



**IBEC**

**INTERNATIONAL BANK  
FOR ECONOMIC CO-OPERATION**

# **International Bank for Economic Co-operation**

## **Financial statements**

*for the year 2025*

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## **Independent auditor’s report**

To the Council of  
International Bank for Economic Co-operation

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of International Bank for Economic Co-operation hereinafter, the “Bank”, which comprise the statement of financial position as of 31 December 2025, statement of profit or loss and other comprehensive income for 2025, statement of changes in equity for 2025 and statement of cash flows for 2025 and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### ***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 financial statements* section of our report. We are independent of the Bank in accordance with ethical requirements adopted in the Russian Federation, such as those in the Code of Professional Ethics for Auditors and the Independence Rules for Auditors and Audit Organizations, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), including independence requirements, which are relevant to the audit of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Key audit matters***

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



**NEW CHALLENGES  
NEW SOLUTIONS**

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

**Key audit matter**

**How our audit addressed the key audit matter**

***Allowance for expected credit losses on loans to customers***

Estimation of the allowance for expected credit losses on loans to customers is a key area of judgement for the Bank's management. Identification of factors of significant credit risk increase and the determination of expected credit losses require significant use of judgment, assumptions and analysis of various factors, including financial and non-financial information by counterparty, macroeconomic projections and assessment of the expected future cash flows on loans to customers, including from the disposal of collateral. The use of various models and assumptions can significantly affect the level of allowance for expected credit losses on loans to customers. Due to the significance of loans to customers and the complexity of judgments used with regard to expected credit losses in accordance with IFRS 9 Financial Instruments ("IFRS 9"), the estimation of the allowance for expected credit losses was one of the key audit matters. Information on expected credit losses on loans to customers and the approach of the Bank's management to assessing allowance for expected credit losses on loans to customers are presented in Note 10 "Loans to corporate customers" to corporate customers, Note 23 "Allowance for expected credit losses", Note 25 "Risk management" and Note 30 "Significant accounting policies" to the financial statements.

In the course of our audit, we analyzed the methodology for estimating the allowance developed by the Bank in accordance with IFRS 9. Our audit procedures included a review of the financial and non-financial information by counterparty, debt servicing, internal credit ratings of counterparties, factors of significant credit risk increase and also a calculation of default probability based on the Bank's methodology, an analysis of macroeconomic projections. In the course of our audit procedures we analyzed the expected future cash flows on loans to customers. We also assessed information disclosed in the notes to the financial statements with regard to the allowance for expected credit losses on loans to customers.

***Other information included in the Annual Report***

Other information consists of the information included in the Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



**NEW CHALLENGES  
NEW SOLUTIONS**

### ***Responsibilities of management and the Council of International Bank for Economic Co-operation for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Council of International Bank for Economic Co-operation is responsible for overseeing the Bank's financial reporting process.

### ***Auditor's responsibilities for the audit of the financial statements***

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**NEW CHALLENGES  
NEW SOLUTIONS**

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

The partner in charge of the audit resulting in this independent auditor's report is Shinin Gennady Aleksandrovich.

Shinin Gennady Aleksandrovich,  
acting on behalf of B1 – Audit Limited Liability Company  
on the basis of power of attorney dated 19 January 2026,  
partner in charge of the audit resulting in this independent auditor's report  
(main registration number 22006013387)

6 February 2026

***Details of the auditor***

Name: B1 – Audit Limited Liability Company  
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.  
Address: 75 Sadovnicheskaya Embarkment, Moscow, 115035, Russia.  
B1 – Audit Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".  
B1 – Audit Limited Liability Company is included in the control copy of the register of auditors and audit organizations,  
main registration number 12006020327.

***Details of the audited entity***

Name: International Bank for Economic Co-operation  
Acting under the Intergovernmental Agreement for the Organization and Activities of IBEC, registered with the Secretariat of the United Nations on 20 August 1964 and the Statutes of IBEC, registered with the Secretariat of the United Nations on 20 August 1964 № 7388.  
Address: Russia 107996, Moscow, Mashki Poryvaevoy street, 11, GSP-6.

**Statement of financial position****as at 31 December 2025***(EUR thousand)*

	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>Assets</b>			
Cash and cash equivalents	5	63,069	17,176
Securities at fair value through profit or loss	6	10,020	4,190
Securities at fair value through other comprehensive income	7	243,361	186,370
Due from banks and financial institutions	8	76,140	45,742
Securities at amortized cost	9	85,148	36,220
Loans to corporate customers	10	180,721	143,129
Derivative financial assets	11	4,530	1,356
Property, plant and equipment, intangible assets and right-of-use assets	12	50,581	51,014
Other assets	13	1,272	948
<b>Total assets</b>		<b>714,842</b>	<b>486,145</b>
<b>Liabilities</b>			
Due to financial institutions	14	145,349	54,598
Due to customers	15	113,703	70,210
Derivative financial liabilities	11	2,846	257
Debt financial instruments issued	16	209,448	141,874
Other liabilities	13	9,271	6,995
<b>Total liabilities</b>		<b>480,617</b>	<b>273,934</b>
<b>Equity</b>			
Paid-in capital	17	199,674	199,923
Revaluation reserve for securities at fair value through other comprehensive income		(3,010)	(23,656)
Revaluation reserve for property, plant and equipment		22,914	22,914
Retained earnings less net profit for the year		11,692	8,352
Net profit for the year		2,955	4,678
<b>Total equity</b>		<b>234,225</b>	<b>212,211</b>
<b>Total liabilities and equity</b>		<b>714,842</b>	<b>486,145</b>
<b>Off-balance sheet commitments</b>			
Credit-related commitments	18	128,398	90,329

Denis Ivanov

Inna Zheleznova

6 February 2026



*(Signature of Denis Ivanov)*

*(Signature of Inna Zheleznova)*

Chairman of the Board

Director of the Financial Department

## Statement of profit or loss and other comprehensive income for the year 2025

(EUR thousand)

	<b>Note</b>	<b>2025</b>	<b>2024</b>
Interest income calculated using the EIR method		73,709	47,455
Other interest income		388	69
Interest expense		(60,864)	(39,580)
<b>Net interest income</b>	19	<b>13,233</b>	<b>7,944</b>
(Allowance) reversal of allowance for expected credit losses from financial assets	23	(5,665)	6,464
<b>Net interest income after allowance for expected credit losses</b>		<b>7,568</b>	<b>14,408</b>
Fee and commission income		2,814	1,632
Fee and commission expense		(1,082)	(805)
<b>Net fee and commission income</b>	20	<b>1,732</b>	<b>827</b>
Net gains (losses) from operations with securities at fair value through profit or loss		756	(365)
Net gains (losses) from operations with securities at fair value through other comprehensive income	21	7,538	(167)
Net losses from operations with securities at amortized cost	8	(8)	(642)
Net (losses) gains from operations with derivative financial instruments and foreign currency			
- <i>Dealing</i>	11	5,345	(139)
- <i>Revaluation of currency items</i>		(7,088)	3,747
Lease income		2,317	1,546
Other banking income		868	432
Administrative and management expenses	22	(15,756)	(14,016)
Net losses from disposal of property, plant and equipment		(1)	(3)
Other provisions	24	(134)	(72)
Other banking expenses		(182)	(878)
<b>Profit for the year</b>		<b>2,955</b>	<b>4,678</b>

**Statement of profit or loss and other comprehensive income  
for the year 2025 (continued)**

(EUR thousand)

	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Other comprehensive income (loss)</b>			
<i>Items that are or may be subsequently reclassified to profit or loss</i>			
Unrealized gains (losses) on securities at fair value through other comprehensive income		28,939	(20,312)
Realized (gains) losses on securities at fair value through other comprehensive income, reclassified to profit or loss	21	(7,970)	151
Change in allowance for expected credit losses		(323)	(3,047)
Net (losses) on cash flow hedges	11	–	(312)
<b>Total items that are or may be subsequently reclassified to profit or loss</b>		<b>20,646</b>	<b>(23,520)</b>
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Revaluation of property, plant and equipment		–	(201)
<b>Total items that may not be subsequently reclassified to profit or loss</b>		<b>–</b>	<b>(201)</b>
<b>Total other comprehensive income (loss)</b>		<b>20,646</b>	<b>(23,721)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>23,601</b>	<b>(19,043)</b>

## Statement of changes in equity for the year 2025

(EUR thousand)

	<i>Paid-in capital</i>	<i>Revaluation reserve for securities at fair value through other comprehensive income</i>	<i>Revaluation reserve for property, plant and equipment</i>	<i>Cash flow hedge reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>1 January 2025</b>	<b>199,923</b>	<b>(23,656)</b>	<b>22,914</b>	<b>–</b>	<b>13,030</b>	<b>212,211</b>
<b>Net profit for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,955</b>	<b>2,955</b>
<b>Other comprehensive income</b>						
<i>Items that are or may be subsequently reclassified to profit or loss</i>						
Unrealized gains on securities at fair value through other comprehensive income	–	28,939	–	–	–	<b>28,939</b>
Realized (gains) on securities at fair value through other comprehensive income, reclassified to profit or loss	–	(7,970)	–	–	–	<b>(7,970)</b>
Change in allowance for expected credit losses	–	(323)	–	–	–	<b>(323)</b>
<b>Total items that are or may be subsequently reclassified to profit or loss</b>	<b>–</b>	<b>20,646</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,646</b>
<b>Total other comprehensive income</b>	<b>–</b>	<b>20,646</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,646</b>
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>20,646</b>	<b>–</b>	<b>–</b>	<b>2,955</b>	<b>23,601</b>
Payments to withdrawn countries (Note 17)	(249)	–	–	–	249	–
Obligations to withdrawn countries (Note 17)	–	–	–	–	(1,587)	<b>(1,587)</b>
<b>31 December 2025</b>	<b>199,674</b>	<b>(3,010)</b>	<b>22,914</b>	<b>–</b>	<b>14,647</b>	<b>234,225</b>

The accompanying notes 1-30 are an integral part of these financial statements.

**Statement of changes in equity  
for the year 2025 (continued)**

(EUR thousand)

	<i>Paid-in capital</i>	<i>Revaluation reserve for securities at fair value through other comprehensive income</i>	<i>Revaluation reserve for property, plant and equipment</i>	<i>Cash flow hedge reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>1 January 2024</b>	<b>200,000</b>	<b>(448)</b>	<b>23,115</b>	<b>312</b>	<b>10,159</b>	<b>233,138</b>
<b>Net profit for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,678</b>	<b>4,678</b>
<b>Other comprehensive loss</b>						
<i>Items that are or may be subsequently reclassified to profit or loss</i>						
Unrealized losses on securities at fair value through other comprehensive income	–	(20,312)	–	–	–	<b>(20,312)</b>
Realized losses on securities at fair value through other comprehensive income, reclassified to profit or loss	–	151	–	–	–	<b>151</b>
Change in allowance for expected credit losses	–	(3,047)	–	–	–	<b>(3,047)</b>
Net unrealized gains on cash flow hedges	–	–	–	275	–	<b>275</b>
Net gains on cash flow hedges, reclassified to profit or loss	–	–	–	(587)	–	<b>(587)</b>
<b>Total items that are or may be subsequently reclassified to profit or loss</b>	<b>–</b>	<b>(23,208)</b>	<b>–</b>	<b>(312)</b>	<b>–</b>	<b>(23,520)</b>
<i>Items that may not be subsequently reclassified to profit or loss</i>						
Revaluation of property, plant and equipment	–	–	(201)	–	–	<b>(201)</b>
<b>Total items that may not be subsequently reclassified to profit or loss</b>	<b>–</b>	<b>–</b>	<b>(201)</b>	<b>–</b>	<b>–</b>	<b>(201)</b>
<b>Total other comprehensive loss</b>	<b>–</b>	<b>(23,208)</b>	<b>(201)</b>	<b>(312)</b>	<b>–</b>	<b>(23,721)</b>
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>(23,208)</b>	<b>(201)</b>	<b>(312)</b>	<b>4,678</b>	<b>(19,043)</b>
Payments to withdrawn countries (Note 17)	(77)	–	–	–	77	–
Obligations to withdrawn countries (Note 17)	–	–	–	–	(1,884)	<b>(1,884)</b>
<b>31 December 2024</b>	<b>199,923</b>	<b>(23,656)</b>	<b>22,914</b>	<b>–</b>	<b>13,030</b>	<b>212,211</b>

The accompanying notes 1-30 are an integral part of these financial statements.

**Statement of cash flows****for the year 2025***(EUR thousand)*

	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>			
<b>Profit for the year</b>		<b>2,955</b>	<b>4,678</b>
<i>Adjustments for:</i>			
Accrued interest receivable		309	(3,030)
Accrued interest payable		(894)	3,423
Other accrued income receivable		46	34
Other accrued expenses payable		1,052	863
Depreciation and amortization	22	1,306	1,362
Allowance for expected credit losses from financial assets	23	5,665	(6,464)
Other provisions	24	134	72
Remeasurement of securities at fair value through profit or loss		(750)	365
Revaluation of currency items		7,088	(3,747)
Net (gains) losses from operations with securities at fair value through other comprehensive income	21	(7,538)	167
Net gains from disposal of property, plant and equipment		1	3
<b>Cash from (used in) operating activities before changes in operating assets and liabilities</b>		<b>9,374</b>	<b>(2,274)</b>
<i>(Increase) decrease in operating assets</i>			
Securities at fair value through profit or loss		(8,462)	–
Due from banks and financial institutions		(35,505)	48,214
Loans to corporate customers		(30,626)	(23,508)
Other assets		826	9,839
<i>Increase (decrease) in operating liabilities</i>			
Due to financial institutions		85,791	(38,758)
Due to customers		30,752	48,763
Other liabilities		(599)	(6,197)
<b>Net cash from operating activities</b>		<b>51,551</b>	<b>36,079</b>
<b>Cash flows from investing activities</b>			
Sales of securities at fair value through profit or loss		3,628	–
Purchases of securities at fair value through other comprehensive income		(240,191)	(131,139)
Sales of securities at fair value through other comprehensive income		225,085	91,743
Purchases of securities at amortized cost		(63,775)	(19,531)
Proceeds from redemption of securities at amortized cost		22,822	18,726
Purchases of property, plant and equipment		(875)	(334)
<b>Net cash used in investing activities</b>		<b>(53,306)</b>	<b>(40,535)</b>

**Statement of cash flows**  
**for the year 2025 (continued)**

(EUR thousand)

	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt financial instruments issued	16	74,732	52,015
Redemption of bonds	16	(24,176)	(50,294)
Long-term financing repaid to banks		(3,373)	(2,880)
Payments on obligations to withdrawn countries		(249)	(77)
<b>Net cash from (used in) financing activities</b>		<b>46,934</b>	<b>(1,236)</b>
<b>Net increase (decrease) in cash and cash equivalents before translation differences</b>			
		<b>45,179</b>	<b>(5,692)</b>
Effect of changes in exchange rates on cash and cash equivalents		715	1,307
Effect of changes in expected credit losses on cash and cash equivalents		(1)	2
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>45,893</b>	<b>(4,383)</b>
Cash and cash equivalents at 31 December preceding the reporting period	5	17,176	21,559
<b>Cash and cash equivalents at 31 December of the reporting year</b>	5	<b>63,069</b>	<b>17,176</b>
<b>Additional information</b>			
Interest received		74,406	44,494
Interest paid		(61,758)	(36,157)

(EUR thousand)

## 1. Principal activities of the Bank

The International Bank for Economic Co-operation (hereinafter, "IBEC" or the "Bank") was established in 1963 and is headquartered in Moscow, the Russian Federation.

The Bank is an international financial institution established and operating under the Intergovernmental Agreement on the Organization and Activities of IBEC (registered with the United Nations Secretariat on 20 August 1964) (hereinafter, the "Agreement") and the Statutes of IBEC.

The Bank's mission is to develop international supply chains in accordance with the needs of member countries through providing a full set of tools to the corporate sector and financial institutes to support trade operations.

