BAM 6,140,000 or exposure above BAM 3,690,000. This business line also includes state-owned companies or local self-government bodies as well as legal companies from abroad with majority ownership of a legal company.
Retail banking	
a) Retail Banking	It contains two sub-segments: Private individual and Premium Customers
b) Small businesses and single-owner business/sole proprietorship businesses	Includes 2 sub-segments: SE Segment and Micro Segment - Micro segment includes small enterprises and sole proprietors with annual total revenue of less than or equal to BAM 2,460,000 and aggregate exposure less than or equal to BAM 245,000. - SE segment includes small enterprises and sole proprietors with annual total revenue between BAM 2,460,000 and BAM 6,140,000 or aggregate exposure between BAM 245,000 and BAM 3,690,000.
Financial institutions	
a) Institutional customers	Companies whose key activities are financial activities, including the Government of BiH and central regulatory bodies.
b) Banks and other international financial institutions	Brokers, IFs, FMCs, microcredit organizations, insurance and leasing companies, insurance and leasing companies, banks.
Treasury and investment banking	This segment includes the management of assets and liabilities, financing and banking of financial institutions, transactions in the money market, foreign currency business (FCY management), brokerage activities, depository activities, securities management for the Bank's account. It also includes money market transactions, foreign exchange, custody, and brokerage services
Other	
a) Subsidiaries	Includes related parties
b) Other	

All amounts are expressed in thousands of BAM	Corporate	Retail	Treasury operations and investment banking	Other	Total
31 December 2025					
Interest income, etc., income at an effective interest rate	23,246	126,331	30,831	3,358	183,766
Interest expenditure etc., income at an effective interest rate	(2,302)	(3,027)	(3,454)	(9,544)	(18,327)
Net interest income, etc., income at an effective interest rate	20,944	123,304	27,377	(6,186)	165,439
Fee and commission income	22,083	135,047	670	4,053	161,853
Fees and commissions expenses	(1,729)	(35,410)	(629)	(1,144)	(38,912)
Net fee and commission income	20,354	99,637	41	2,909	122,941
Impairments and provisions	(18,376)	(27,839)	(3,102)	46,521	(2,796)
Other revenues	-	-	-	15,749	15,749
Other costs and expenses	(21,828)	(121,861)	(2,044)	(13,475)	(159,208)
Profit before tax	1,094	73,241	22,272	45,518	142,125
Income tax	-	-	-	(12,112)	(12,112)
Net profit for the year	1,094	73,241	22,272	33,406	130,013
Total assets	920,935	2,242,570	2,329,301	517,127	6,009,933
Total Liabilities	1,426,683	3,441,082	87,745	207,886	5,163,396
Net assets per segments	(505,748)	(1,198,512)	2,241,556	309,241	846,537

All amounts are expressed in thousands of BAM	Corporate	Retail	Treasury operations and investment banking	Other	Total
31 December 2024					
Interest income, etc., income at an effective interest rate	21,042	128,227	30,125	5,558	184,953
Interest expenditure etc., income at an effective interest rate	(1,930)	(11,761)	(2,763)	(510)	(16,964)
Net interest income, etc., income at an effective interest rate	19,112	116,466	27,362	5,049	167,989
Fee and commission income	27,778	126,542	-	-	154,320
Fees and commissions expenses	(6,728)	(30,650)	-	-	(37,378)
Net fee and commission income	21,050	95,892	-	-	116,942
Impairments and provisions	1,907	1,707	(57)	(14)	3,543
Other revenues	2,812	14,427	1,906	1,156	20,301
Other costs and expenses	(22,466)	(118,402)	(1,732)	(9,227)	(151,827)
Profit before tax	22,415	110,091	27,479	(3,037)	156,948
Income tax	-	-	-	-	(13,628)
Net profit for the year	22,415	110,091	27,479	(3,037)	143,320
Total assets	902,811	2,062,659	2,174,002	533,630	5,673,102
Total Liabilities	1,488,274	3,156,970	96,943	178,588	4,920,776
Net assets per segments	(585,463)	(1,094,312)	2,077,059	355,041	752,326

8. Interest and similar income at effective interest rate

All amounts are expressed in thousands of BAM	2025	2024
Loans and receivables		
- from retail	114,361	114,861
- from corporate	33,733	33,226
- from banks	19,650	25,537
Other interest income	468	477
Modifications	245	293
Investments in securities at amortized cost	14,818	10,003
Interest income and similar income at effective interest rate of financial assets at amortized cost	183,275	184,397
Interest income and similar income at effective interest rate of financial assets at fair value through PL	491	556
Interest income and similar income at effective interest rate of financial assets at fair value through PL	491	556
Interest income and similar income at effective interest rate	183,766	184,953

9. Interest and similar expense at effective interest rate

All amounts are expressed in thousands of BAM	2025	2024
Banks	(8,852)	(10,518)
Other	(3,668)	(215)
Retail	(3,028)	(3,358)
Corporate	(2,521)	(2,681)
Interest for leasing contracts	(258)	(192)
Interest expense and similar expense at the effective interest rate of financial liabilities at amortized cost	(18,327)	(16,964)

10. Fee and commission income

All amounts are expressed in thousands of BAM	2025	2024
Main service lines:		
Credit card business	54,953	50,793
Payment transactions	29,680	29,112
FX transactions	29,542	30,438
Account maintenance for residents	25,308	22,870
Insurance	6,524	5,182
Investment in funds	5,365	4,862
Account maintenance for non-residents	2,445	2,668
Other	1,964	2,010
Total income from fees and commissions from contracts with customers	155,781	147,935
Financial guarantees and approved undrawn loans contracts and loan commitments	6,072	6,385
	161,853	154,320