In accordance with the Statutes of IBEC, the Bank is authorized to conduct a full range of banking operations in line with the Bank's aims and objectives, including:

- ▶ Opening and maintaining customer accounts, receiving and placing customer funds in accounts with the Bank, handling documents and performing import and export payment and settlement operations, performing conversion, arbitrage, cash, guarantee, documentary and factoring operations, and providing banking consulting and other services;
- ▶ Attracting deposits and loans, issuing securities;
- ▶ Granting loans and bank guarantees, placing deposits and other borrowings, financing capital investments, discounting promissory notes, purchasing and selling securities, participating in the capital of banks, financial and other institutions;
- ▶ Other banking operations.

As at 31 December 2025, members of the Bank are the following three countries (hereinafter, the "member countries"): the Socialist Republic of Vietnam, Mongolia and the Russian Federation (31 December 2024: three countries: the Socialist Republic of Vietnam, Mongolia, and the Russian Federation). In accordance with Article 20 of the Statutes of IBEC, each member country has one vote irrespective of its share in the Bank's capital (Note 17).

Owing to the supranational status of the Bank, the restrictive measures imposed on the Russian Federation by the Council of the European Union, the United Kingdom of Great Britain and Northern Ireland, the USA, Australia, Canada, Japan, the Swiss Confederation and other countries do not extend to IBEC's financial transactions in Russia and abroad.

Separate Decree No. 738 of the President of the Russian Federation dated 15 October 2022 confirmed the international status of the Bank and its full exemption from any effects of restrictive counter-sanctions.

In 2025, several events occurred that were significant for the development of the Bank's operations, expansion of its partner network and enhancement of the IBEC brand recognition across the business community:

- ▶ On 29 January 2025, the Analytical Credit Rating Agency (ACRA) upgraded IBEC's credit rating on the international scale to A- with a Stable outlook, affirmed its credit rating on the national scale at AAA(RU) with a Stable outlook, and also affirmed the ratings of IBEC's series 001P-02 (RU000A101RJ7) and 002P-03 (RU000A108Q03) bonds – AAA(RU).  
On 18 July and 25 December 2025, ACRA affirmed IBEC's credit rating on the international scale at A-, with a Stable outlook, and on the national scale for the Russian Federation at AAA(RU), with a Stable outlook, and also affirmed the ratings of IBEC's series 001P-02 (RU000A101RJ7), 002P-03 (RU000A108Q03) and 002P-04 (RU000A10CC99) bonds – AAA(RU).
- ▶ On 11-14 March 2025, the IBEC delegation headed by the Chairman of the Board paid a working visit to the Lao People's Democratic Republic. During the meetings, the parties discussed opportunities and prospects for cooperation with a view to supporting the implementation of Laos's strategic agenda for diversifying its international relations and expanding foreign economic ties with IBEC member countries.
- ▶ On 16-17 April 2025, an IBEC delegation paid a working visit to Vietnam. During the meetings, the parties discussed cooperation in the area of foreign trade finance to support Vietnam's import and export transactions with IBEC member countries and other countries of strategic interest.

(EUR thousand)

## 1. Principal activities of the Bank (continued)

- ▶ To support the export and import operations of its member countries, IBEC issued a RUB 15.8 million guarantee (equivalent to EUR 174 thousand at the exchange rate on the date the guarantee was issued), backed by a counter-guarantee from a financial institution in Mongolia, to promote exports of agricultural products from the Russian Federation to Mongolia, and a guarantee in the total amount over MNT 11.3 billion (equivalent to EUR 2.7 million at the exchange rate on the date the guarantee was issued) for delivery of modern diesel locomotives for development of the railway infrastructure of Mongolia.
- ▶ In 2025, IBEC issued loans to financial institutions in the amount of CNY 74 million (equivalent nearly to EUR 9 million at the exchange rate on the date the financing was provided) to finance trade contracts in support of export and import transactions with counterparties from China. The Bank also issued a targeted trade finance facility of CNY 200 million (equivalent to EUR 23.9 million at the exchange rate on the date the financing was provided) for settlements with a Chinese contractor engaged in construction of modernized hulls for a floating power plant.
- ▶ IBEC provided a guarantee to secure advance payment with a nominal value of USD 953 thousand (equivalent to EUR 827 thousand at the exchange rate on the date the guarantee was issued) to support the design and survey work of the Russian company (SME) for construction of socially significant facilities in the Republic of Kyrgyzstan.
- ▶ IBEC continued to support the pharmaceutical sector. In 2025, the Bank issued payment guarantees on behalf of several major pharmaceutical distributors for a total of approximately RUB 6 billion (equivalent to EUR 64.0 million at the exchange rate on the date the guarantees were issued) and extended targeted trade finance facilities to companies in the pharmaceutical sector in the amount of nearly RUB 4.6 billion (equivalent to EUR 49.9 million at the exchange rate on the date the financing was provided). IBEC's support enables the uninterrupted supply of medicines and pharmaceutical products from leading global manufacturers to pharmacies and healthcare institutions in an IBEC member country, including in the fields of oncology, haematology, neurology and cardiology.
- ▶ As part of the sectoral diversification of credit and documentary portfolio launched in 2024, IBEC provided funding – including through its credit and investment portfolio – of over RUB 1.9 billion (equivalent to EUR 20.6 million at the exchange rate on the transaction date) to companies in the leasing sector and extended short-term loans of approximately RUB 17 billion (equivalent to EUR 180.6 million at the exchange rate on the date the financing was provided) to a financial company in the e-commerce sector in 2025.
- ▶ On 24 April 2025, at the 48th Annual Meeting of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), IBEC received a corporate governance award for its innovative methodology for assessing operational sustainability. The award recognizes IBEC's pioneering approach to integrating environmental, social and governance (ESG) principles into corporate decision-making processes and the classification of its trade finance products.

In the 2024-2026 Strategy approved by the IBEC Council in May 2024, the Bank stated its intention to build and develop in-house expertise in assessing the sustainability of its trade operations and to design an internal methodology leveraging the best modern practices of the International Chamber of Commerce (ICC).

The IBEC's approach to assessing the sustainability of its operations relies on the three principles of compliance with the IBEC's Strategy, compliance with the UN's Sustainable Development Goals (SDGs) and the analysis of environmental, social and economic sustainability. The Sustainability Assessment Principles developed by the Bank draw on the ICC's best practices, as reflected in the third edition of the ICC Standards for Sustainable Trade, which set out an approach for assessing the sustainability of trade finance operations. This approach is designed to capture the multidimensional nature of trade operations by assessing not only the goods or economic activities being financed, but also the buyers and sellers involved, considering environmental, social and economic sustainability.

During the reporting period, the Bank implemented a number of projects contributing to sustainable development. It supported the agricultural sector in the Russian Federation and Mongolia, provided trade finance for the development of Mongolia's transport system (including the acquisition of e-friendly vehicles) and trade finance to one of major power engineering companies in Russia for construction and delivery of modernized floating power plants, and continued to support the healthcare sector through credit and documentary instruments.

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(EUR thousand)

## 2. Operating environment of the Bank

In 2025, the world economy was resilient, showing moderate growth despite foreign trade tensions between the biggest economies and a high level of global uncertainty. This was partly due to the fact that the short-term impact of tightened trade policies turned out to be less significant than expected, partly because businesses had taken steps to mitigate possible shocks.

Households and entities had increased private consumption and investment ahead of the tariff hikes, providing short-term momentum for global economic activity in early 2025. This launched a shift in trade flows.

Global economic activity remained robust at the onset of 2025, backed by strong growth in US imports, and Asian and European exports ahead of the US tariff hikes.

However, the impact of shifting trade policies became more evident in the latest high-frequency data: global economic growth decelerated by the end of 2025, partly because of weaker demand. The signs of slowdown in global trade started to appear in the second half of 2025.

According to IMF's preliminary estimate,<sup>1</sup> global GDP expanded by 3.3% in 2025, with global trade growing by 4.1%. Global annual inflation is expected at about 4.1%.

### Vietnam

According to current estimates,<sup>2</sup> Vietnam's GDP grew by 8.02% in 2025, on an annualized basis, despite the ramifications of natural disasters and a turbulent global landscape. This is the second highest reading over the past 15 years, the first being in 2022.

On the demand side, the largest contribution to GDP came from strong growth in trade (particularly, exports) and a surge in foreign direct investment that backed the industrial sector.

The positive momentum in economic activity was evident in the services sector, as well as in industry, construction and agriculture.

Inflation stood at 3.3% at the end of 2025, which is below the target of (4.5%) set by the State Bank of Vietnam.

### Mongolia

Substantial recovery in agriculture and increasing added value in industry and construction were the key drivers of the Mongolian economy in 2025. The national economy proved resilient to negative external shocks, such as a drop in commodities prices and a slowdown in coal exports.

The mining sector was actually stagnating, as a decrease in coal mining was partly offset by a sharp upturn in copper production. On the demand side, growth was supported by rising real wages and a strong expansion in lending. The foreign trade balance weakened, largely reflecting a slump in coal prices.

In the first 11 months of 2025, Mongolia's GDP grew by 6.4% year-on-year, according to a preliminary estimate.<sup>3</sup> Average inflation moderated slightly after peaking in February 2025, however, it returned to the target range (6%±2%) only in December, ending at 7.5%.

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<sup>1</sup> IMF, World Economic Outlook, January 2026.

<sup>2</sup> Infographic of the social and economic situation in Q4 and 2025.

<sup>3</sup> Economic growth of Mongolia, January-November 2025, published: 7 January 2026.

(EUR thousand)

## 2. Operating environment of the Bank (continued)

### Russia

In 2025, economic activity in Russia showed signs of gradual cooling, with a steady return to a balanced growth trajectory.

The slowdown was most evident in industries that focus on domestic demand and resulted from continued tight monetary stance holding back investment and consumer activity. Export industries, other than oil and gas, expanded in 2025, partly offsetting the effect of weaker domestic demand.

At the beginning of Q4, economic activity revived, but remained uneven across sectors. GDP growth for the 11 months of 2025 was 1.0% year-on-year.<sup>4</sup>

Inflationary pressures eased amid weakening domestic demand, monetary policy, falling global commodity prices and a stronger ruble.

However, inflation remained above the set target of 4%.

### Effect of the economic environment on IBEC's activities

In 2025, in line with its approved 2024-2026 Strategy and following the stabilization of its liquidity buffer, the Bank continued its strategic shift and adaptation to the new reality in the wake of the recent turmoil in global financial markets. The Bank further developed its business, including expansion into new selected markets in Asia and the EAEU to support the foreign economic activities of its member countries.

IBEC continued to diversify its funding sources. Alongside short-term borrowings from credit institutions and issued bonds, the Bank attracted corporate deposits and entered into repurchase transactions with financial institutions.

The accumulation of liquid funds – including those from repayment of loans by counterparties in countries that have withdrawn from the Agreement on the Organization and Activities of IBEC – on correspondent accounts enables IBEC not only to service its current liabilities and obligations in the foreseeable future but also to build a new portfolio of performing assets.

In 2023, the Republic of Poland, the Slovak Republic, the Czech Republic, Romania and the Republic of Bulgaria withdrew from the Agreement on the Organization and Activities of IBEC following prior notice.

On 22 November 2024, IBEC and the Republic of Poland signed an agreement on the final settlement of mutual claims and liabilities in connection with the Republic of Poland's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on 25 November 2024. In accordance with IFRS, on 25 November 2024, IBEC recognized on its balance sheet a financial liability to the Republic of Poland at present value, calculated by discounting cash flows based on the scheduled gradual cash repayment of the paid-in portion of the authorized capital as set out in the bilateral agreement. The liability was recognized as a reduction in the Bank's retained earnings from prior years by EUR 1,884 thousand. On the dates when payments are made to the Republic of Poland (Note 17) and on a monthly basis thereafter, IBEC records changes in the amortized cost of the liability in accordance with IFRS 9. As at 31 December 2025, a net result of EUR (512) thousand was recognized in the statement of profit or loss and other comprehensive income (31 December 2024: a net result of EUR (45) thousand recognized).

On 16 May 2025, IBEC and the Czech Republic signed an agreement on the final settlement of mutual claims and liabilities in connection with the Czech Republic's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on the date of signing. In accordance with IFRS, on 16 May 2025, IBEC recorded on its balance sheet a financial liability to the Czech Republic at present value, calculated by discounting cash flows based on the scheduled gradual cash repayment of the paid-in portion of the authorized capital as set out in the bilateral agreement. The liability was recognized as a reduction in the Bank's retained earnings from prior years by EUR 1,587 thousand. On the dates when payments are made to the Czech Republic (Note 17) and on a monthly basis thereafter, IBEC records changes in the amortized cost of the liability in accordance with IFRS 9. As of 31 December 2025, a net result of EUR (314) thousand was recognized in the statement of profit or loss and other comprehensive income (31 December 2024: no liability recognized).

<sup>4</sup> On the Current Situation in the Russian Economy, November 2025, the Russian Ministry of Economic Development.

(EUR thousand)

## 2. Operating environment of the Bank (continued)

### Effect of the economic environment on IBEC's activities (continued)

In 2025, in line with changes in the loan portfolio by country as set out in the 2024-2026 Strategy, IBEC assigned its interest in a syndicated loan issued in 2021 to a corporate customer in the country that had withdrawn from the Agreement on the Organization and Activities of IBEC. The transaction generated a gain of EUR 238 thousand to the Bank.

In 2025, IBEC clarified its internal policies on the estimating and making allowances for expected credit losses in accordance with IFRS to ensure that its allowances are adequate to the accepted risks. It aligned its probability of default profile and loss given default with Moody's revised data for 2024 and specified geographical region segmentation to ensure correct accounting for macroeconomic indicators by region where the Bank's borrowers operate. According to the Bank, the effect from these changes approximated EUR 1 million.

In 2025, a portion of the Bank's securities at amortized cost was redeemed early for EUR 3,503 thousand, based on the exchange rate prevailing on the redemption date. However, due to the sanctions imposed on the depository having custody of the Bank's securities, the Bank did not receive any cash proceeds from this redemption. As a result, these funds are recoded within the Bank's other assets.

## 3. Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and material accounting policies.

The Bank has no subsidiaries or associates, and the financial statements have therefore been prepared on a standalone basis.

The euro is the functional and presentation currency of the Bank's financial statements. All amounts in the financial statements are rounded to the nearest thousand euros.

The financial statements are prepared on a going concern basis. Based on this premise, the Bank's Board considers the current intentions, operational profitability and available financial resources.

The financial statements have been prepared under the historical cost convention, except for securities at fair value through profit or loss, securities at fair value through other comprehensive income, derivative financial instruments at fair value and a building recorded at a revalued amount.

### Significant accounting estimates and professional judgments

In preparing these financial statements, management has made professional judgments, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in estimates are recognized in the reporting period in which the estimates are revised, as well as in any future periods affected.

Measurement is a process of determining the value at which accounting items must be recorded in the Bank's financial statements.

The Bank uses the following methods of measurement (recognition) of financial assets and 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of the principal market, in the most advantageous market for the asset or liability.

(EUR thousand)

### 3. Basis of preparation of financial statements (continued)

#### Significant accounting estimates and professional judgments (continued)

*Initial cost* is the amount of cash or cash equivalents paid or the fair value of another consideration given to acquire an asset at the time of its acquisition, including transaction costs.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument.

#### *Judgments*

Information about judgments, which were used in applying the accounting policies and had the most significant effect on the amounts recognized in the financial statements, is disclosed in the following Notes:

- ▶ Classification of financial assets: assessment of the business model within which financial assets are held and assessment of whether the contractual terms of the financial asset provide for solely payments of principal and interest on the principal amount outstanding (Note 30);
- ▶ Establishment of criteria for assessing whether there has been a significant increase in the credit risk of a financial asset since its initial recognition, determination of a methodology for including forecast data in the estimation of expected credit losses, and selection and approval of models used to estimate expected credit losses (Note 25).

#### *Assumptions and estimation uncertainty*

Information about the assumptions and estimation uncertainty, which give rise to a significant risk that they may cause a significant adjustment to the data in the financial statements for the year ended 31 December 2025, is disclosed in the following Notes:

- ▶ Impairment of financial instruments: determination of inputs for a model for estimating expected credit losses, including forecast information (Note 25);
- ▶ Fair value measurement of securities (Note 26);
- ▶ Revaluation of the building (Note 12).

#### Changes in accounting policies

The Bank applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2025, as described below. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

### 4. Adoption of new or revised standards, interpretations and reclassifications

The following amendments and interpretations to standards became effective as at 1 January 2025:

#### *Amendments to IAS 21 – Lack of Exchangeability*

On 20 August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendments introduce a definition of an 'exchangeable currency' and provide clarifications.

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(EUR thousand)

**4. Adoption of new or revised standards, interpretations and reclassifications (continued)**

The amendments clarify the following:

- ▶ A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.
- ▶ An entity shall assess whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.
- ▶ The guidance relating to a situation where several exchange rates are available remained the same, but the requirement to use the first subsequent rate at which exchanges could be made if exchangeability between two currencies is temporarily lacking was removed. In this case, an entity is required to estimate a spot exchange rate.
- ▶ Some new disclosure requirements were added.

An entity is required to disclose information about:

- ▶ The nature and financial effects of the currency not being exchangeable into the other currency;
- ▶ The spot exchange rate(s) used;
- ▶ The estimation process, and
- ▶ The risks to which the entity is exposed because of the currency not being exchangeable into the other currency.

The amendments had no impact on the Bank's financial statements, as the Bank does not operate in an environment where exchangeability is lacking.

**Standards issued but not yet effective**

The amended standards and interpretations that are issued at the date of issuance of the Bank's financial statements are disclosed below. However, they are not mandatory and the Bank has not early adopted them in its 2025 financial statements.

<b>Standards not effective for the annual reporting period ended 31 December 2025</b>	<b>Effective for annual reporting periods beginning on or after</b>
▶ Amendments to IFRS 9 and IFRS 7 – <i>Amendments to the Classification and Measurement of Financial Instruments</i>	
▶ Amendments to IFRS 9 and IFRS 7 – <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
▶ <i>Annual Improvements to IFRS Accounting Standards – Volume 11:</i>	
▶ <i>Cost Method</i> (Amendments to IAS 7);	
▶ <i>Derecognition of Lease Liabilities</i> (Amendments to IFRS 9);	
▶ <i>Determination of a 'de facto agent'</i> (Amendments to IFRS 10);	
▶ <i>Disclosure of Deferred Difference between Fair Value and Transaction Price</i> (Amendments to <i>Guidance on Implementing IFRS 7</i> );	
▶ <i>Gain or Loss on Derecognition</i> (Amendments to IFRS 7);	
▶ <i>Hedge Accounting by a First-time Adopter</i> (Amendments to IFRS 1);	
▶ <i>Introduction</i> (Amendments to <i>Guidance on Implementing IFRS 7</i> );	
▶ <i>Credit Risk Disclosures</i> (Amendments to <i>Guidance on Implementing IFRS 7</i> );	
▶ <i>Transaction Price</i> (Amendments to IFRS 9);	1 January 2026
▶ IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
▶ IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

These amendments and new standards are not expected to have a material impact on the Bank, except for IFRS 18 for which the Bank is currently in the process of analyzing its impact on the financial reporting.

*(EUR thousand)***4. Adoption of new or revised standards, interpretations and reclassifications (continued)****Standards issued but not yet effective (continued)**

In April 2024, the IASB issued a new standard, IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements, the most important of which are:

- ▶ On the classification of income and expenses in the statement of profit or loss into three defined categories corresponding to operating, investing and financing activities. It also requires all entities to provide new defined subtotals, such as:
  - ▶ Operating profit or loss, and
  - ▶ Profit or loss before financing and income taxes.
- ▶ On the disclosure of information on management-defined performance measures in the financial statements, including reconciliation of those measures to the closest total or subtotal presented in the statement of profit or loss.
- ▶ On the presentation of aggregated and disaggregated financial information in the primary financial statements and in the notes.

IFRS 18 has also introduced limited changes to the statement of cash flows and certain other changes.

Entities shall apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies IFRS 18 for an earlier period, it shall disclose that fact.

**5. Cash and cash equivalents**

Cash and cash equivalents comprise:

	<b>2025</b>	<b>2024</b>
Cash on hand	2,264	2,256
Correspondent accounts with banks in IBEC member countries	34,600	13,506
Correspondent accounts with banks in other countries	26,211	1,419
<b>Total cash and cash equivalents</b>	<b>63,075</b>	<b>17,181</b>
Allowance for expected credit losses	(6)	(5)
<b>Cash and cash equivalents less allowance for expected credit losses</b>	<b>63,069</b>	<b>17,176</b>

As at 31 December 2025, balances with three major groups of counterparties amounted to EUR 42,057 thousand, or 69.17% of the total cash and cash equivalents other than cash on hand less allowance for expected credit losses (31 December 2024: balances with three major groups of counterparties amounted to EUR 12,967 thousand, or 86.91% of the total cash and cash equivalents other than cash on hand less allowance for expected credit losses).

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(EUR thousand)

**5. Cash and cash equivalents (continued)**

The table below shows an analysis of cash and cash equivalents (other than cash on hand), broken down by external ratings assigned by international rating agencies and, where external ratings are not available, by internal credit ratings:

	<b>2025</b>	<b>2024</b>
<b>Due from central banks</b>	<b>2,218</b>	<b>110</b>
<b>Correspondent accounts with banks</b>		
Internationally rated		
From AAA to A-	1	4
From BBB+ to BB-	19,243	1,525
From B+ to B-	30,515	10,802
Internally rated only		
From AAA to A-	8	–
From BBB+ to BB-	3,125	2,448
From B+ to B-	5,683	15
From CCC+ to C	13	17
Unrated	5	4
<b>Cash and cash equivalents (other than cash on hand)</b>	<b>60,811</b>	<b>14,925</b>
Allowance for expected credit losses	(6)	(5)
<b>Cash and cash equivalents (other than cash on hand) less allowance for expected credit losses</b>	<b>60,805</b>	<b>14,920</b>

For the credit quality and interest rate risk of cash and cash equivalents, please refer to Note 25.

**6. Securities at fair value through profit or loss**

Securities at fair value through profit or loss comprise:

	<b>2025</b>	<b>2024</b>
<b>Held by the Bank</b>		
<b>Internally rated only</b>		
Corporate bonds	5,085	741
From BBB+ to BB-	5,085	741
Bonds of IBEC member countries	–	3,449
From BBB+ to BB-	–	3,449
	<b>5,085</b>	<b>4,190</b>
<b>Pledged under repurchase agreements</b>		
<b>Internally rated only</b>		
Bonds of IBEC member countries	4,056	–
From BBB+ to BB-	4,056	–
Corporate bonds	879	–
From BBB+ to BB-	879	–
	<b>4,935</b>	<b>–</b>
<b>Securities at fair value through profit or loss</b>	<b>10,020</b>	<b>4,190</b>

For the interest rate risk of securities at fair value through profit or loss, please refer to Note 25.

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*(EUR thousand)***7. Securities at fair value through other comprehensive income**

Securities at fair value through other comprehensive income comprise:

	<b>2025</b>	<b>2024</b>
<b>Held by the Bank</b>		
<b><i>Internationally rated</i></b>		
Corporate Eurobonds	8,055	7,582
<i>From BBB+ to BB-</i>	3,055	7,582
<i>From B+ to B-</i>	5,000	–
Eurobonds of other countries	6,744	6,876
<i>From BBB+ to BB-</i>	6,744	6,876
<b><i>Internally rated only</i></b>		
Corporate bonds	95,935	94,782
<i>From BBB+ to BB-</i>	76,699	64,070
<i>From B+ to B-</i>	19,236	30,712
Bonds of IBEC member countries	30,151	54,743
<i>From BBB+ to BB-</i>	30,151	54,743
Bonds of banks	9,623	9,524
<i>From BBB+ to BB-</i>	4,428	6,111
<i>From CCC+ to C</i>	5,195	3,413
Corporate Eurobonds	6,580	11,192
<i>From BBB+ to BB-</i>	6,580	11,192
Eurobonds of international financial institutions	1,983	1,671
<i>From BBB+ to BB-</i>	1,983	1,671
	<b>159,071</b>	<b>186,370</b>
<b>Pledged under repurchase agreements</b>		
<b><i>Internally rated only</i></b>		
Corporate bonds	51,723	–
<i>From BBB+ to BB-</i>	35,955	–
<i>From B+ to B-</i>	15,768	–
Bonds of IBEC member countries	32,567	–
<i>From BBB+ to BB-</i>	32,567	–
	<b>84,290</b>	<b>–</b>
<b>Securities at fair value through other comprehensive income</b>	<b>243,361</b>	<b>186,370</b>

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(EUR thousand)

**7. Securities at fair value through other comprehensive income (continued)**

An analysis of changes in the gross carrying amount and changes in the allowance for expected credit losses on securities at fair value through other comprehensive income is presented below:

<b>Securities at fair value through other comprehensive income</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
<b>Gross carrying amount at 1 January 2025</b>	<b>167,375</b>	<b>18,995</b>	<b>186,370</b>
New originated or purchased assets	266,274	9,292	<b>275,566</b>
Transfer to Stage 1	7,333	(7,333)	–
Transfer to Stage 2	(5,924)	5,924	–
Change in fair value	28,768	1,273	<b>30,041</b>
Assets derecognized or redeemed (excluding write-offs)	(255,599)	(5,349)	<b>(260,948)</b>
Changes in currency exchange rates	12,525	(193)	<b>12,332</b>
<b>Gross carrying amount at 31 December 2025</b>	<b>220,752</b>	<b>22,609</b>	<b>243,361</b>
<b>Allowance for expected credit losses at 1 January 2025</b>	<b>1,148</b>	<b>5,236</b>	<b>6,384</b>
New originated or purchased assets	1,440	66	<b>1,506</b>
Transfer to Stage 1	810	(810)	–
Transfer to Stage 2	(72)	72	–
Assets derecognized or redeemed (excluding write-offs)	(1,938)	(133)	<b>(2,071)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(212)	499	<b>287</b>
Changes in currency exchange rates	221	(267)	<b>(46)</b>
<b>Allowance for expected credit losses at 31 December 2025</b>	<b>1,397</b>	<b>4,663</b>	<b>6,060</b>
<b>Gross carrying amount at 1 January 2024</b>	<b>143,611</b>	<b>28,721</b>	<b>172,332</b>
New originated or purchased assets	138,004	7,491	<b>145,495</b>
Transfer to Stage 1	12,700	(12,700)	–
Transfer to Stage 2	(3,946)	3,946	–
Change in fair value	(18,164)	(2,574)	<b>(20,738)</b>
Assets derecognized or redeemed (excluding write-offs)	(98,979)	(6,216)	<b>(105,195)</b>
Changes in currency exchange rates	(5,851)	327	<b>(5,524)</b>
<b>Gross carrying amount at 31 December 2024</b>	<b>167,375</b>	<b>18,995</b>	<b>186,370</b>
<b>Allowance for expected credit losses at 1 January 2024</b>	<b>866</b>	<b>8,564</b>	<b>9,430</b>
New originated or purchased assets	768	81	<b>849</b>
Transfer to Stage 1	3,375	(3,375)	–
Transfer to Stage 2	(117)	117	–
Assets derecognized or redeemed (excluding write-offs)	(1,155)	(2,462)	<b>(3,617)</b>
Changes in models and inputs used for ECL-calculations, and as a result of transfers between Stages	(2,586)	2,199	<b>(387)</b>
Changes in currency exchange rates	(3)	112	<b>109</b>
<b>Allowance for expected credit losses at 31 December 2024</b>	<b>1,148</b>	<b>5,236</b>	<b>6,384</b>

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(EUR thousand)

## 7. Securities at fair value through other comprehensive income (continued)

Corporate bonds denominated in Russian rubles, euros and Chinese yuan (31 December 2024: Russian rubles, euros and Chinese yuan) were issued by financial entities and major companies of IBEC member countries for circulation in the domestic markets of the issuing countries and for trading on stock exchanges. Corporate bonds mature from February 2026 to December 2035 (31 December 2024: from February 2026 to December 2034), with coupon rates ranging from 1.85% to 26% p.a. (31 December 2024: from 1.5% to 27.5% p.a.).

Bonds of IBEC member countries are issued in Russian rubles and euros (31 December 2024: Russian rubles and euros) for circulation in the domestic markets and on the stock exchanges of the issuing countries, as well as for trading over the counter. These bonds mature from November 2027 to May 2041 (31 December 2024: from December 2025 to May 2041), with coupon rates ranging from 1.125% to 11.25% p.a. (31 December 2024: from 1.125% to 12.25% p.a.).

Corporate Eurobonds are debt securities denominated in euros and US dollars (31 December 2024: euros, US dollars and Russian rubles), issued by financial entities and major companies of IBEC member countries and other countries for circulation in markets outside the issuer's country and for trading on stock exchanges. Corporate Eurobonds mature from February 2026 to January 2030 (31 December 2024: from February 2026 to January 2030), with coupon rates ranging from 1.5% to 5.15% p.a. (31 December 2024: from 1.5% to 15.5% p.a.).

Bonds of banks are debt securities denominated in US dollars and Russian rubles (31 December 2024: euros, US dollars and Russian rubles) and are intended for circulation in domestic markets of the issuer's country. These bonds mature from September 2026 to August 2029 (31 December 2024: from January 2026 to August 2029), with coupon rates ranging from 3.875% to 19.25% p.a. (31 December 2024: from 3.1% to 23.75% p.a.).

Eurobonds of other countries are denominated in euros (31 December 2024: euros) and are traded on stock exchanges outside the issuing country. Eurobonds mature from December 2040 to September 2050 (31 December 2024: from December 2040 to September 2050), with coupon rates ranging from 1.375% to 2.625% p.a. (31 December 2024: from 1.375% to 2.625% p.a.).

Eurobonds of international financial institutions are denominated in euros (31 December 2024: euros) and are traded on stock exchanges outside the issuing country. Eurobonds mature in March 2026 (31 December 2024: March 2026) and bear a coupon rate of 1% p.a. (31 December 2024: 1% p.a.).

Securities at fair value through other comprehensive income include securities pledged under repurchase agreements. As at 31 December 2025, their fair value amounted to EUR 84,290 thousand. As at 31 December 2024, no securities were pledged under repurchase agreements. Under the terms of the agreements, the counterparty is required to return the transferred securities when the agreement expires (Note 14).

Securities at fair value through other comprehensive income in the amount equivalent to EUR 8,563 thousand as at 31 December 2025 (31 December 2024: EUR 8,672 thousand) are restricted from use due to sanctions imposed on the depositories having custody of IBEC's securities. The Bank is taking all necessary steps to lift the restrictions on the use of these assets taking into account potential scenarios for each security individually. Accordingly, the Bank made an allowance for these securities in the amount of EUR 4,282 thousand (31 December 2024: EUR 4,336 thousand).

In 2025, IBEC was not involved in replacements of restricted securities. In 2024, a number of securities at fair value through other comprehensive income with a nominal value equivalent to EUR 15,369 thousand at the exchange rate on replacement date were replaced by the issuers from one issue to another, thereby lifting the restrictions on their use.

For the credit quality and interest rate risk of securities at fair value through other comprehensive income, please refer to Note 25.

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*(EUR thousand)***8. Due from banks and financial institutions**

Amounts due from banks and financial institutions comprise:

	<b>2025</b>	<b>2024</b>
Loans issued to banks under trade financing	38,761	37,288
- To banks in IBEC member countries	27,349	26,858
- To banks in other countries	11,412	10,430
Short-term deposits with banks in member countries	19,010	2,066
Short-term deposits with financial institutions in member countries	9,706	4,735
Short-term deposits with banks in other countries	5,001	–
Due from financial institutions in member countries	3,817	1,924
Restricted cash	2,649	2,919
<b>Total due from banks and financial institutions</b>	<b>78,944</b>	<b>48,932</b>
Allowance for expected credit losses	(2,804)	(3,190)
<b>Due from banks and financial institutions less allowance for expected credit losses</b>	<b>76,140</b>	<b>45,742</b>

Restricted cash represents cash balances with the Bank's depository partners, which are restricted for use by foreign depositories. As at 31 December 2025, the Bank had recognized an allowance of EUR 2,649 thousand for the entire amount of restricted cash (31 December 2024: EUR 2,919 thousand).