11. Fee and commission expense

All amounts are expressed in thousands of BAM	2025	2024
Credit card transactions	(29,192)	(28,988)
Central Bank services	(2,679)	(2,458)
Fee expenses for exchange rate transactions	(2,344)	(1,565)
Guarantees	(1,273)	(1,230)
SMS services	(812)	(714)
S.W.I.F.T. services	(810)	(919)
Other	(1,802)	(1,504)
	(38,912)	(37,378)

12. Impairments and provisions

All amounts are expressed in thousands of BAM	2025	2024
Net releases of previously recognized credit losses of financial assets at amortized cost (Notes 20,23)	(21,785)	(5,736)
Collected previously written off receivables	7,755	9,176
Provisions / (net releases of previously recognized provisions) for the credit risk of defaults and guarantees given (Note 32)	(1,540)	(526)
Provisions / (net releases of previously recognized provisions) for litigations (Note 32)	2,080	596
Net releases of previously recognized provisions (Note 32)	701	33
	(12,789)	3,543

13. Other net losses on financial assets

All amounts are expressed in thousands of BAM	2025	2024
Net gains/losses from modifications of financial assets at amortized cost that have not resulted in derecognition	(72)	30
Net effects of the change in the value of financial assets at fair value through income statement (Note 21)	(16)	-
	(88)	30

14. Net gain from current non-financial assets

All amounts are expressed in thousands of BAM	2025	2024
Net impairment gain of property, plant and equipment (Note 24)	8,673	612
Net impairment gain of investment property (Note 26)	71	42
Net impairment gain from property, plant and equipment	1,337	990
	10,081	1,644

15. Dividend income

All amounts are expressed in thousands of BAM	2025	2024
From subsidiaries	2,708	5,200
From associates	2,242	3,422
	4,950	8,622

16. Other income

All amounts are expressed in thousands of BAM	2025	2024
Release of accrued costs from previous periods	4,389	4,183
Income based on interest charges for non-quality loans	2,087	2,547
Income from lease	1,672	1,727
Treasury surpluses	102	95
Other income	2,620	1,483
	10,870	10,035

17. Employee costs

All amounts are expressed in thousands of BAM	2025	2024
Salaries	(39,356)	(37,999)
Taxes and contributions	(23,823)	(24,641)
Severance pay costs	(340)	(220)
Other employee expenses	(4,038)	(4,393)
	(67,557)	(67,253)

18. Other expenses and costs

All amounts are expressed in thousands of BAM	2025	2024
Costs of ongoing maintenance	(17,394)	(15,494)
Cost of savings deposit and loan insurance premiums	(12,005)	(11,404)
Cost of services	(10,118)	(8,361)
Cost of consulting services	(4,044)	(4,083)
Cost of property insurance premiums	(3,845)	(4,457)
Marketing costs	(3,732)	(2,970)
Telecommunications costs	(3,602)	(3,793)
Fee costs to FBA supervisor	(3,072)	(2,892)
Energy costs	(2,333)	(2,142)
Tax and administration costs	(1,253)	(1,055)
Representation Costs	(1,171)	(757)
Costs of professional services	(1,024)	(836)
Material costs	(879)	(1,042)
Education	(731)	(635)
Other rent expenses	(708)	(868)
Freight charges	(453)	(385)
Utility costs	(279)	(257)
Donations	(69)	(137)
Other costs and expenses	(4,326)	(4,273)
	(71,038)	(65,841)

19. Income tax

Total tax recognized in the income statement may be presented as follows:

All amounts are expressed in thousands of BAM	2025	2024
Current income tax	(10,072)	(12,164)
Deferred income tax	(2,040)	(1,464)
	(12,112)	(13,628)

Reconciliation of taxable profit, stated in the tax balance, with accounting profit may be stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Profit before income tax	142,125	156,948
Income tax at a rate of 10%	14,212	15,695
Capital (losses)/gains and other incomes	(1,895)	(1,187)
Effects of unrecognized expenditures	(312)	(704)
Effects of non-taxable revenue (new employees)	(2,466)	(2,243)
Other effects	533	603
Deferred tax assets – Stage 1 and 2	58	1,115
Deferred tax assets – depreciation	(14)	(93)
Deferred tax assets – other provisions	278	63
Deferred tax assets – property impairment	874	65
Deferred tax liabilities – depreciation (lower rates)	844	314
Income tax	12,112	13,628
Effective tax rate	8.52%	8.68%

The Bank calculates its income tax liability at the rate of 10%, in accordance with effective regulations on tax income of legal entities in Bosnia and Herzegovina

Unrecognized expenditures include unrecognized expenditures for representation, provisions for risks and liabilities and expenditures of impairment of receivables.

Non-taxable revenues include revenues for share capital, release of provisions for risks and liabilities which was previously recognized as tax-unrecognized expenditure.

The reconciliation of taxable profit reported in the tax balance sheet with accounting profit resulted from differences related to other provisions, credit provisions at levels 1 and 2, the reconciliation of real estate/investment asset values, and accelerated depreciation. This also includes the difference in depreciation expense between the fully tax-allowed rate and the higher accounting-recognized depreciation rates, as well as the difference between the fully tax-allowed rate and the lower accounting-recognized depreciation rates

The change in deferred tax assets may be stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of year	9,090	10,240
(Decrease) in deferred tax assets	(1,196)	(1,150)
Balance at the end of the year	7,894	9,090

The Bank recognized deferred tax assets arising from temporary differences related to the recognition of unrecognized income/expenses based on other provisions, level 1 and 2 credit provisions, impairment of real estate and investments, and accelerated depreciation. This also includes the difference in depreciation expense between the tax-allowed rate and the higher depreciation rates recognized for accounting purposes. Additionally, the Bank recognized deferred tax liabilities based on the difference in depreciation expense between the fully tax-allowed rate and the lower depreciation rates recognized in accounting.

The change in deferred tax liabilities may be stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of year	2,318	2,003
Recognized deferred tax liabilities	846	315
Balance at the end of the year	3,164	2,318

20. Cash and cash equivalents

All amounts are expressed in thousands of BAM	2025	2024
Cash in hand in local currency	210,725	263,809
Cash in hand in foreign currency	39,189	35,063
Funds on the current account with CBBH	592,182	638,136
Cash in hand at accounts at deposits institutions up to 30 days	406,359	564,204
Less: impairment	(1,211)	(1,700)
	1,247,244	1,499,512

The interest rate on placements in EUR ranged from 0.8% to 2.9% per annum during 2025, or from 2.35% to 3.90% per annum during 2024. The interest rate on money market placements in USD ranged from 3.25% to 4.30% per annum during 2025, or from 4.00% to 5.32% per annum during 2024. The interest rate on placements in other currencies ranged from 0.45% to 4.38% per annum during 2025, or from -0.25% to 5.50% per annum during 2024.

Changes in impairment for expected losses are stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	(1,700)	(2,390)
Release of impairment of value (Note 12)	489	690
Balance at the end of the year	(1,211)	(1,700)

21. Financial assets at fair value through profit and loss

All amounts are expressed in thousands of BAM	2025	2024
Loans and receivables at fair value	9,397	10,771
Adjustment for fair value	(363)	(349)
	9,034	10,422

Changes in the fair value of loans measured at fair value are presented as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	(349)	(349)
Net change in fair value through PL (Note 13)	(16)	-
Other changes	2	-
Balance at the end of the year	(363)	(349)

22. Financial assets at fair value through other comprehensive result

Investments in capital instruments as follows:

All amounts are expressed in thousands of BAM	2025	2024
Listed equity securities:		
S.W.I.F.T. Belgium	220	189
Non-listed equity securities		
Sarajevo Securities Exchange	322	322
Register of Securities of FBiH	32	32
Velprom d.d. Sanski Most	1	1
	575	544

Fair value developments, regarding these assets, were as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	544	538
Profit from a change in fair value	28	6
Other changes	3	-
Balance at the end of the year	575	544

23. Financial assets at amortised cost

23.1. Obligatory reserve with the BiH Central Bank

All amounts are expressed in thousands of BAM	2025	2024
Obligatory reserve	501,243	476,110
Less: impairment	(501)	(475)
	500,742	475,635

The minimum reserve requirement is calculated as a percentage of the average amount of total deposits and borrowed funds for each business day during 10 calendar days after the mandatory reserve maintenance period.

Cash held as a compulsory reserve on the CBBH account is not available for use without the special approval of CBBH and FBA.

Changes in impairment for expected losses are stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	(475)	(438)
Net impairment change (Note 12)	(26)	(37)
Balance at the end of the year	(501)	(475)

23.2. Deposits with other banks

All amounts are expressed in thousands of BAM	2025	2024
Deposits with other banks	10,001	-
Less: impairment	(50)	-
	9,951	-

Impairment changes for expected losses are presented as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	-	(323)
Net impairment change (Note 12)	(50)	323
Balance at the end of the year	(50)	-

The Bank did not have term deposits over 30 days in EUR or other foreign currencies, while the interest rates on placements in EUR ranged from 3.73% to 3.82% per annum during 2024.

The interest rate on placements (over 30 days) in BAM amounted to 1.5% per annum during 2025.

23.3. Loans and receivables

All amounts are expressed in thousands of BAM	2025	2024
Loans and receivables at amortized cost	3,471,432	3,065,262
Less impairment of value	(126,127)	(128,561)
	3,345,305	2,936,701

Loans and receivables in 2025 also include repurchase agreements. The Bank entered into a reverse repurchase agreement ("reverse repo") in the amount of EUR 100,000 thousand, i.e. BAM 195,571 thousand. The transaction was concluded with Raiffeisen Bank AG International. The repurchase date is January 2026.

Changes in the impairment of the loans approved at amortized cost are presented as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance at the beginning of the year	(128,561)	(148,977)
Write-off	23,051	27,085
Other transfers	2,296	(643)
Net impairment change (Note 12)	(22,913)	(6,026)
Balance at the end of the year	(126,127)	(128,561)

Analysis of loans and receivables according to the original maturity is as follows:

All amounts are expressed in thousands of BAM	2025	2024
Short-term loans:		
Short-term loans in domestic currency	546,073	536,736
Short-term loans in foreign currency (including currency exchange clause)	204,508	-
	750,581	536,736
Long term loans:		
Long-term loans in domestic currency	2,271,539	1,931,843
Long-term loans in foreign currency (including currency exchange clause)	449,312	596,683
	2,720,851	2,528,526
Total loans before impairment	3,471,432	3,065,262
Less impairment	(126,127)	(128,561)
	3,345,305	2,936,701

The short-term loans were approved for a period of 30 to 365 days. The majority of short-term domestic currency loans are granted for clients' working capital. The long-term loans are usually granted to physical entities, and the products include Non-purpose loans and Housing loans.

For SME clients, loans that are approved for a period of 30 to 365 days (short term) are loans for working capital and overdraft, whereas long-term loans for a period exceeding 365 days are investment loans and permanent working capital.