As at 31 December 2025, balances with three major counterparties amounted to EUR 40,359 thousand, or 53.01% of the total amount due from banks and financial institutions (31 December 2024: EUR 37,019 thousand, or 80.94% of the total amount due from banks and financial institutions).

The table below shows an analysis of amounts due from banks and financial institutions, broken down by external ratings assigned by international rating agencies and, where external ratings are not available, by internal credit ratings:

	<b>2025</b>	<b>2024</b>
Internationally rated		
From AAA to A-	1,420	1,689
From BBB+ to BB-	8,221	10,430
From B+ to B-	28,700	26,859
Internally rated only		
From BBB+ to BB-	13,415	7,889
From B+ to B-	8,178	2,065
From CCC+ to C	19,010	–
<b>Total due from banks and financial institutions</b>	<b>78,944</b>	<b>48,932</b>
Allowance for expected credit losses	(2,804)	(3,190)
<b>Due from banks and financial institutions less allowance for expected credit losses</b>	<b>76,140</b>	<b>45,742</b>

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(EUR thousand)

**8. Due from banks and financial institutions (continued)**

An analysis of changes in the gross carrying amount and changes in the allowance for expected credit losses from amounts due from banks and financial institutions is presented below:

<b><i>Due from banks and financial institutions</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Stage 3</i></b>	<b><i>Total</i></b>
<b>Gross carrying amount at 1 January 2025</b>	<b>46,013</b>	–	<b>2,919</b>	<b>48,932</b>
New originated or purchased assets	299,246	–	–	<b>299,246</b>
Assets derecognized or redeemed (excluding write-offs)	(267,914)	–	(228)	<b>(268,142)</b>
Changes in currency exchange rates	(1,050)	–	(42)	<b>(1,092)</b>
<b>Gross carrying amount at 31 December 2025</b>	<b>76,295</b>	–	<b>2,649</b>	<b>78,944</b>
<b>Allowance for expected credit losses at 1 January 2025</b>	<b>271</b>	–	<b>2,919</b>	<b>3,190</b>
New originated or purchased assets	281	–	–	<b>281</b>
Assets derecognized or redeemed (excluding write-offs)	(198)	–	(228)	<b>(426)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(184)	–	–	<b>(184)</b>
Changes in currency exchange rates	(15)	–	(42)	<b>(57)</b>
<b>Allowance for expected credit losses at 31 December 2025</b>	<b>155</b>	–	<b>2,649</b>	<b>2,804</b>
<b>Gross carrying amount at 1 January 2024</b>	<b>94,662</b>	–	<b>2,918</b>	<b>97,580</b>
New originated or purchased assets	505,620	–	2	<b>505,622</b>
Assets derecognized or redeemed (excluding write-offs)	(553,875)	–	(22)	<b>(553,897)</b>
Changes in currency exchange rates	(394)	–	21	<b>(373)</b>
<b>Gross carrying amount at 31 December 2024</b>	<b>46,013</b>	–	<b>2,919</b>	<b>48,932</b>
<b>Allowance for expected credit losses at 1 January 2024</b>	<b>223</b>	–	<b>2,918</b>	<b>3,141</b>
New originated or purchased assets	619	–	2	<b>621</b>
Assets derecognized or redeemed (excluding write-offs)	(385)	–	(21)	<b>(406)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(192)	–	–	<b>(192)</b>
Changes in currency exchange rates	6	–	20	<b>26</b>
<b>Allowance for expected credit losses at 31 December 2024</b>	<b>271</b>	–	<b>2,919</b>	<b>3,190</b>

For the credit quality and interest rate risk of amounts due from banks and financial institutions, please refer to Note 25.

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(EUR thousand)

**9. Securities at amortized cost**

Securities at amortized cost comprise:

	<b>2025</b>	<b>2024</b>
<b>Held by the Bank</b>		
<b><i>Internationally rated</i></b>		
Corporate Eurobonds	–	3,983
<i>From BBB+ to BB-</i>	–	3,983
<b><i>Internally rated only</i></b>		
Corporate bonds	51,663	31,876
<i>From BBB+ to BB-</i>	45,815	30,505
<i>From B+ to B-</i>	5,848	1,371
Corporate Eurobonds	11,498	5,177
<i>From B+ to B-</i>	11,498	5,177
Digital rights	9,833	–
<i>From B+ to B-</i>	9,833	–
	<b>72,994</b>	<b>41,036</b>
<b>Pledged under repurchase agreements</b>		
<b><i>Internally rated only</i></b>		
Corporate bonds	15,346	–
<i>From BBB+ to BB-</i>	15,346	–
	<b>15,346</b>	<b>–</b>
<b>Total securities at amortized cost</b>	<b>88,340</b>	<b>41,036</b>
Allowance for expected credit losses	(3,192)	(4,816)
<b>Securities at amortized cost less allowance for expected credit losses</b>	<b>85,148</b>	<b>36,220</b>

Corporate Eurobonds and bonds are debt securities issued in euros and Russian rubles (31 December 2024: euros, US dollars and Russian rubles) by financial institutions and major companies in IBEC member countries (31 December 2024: IBEC member countries and other countries) for circulation in both domestic and foreign markets relative to the issuer and for trading over the counter and on stock exchanges. Corporate Eurobonds mature in May 2027 (31 December 2024: from February 2027 to May 2027) and bear a coupon rate of 2.2% p.a. (31 December 2024: coupon rates ranging from 2.2% to 8.5% p.a.). Corporate bonds mature from February 2026 to July 2035 (31 December 2024: from March 2025 to October 2034), with coupon rates ranging from 12.4% to 25.5% p.a. (31 December 2024: from 12.4% to 27.5% p.a.).

Digital rights are rights to collect an amount equal to the nominal value and interest from an issuer at their maturity. As at 31 December 2025, digital rights are issued in Russian rubles with maturities in May 2026 and a coupon rate of 19% p.a. (31 December 2024: there were no digital rights).

Securities at amortized cost in the amount equivalent to EUR 5,067 thousand as at 31 December 2025 (31 December 2024: EUR 9,050 thousand) are restricted from use due to sanctions imposed on the depositories having custody of IBEC's securities. The Bank is taking all necessary steps to lift the restrictions on the use of these assets taking into account potential scenarios for each security individually. Accordingly, Bank has recognized an allowance for these securities in the amount of EUR 2,534 thousand (31 December 2024: EUR 4,525 thousand).

During 2024, the Bank sold securities at amortized cost with a nominal value of EUR 5,000 thousand. Expenses of EUR 638 thousand were recognized in the statement of profit or loss and other comprehensive income within net losses on securities at amortized cost. No similar transactions were carried out in 2025.

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(EUR thousand)

**9. Securities at amortized cost (continued)**

An analysis of changes in the gross carrying amount and changes in the allowance for expected credit losses from securities at amortized cost is presented below:

<b>Securities at amortized cost</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying amount at 1 January 2025</b>	<b>31,876</b>	<b>9,050</b>	<b>110</b>	<b>41,036</b>
New originated or purchased assets	65,466	3,513	–	<b>68,979</b>
Transfer to Stage 2	(2,818)	2,818	–	–
Assets derecognized or redeemed (excluding write-offs)	(22,242)	(5,179)	–	<b>(27,421)</b>
Changes in currency exchange rates	5,443	303	–	<b>5,746</b>
<b>Gross carrying amount at 31 December 2025</b>	<b>77,725</b>	<b>10,505</b>	<b>110</b>	<b>88,340</b>
<b>Allowance for expected credit losses at 1 January 2025</b>	<b>182</b>	<b>4,524</b>	<b>110</b>	<b>4,816</b>
New originated or purchased assets	671	3	–	<b>674</b>
Transfer to Stage 2	(11)	11	–	–
Assets derecognized or redeemed (excluding write-offs)	(116)	(1,774)	–	<b>(1,890)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(247)	(23)	–	<b>(270)</b>
Changes in currency exchange rates	35	(173)	–	<b>(138)</b>
<b>Allowance for expected credit losses at 31 December 2025</b>	<b>514</b>	<b>2,568</b>	<b>110</b>	<b>3,192</b>
<b>Gross carrying amount at 1 January 2024</b>	<b>27,498</b>	<b>13,348</b>	<b>110</b>	<b>40,956</b>
New originated or purchased assets	23,151	593	–	<b>23,744</b>
Transfer to Stage 2	–	–	–	–
Assets derecognized or redeemed (excluding write-offs)	(17,387)	(5,272)	–	<b>(22,659)</b>
Changes in currency exchange rates	(1,386)	381	–	<b>(1,005)</b>
<b>Gross carrying amount at 31 December 2024</b>	<b>31,876</b>	<b>9,050</b>	<b>110</b>	<b>41,036</b>
<b>Allowance for expected credit losses at 1 January 2024</b>	<b>395</b>	<b>3,470</b>	<b>110</b>	<b>3,975</b>
New originated or purchased assets	57	–	–	<b>57</b>
Transfer to Stage 2	–	–	–	–
Assets derecognized or redeemed (excluding write-offs)	(96)	(1,195)	–	<b>(1,291)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(173)	2,151	–	<b>1,978</b>
Changes in currency exchange rates	(1)	98	–	<b>97</b>
<b>Allowance for expected credit losses at 31 December 2024</b>	<b>182</b>	<b>4,524</b>	<b>110</b>	<b>4,816</b>

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(EUR thousand)

**9. Securities at amortized cost (continued)**

The Bank invests in debt securities issued by companies from the countries that were members of the Bank at the time of investment, acquired through the issuers' initial offerings. Such investments are classified as part of the Bank's credit and investment activities. This reflects the Bank's role in financing socially significant infrastructure projects in the countries that were members of the Bank at the time of investment, as well as supporting the development of small and medium-sized businesses. The table below shows these securities within the credit and investment portfolio.

	<b>2025</b>	<b>2024</b>
Credit investment portfolio of securities	78,932	36,220
Securities purchased on capital markets	6,216	–
<b>Securities at amortized cost</b>	<b>85,148</b>	<b>36,220</b>

For the credit quality and interest rate risk of securities at amortized cost, please refer to Note 25.

**10. Loans to corporate customers**

Loans to corporate customers comprise:

	<b>2025</b>	<b>2024</b>
Loans issued to legal entities from IBEC member countries	127,316	92,905
Loans for foreign trade purposes issued to legal entities from IBEC member countries	55,756	35,863
Loans issued to legal entities from other countries	7,339	10,644
Loans for foreign trade purposes issued to legal entities from other countries	521	521
Syndicated loans issued to legal entities from other countries	–	9,476
<b>Total loans to corporate customers</b>	<b>190,932</b>	<b>149,409</b>
Allowance for expected credit losses	(10,211)	(6,280)
<b>Loans to corporate customers less allowance for expected credit losses</b>	<b>180,721</b>	<b>143,129</b>

Other countries refer to countries whose counterparties conduct business in dealings with the Bank's member countries or countries withdrawn from the Agreement on the Organization and Activities of IBEC in 2023.

Loans are issued to corporate customers operating in the following industry sectors:

	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Pharmaceuticals	39,231	21.71	21,241	14.84
Transport	33,710	18.65	40,368	28.20
Chemicals	29,705	16.44	25,622	17.90
Machinery	24,293	13.44	–	–
Financial services	22,051	12.20	22,984	16.06
Investment – leasing	20,611	11.41	10,323	7.21
Logistics	11,120	6.15	13,135	9.18
Natural gas	–	–	9,456	6.61
<b>Total loans to corporate customers</b>	<b>180,721</b>	<b>100</b>	<b>143,129</b>	<b>100</b>

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*(EUR thousand)***10. Loans to corporate customers (continued)**

As at 31 December 2025, balances with three major counterparties of the Bank accounted for EUR 83,697 thousand, or 46.31% of the Bank's total corporate loan portfolio less allowance for expected credit losses (31 December 2024: EUR 80,501 thousand, or 56.25% of the Bank's total corporate loan portfolio less allowance for expected credit losses).

Loans are issued to customers operating in the following countries:

	<b>2025</b>	<b>2024</b>
Russian Federation	135,891	77,074
Mongolia	31,126	35,554
Socialist Republic of Vietnam	9,692	11,219
Republic of Poland	4,012	6,730
Republic of Bulgaria	–	12,552
<b>Total loans to corporate customers</b>	<b>180,721</b>	<b>143,129</b>

The table below shows an analysis of loans to corporate customers, broken down by external ratings assigned by international rating agencies and, where external ratings are not available, by internal credit ratings:

	<b>2025</b>	<b>2024</b>
Internally rated only		
From BBB+ to BB-	85,421	43,262
From B+ to B-	60,353	58,139
From CCC+ to C	45,158	48,008
<b>Total loans to corporate customers</b>	<b>190,932</b>	<b>149,409</b>
Allowance for expected credit losses	(10,211)	(6,280)
<b>Loans to corporate customers less allowance for expected credit losses</b>	<b>180,721</b>	<b>143,129</b>

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*(EUR thousand)***10. Loans to corporate customers (continued)**

An analysis of changes in the gross carrying amount and changes in the allowance for expected credit losses from loans to corporate customers is presented below:

<b>Loans to corporate customers</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying amount at 1 January 2025</b>	<b>123,446</b>	<b>25,442</b>	<b>521</b>	<b>149,409</b>
New originated or purchased assets	323,656	372	295	<b>324,323</b>
Transfer to Stage 3	–	(7,444)	7,444	–
Assets derecognized or redeemed (excluding write-offs)	(290,804)	(3,251)	(400)	<b>(294,455)</b>
Changes in currency exchange rates	11,655	–	–	<b>11,655</b>
<b>Gross carrying amount at 31 December 2025</b>	<b>167,953</b>	<b>15,119</b>	<b>7,860</b>	<b>190,932</b>
<b>Allowance for expected credit losses at 1 January 2025</b>	<b>1,363</b>	<b>4,396</b>	<b>521</b>	<b>6,280</b>
New originated or purchased assets	2,225	903	1,017	<b>4,145</b>
Transfer to Stage 3	–	(714)	714	–
Assets derecognized or redeemed (excluding write-offs)	(816)	(425)	(464)	<b>(1,705)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(1,952)	1,267	2,060	<b>1,375</b>
Changes in currency exchange rates	116	–	–	<b>116</b>
<b>Allowance for expected credit losses at 31 December 2025</b>	<b>936</b>	<b>5,427</b>	<b>3,848</b>	<b>10,211</b>
<b>Gross carrying amount at 1 January 2024</b>	<b>117,168</b>	<b>13,261</b>	<b>521</b>	<b>130,950</b>
New originated or purchased assets	101,705	1,058	–	<b>102,763</b>
Transfer to Stage 2	(14,797)	14,797	–	–
Assets derecognized or redeemed (excluding write-offs)	(73,691)	(3,674)	–	<b>(77,365)</b>
Changes in currency exchange rates	(6,939)	–	–	<b>(6,939)</b>
<b>Gross carrying amount at 31 December 2024</b>	<b>123,446</b>	<b>25,442</b>	<b>521</b>	<b>149,409</b>
<b>Allowance for expected credit losses at 1 January 2024</b>	<b>2,207</b>	<b>1,273</b>	<b>521</b>	<b>4,001</b>
New originated or purchased assets	5,156	182	–	<b>5,338</b>
Transfer to Stage 2	(3,578)	3,578	–	–
Assets derecognized or redeemed (excluding write-offs)	(1,945)	(915)	–	<b>(2,860)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(337)	278	–	<b>(59)</b>
Changes in currency exchange rates	(140)	–	–	<b>(140)</b>
<b>Allowance for expected credit losses at 31 December 2024</b>	<b>1,363</b>	<b>4,396</b>	<b>521</b>	<b>6,280</b>

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*(EUR thousand)***10. Loans to corporate customers (continued)**

During 2025, the Bank assigned its interest in a syndicated loan issued in 2021 to a Bulgaria-based corporate customer and classified as Stage 1 to other syndicate members in the amount of EUR 8,533 thousand at the nominal value. The funds were received in rubles, which, at the transaction date exchange rate, amounted to EUR 8,229 thousand. The financial result from the transaction was recognized as other banking income in the statement of profit or loss and other comprehensive income. The total income from the transaction recognized in the statement of profit or loss and other comprehensive income, considering the reversal of previously accrued provisions, amounted to EUR 238 thousand.