Analysis of total approved loans classified per industries and sectors is as follows:

All amounts are expressed in thousands of BAM	31 December 2025	31 December 2025	31 December 2024	31 December 2024
	Gross book value	Expected credit loss	Gross book value	Expected credit loss
Retail	2,087,474	(93,274)	1,912,884	(94,994)
A – Agriculture, forestry and fishing	11,346	(335)	11,673	(296)
B – Mining and stone extraction	642	(46)	775	(57)
C – Processing industry	289,179	(11,582)	264,566	(8,188)
D – Production and supply of electricity, gas, steam and air conditioning	16,773	(402)	9,641	(54)
E – Water supply; wastewater disposal, waste management and environmental remediation activities	11,437	(126)	11,487	(130)
F – Construction	29,383	(977)	26,962	(721)
G – Wholesale and retail trade; repair of motor vehicles and motorcycles	544,662	(14,209)	574,644	(17,842)
H – Transportation and storage	47,367	(1,397)	44,233	(1,657)
I – Accommodation and food service activities (hospitality and catering)	5,565	(366)	5,638	(379)
J – Information and communications	33,618	(374)	43,269	(1,144)
K – Financial and insurance activities	300,650	(812)	81,283	(846)
L – Real estate business	7,187	(46)	8,854	(138)
M – Professional, scientific and technical activities	9,876	(715)	11,598	(748)
N – Administrative and ancillary services	23,191	(613)	4,466	(655)
O – Public administration and defense; compulsory social insurance	43,384	(678)	44,373	(535)
P – Education	1,888	(72)	1,096	(64)
Q – Health care and social welfare activities	6,105	(60)	6,366	(59)
R – Arts, entertainment and leisure	619	(12)	260	(9)
S – Other service activities	1,083	(31)	1,191	(45)
U – Activities of extraterritorial organizations and bodies	3	-	3	-
Total loans	3,471,432	(126,127)	3,065,262	(128,561)

23.4. Other financial assets at amortised cost

All amounts are expressed in thousands of BAM	2025	2024
Debt instruments at amortized cost	636,380	513,272
Fee claims	3,624	2,572
Other financial assets	20,617	26,691
	660,621	542,535

23.4.1. Debt instruments at amortized cost

All amounts are expressed in thousands of BAM	2025	2024
Government bonds	517,574	387,642
Supranational financial institutions	97,323	103,484
Corporate bonds	23,484	23,484
	638,381	514,610
Less: impairment	(2,001)	(1,338)
	636,380	513,272

Changes in impairment of financial assets measured at amortized cost are stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance as at the beginning of the year	(1,338)	(871)
Net impairment change (Note 12)	(663)	(467)
Stanje na kraju godine	(2,001)	(1,338)

All amounts are expressed in thousands of BAM	2025	2024
Government and similar bonds:		
France	95,723	48,642
Austria	87,926	86,006
Belgium	68,230	58,341
Federation of Bosnia and Herzegovina	55,591	27,925
Croatia	48,076	25,672
United States of America	32,242	-
Germany	28,897	28,248
Netherlands	28,601	28,899
Poland	23,776	33,206
Republic of Serbia	19,251	10,385
Slovenia	18,481	19,472
North Macedonia	9,260	10,150
Republic of Srpska, BiH	-	9,859
Supranational financial institution:		
European Bank for Reconstruction and Development	28,823	39,911
European Union	28,781	28,149
European Financial Stability Facility	19,005	18,598
European Stability Mechanism	7,787	7,752
International Finance Corporation	7,541	8,596
KfW Development Bank	4,928	-
Corporate bonds:		
NIBC Bank	23,461	23,461
	636,380	513,272

23.4.2. Other financial assets at amortized cost

All amounts are expressed in thousands of BAM	2025	2024
Receivables for credit card business	17,100	20,372
Other financial assets	8,935	9,895
Claims based on spot transactions and arbitration in foreign currency	17	3,237
Less: impairment	(5,435)	(6,813)
	20,617	26,691

Changes in the impairment of financial assets measured at amortized cost are stated as follows:

All amounts are expressed in thousands of BAM	2025	2024
Balance as at the beginning of the year	(6,813)	(6,594)
Net impairment change (Note 12)	1,378	(219)
Balance as at the end of the year	(5,435)	(6,813)

24. Property, plant and equipment

All amounts are expressed in thousands of BAM	Buildings and Land	Vehicles	Office equipment	Investment in progress	Leasehold improvements	Total
COST						
At 1 January 2024	100,852	1,979	62,898	7,488	7,830	181,047
Additions	-	-	-	13,704	-	13,704
Transfer to use	319	106	6,151	(7,527)	951	-
Write offs and disposals	-	-	(7,968)	-	(719)	(8,687)
At 31 December 2024	101,171	2,085	61,081	13,665	8,062	186,064
Additions	-	-	-	18,697	-	18,697
Transfer to use	7,700	1,050	8,682	(20,639)	3,455	248
Transfer to use from intangible assets	-	-	-	(248)	-	(248)
Transfer to own properties (Note 24)	4,742	-	157	-	-	4,899
Building value increase	1,700	-	-	-	-	1,700
Write offs and disposals	-	(32)	(3,350)	-	(807)	(4,189)
At 31 December 2025	115,313	3,103	66,570	11,475	10,710	207,171
ACCUMULATED DEPRECIATION						
1 January 2024	(30,724)	(956)	(44,745)	-	(6,330)	(82,755)
Depreciation	(1,918)	(166)	(5,479)	-	(794)	(8,357)
Write offs and disposals	-	-	7,865	-	671	8,536
Value adjustment (Note 14)	612	-	-	-	-	612
Transfer of investment properties (Note 26)	(250)	-	-	-	-	(250)
Other changes	18	-	(18)	-	-	-
At 31 December 2024	(32,262)	(1,122)	(42,377)	-	(6,453)	(82,214)
Reclassification	-	406	(406)	-	-	-
Depreciation	(2,054)	(227)	(5,814)	-	(912)	(9,007)
Other changes	-	-	(8)	-	-	(8)
Transfer to properties (Note 24)	(1,101)	-	-	-	-	(1,101)
Value increase	(553)	-	-	-	-	(553)
Write offs and disposals	-	32	3,229	-	803	4,064
Value adjustment (Note 14)	8,673	-	-	-	-	8,673
At 31 December 2025	(27,297)	(911)	(45,376)	-	(6,562)	(80,146)
NET BOOK VALUE						
Balance at 31 December 2024	68,909	963	18,704	13,665	1,609	103,850
Balance at 31 December 2025	88,016	2,192	21,194	11,475	4,148	127,025

In accordance with the requirements of IAS 36, during 2025 the Bank conducted a comprehensive analysis of internal and external indicators that could suggest the existence of impairment. Based on the available information, it was determined that such indicators are no longer present. Accordingly, a procedure was carried out to assess the possibility of reversing the previously recognized impairment loss, with the aim of confirming that the circumstances which had led to the impairment during the COVID-19 period have now fully ceased. The analysis of market developments indicates a broad-based increase in real estate prices and a complete recovery of the market.