**Collateral and other credit enhancements**

In accordance with its internal rules and procedures, the Bank accepts the following types of collateral from its borrowers:

- ▶ Guarantees from governments and regional authorities of IBEC member countries,
- ▶ Bank guarantees,
- ▶ Third-party guarantees,
- ▶ Commercial real estate,
- ▶ Liquid industrial equipment that is widely used, as well as and equipment that may be unique in exceptional circumstances,
- ▶ Government securities and highly liquid corporate securities.

When the Bank provides loans, the value of assets obtained as collateral must exceed the amount of the loan, accrued interest and any other payments due to the Bank over the entire term of the loan, as required by international law, the legislation of the Bank's jurisdiction, business customs, or the terms of the relevant contract or agreement.

The main types of collateral held for loans to corporate customers are as follows:

- ▶ Real estate mortgages,
- ▶ Third-party guarantees,
- ▶ Property rights.

The Bank monitors the fair value of collateral and requests additional collateral when necessary in accordance with the underlying agreement.

Collateral held for loans to corporate customers comprises:

	<b>2025</b>	<b>2024</b>
Loans secured by guarantees and sureties of third parties	133,031	99,691
Loans secured by pledge of (movable) property and property rights	47,690	43,438
<b>Total loans to corporate customers</b>	<b>180,721</b>	<b>143,129</b>

The information above reflects the net carrying amount of loans to corporate customers, which has been allocated based on the liquidity of the assets accepted as collateral.

During 2025, the Bank modified the loan terms for one borrower (31 December 2024: two borrowers). The impact of these modifications is considered immaterial.

For the quality analysis and interest rate risk of loans to corporate customers, please refer to Note 25.

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(EUR thousand)

## 11. Derivative financial instruments

The Bank enters into derivative financial instruments for trading purposes. The fair values of claims and liabilities under foreign exchange and interest rate contracts as at the end of the reporting period by currency is presented in the table below. The table below shows the fair values of derivative financial instruments recognized in the statement of financial position as derivative financial assets or derivative financial liabilities. The table includes contracts with settlement dates after the end of the respective reporting period and reflects gross positions before the netting of any counterparty positions (and payments). A significant portion of the transactions is represented by short-term transactions.

	<b>31 December 2025</b>			
	<b>Notional amount</b>		<b>Fair value</b>	
	<b>Purchase (claim)</b>	<b>Sale (liability)</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Foreign exchange swaps:</b>				
- EUR/USD	8,493	8,516	–	23
- EUR / other currencies	25,833	25,900	–	67
- EUR/RUB	19,987	19,587	400	–
- RUB / other currencies	12,054	12,154	–	100
- RUB/USD	17,537	16,927	610	–
<b>Interest rate swaps:</b>				
- RUB/RUB	30,665	27,145	3,520	–
- RUB/RUB	43,276	43,432	–	156
<b>Interest rate swaps used as hedging instruments:</b>				
- RUB/RUB	62,648	65,148	–	2,500
<b>Net fair value of foreign exchange, interest rate swaps</b>			<b>4,530</b>	<b>2,846</b>

  

	<b>31 December 2024</b>			
	<b>Notional amount</b>		<b>Fair value</b>	
	<b>Purchase (claim)</b>	<b>Sale (liability)</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Foreign exchange swaps:</b>				
- EUR/RUB	3,446	3,320	126	–
- RUB / other currencies	1,142	1,185	–	43
<b>Interest rate swaps:</b>				
- RUB/RUB	35,019	33,789	1,230	–
- RUB/RUB	3,085	3,299	–	214
<b>Net fair value of foreign exchange, cross-currency interest rate swaps</b>			<b>1,356</b>	<b>257</b>

Foreign exchange and interest rate derivative financial instruments entered into by the Bank are generally traded over the counter with professional market participants under standardized contracts. Derivative financial instruments may have either potentially favorable terms (and be recognized as assets) or potentially unfavorable terms (and be recognized as liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or other variables related to these instruments. The aggregate fair value of derivative financial instruments may vary significantly over time.

Net (losses) gains on derivative financial instruments and foreign currency transactions recognized in the statement of profit or loss and other comprehensive income include, among other items, trading in derivative financial instruments amounting to EUR 2,747 thousand (2024: EUR 896 thousand) and trading in foreign currencies amounting to EUR 2,382 thousand (2024: EUR (1,808) thousand).

### Fair value hedges

As part of its risk management, the Bank identified a number of risk categories with the respective hedging strategies using derivative financial instruments. Using fair value hedge accounting allows the Bank to reduce fluctuations in the fair value of fixed rate financial assets, as if they were financial instruments with floating interest rates that depend on the respective base rates. For hedge accounting purposes, the Bank defines hedged risk as exposure to changes in the fair value of a recognized financial asset, liability or unrecognized firm commitment, or a specified portion of such financial assets, liabilities or firm commitments, that is attributable to particular risk and could affect profit or loss.

(EUR thousand)

**11. Derivative financial instruments (continued)**

In 2025, an effective fair value hedge interconnection was established qualifying for fair value hedges for a hedged item. Below is information on a hedging instrument and hedged item as at 31 December 2025 (31 December 2024: fair value hedge interconnection was not established):

		<b>31 December 2025</b>			
		<b>Carrying amount</b>		<b>Income (expense)</b>	
<b>Hedged item</b>	<b>Hedging instrument</b>	<b>Hedged item</b>	<b>Hedging instrument</b>	<b>Hedged item</b>	<b>Hedging instrument</b>
Bonds issued	Interest rate swap	64,396	(2,500)	1,177	(2,284)

The effect in net (losses) gains on derivative financial instruments and foreign currency transactions on the statement of profit or loss and other comprehensive income is presented in the table below:

<b>Fair value hedges</b>	<b>2025</b>	<b>2024</b>
<b>Net (losses) gains on derivative financial instruments</b>		
- Effective portion of changes in the fair value of interest rate swaps	1,177	-
- Revaluation of the fair value of interest rate swaps recognized in profit or loss	(2,500)	-
- Dealing	216	-
<b>Total</b>	<b>(1,107)</b>	<b>-</b>

The hedging ratio is defined as the ratio of the nominal value of the principal debt of the hedged object to the nominal value of the hedging instrument and is set at 1:1. It is assumed that the hedging instrument is used entirely for hedging purposes throughout the life of the hedge relationship.

An expected source of inefficiency over the life of the hedge relationship may be an incomplete coincidence of the dates and amounts of cash flows included in the calculation of the fair value of the hedging instrument and the hedged item.

The ineffective portion of the hedge arising from the hedging instrument and the hedged item, recognized in profit or loss in the item net (losses) gains from operations with derivative financial instruments and foreign currency, the amount of EUR 1,459 thousand.

**12. Property, plant and equipment, intangible assets and right-of-use assets**

Movements in property, plant and equipment and intangible assets were as follows:

<b>2025</b>	<b>Note</b>	<b>Building</b>	<b>Office equipment and computer hardware</b>	<b>Furniture</b>	<b>Transport</b>	<b>Intangible assets and investments in intangible assets</b>	<b>Total</b>
<b>Cost</b>							
<b>Balance at 1 January 2025</b>		<b>75,936</b>	<b>1,665</b>	<b>392</b>	<b>510</b>	<b>2,976</b>	<b>81,479</b>
Additions		59	127	307	-	382	875
Disposals		-	(16)	(2)	-	-	(18)
Revaluation		-	-	-	-	-	-
<b>Balance at 31 December 2025</b>		<b>75,995</b>	<b>1,776</b>	<b>697</b>	<b>510</b>	<b>3,358</b>	<b>82,336</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2025</b>		<b>27,863</b>	<b>1,503</b>	<b>287</b>	<b>510</b>	<b>302</b>	<b>30,465</b>
Depreciation charges for the year	22	1,048	80	7	-	171	1,306
Disposals		-	(15)	(1)	-	-	(16)
Revaluation		-	-	-	-	-	-
<b>Balance at 31 December 2025</b>		<b>28,911</b>	<b>1,568</b>	<b>293</b>	<b>510</b>	<b>473</b>	<b>31,755</b>
<b>Net book value</b>							
<b>Net book value at 1 January 2025</b>		<b>48,073</b>	<b>162</b>	<b>105</b>	<b>-</b>	<b>2,674</b>	<b>51,014</b>
<b>Net book value at 31 December 2025</b>		<b>47,084</b>	<b>208</b>	<b>404</b>	<b>-</b>	<b>2,885</b>	<b>50,581</b>

(EUR thousand)

**12. Property, plant and equipment, intangible assets and right-of-use assets (continued)**

<b>2024</b>	<b>Note</b>	<b>Building</b>	<b>Office equipment and computer hardware</b>	<b>Furniture</b>	<b>Transport</b>	<b>Intangible assets and investments in intangible assets</b>	<b>Total</b>
<b>Cost</b>							
<b>Balance at 1 January 2024</b>		<b>76,050</b>	<b>1,682</b>	<b>405</b>	<b>510</b>	<b>2,884</b>	<b>81,531</b>
Additions		203	34	5	–	92	334
Disposals		–	(51)	(18)	–	–	(69)
Revaluation		(317)	–	–	–	–	(317)
<b>Balance at 31 December 2024</b>		<b>75,936</b>	<b>1,665</b>	<b>392</b>	<b>510</b>	<b>2,976</b>	<b>81,479</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2024</b>		<b>26,947</b>	<b>1,390</b>	<b>294</b>	<b>510</b>	<b>141</b>	<b>29,282</b>
Depreciation charges for the year	22	1,032	164	5	–	161	1,362
Disposals		–	(51)	(12)	–	–	(63)
Revaluation		(116)	–	–	–	–	(116)
<b>Balance at 31 December 2024</b>		<b>27,863</b>	<b>1,503</b>	<b>287</b>	<b>510</b>	<b>302</b>	<b>30,465</b>
<b>Net book value</b>							
<b>Net book value at 1 January 2024</b>		<b>49,103</b>	<b>292</b>	<b>111</b>	<b>–</b>	<b>2,743</b>	<b>52,249</b>
<b>Net book value at 31 December 2024</b>		<b>48,073</b>	<b>162</b>	<b>105</b>	<b>–</b>	<b>2,674</b>	<b>51,014</b>

If the building were measured using the cost model, the carrying amounts would be as follows:

	<b>2025</b>	<b>2024</b>
<b>Cost</b>	<b>48,988</b>	<b>48,929</b>
Accumulated depreciation	(18,717)	(17,998)
<b>Net book value</b>	<b>30,271</b>	<b>30,931</b>

**Sensitivity of the fair value of the building**

As at 31 December 2025, the fair value of the building owned by the Bank was EUR 47,084 thousand (31 December 2024: EUR 48,073 thousand). The fair value of one square meter was EUR 1,859 (31 December 2024: EUR 1,898). If the value of one square meter increases by 10%, the fair value of the building will be EUR 51,792 thousand (31 December 2024: EUR 52,880 thousand); if the value of one square meter decreases by 10%, the fair value of the building will be EUR 43,376 thousand (31 December 2024: EUR 43,266 thousand).

**Revaluation of assets**

In 2025, the Bank did not engage an independent appraiser to determine the fair value of the building. Management of the Bank performed an analysis and concluded that there were no significant changes in the real estate market and in the building condition in 2025.

As at 31 December 2024, the Bank conducted an independent appraisal of the fair value of buildings. The appraisal was performed by a qualified and experienced independent firm of professional appraisers specializing in property with similar location and category.

The fair value of the building is classified within Level 3 of the fair value hierarchy.

Part of the building is leased to third parties; however, the building is primarily intended for Bank's its own operational needs. The Bank classifies the building as an item of property, plant and equipment because it cannot physically separate the leased premises and the leased area is insignificant.

The Bank expects to receive lease payments under operating leases after 31 December 2025 as follows: EUR 242 thousand within 30 days; EUR 545 thousand from 31 to 180 days, and EUR 88 thousand from 181 days to one year.

(EUR thousand)

**13. Other assets and liabilities**

Other assets comprise:

	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Financial assets</b>			
Settlements on securities		15,852	12,386
Receivables from financial and operational transactions		1,007	737
Consumer lending		313	259
Bank fees receivable from customers		4	3
Allowance for expected credit losses from financial assets	23	(15,991)	(12,506)
<b>Total financial assets less allowance for expected credit losses</b>		<b>1,185</b>	<b>879</b>
<b>Non-financial assets</b>			
Inventories		87	69
<b>Total non-financial assets</b>		<b>87</b>	<b>69</b>
<b>Total other assets</b>		<b>1,272</b>	<b>948</b>

As at 31 December 2025, IBEC had not received cash from redemption of a number of securities and paid coupon income totaling EUR 15,852 thousand, partly due to sanctions imposed on the depositories having custody of IBEC's securities (31 December 2024: EUR 12,386 thousand). As at 31 December 2025, the Bank made an allowance in the amount of EUR 15,852 thousand (31 December 2024: EUR 12,386 thousand).

Other liabilities comprise:

	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Financial liabilities</b>			
Liabilities to the withdrawn countries	17	4,017	1,853
Settlements under financial and operational transactions		1,854	2,086
Social security obligations		1,130	689
Advances received		1,087	1,101
<b>Total financial liabilities</b>		<b>8,088</b>	<b>5,729</b>
<b>Non-financial liabilities</b>			
Allowance for expected credit losses from credit-related commitments	18, 23	667	849
Provision for unused vacation	24	516	417
<b>Total non-financial liabilities</b>		<b>1,183</b>	<b>1,266</b>
<b>Total other liabilities</b>		<b>9,271</b>	<b>6,995</b>

**14. Due to financial institutions**

Amounts due to financial institutions comprise:

	<b>2025</b>	<b>2024</b>
Repurchase agreements	69,122	–
Correspondent accounts of banks in IBEC member countries	29,072	977
Long-term related financing from banks in IBEC member countries	28,663	32,435
Deposits from banks in IBEC member countries	16,450	10,222
Correspondent accounts of banks in other countries	1,946	132
Correspondent accounts of international financial institutions	96	311
Deposits from banks in other countries	–	10,521
<b>Due to financial institutions</b>	<b>145,349</b>	<b>54,598</b>

(EUR thousand)

**14. Due to financial institutions (continued)**

As at 31 December 2025, balances due to three major counterparties amounted to EUR 89,789 thousand, or 61.77% of the total amount due to financial institutions (31 December 2024: EUR 48,624 thousand due to three major counterparties, or 89.06% of the total amount due to financial institutions).

As at 31 December 2025, the Bank entered into repurchase agreements with financial institutions in IBEC member countries, with securities pledged having a fair value, excluding allowances for expected credit losses, of EUR 104,570 thousand (31 December 2024: no repurchase agreements) (Notes 6, 7 and 9).

**Transferred financial assets not derecognized**

The following table provides a summary of financial assets that were transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition:

	<b>Note</b>	<b>2025</b>	<b>2024</b>
Carrying amount of transferred assets – securities at fair value through profit or loss	6	4,935	–
Carrying amount of transferred assets – securities at fair value through other comprehensive income	7	84,290	–
Carrying amount of transferred assets – securities at amortized cost	9	15,307	–
Carrying amount of associated liabilities – due to financial institutions		(69,122)	–

The Bank transfers securities under repurchase agreements to a third party for cash or other financial assets and does not derecognize them. In certain circumstances, when the value of the securities increases, the Bank may demand additional financing. If the value of the securities decreases, the Bank may be required to provide additional collateral in the form of securities or partially repay the cash received. The Bank has determined that it retains substantially all the risks and rewards of these securities – including credit risk, market risk, country risk and operational risk – and therefore has not derecognized them. In addition, the Bank recognized a financial liability for the cash received.

**15. Due to customers**

Amounts due to customers comprise:

	<b>2025</b>	<b>2024</b>
Deposits of international organizations	84,618	41,454
Current accounts of organizations in IBEC member countries	15,877	10,465
Deposits of organizations in IBEC member countries	6,453	8,865
Deposits of organizations in other countries	3,404	76
Current accounts of organizations in other countries	954	151
Amounts due to the Fund	101	7,462
Other current accounts	2,296	1,737
<b>Due to customers</b>	<b>113,703</b>	<b>70,210</b>

As at 31 December 2025, balances due to three major customers of the Bank amounted to EUR 98,988 thousand, or 87.06% of total amounts due to customers (31 December 2024: EUR 57,537 thousand, or 81.95% of total amounts due to customers).

Amounts due to the Fund represent the amounts due to the International Fund for Technological Development held in a fiduciary capacity at the end of the reporting period.

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(EUR thousand)

**15. Due to customers (continued)**

An analysis of amounts due to customers, excluding other current accounts and amounts due to the Fund, by industry sector is as follows:

	2025		2024	
	Amount	%	Amount	%
Insurance	90,704	81.49	46,427	76.09
Construction and development	9,866	8.86	8,658	14.19
Transport	4,582	4.12	89	0.15
Metals	4,256	3.82	55	0.09
Trade	543	0.49	692	1.13
Investment – leasing	445	0.40	212	0.35
Pharmaceuticals	143	0.13	294	0.48
Chemicals	131	0.12	3	0.01
Manufacturing	120	0.11	109	0.18
Financial services	79	0.07	3,876	6.35
Power	17	0.02	100	0.16
Factoring	10	0.01	6	0.01
Investment	6	0.01	6	0.01
Research	–	–	89	0.15
Advertising and PR	–	–	43	0.07
Other	404	0.35	352	0.58
<b>Total due to customers</b>	<b>111,306</b>	<b>100</b>	<b>61,011</b>	<b>100</b>

**16. Debt financial instruments issued**

Debt financial instruments issued comprise:

	2025	2024
RUB-denominated bonds	198,459	141,874
Digital rights	10,989	–
<b>Debt financial instruments issued</b>	<b>209,448</b>	<b>141,874</b>

On 4 December 2025, IBEC issued digital rights totaling RUB 1 billion (equivalent to EUR 11,039 thousand at the exchange rate as at the date of issue), maturing on 4 December 2026. Additional income from digital rights is set at 17.7% p.a. and payable upon maturity.

On 14 August 2025, IBEC issued bonds totaling RUB 6 billion (equivalent to EUR 64,248 thousand at the exchange rate as at the date of issue), maturing on 23 June 2035, with a call date in August 2028. The coupon rate was fixed for three years at 14.65% p.a., with the coupon payable on a monthly basis. For this issue, fair value hedge interconnection was established (Note 11).

On 18 June 2024, IBEC issued bonds totaling RUB 5 billion (equivalent to EUR 58,240 thousand at the exchange rate as at the date of issue), maturing on 6 June 2034, with a call date in June 2026. The bond coupon is calculated as the sum of income accrued daily during the coupon period based on the Bank of Russia's key rate plus a spread of 2.1% p.a., and is payable on a quarterly basis. As at 31 December 2025, the average coupon rate on the bonds of this issue was 18.1% p.a.

On 18 December 2023, IBEC issued bonds totaling RUB 5.5 billion (equivalent to EUR 55,886 thousand at the exchange rate as at the date of issue), maturing on 14 December 2026. The bond coupon is calculated as the sum of income accrued daily during the coupon period based on the Bank of Russia's key rate plus a spread of 2.5% p.a., and is payable on a semi-annual basis. As at 31 December 2025, the average coupon rate on the bonds of this issue was 18.5% p.a.

(EUR thousand)

## 16. Debt financial instruments issued (continued)

On 15 June 2023, IBEC issued bonds totaling RUB 1.7 billion (equivalent to EUR 18,668 thousand at the exchange rate as at the date of issue), maturing on 2 June 2033, with a call date in June 2026. The coupon rate was fixed for three years at 10.75% p.a., with the coupon payable on a quarterly basis.

On 15 June 2020, IBEC issued bonds totaling RUB 5 billion (equivalent to EUR 63,675 thousand at the exchange rate as at the date of issue), maturing on 3 June 2030, with a call date in June 2024. The coupon rate was set at 6.20% p.a., with the coupon payable on a semi-annual basis. Following the call in June 2024, the Bank repurchased bonds in the amount of RUB 4.769 billion. Bonds totaling RUB 0.231 billion not redeemed at the call date continue to trade. The coupon was set at 16.40% p.a., with a call date in June 2025. Following the call in June 2025, the Bank repurchased bonds in the amount of RUB 54.155 million. Bonds totaling RUB 0.176 billion not redeemed at the call date continue to trade. The coupon was set at 16.40% p.a., with a call date in December 2027.

On 9 October 2019, IBEC issued bonds totaling RUB 7 billion (equivalent to EUR 98,266 thousand at the exchange rate effective as at the date of issue), maturing on 26 September 2029, with a call date in October 2022. The coupon rate on the bonds was set at 7.90% p.a., with the coupon payable on a semi-annual basis. Following the call in October 2022, a secondary placement of part of the repurchased bonds was made in November 2022. The coupon rate was set at 10.25% p.a., with a call date in October 2023. Following the call in October 2023, a secondary placement of part of the repurchased bonds was made. The coupon rate was set at 13.25% p.a., with a call date in October 2025. Following the call, the Bank repurchased bonds in the amount of RUB 2.264 billion. Bonds totaling RUB 0.076 billion not redeemed at the call date continue to trade. The coupon rate was set at 13.25% p.a. As at 31 December 2025, the volume of this bond issue outstanding in the market amounted to RUB 0.076 billion (31 December 2024: RUB 2.340 billion).

The Bank used the proceeds from debt financial instruments issued to expand its loan portfolio and build highly liquid assets portfolio. When those debt financial instruments were placed in currencies other than the euro and without natural hedging, and in the absence of a planned portfolio of new projects (performing assets), the Bank entered into cross-currency interest rate swaps to manage currency and interest rate risks (Note 11).

## 17. Capital of the Bank

In accordance with the Agreement, the authorized capital of IBEC consists of equity contributions from IBEC member countries and amounts to EUR 400,000 thousand.

As at 31 December 2025 and 31 December 2024, the Bank's members were the following three countries: the Socialist Republic of Vietnam, Mongolia and the Russian Federation.

In 2023, the Republic of Poland, the Slovak Republic, the Czech Republic, Romania and the Republic of Bulgaria withdrew from the Agreement on the Organization and Activities of IBEC following prior notice.

On 24 January 2023, the IBEC Council comprising representatives of eight member countries at that time approved the key parameters for the settlement of mutual claims and liabilities with those countries, which were to form the basis for bilateral agreements on the final settlement of mutual claims and liabilities between IBEC and the governments of each country that withdrew in 2023. The settlement terms provide for gradual repayment of the paid-in capital contributions of the withdrawn countries through to 2042. Preserving the Bank's financial stability was recognized by the shareholders as one of the key priorities when developing the adopted settlement scenario.

On 22 November 2024, IBEC and the Republic of Poland signed an agreement on the final settlement of mutual claims and liabilities in connection with the Republic of Poland's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement, which came into effect on 25 November 2024, provides for annual payments. As at 31 December 2025, IBEC had made a payment for 2025 totaling EUR 77.1 thousand (31 December 2024: EUR 77.1 thousand for 2023-2024).

On 16 May 2025, IBEC and the Czech Republic signed an agreement on the final settlement of mutual claims and liabilities in connection with the Czech Republic's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on the date of signing and provides for annual payments. As at 31 December 2025, IBEC made a payment for 2025 totaling EUR 171.4 thousand (31 December 2024: no payments).

*(EUR thousand)***17. Capital of the Bank (continued)**

As at 31 December 2025, no bilateral agreements had been signed with other withdrawn countries, with bilateral consultations ongoing between IBEC and the withdrawn countries on the draft bilateral agreements provided by the Bank.

The paid-in portion of the authorized capital of IBEC consists of the paid-in shares of the Bank's member countries, as well as contributions from the countries that withdrew from the Agreement on the Organization and Activities of IBEC in 2023 unpaid as at the date of the financial statements (i.e., the Republic of Poland, the Slovak Republic, the Czech Republic, Romania, and the Republic of Bulgaria).

The paid-in capital of IBEC as at 31 December 2025 amounted to EUR 199,674 thousand (31 December 2024: EUR 199,923 thousand). The allocation of shares in the Bank's paid-in share capital by country is set out below:

	<b>2025</b>	<b>2024</b>
<b>IBEC member countries</b>	<b>106,605</b>	<b>106,605</b>
Russian Federation	103,179	103,179
Mongolia	2,668	2,668
Socialist Republic of Vietnam	758	758
<b>Withdrawn countries</b>	<b>93,069</b>	<b>93,318</b>
Czech Republic	26,512	26,684
Republic of Poland	23,862	23,939
Republic of Bulgaria	15,121	15,121
Romania	14,232	14,232
Slovak Republic	13,342	13,342
<b>Total</b>	<b>199,674</b>	<b>199,923</b>

**18. Credit-related commitments**

Credit-related commitments comprise the following:

	<b>2025</b>	<b>2024</b>
Guarantees issued	129,065	91,178
<b>Total credit-related commitments</b>	<b>129,065</b>	<b>91,178</b>
Allowance for expected credit losses (Notes 13 and 23)	(667)	(849)
<b>Credit-related commitments</b>	<b>128,398</b>	<b>90,329</b>

Guarantees represent an amount of the Bank's liability to make payments in the event that a customer is unable to meet its obligations to third parties.

When issuing guarantees or counter-guarantees, the Bank applies the same risk management policies and procedures as for lending to customers.

Credit-related commitments may be terminated without being performed partially or in full. Therefore, the above credit-related commitments do not represent an expected cash outflow.

Credit-related commitments are extended to customers engaged in transactions with the following countries:

	<b>2025</b>	<b>2024</b>
Russian Federation	128,398	90,329
<b>Total</b>	<b>128,398</b>	<b>90,329</b>

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*(EUR thousand)***18. Credit-related commitments (continued)**

An analysis of changes in the amount of commitments and changes in the allowance for expected credit losses from credit-related commitments is presented below:

<b><i>Credit-related commitments</i></b>	<b><i>Stage 1</i></b>	<b><i>Stage 2</i></b>	<b><i>Total</i></b>
<b>Balance at 1 January 2025</b>	<b>91,178</b>	–	<b>91,178</b>
New commitments	97,295	–	<b>97,295</b>
Commitments expired or settled	(71,168)	–	<b>(71,168)</b>
Changes in currency exchange rates	11,760	–	<b>11,760</b>
<b>Balance at 31 December 2025</b>	<b>129,065</b>	–	<b>129,065</b>
<b>Allowance for expected credit losses at 1 January 2025</b>	<b>849</b>	–	<b>849</b>
New commitments	1,356	–	<b>1,356</b>
Commitments expired or settled	(463)	–	<b>(463)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(1,169)	–	<b>(1,169)</b>
Changes in currency exchange rates	94	–	<b>94</b>
<b>Allowance for expected credit losses at 31 December 2025</b>	<b>667</b>	–	<b>667</b>
<b>Balance at 1 January 2024</b>	<b>60,885</b>	–	<b>60,885</b>
New commitments	123,190	–	<b>123,190</b>
Commitments expired or settled	(87,495)	–	<b>(87,495)</b>
Changes in currency exchange rates	(5,402)	–	<b>(5,402)</b>
<b>Balance at 31 December 2024</b>	<b>91,178</b>	–	<b>91,178</b>
<b>Allowance for expected credit losses at 1 January 2024</b>	<b>766</b>	–	<b>766</b>
New commitments	1,209	–	<b>1,209</b>
Commitments expired or settled	(277)	–	<b>(277)</b>
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(855)	–	<b>(855)</b>
Changes in currency exchange rates	6	–	<b>6</b>
<b>Allowance for expected credit losses at 31 December 2024</b>	<b>849</b>	–	<b>849</b>

*(intentionally blank)*

*(EUR thousand)***19. Interest income and interest expense**

Interest income and interest expense comprise:

	<b>2025</b>	<b>2024</b>
<b>Interest income</b>		
<b><i>Interest income calculated using the EIR method</i></b>		
Securities at fair value through other comprehensive income	29,444	15,452
Loans to corporate customers	25,352	17,094
Securities at amortized cost	11,489	4,203
Due from banks and financial institutions, including cash and cash equivalents	7,281	10,090
Other	143	616
<b><i>Other interest income</i></b>		
Securities at fair value through profit or loss	388	69
<b>Total interest income</b>	<b>74,097</b>	<b>47,524</b>
<b>Interest expense</b>		
<b><i>Interest expense calculated using the EIR method</i></b>		
Debt financial instruments issued	(29,821)	(24,354)
Due to customers	(16,884)	(7,322)
Due to financial institutions	(12,310)	(7,819)
Other	(1,849)	(85)
<b>Total interest expense</b>	<b>(60,864)</b>	<b>(39,580)</b>
<b>Net interest income</b>	<b>13,233</b>	<b>7,944</b>

**20. Net fee and commission income**

Net fee and commission income comprises:

	<b>2025</b>	<b>2024</b>
Documentary operations	2,051	1,260
Commissions for support of credit products	364	204
Currency control	174	75
Underwriting commission income	119	–
Account maintenance	59	51
Cash and settlement operations	47	33
Other	–	9
<b>Fee and commission income</b>	<b>2,814</b>	<b>1,632</b>
Fee and commission expense	(1,082)	(805)
<b>Net fee and commission income</b>	<b>1,732</b>	<b>827</b>

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*(EUR thousand)***21. Net gains (losses) on securities at fair value through other comprehensive income**

Net gains (losses) on securities at fair value through other comprehensive income that are recorded in profit or loss comprise:

	<u>2025</u>	<u>2024</u>
<b>Result from disposal of debt securities</b>		
Losses on securities	(432)	(16)
Gain (loss) on revaluation of securities due to their disposal	7,970	(151)
<b>Total net gains (losses) on securities at fair value through other comprehensive income</b>	<u><u>7,538</u></u>	<u><u>(167)</u></u>

Gains on the revaluation of securities at fair value through other comprehensive income due to their disposal during 2025 were reclassified from other comprehensive income to net gains (losses) on securities at fair value through other comprehensive income.

Unrealized (losses)/gains on securities at fair value through other comprehensive income during 2025 amounted to EUR 28,939 thousand (2024: EUR (20,312) thousand).