The Bank primarily uses its properties for performing its core business activities through branch offices. When assessing the possibility of reversing the previously recognized impairment, the value of the properties was determined in accordance with the "highest and best use" principle, and based on the estimated future cash flows generated by the assets through their own use.

As of 31 December 2025, the previously recognized impairment was fully reversed. In the current year, there were no capitalized acquisition costs of property and equipment. The Bank also does not have any assets pledged as collateral.

Management believes that the fair value of property and equipment is approximate to their carrying amount.

25. Right-of-use assets

All amounts are expressed in thousands of BAM	Buildings	Vehicles	ATM	Total
COST				
Balance as at 1 January 2024	14,391	1,624	2,572	18,587
Increase (new lease contracts)	5,499	1,685	389	7,573
Decrease (premature contract termination)	(2,889)	(2,075)	(194)	(5,158)
Balance as at 31 December 2024	17,001	1,234	2,767	21,002
Increase (new lease contracts)	7,852	954	2,754	11,560
Decrease (premature contract termination)	(5,003)	(1,061)	(1,448)	(7,512)
Balance as at 31 December 2025	19,850	1,127	4,073	25,050
ACCUMULATED DEPRECIATION				
Balance as at 1 January 2024	(7,725)	(365)	(1,830)	(9,920)
Depreciation	(2,412)	(485)	(585)	(3,482)
Derecognition (premature contract termination)	924	504	139	1,567
Other changes	17	(17)	–	–
Balance as at 31 December 2024	(9,196)	(363)	(2,276)	(11,835)
Depreciation	(2,497)	(577)	(540)	(3,614)
Derecognition (premature contract termination)	1,470	315	1,277	3,062
Other changes	(10)	(5)	(5)	(20)
Balance as at 31 December 2025	(10,233)	(630)	(1,544)	(12,407)
NET BOOK VALUE				
Balance as at 31 December 2024	7,805	871	491	9,167
Balance as at 31 December 2025	9,617	497	2,529	12,643

Management believes that the fair value of property and equipment is approximate to their carrying amount.

26. Investment property

All amounts are expressed in thousands of BAM	Total
COST	
Balance as at 1 January 2024	35,572
Transfer from property (Note 24)	612
Balance as at 31 December 2024	36,184
Transfer from property (Note 24)	(4,899)
Balance as at 31 December 2025	31,285
ACCUMULATED DEPRECIATION	
Balance as at 1 January 2024	(7,870)
Depreciation	(754)
Value adjustment (Note 14)	42
Transfer to property (Note 24)	250
Balance as at 31 December 2024	(8,332)
Depreciation	(671)
Value adjustment (Note 14)	71
Transfer to property (Note 24)	1,101
Other changes	5
Balance as at 31 December 2025	(7,826)
NET BOOK VALUE	
Balance as at 31 December 2024	27,853
Balance as at 31 December 2025	23,459

The Bank's investment property at fair value was as follows:

All amounts are expressed in thousands of BAM	2025	2024
Buildings	23,459	34,229
	23,459	34,229

Management believes that the fair value of property and equipment is approximate to their carrying amount.

27. Intangible assets

All amounts are expressed in thousands of BAM	Other intangible assets	Investment in progress	Total
COST			
Balance at 1 January 2024	47,212	22,328	69,541
Additions	-	11,863	11,863
Transfer to use	16,721	(16,721)	-
Write offs and disposals	(7,140)	-	(7,140)
Balance as at 31 December 2024	56,793	17,471	74,264
Additions	-	12,205	12,205
Transfer to use	18,123	(18,123)	-
Transfer to use from property	248	-	248
Write offs and disposals	(1,989)	-	(1,989)
Balance as at 31 December 2025	73,175	11,553	84,728
ACCUMULATED DEPRECIATION			
Balance at 1 January 2024	(36,558)	-	(36,558)
Depreciation	(6,025)	-	(6,025)
Write offs	7,550	-	7,550
Balance as at 31 December 2024	(35,033)	-	(35,033)
Depreciation	(7,321)	-	(7,321)
Write offs	1,990	-	1,990
Balance as at 31 December 2025	(40,364)	-	(40,364)
NET BOOK VALUE			
Balance as at 31 December 2024	21,760	17,471	39,231
Balance as at 31 December 2025	32,811	11,553	44,364

28. Investments in subsidiaries

Subsidiary	Industry	% of share	31 December 2025	31 December 2024
All amounts are expressed in thousands of BAM				
Raiffeisen Leasing d.o.o. Sarajevo	Leasing	100%	10,051	10,051
Raiffeisen Invest društvo za upravljanje fondovima d.d.	Fund management company	100%	946	946
Raiffeisen Capital a.d. Banja Luka	Securities brokerage Financial advisory services	100%	53	53
			11,050	11,050

Financial information about the Bank's subsidiaries for the period from 1 January 2025 to 31 December 2025 was as follows:

All amounts are expressed in thousands of BAM	Total assets	Registered capital	Total equity	Revenue	Profit for the period
Raiffeisen Invest d.d.	5,359	1,119	4,611	7,823	1,002
Raiffeisen Capital a.d. Banja Luka	224	355	219	47	(92)
Raiffeisen Leasing d.o.o. Sarajevo	166,197	11,450	14,653	15,763	3,203

Financial information about the Bank's subsidiaries for the period from 1 January 2024 to 31 December 2024 was as follows:

All amounts are expressed in thousands of BAM	Total assets	Registered capital	Total equity	Revenue	Profit for the period
Raiffeisen Invest d.d.	4,357	1,119	3,609	7,087	877
Raiffeisen Capital a.d. Banja Luka	317	355	312	70	(51)
Raiffeisen Leasing d.o.o. Sarajevo	159,285	11,450	14,158	15,405	2 708

29. Investments in associates

Associate	Industry	% of share	31 December 2025	31 December 2024
All amounts are expressed in thousands of BAM				
Raiffeisen Assistance d.o.o. Sarajevo	Insurance brokerage	50.00%	2	2
			2	2

Financial information about the Bank's associates for the year ended 31 December 2025 was as follows:

All amounts are expressed in thousands of BAM	Total assets	Registered capital	Total equity	Revenue	Profit for the period
Raiffeisen Assistance d.o.o. Sarajevo	4,216	4	4,220	4,698	4,185

Financial information about the Bank's associate for the year ended 31 December 2024 was as follows:

All amounts are expressed in thousands of BAM	Total assets	Registered capital	Total equity	Revenue	Profit for the period
Raiffeisen Assistance d.o.o. Sarajevo	3,439	5	3,443	3,846	3,396

30. Other assets and receivables

All amounts are expressed in thousands of BAM	2025	2024
Prepaid expenses	3,003	2,180
Other advances paid	1,171	1,647
Inventories	353	325
Petty cash loss	53	14
Other assets and receivables	2,948	2,941
	7,528	7,107

31. Financial liabilities at amortized cost

31.1. Deposits with banks and other financial institutions

All amounts are expressed in thousands of BAM	2025	2024
Current accounts in domestic currency	2,738	2,057
Current accounts in foreign currency	50	211
	2,788	2,267
Short-term deposits in domestic currency	35,583	50,789
Short-term deposits in foreign currency	13,666	11,526
	49,249	62,315
Long-term deposits in domestic currency	45,567	62,960
Long-term deposits in foreign currency	8,281	17,667
	53,848	80,627
	105,885	145,210

31.2. Deposits from clients

All amounts are expressed in thousands of BAM	2025	2024
Current accounts from clients in domestic currency	1,474,890	1,233,563
	1,474,890	1,233,563
Demand deposits from corporate customers in domestic currency	1,576,181	1,518,299
Demand deposits from corporate customers in foreign currency	341,985	295,786
	1,918,166	1,814,085
Demand deposits from retail customers in domestic currency	257,808	247,832
Demand deposits from retail customers in foreign currency	606,287	588,784
	864,095	836,616
Time deposits from corporate customers in domestic currency	3,295	7,804
Time deposits from corporate customers in foreign currency	38,542	116,382
	41,837	124,186
Time deposits from retail customers in domestic currency	119,012	125,283
Time deposits from retail customers in foreign currency	332,340	366,502
	451,352	491,785
	4,750,340	4,500,235

During 2025, interest rates moved as follows:

- Sight deposits in BAM – 0.00% annually (2024: 0.00% annually),
- Sight deposits in foreign currencies – 0.00% annually (2024: 0.00% annually),
- Short term deposits – 0.00% (2024: 0.00% annually),
- Long term deposits – from 0.00% to 2.40% annually (2024: from 0.00% to 2.40% annually).

31.3. Borrowings

All amounts are expressed in thousands of BAM	2025	2024
Subordinated debt	45,174	45,174
Other loans from banks	174,791	145,507
	219,965	190,681

Subordinated debt is classified as follows:

All amounts are expressed in thousands of BAM	2025	2024
Commercial banks – others	44,984	44,984
Interest on subordinated debt	190	190
	45,174	45,174

The subordinated debt was contracted in 2022 with a party not related to the Bank – EFSE (commercial banks – others) in the total amount of BAM 44,984 thousand, with a maturity date of 18 November 2032 and a planned bullet repayment of the loan in full on the defined repayment date. In the event of the Bank's liquidation or bankruptcy, the obligations arising from the subordinated debt are subordinated to the Bank's other liabilities.

The subordinated debt may be used as additional Tier 2 capital for regulatory purposes, subject to the regulator's approval.

All amounts are expressed in thousands of BAM	2025	2024
Long-term loans:		
Long-term loans from foreign banks and financial institutions	219,965	190,681
Less: Current maturity of the long-term loan liabilities	22,927	15,227
	197,038	175,454
Short-term loans:		
Short-term loans from foreign banks and financial institutions	-	-
Plus: Current maturity of the long-term loans	22,927	15,227
	219,965	190,681

Long-term loans from foreign banks and non-banking credit institutions were obtained from supranational and development banks.

Interest rates on the entire portfolio of long-term credit lines from banks and other financial institutions for the period ending 31 December 2025 ranged from 2.28% to 3.54% per annum (fixed rates) and from 6M EURIBOR + 0.20% to 6M EURIBOR + 5.50% (variable rates). As at 31 December 2024, interest rates ranged from 0.04% to 3.54% per annum (fixed rates) and from 6M EURIBOR + 0.20% to 6M EURIBOR + 5.50% (variable rates).