**22. Administrative and management expenses**

Administrative and management expenses comprise:

	<u>2025</u>	<u>2024</u>
Staff costs	10,145	8,916
Repair and maintenance of the building, equipment and apartments	1,665	1,705
Depreciation of property, plant and equipment	1,306	1,362
Information and advisory expenses	619	303
Building security expenses	311	289
Other administrative and management expenses	1,710	1,441
<b>Total administrative and management expenses</b>	<u><u>15,756</u></u>	<u><u>14,016</u></u>

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*(EUR thousand)***23. Allowances for expected credit losses**

The tables below show losses (gains) associated with allowances for expected credit losses on financial assets recognized in profit or loss for 2025 and 2024:

<b>2025</b>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Cash and cash equivalents	5	1	–	–	<b>1</b>
Securities at fair value through other comprehensive income	7	(710)	432	–	<b>(278)</b>
Due from banks and financial institutions	8	(101)	–	(228)	<b>(329)</b>
Securities at amortized cost	9	308	(1,794)	–	<b>(1,486)</b>
Loans to corporate customers	10	(543)	1,745	2,613	<b>3,815</b>
Credit-related commitments	18	(276)	–	–	<b>(276)</b>
Other financial assets	13	(2)	–	4,220	<b>4,218</b>
		<b>(1,323)</b>	<b>383</b>	<b>6,605</b>	<b>5,665</b>

<b>2024</b>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Cash and cash equivalents	5	–	–	(2)	<b>(2)</b>
Securities at fair value through other comprehensive income	7	(2,973)	(182)	–	<b>(3,155)</b>
Due from banks and financial institutions	8	42	–	(19)	<b>23</b>
Securities at amortized cost	9	(212)	956	–	<b>744</b>
Loans to corporate customers	10	2,874	(455)	–	<b>2,419</b>
Credit-related commitments	18	77	–	–	<b>77</b>
Other financial assets	13	–	–	(6,570)	<b>(6,570)</b>
		<b>(192)</b>	<b>319</b>	<b>(6,591)</b>	<b>(6,464)</b>

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(EUR thousand)

**23. Allowances for expected credit losses (continued)**

A reconciliation of the balances of the allowance for expected credit losses from financial assets as at 31 December 2025 and 31 December 2024 is presented below:

	<i>Cash and cash equivalents</i>	<i>Securities at fair value through other comprehensive income</i>	<i>Due from banks and financial institutions</i>	<i>Securities at amortized cost</i>	<i>Loans to corporate customers</i>	<i>Credit-related commitments</i>	<i>Other financial assets</i>	<i>Total</i>
<b>Balance at 1 January 2025</b>	<b>5</b>	<b>6,384</b>	<b>3,190</b>	<b>4,816</b>	<b>6,280</b>	<b>849</b>	<b>12,506</b>	<b>34,030</b>
New originated or purchased assets	5	1,506	281	674	4,145	1,356	1,990	9,957
Assets derecognized or redeemed (excluding write-offs)	(5)	(2,071)	(426)	(1,890)	(1,705)	(463)	(207)	(6,767)
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	1	287	(184)	(270)	1,375	(1,169)	2,435	2,475
Write-offs	–	–	–	–	–	–	–	–
Changes in currency exchange rates	–	(46)	(57)	(138)	116	94	(733)	(764)
<b>Balance at 31 December 2025</b>	<b>6</b>	<b>6,060</b>	<b>2,804</b>	<b>3,192</b>	<b>10,211</b>	<b>667</b>	<b>15,991</b>	<b>38,931</b>
<b>Balance at 1 January 2024</b>	<b>7</b>	<b>9,430</b>	<b>3,141</b>	<b>3,975</b>	<b>4,001</b>	<b>766</b>	<b>18,723</b>	<b>40,043</b>
New originated or purchased assets	–	849	621	57	5,338	1,209	2,635	10,709
Assets derecognized or redeemed (excluding write-offs)	(2)	(3,617)	(406)	(1,291)	(2,860)	(277)	(15,118)	(23,571)
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	–	(387)	(192)	1,978	(59)	(855)	5,914	6,399
Write-offs	–	–	–	–	–	–	(1)	(1)
Changes in currency exchange rates	–	109	26	97	(140)	6	353	451
<b>Balance at 31 December 2024</b>	<b>5</b>	<b>6,384</b>	<b>3,190</b>	<b>4,816</b>	<b>6,280</b>	<b>849</b>	<b>12,506</b>	<b>34,030</b>

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*(EUR thousand)***24. Other provisions**

Movements in other provisions are presented below:

	<b><i>Provision for unused vacation</i></b>	<b><i>Total</i></b>
<b>1 January 2025</b>	<b>417</b>	<b>417</b>
Charge	134	<b>134</b>
Write-offs	(35)	<b>(35)</b>
	<b>516</b>	<b>516</b>
<b>31 December 2025</b>		
<b>1 January 2024</b>	<b>379</b>	<b>379</b>
Charge	72	<b>72</b>
Write-offs	(34)	<b>(34)</b>
	<b>417</b>	<b>417</b>
<b>31 December 2024</b>		

**25. Risk management****Introduction**

The Bank manages its risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other internal controls. The risk management process is critical to the Bank's stable ongoing activity. In the course of its principal activities, the Bank is exposed to the following financial risks: credit risk, liquidity risk and market risk. It is also subject to operational risks.

**Risk management structure**

The Council of the Bank, the Board of Management of the Bank, the IBEC Assets, Liabilities and Risk Management Committee and the Risk Control Department are responsible for risk management. Each function of the Bank is responsible for the risks associated with its responsibilities.

*Council of the Bank*

The Council of the Bank is responsible for the overall risk management approach and for approving IBEC's risk management policy and other strategic documents governing risk management principles and procedures.

*Board of the Bank*

The *Board of the Bank* is the Bank's executive body responsible for implementing the risk management policy and other strategic documents governing risk management principles and procedures.

*Credit Committee (CC)*

The CC is a standing collegial deliberative body of the Bank under IBEC's Board, which was established to assist the Bank's Board in lending activities and credit risk management in accordance with the Bank's goals and objectives. The CC reports to the Board of Management of the Bank.

*Assets, Liabilities and Risk Management Committee (ALRMC)*

The ALRMC is a standing collegial deliberative body under IBEC's Board, which was established to provide methodological support to IBEC's Board in preparing and implementing the Bank's current and long-term policies with regard to asset and liability management, effective allocation of resources, as well as risk management (other than credit risk management). The ALRMC reports to the Board of Management of the Bank.

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(EUR thousand)

## 25. Risk management (continued)

### Risk management structure (continued)

#### *Risk Control Department (RCD)*

The RCD is an independent function of the Bank responsible for coordinating all risk management functions, performing independent banking risk assessment, developing and coordinating initiatives to improve the risk management system. The RCD is responsible for the implementation and maintenance of risk management procedures.

#### *Internal Audit Department (IAD)*

The IAD is responsible for reviewing the adequacy of risk management procedures and the Bank's compliance with the procedures. The IAD reports the results of its reviews, findings and recommendations to the Board of Management of the Bank.

### Risk measurement and reporting systems

The Bank's risk management policy is based on a reasonably conservative approach, which assumes that the Bank refrains from transactions involving a very high or uncertain level of risk, regardless of potential returns.

Risks are measured and managed on a comprehensive basis, whereby all existing risk factors and their relationships are considered. Monitoring and control of risks are based on the limits established by the Bank, as well as global risk appetite indicators. These limits reflect the Bank's business strategy and market environment, as well as the level of risk that the Bank is willing to accept.

Information compiled from all business lines is examined by the authorized Bank's functions and processed in order to analyze, control and identify risks on a timely basis. The Bank's functions prepare regular reports on their operations and communicate the current risk status to the RCD. The Bank's functions, in cooperation with the RCD, monitor the Bank's current risk exposure to customers, counterparties, transactions and portfolios, to ensure effective risk management. The relevant information is reported to the Board and the Council of the Bank.

### Risk mitigation

As part of its overall risk management process, the Bank uses various risk limitation and mitigation methods, such as diversification, limitation, hedging, and aversion. The Bank accepts collateral against exposed operations to reduce its credit risk.

### Excessive risk concentration

Risk concentrations arise when multiple counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical region.

In order to avoid excessive risk concentration, the Bank's policies and credit procedures include specific guidelines for monitoring and forecasting the concentration level and maintaining a diversified portfolio.

### Credit risk

Credit risk is the risk that the Bank will incur losses because its customers or counterparties fail to discharge their contractual obligations to the Bank in full or in part. The Bank manages credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring compliance with such limits.

All transactions exposed to credit risk are measured using the quantitative and qualitative analysis methods specified in the Bank's credit and risk management regulations. The Bank uses its methodology to assign internal credit ratings to its customers or counterparties. These credit ratings reflect the Bank's exposure to credit risk.

(EUR thousand)

## 25. Risk management (continued)

### Credit risk (continued)

The Bank considers the credit ratings assigned by international rating agencies to manage the credit quality of its financial assets. If no external rating is available, the Bank determines its internal credit rating on the basis of the sovereign rating ceiling.

The Bank manages credit risk through regular analysis of the ability of its customers and counterparties to discharge their principal and interest repayment obligations. The Bank's customers/counterparties are regularly monitored; their financial positions are reviewed for compliance with the assigned internal credit ratings, and appropriate adjustments are made where necessary.

The credit quality review process allows the Bank to assess potential losses from risks to which it is exposed, and take appropriate mitigation actions. Credit risk is further mitigated through collateral, guarantees (including state guarantees) and corporate and individual sureties.

The maximum (total) exposure to credit risk is disclosed in Notes 5, 7-10, 13 and 18.

#### *Risks associated with credit-related commitments*

Credit risk on credit-related commitments refers to the possibility of a loss as a result of a party to the transaction failing to perform in accordance with the terms of the contract. Despite the fact that during the transaction, the Bank generally does not require funding to provide financing, these contracts expose the Bank to risks similar to those associated with loans, which are mitigated through the same assessment, limitation, monitoring and control procedures.

#### *Definition of default*

The Bank classifies a financial asset as a financial asset in default if:

- ▶ It is unlikely that the borrower will discharge its credit-related commitments in full, unless the Bank sells the collateral (if any), or
- ▶ The amount due from the borrower under any of the Bank's significant credit-related commitments is more than 90 days overdue (for legal entities).

In determining whether an event of default has occurred on the borrower's part, the Bank considers the following:

- ▶ Qualitative indicators (e.g., breach of covenants);
- ▶ Quantitative indicators (e.g., 'past due' status with the Bank, the nature of past due payments (whether it is a technical past due situation or not) combined with failure by the same counterparty to discharge another obligation), and
- ▶ Indicators independently designed by the Bank's internal functions or obtained from external sources.

#### *Significant increase in credit risk*

When determining whether a significant increase in credit risk (i.e., risk of default) has occurred on a financial instrument since initial recognition, the Bank examines reasonable and supportable information that is up-to-date and available without undue cost or effort. This includes both quantitative and qualitative data, as well as analysis based on the Bank's historical experience, expert assessment of the quality of the financial instrument and available forward-looking information.

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(EUR thousand)

## 25. Risk management (continued)

### Credit risk (continued)

To determine whether there has been a significant increase in credit risk for a position exposed to credit risk, the Bank compares factors that include, but are not limited to, the following:

- ▶ Probability of default for the remaining period to maturity as at the reporting date, and
- ▶ Probability of default for the remaining period calculated at initial recognition of the position exposed to credit risk (adjusted, if applicable, for changes in early repayment expectations).

Assessing whether a significant increase in credit risk has occurred on a financial instrument since initial recognition involves determining the initial recognition date of the instrument.

The criteria for determining a significant increase in credit risk vary by portfolio and include both quantitative changes in probability of default and qualitative factors, such as a 'backstop' based on days past due.

The Bank determines that credit risk related to a position has increased significantly since the date of initial recognition if, among other things, the borrower's internal or external credit rating has deteriorated by two notches since that date. When determining whether a significant increase in credit risk has taken place, the Bank amortizes the expected credit loss amount for the remaining period to maturity to reflect the new maturity date.

The Bank can conclude, based on expert assessment of the credit quality and, where available, relevant historical experience that the credit risk associated with a financial instrument has increased significantly, if it is evidenced by certain qualitative indicators of a significant increase in credit risk that cannot be promptly and fully identified through a quantitative analysis.

For corporate lending, the Bank applies a criterion of more than 30 days past due as a 'backstop' indicator of a significant increase in credit risk since initial recognition. Days past due are counted from the first day on which the amount due was not received in full.

The Bank verifies the effectiveness of the criteria used to identify a significant increase in credit risk by way of regular reviews, in order to ensure that:

- ▶ The criteria help to identify a significant increase in credit risk before an event of default in respect of the position exposed to the credit risk takes place
- ▶ The average period between the date when a significant increase in credit risk was identified and the date when the event of default actually occurred is deemed reasonable
- ▶ Positions exposed to credit risk are not reclassified directly from the portfolio for which an allowance is recorded in the amount of 12-month expected credit losses (Stage 1) to the portfolio of credit-impaired assets (Stage 3)
- ▶ No unjustified volatility arises in the amount of the allowance for expected credit losses when positions exposed to credit risk are reclassified from the portfolio for which the allowance is recorded in the amount of 12-month expected credit losses (Stage 1) to the portfolio for which the allowance is recorded on a lifetime expected credit losses basis (Stage 2)

### Credit risk levels (grades)

The Bank allocates each position exposed to credit risk between credit risk levels based on various data used in making default risk projections, as well as based on expert judgment on the transaction exposed to credit risk. The Bank uses these credit risk levels to identify whether a significant increase in credit risk has occurred in accordance with IFRS 9. Credit risk levels are determined using qualitative and quantitative factors indicating the risk of default. These factors may vary depending on the nature of the position exposed to credit risk and the type of borrower.

Credit risk levels are determined and calibrated in such a manner that the risk of default increases significantly as credit risk deteriorates (e.g., the difference between the risk of default at Level 1 and Level 2 of credit risk is less than the difference at Level 2 and Level 3 of credit risk).

(EUR thousand)

## 25. Risk management (continued)

### Credit risk (continued)

Each position exposed to credit risk is classified to a certain level of credit risk at the date of initial recognition based on the information available about the customer. Positions exposed to credit risk are constantly monitored, which may result in reclassification to another level of credit risk. Generally, monitoring includes the analysis of the following:

- ▶ Information obtained as a result of the regular analysis of the customers' data (e.g., audited financial statements, management accounts, budget estimates, forecasts and plans);
- ▶ Data obtained from credit rating agencies, media reports, information about changes in external credit ratings;
- ▶ Quoted prices of issuer's bonds and credit default swaps, if available;
- ▶ Actual and expected significant changes in the political, regulatory and technological environment where a borrower operates or in its business;
- ▶ Information about payments, including the status of overdue amounts;
- ▶ Loan modification requests and consents received;
- ▶ Current and projected changes in financial, economic and operating conditions.

#### *Creating a term structure of probability of default*

For positions exposed to credit risk, credit risk levels are initial inputs for creating a term structure of probability of default. The Bank collects information on debt servicing and the level of default for positions exposed to credit risk that are analyzed depending on the jurisdiction, type of product, and borrower, as well as the level of credit risk. For some portfolios, information received from external rating agencies may also be used.

The Bank uses statistical models to analyze collected data and generate estimates of the probability of default over the remaining period for positions exposed to credit risk, and determine how these are expected to change over time.

This analysis includes the determination and calibration of relationships between changes in probabilities of default and changes in macroeconomic factors, as well as in-depth analysis of the impact of certain other factors (e.g., forbearance experience) on the risk of default. The Bank identified and documented the key drivers of credit risk and expected credit losses for each portfolio of financial instruments and used the analysis of historical data to determine the interrelation between macroeconomic variables, credit risk and credit losses. These key drivers are forecasts of GDP and consumer price index depending on an asset macro-region.

For positions exposed to credit risk in certain industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices, exchange rates, etc.

The Bank's approach to incorporating forward-looking information into this assessment is discussed below.

#### *Inputs for measuring expected credit losses*

The key inputs used for measuring expected credit losses comprise term structures of the following variables:

- ▶ Probability of default (PD);
- ▶ Loss given default (LGD);
- ▶ Exposure at default (EAD);
- ▶ Credit conversion factor (CCF);
- ▶ Cash flows used to service debt under different scenarios (corporate lending);
- ▶ Credit ratings assigned by international and local rating agencies;
- ▶ Share/index price volatility (for transactions with counterparty banks that do not have a credit rating from international rating agencies).

These indicators (except for cash flows) are derived from external statistical models and other historical data. They are adjusted to reflect forward-looking information.

(EUR thousand)

## 25. Risk management (continued)

### Credit risk (continued)

Probability of default (PD) estimates are estimates at a certain date, which are calculated based on statistical rating models and assessed using measurement tools tailored to various counterparty categories and positions exposed to credit risk. A change in the credit quality rating of a counterparty or position exposed to credit risk will result in a change in estimates for the associated PD indicators. PDs are estimated by reference to the contractual maturities of positions exposed to credit risk and expectations for early repayment.

The allowance for corporate lending transactions is determined on the basis of measurement models approved by the Bank. One of the models used to measure expected credit losses is based on the determination of the difference between contractual and expected cash inflows to the Bank discounted at the initial effective interest rate and adjusted for the collateral level and recovery rate. Other models are based on the international ratings of the borrower / borrower's parent and the sovereign rating of the country where the borrower is located. Based on the measurement results, the Bank selects the most conservative calculation option in accordance with the model selection order determined in internal regulations.

Loss given default (LGD) is the amount of possible loss in the case of default that depends on the recovery rate. For corporate investment and speculative securities, the recovery rate is determined by reference to Moody's average historical rates. For interbank loans and deposits, the recovery rate is determined by reference to Moody's average historical recovery rates for unsecured bank loans.

Exposure at default (EAD) represents the expected amount of a position exposed to credit risk at the date when an event of default occurs. The Bank derives it from the current EAD and its potential changes permitted by the contract.

As described above, if the Bank uses the highest 12-month probability of default for financial assets for which credit risk has not increased significantly, the Bank will measure the expected credit losses considering the risk of default over the maximum contractual period (including any borrower's options to extend the term of the contract) over which it is exposed to credit risk, even when the Bank considers a longer period for risk management purposes. The maximum contractual period extends to the date at which the Bank has the right to require repayment of a loan issued or terminate a loan commitment.