31.4. Lease liabilities

	Currency	Nominal interest rate	Contracted/ expected maturity	Present value 31 December 2025	Present value 31 December 2024
Lease liabilities – business premises	BAM	2%	2022-2029	10,168	8,679
Rental obligations – ATM	BAM	2%	2022-2025	2,519	496
Rental obligations – vehicles	BAM	2%	2022-2027	63	82
				12,750	9,258

31.5. Other financial liabilities at amortized cost

All amounts are expressed in thousands of BAM	2025	2024
Credit card business liabilities	10,340	9,889
Other financial liabilities	2,713	2,433
Liability for other taxes	1,135	1,124
Accounts payable	837	651
Other liabilities to employees	382	354
	15,407	14,451

32. Provisions

All amounts are expressed in thousands of BAM	2025	2024
Provisions for guarantees and loan commitments	11,853	10,313
Provisions for legal proceedings	9,068	11,148
Other provisions	13,395	14,096
	34,316	35,557

Changes in provisions for financial guarantees and approved and undrawn loans:

All amounts are expressed in thousands of BAM	2025	2024
Balance as at the beginning of year	10,313	9,785
Changes in provisions (Note 12)	1,540	526
Other changes	-	2
Balance as at the end of year	11,853	10,313

Provisions for financial guarantees and approved and undrawn loans

Throughout its regular operations, the Bank assumes loan obligations that are recorded in off-balance sheet accounts and primarily include guarantees, letters of credit and undrawn loans,

All amounts are expressed in thousands of BAM	2025	2024
Loan commitments	573,600	546,653
Issued guarantees	433,890	370,755
Letters of credit	4,608	20,348
Other off-balance sheet exposures	259,962	226,243
	1,272,060	1,163,998

Provisions for legal proceedings

Developments in provisions for legal proceedings are:

All amounts are expressed in thousands of BAM	2025	2024
Balance as at the beginning of year	11,148	11,745
Increase, net (Note 12)	(2,080)	(596)
Other changes	-	(1)
Balance as at the end of year	9,068	11,148

Changes in provisions for other employee benefits are:

All amounts are expressed in thousands of BAM	Annual Vacation	Severance payments	Other provisions	Total
Balance as at 1 January 2024	1,786	3,620	8,723	14,129
Increase, net (Note 12)	(34)	32	(31)	(33)
Balance as at 31 December 2024	1,752	3,652	8,692	14,096
Increase, net (Note 12)	-	(83)	(618)	(701)
Balance as at 31 December 2025	1,752	3,569	8,074	13,395

33. Other liabilities

All amounts are expressed in thousands of BAM	2025	2024
Principal and interest paid upfront	12,133	12,142
Accounts payable	6,963	7,734
Deferred income	2,423	2,364
Other liabilities	50	27
	21,569	22,267

34. Share capital

The capital comprises 988,668 ordinary shares at nominal value of BAM 250.00. Equity instruments of the Bank are not traded in public market, but are listed on Sarajevo Stock Exchange.

The ownership structure of the Bank is as follows:

Shareholders	No. of Shares	'000 BAM	%
Raiffeisen SEE Region Holding GmbH, Vienna, Austria	988,688	247,167	100.00

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the year.

All amounts are expressed in thousands of BAM	2025	2024
Income attributable to ordinary shareholders ('000 BAM)	130,013	143,320
Weighted average number of regular shares in issue during the year	988,688	988,688
Basic earnings per share (in BAM)	131.50	144.96

35. Managed funds

The Bank manages assets for the benefit and on behalf of third parties. These assets are recorded separately from the Bank's assets.

All amounts are expressed in thousands of BAM	2025	2024
Liabilities		
Corporate customers	3,457	3,457
Government	1,298	1,444
Retail customers	29	29
Other	47	77
	4,831	5,007
Assets		
Loans to retail customers	2,474	2,620
Loans to corporate customers	2,357	2,387
	4,831	5,007

The Bank issued no guarantees related to managed funds, Credit risk remains with the owner of funds.

36. Related-party transactions

Related party balances are summarized as follows:

All amounts are expressed in thousands of BAM	2025	2024
Receivables		
Loans and receivables to banks		
Raiffeisen Bank International AG, Vienna, Austria	228,288	18,970
Raiffeisenbank Austria d.d. Zagreb, Croatia	206	804
Raiffeisenbank a.d. Belgrade, Serbia	191	198
Raiffeisen Landesbank Vorarlberg	-	75,985
Raiffeisenverband Salzburg Reg Gen M B H	-	38,155
Loans and receivables to customers:		
Raiffeisen Leasing d.o.o. Sarajevo	30,478	15,392
Raiffeisen Invest d.d.	2	3
Other receivables:		
Raiffeisen Invest d.d.	459	416
Raiffeisen Bank International AG, Vienna, Austria	48	3,095
Raiffeisen Leasing d.o.o. Sarajevo	4	7
Raiffeisenbank Austria d.d. Zagreb, Croatia	2	2
Raiffeisen Assistance d.o.o. Sarajevo	1	1
	259,679	153,028
Liabilities		
Bank and customer deposits:		
Raiffeisen Bank International AG, Vienna, Austria	5,867	1,803
Raiffeisen Invest d.d.	4,382	3,329
Raiffeisen Leasing d.o.o. Sarajevo	2,206	12,973
Raiffeisen Capital a.d. Banja Luka	597	663
Raiffeisen Assistance d.o.o. Sarajevo	517	145
Raiffeisenbank Austria d.d. Zagreb, Croatia	39	100
Lease liabilities:		
Raiffeisen Leasing d.o.o. Sarajevo	524	827
Other liabilities		
Raiffeisen Bank International AG, Vienna, Austria	458	632
Raiffeisen Leasing d.o.o. Sarajevo	-	37
Centralised Raiffeisen International Services & Payments	13	23
	14,603	20,532

A number of banking transactions are entered into with related parties in the normal course of business operations. These transactions were carried out on commercial terms and conditions and at market rates

All amounts are expressed in thousands of BAM	2025	2024
Revenue		
Interest income:		
Raiffeisen Leasing d.o.o. Sarajevo	604	329
Raiffeisen Landesbank Vorarlberg	436	1,192
Raiffeisen Bank International AG, Vienna, Austria	389	287
Raiffeisen Landesbank Oberoesterreich Aktienge	346	735
Raiffeisenverband Salzburg Reg Gen M B H	211	388
Raiffeisen Bank Budapest	1	-
Raiffeisen Landensbank Tirol AG, Innsbruck, Austria	-	31
Fee income:		
Raiffeisen Invest d.d.	5,373	4,864
Raiffeisen Bank International AG, Vienna, Austria	509	457
Raiffeisen Leasing d.o.o. Sarajevo	28	26
Raiffeisenbank Austria d.d. Zagreb, Croatia	23	23
Raiffeisen Capital a.d. Banja Luka	2	2
Raiffeisen Assistance d.o.o. Sarajevo	1	1
Raiffeisen Landesbank Oberoesterreich Aktienge	1	-
Raiffeisenbank a.d. Belgrade, Serbia	1	-
Other revenue:		
Raiffeisen Leasing d.o.o. Sarajevo	2,969	5,506
Raiffeisen Assistance d.o.o. Sarajevo	2,268	3,447
Raiffeisen Bank International AG, Vienna, Austria	1,257	288
Centralised Raiffeisen International Services & Payments	84	131
Raiffeisen Invest d.d.	34	34
Raiffeisen Capital a.d. Banja Luka	7	7
	14,544	17,748

All amounts are expressed in thousands of BAM	2025	2024
Expenses		
Interest expense:		
Raiffeisen Leasing d.d.	(50)	(75)
Raiffeisen Bank International AG, Vienna, Austria	-	(1)
Fee expense:		
Centralised Raiffeisen International Services & Payments	(717)	(796)
Raiffeisen Bank International AG, Vienna, Austria	(332)	(303)
Raiffeisenbank a.d. Belgrade, Serbia	(4)	(3)
Raiffeisenbank Austria d.d. Zagreb	(4)	(2)
PJCS Ukrainian processing center	-	(176)
Advisory services:		
Raiffeisen Bank International AG, Vienna, Austria	(3,535)	(3,635)
Other administrative expenses		
Raiffeisen Bank International AG, Vienna, Austria	(5,070)	(4,575)
Centralised Raiffeisen International Services & Payments	(588)	(516)
Raiffeisen Leasing d.o.o. Sarajevo	(88)	(121)
PJCS Ukrainian processing center	-	(43)
Raiffeisen Assistance d.o.o. Sarajevo	-	(10)
Raiffeisenbank a.d. Belgrade, Serbia	-	(1)
	(10,388)	(10,257)

Fees to the Management Board and other members of the management

The following fees were paid to the Management Board members during the period:

All amounts are expressed in thousands of BAM	2025	2024
Net salaries	(1,462)	(1,402)
Taxes and contributions on salaries	(1,151)	(1,104)
Taxes and contributions for other benefits	(405)	(388)
Other benefits	(554)	(515)
	(3,572)	(3,409)

37. Subsequent events

The Banking Agency of the Federation of Bosnia and Herzegovina issued a decision on credit risk management and the determination of expected credit losses, which enters into force on December 23, 2025 and applies from June 30, 2026.

Apart from the above, between the balance sheet date and the date of approval of these financial statements, there were no significant events requiring disclosure.

38. Approval of separate financial statements

The separate financial statements were signed and authorized for issue by the Management on March 04, 2026.



Chairman of the Management Board
Lars Frankemölle




Management Board member
Nermina Alić

Service

Network Units	110
Publication Details	114

Network Units

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 Internet: www.raiffeisenbank.ba

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MB Sarajevo and Branch Centar
 Zmaja od Bosne bb
 71 000 Sarajevo

Branch Skenderija
 Valtera Perića 20
 71 000 Sarajevo

Branch Novo Sarajevo
 Kolodvorska 12
 71 000 Sarajevo

Branch Ilidža
 Rustempašina bb
 71 210 Ilidža

Branch Pale
 4. juni br. 17
 71 420 Pale

Branch Goražde
 Titova bb
 73 000 Goražde

MB Banja Luka and Branch Banja Luka
 Vase Pelagića 2
 78 000 Banja Luka

Branch Banja Luka 2
 Vojvode S. Stepanovića bb
 78 000 Banja Luka

Branch Prijedor
 Majora Milana Tepića bb
 79 101 Prijedor

Branch Gradiška
 Vidovdanska bb
 78 400 Gradiška

Branch Doboj
 Svetog Save 2
 74 000 Doboj

MB Zenica and Branch Zenica
 Maršala Tita bb
 72 000 Zenica

Filijala Kakanj
 Alije Izetbegovića bb
 72 240 Kakanj

Branch Vitez
 Poslovni centar PC 96-2
 72 250 Vitez

Branch Visoko
 Alije Izetbegovića 1
 71 300 Visoko

Branch Tešanj
 Titova 2
 74 260 Tešanj

Branch Travnik
 Konatur bb
 72 270 Travnik

MB Tuzla and Branch Tuzla
 15. Maja bb
 75 000 Tuzla

Branch Tuzla 2
 RK Omega – Univerzitetska 16
 75 000 Tuzla

Branch Bijeljina
 Karađorđeva bb
 76 300 Bijeljina

Branch Brčko
 Reisa Džemaludina Čauševića 10
 76 100 Brčko

MB Bihać and Branch Bihać
 Pape Ivana Pavla II 4
 77 000 Bihać

Branch Cazin
 Cazinskih brigada bb
 77 220 Cazin

Branch Velika Kladuša
 Maršala Tita "Diletacija C"
 77 230 Velika Kladuša

Branch Sanski Most
 Muse Ćazima Ćatića 24
 79 260 Sanski Most

Branch Bosanska Krupa
 Trg Alije Izetbegovića bb
 77 240 Bosanska Krupa

MB Mostar and Branch Mostar
 Kneza Domagoja bb
 88 000 Mostar

Branch Konjic
 Suhi do bb
 88 400 Konjic

Branch Čitluk
Broćanski trg 1
88 260 Čitluk

Branch Široki Brijeg
Ulica pobijenih franjevac 3
88 220 Široki Brijeg

Branch Trebinje
Vuka Mićunovića bb
89 101 Trebinje

Branch Livno
Trg kralja Tomislava bb
80 101 Livno

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