#### *Forward-looking information*

In accordance with IFRS 9, the Bank incorporates forward-looking information in its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and in its measurement of expected credit losses. This assessment is based on external information as well. External information may include economic data and forecasts published by governmental bodies and monetary regulators in the countries where the Bank operates, and certain individual and scientific forecasts, information received from publicly available and specialized databases and information aggregators.

The Bank also carries out regular applicability assessments and adjusts its approaches to defining representative scenarios, if necessary.

In these financial statements, expected credit losses are recognized through an allowance account to write down the asset's carrying amount to the present value of expected cash flows discounted at the original effective interest rate of the financial asset. Uncollectible financial assets are written off against the allowance, after all the necessary procedures for full or partial recovery have been completed and the ultimate loss amount has been determined.

#### *Credit quality per class of financial assets*

The Bank applies external and internal credit ratings to manage the credit quality of its financial assets.

The Bank measures its financial assets that do not have external credit ratings using the scale of internal credit ratings that are consistent with the ratings assigned by international rating agencies.

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(EUR thousand)

**25. Risk management (continued)****Credit risk (continued)**

The table below shows the credit quality of assets exposed to credit risk for three stages of impairment, with external ratings assigned by international rating agencies and internal credit ratings (if no external ratings are available) as at 31 December 2025:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
<b>Cash and cash equivalents (other than cash on hand)</b>				
Due from central banks	2,218	–	–	<b>2,218</b>
Correspondent accounts with internationally rated banks	49,759	–	–	<b>49,759</b>
Correspondent accounts with banks having internal credit ratings only	8,829	–	5	<b>8,834</b>
<b>Total</b>	<b>60,806</b>	<b>–</b>	<b>5</b>	<b>60,811</b>
Allowance for expected credit losses	(1)	–	(5)	<b>(6)</b>
<b>Carrying amount</b>	<b>60,805</b>	<b>–</b>	<b>–</b>	<b>60,805</b>
<b>Securities at fair value through other comprehensive income</b>				
<b>Held by the Bank</b>				
Internationally rated	6,744	8,055	–	<b>14,799</b>
Internally rated only	129,718	14,554	–	<b>144,272</b>
<b>Carrying amount</b>	<b>136,462</b>	<b>22,609</b>	<b>–</b>	<b>159,071</b>
<b>Allowance for expected credit losses</b>	<b>(933)</b>	<b>(4,663)</b>	<b>–</b>	<b>(5,596)</b>
<b>Pledged under repurchase agreements</b>				
Internally rated only	84,290	–	–	84,290
<b>Carrying amount</b>	<b>84,290</b>	<b>–</b>	<b>–</b>	<b>84,290</b>
<b>Allowance for expected credit losses</b>	<b>(464)</b>	<b>–</b>	<b>–</b>	<b>(464)</b>

(continued on the next page)

*(EUR thousand)***25. Risk management (continued)****Credit risk (continued)**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
<b>Due from banks and financial institutions</b>				
Internationally rated	36,921	–	1,420	<b>38,341</b>
Internally rated only	39,374	–	1,229	<b>40,603</b>
<b>Total</b>	<b>76,295</b>	<b>–</b>	<b>2,649</b>	<b>78,944</b>
Allowance for expected credit losses	(155)	–	(2,649)	<b>(2,804)</b>
<b>Carrying amount</b>	<b>76,140</b>	<b>–</b>	<b>–</b>	<b>76,140</b>
<b>Securities at amortized cost</b>				
<b><i>Held by the Bank</i></b>				
Internally rated only	62,379	10,505	110	<b>72,994</b>
<b>Total</b>	<b>62,379</b>	<b>10,505</b>	<b>110</b>	<b>72,994</b>
Allowance for expected credit losses	(475)	(2,568)	(110)	<b>(3,153)</b>
<b>Carrying amount</b>	<b>61,904</b>	<b>7,937</b>	<b>–</b>	<b>69,841</b>
<b><i>Pledged under repurchase agreements</i></b>				
Internally rated only	15,346	–	–	<b>15,346</b>
<b>Total</b>	<b>15,346</b>	<b>–</b>	<b>–</b>	<b>15,346</b>
Allowance for expected credit losses	(39)	–	–	<b>(39)</b>
<b>Carrying amount</b>	<b>15,307</b>	<b>–</b>	<b>–</b>	<b>15,307</b>
<b>Loans to corporate customers</b>				
Internally rated only	167,953	15,119	7,860	<b>190,932</b>
<b>Total</b>	<b>167,953</b>	<b>15,119</b>	<b>7,860</b>	<b>190,932</b>
Allowance for expected credit losses	(936)	(5,427)	(3,848)	<b>(10,211)</b>
<b>Carrying amount</b>	<b>167,017</b>	<b>9,692</b>	<b>4,012</b>	<b>180,721</b>
<b>Other financial assets</b>				
Internationally rated	–	–	198	<b>198</b>
Internally rated only	1,188	–	15,790	<b>16,978</b>
<b>Total</b>	<b>1,188</b>	<b>–</b>	<b>15,988</b>	<b>17,176</b>
Allowance for expected credit losses	(3)	–	(15,988)	<b>(15,991)</b>
<b>Carrying amount</b>	<b>1,185</b>	<b>–</b>	<b>–</b>	<b>1,185</b>

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*(EUR thousand)***25. Risk management (continued)****Credit risk (continued)**

The table below shows the credit quality of assets exposed to credit risk for three stages of impairment, with external ratings assigned by international rating agencies and internal credit ratings (if no external ratings are available) as at 31 December 2024:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
<b>Cash and cash equivalents (other than cash on hand)</b>				
Due from central banks	110	–	–	<b>110</b>
Correspondent accounts with internationally rated banks	12,331	–	–	<b>12,331</b>
Correspondent accounts with banks having internal credit ratings only	2,479	–	5	<b>2,484</b>
<b>Total</b>	<b>14,920</b>	<b>–</b>	<b>5</b>	<b>14,925</b>
Allowance for expected credit losses	–	–	(5)	<b>(5)</b>
<b>Carrying amount</b>	<b>14,920</b>	<b>–</b>	<b>–</b>	<b>14,920</b>
<b>Securities at fair value through other comprehensive income</b>				
<b>Held by the Bank</b>				
Internationally rated	11,468	2,990	–	<b>14,458</b>
Internally rated only	155,907	16,005	–	<b>171,912</b>
<b>Carrying amount</b>	<b>167,375</b>	<b>18,995</b>	<b>–</b>	<b>186,370</b>
<b>Allowance for expected credit losses</b>	<b>(1,148)</b>	<b>(5,236)</b>	<b>–</b>	<b>(6,384)</b>

*(continued on the next page)*

*(EUR thousand)***25. Risk management (continued)****Credit risk (continued)**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
<b>Due from banks and financial institutions</b>				
Internationally rated	37,289	–	1,689	<b>38,978</b>
Internally rated only	8,724	–	1,230	<b>9,954</b>
<b>Total</b>	<b>46,013</b>	<b>–</b>	<b>2,919</b>	<b>48,932</b>
Allowance for expected credit losses	(271)	–	(2,919)	<b>(3,190)</b>
<b>Carrying amount</b>	<b>45,742</b>	<b>–</b>	<b>–</b>	<b>45,742</b>
<b>Securities at amortized cost</b>				
<b>Held by the Bank</b>				
Internationally rated	–	3,983	–	<b>3,983</b>
Internally rated only	31,876	5,067	110	<b>37,053</b>
<b>Total</b>	<b>31,876</b>	<b>9,050</b>	<b>110</b>	<b>41,036</b>
Allowance for expected credit losses	(182)	(4,524)	(110)	<b>(4,816)</b>
<b>Carrying amount</b>	<b>31,694</b>	<b>4,526</b>	<b>–</b>	<b>36,220</b>
<b>Loans to corporate customers</b>				
Internally rated only	123,446	25,442	521	<b>149,409</b>
<b>Total</b>	<b>123,446</b>	<b>25,442</b>	<b>521</b>	<b>149,409</b>
Allowance for expected credit losses	(1,363)	(4,396)	(521)	<b>(6,280)</b>
<b>Carrying amount</b>	<b>122,083</b>	<b>21,046</b>	<b>–</b>	<b>143,129</b>
<b>Other financial assets</b>				
Internally rated only	881	–	12,504	<b>13,385</b>
<b>Total</b>	<b>881</b>	<b>–</b>	<b>12,504</b>	<b>13,385</b>
Allowance for expected credit losses	(2)	–	(12,504)	<b>(12,506)</b>
<b>Carrying amount</b>	<b>879</b>	<b>–</b>	<b>–</b>	<b>879</b>

As at 31 December 2025, all credit-related commitments less allowances for expected credit losses in the amount of EUR 129,065 thousand related to Stage 1. As at 31 December 2024, credit-related commitments less allowances for expected credit losses in the amount of EUR 91,178 thousand related to Stage 1. In 2025 and 2024, there were no transfers between stages.

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(EUR thousand)

**25. Risk management (continued)****Geographical risk**

Information on risk concentration by geographical region is based on the geographical location of the Bank's counterparties. The table below shows risk concentration by geographical region as at 31 December 2025:

Country	Cash and cash equivalents (other than cash on hand)	Securities at fair value through profit or loss held by the Bank	Securities at fair value	Securities at fair value	Due from banks and financial institutions	Securities at amortized cost held by the Bank	Securities at	Securities at amortized cost, digital rights	Loans to corporate customers	Derivative financial assets	Other financial assets	Total	Share, %	
			through profit or loss pledged under repurchase agreements	through other comprehensive income held by the Bank			through other comprehensive income pledged under repurchase agreements							amortized cost pledged under repurchase agreements
Russian Federation	4,064	5,085	4,935	142,289	84,290	36,158	60,103	15,307	9,738	135,891	4,130	994	<b>502,984</b>	<b>75.99</b>
Mongolia	9,226	–	–	–	–	23,593	–	–	–	31,126	–	–	<b>63,945</b>	<b>9.66</b>
Socialist Republic of Vietnam	21,309	–	–	–	–	–	–	–	–	9,692	–	144	<b>31,145</b>	<b>4.71</b>
Republic of Poland	1	–	–	5,000	–	–	–	–	–	4,012	–	–	<b>9,013</b>	<b>1.36</b>
Romania	–	–	–	3,925	–	–	–	–	–	–	–	–	<b>3,925</b>	<b>0.59</b>
Czech Republic	–	–	–	3,055	–	–	–	–	–	–	–	–	<b>3,055</b>	<b>0.46</b>
Republic of Bulgaria	–	–	–	2,819	–	–	–	–	–	–	–	–	<b>2,819</b>	<b>0.43</b>
IFI <sup>5</sup>	–	–	–	1,983	–	–	–	–	–	–	–	–	<b>1,983</b>	<b>0.30</b>
Other countries	26,205	–	–	–	–	16,389	–	–	–	–	400	47	<b>43,041</b>	<b>6.50</b>
<b>Total</b>	<b>60,805</b>	<b>5,085</b>	<b>4,935</b>	<b>159,071</b>	<b>84,290</b>	<b>76,140</b>	<b>60,103</b>	<b>15,307</b>	<b>9,738</b>	<b>180,721</b>	<b>4,530</b>	<b>1,185</b>	<b>661,910</b>	<b>100</b>

Other countries, i.e., those conducting business, in particular, with the Bank's member countries, are represented by Uzbekistan, Armenia, China, Belarus and Kazakhstan.

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<sup>5</sup> IFI stands for international financial funds and institutions.

(EUR thousand)

**25. Risk management (continued)****Geographical risk (continued)**

Information on risk concentration by geographical region is based on the geographical location of the Bank's counterparties. The table below shows risk concentration by geographical region as at 31 December 2024:

<b>Country</b>	<b>Cash and cash equivalents (other than cash on hand)</b>	<b>Securities at fair value through profit or loss held by the Bank</b>	<b>Securities at fair value through other comprehensive income held by the Bank</b>	<b>Due from banks and financial institutions</b>	<b>Securities at amortized cost held by the Bank</b>	<b>Loans to corporate customers</b>	<b>Derivative financial assets</b>	<b>Other financial assets</b>	<b>Total</b>	<b>Share, %</b>
Russian Federation	2,538	4,190	170,241	6,659	34,229	77,074	1,230	853	<b>297,014</b>	<b>68.63</b>
Mongolia	10,801	–	–	28,664	–	35,554	–	–	<b>75,019</b>	<b>17.33</b>
Republic of Bulgaria	–	–	3,067	–	–	12,552	–	–	<b>15,619</b>	<b>3.61</b>
Socialist Republic of Vietnam	166	–	–	–	–	11,219	–	–	<b>11,385</b>	<b>2.63</b>
Republic of Poland	4	–	4,592	–	–	6,730	–	–	<b>11,326</b>	<b>2.62</b>
Czech Republic	–	–	2,990	–	1,991	–	–	–	<b>4,981</b>	<b>1.15</b>
Romania	–	–	3,809	–	–	–	–	–	<b>3,809</b>	<b>0.88</b>
IFI <sup>6</sup>	–	–	1,671	–	–	–	–	–	<b>1,671</b>	<b>0.38</b>
Other countries	1,411	–	–	10,419	–	–	126	26	<b>11,982</b>	<b>2.77</b>
<b>Total</b>	<b>14,920</b>	<b>4,190</b>	<b>186,370</b>	<b>45,742</b>	<b>36,220</b>	<b>143,129</b>	<b>1,356</b>	<b>879</b>	<b>432,806</b>	<b>100</b>

Other countries, i.e., those conducting business, in particular, with the Bank's member countries, are represented by Uzbekistan, Armenia, China, Germany, and Kazakhstan.

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<sup>6</sup> IFI – international financial funds and institutions.

(EUR thousand)

**25. Risk management (continued)****Liquidity risk and funding management**

Liquidity risk is the risk that the Bank will not be able to meet its payment obligations as they fall due under normal or stress conditions. Liquidity risk occurs where the maturities of assets and liabilities do not match.

The Bank maintains necessary liquidity levels with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The Treasury plays the key role in managing the Bank's liquidity.

The tables below summarize the maturity profile of the Bank's financial liabilities as at 31 December 2025 and 31 December 2024 based on contractual undiscounted repayment obligations, except for IBEC's liabilities to the Republic of Poland and the Czech Republic maturing on 30 June 2042 that are included in "Other liabilities" at amortized cost (the majority of payments are classified as "Over 365 days"). Repayments that are subject to notice are treated as if notice were to be given immediately:

	<b>On demand and less than 30 days</b>	<b>31 to 180 days</b>	<b>181 to 365 days</b>	<b>Over 365 days</b>	<b>Total gross amount of cash (inflow) outflow</b>	<b>Carrying amount</b>
<b>2025</b>						
Due to financial institutions	33,202	86,509	2,430	29,911	152,052	<b>145,349</b>
Due to customers	27,403	49,284	43,917	–	120,604	<b>113,703</b>
Debt financial instruments issued	–	88,309	83,715	83,220	255,244	<b>209,448</b>
Other liabilities	5,254	–	–	–	5,254	<b>5,254</b>
Gross-settled derivative financial instruments						
- Inflow	67,179	25,819	11,193	13,572	117,763	<b>152,221</b>
- Outflow	(67,859)	(24,850)	(8,048)	(14,971)	(115,728)	<b>(149,375)</b>
<b>Total</b>	<b>65,179</b>	<b>225,071</b>	<b>133,207</b>	<b>111,732</b>	<b>535,189</b>	<b>476,600</b>
	<b>On demand and less than 30 days</b>	<b>31 to 180 days</b>	<b>181 to 365 days</b>	<b>Over 365 days</b>	<b>Total gross amount of cash (inflow) outflow</b>	<b>Carrying amount</b>
<b>2024</b>						
Due to financial institutions	24,380	–	2,698	36,303	63,381	<b>54,598</b>
Due to customers	17,457	22,532	38,858	–	78,847	<b>70,210</b>
Debt financial instruments issued	–	16,168	35,873	133,420	185,461	<b>141,874</b>
Other liabilities	5,142	–	–	–	5,142	<b>5,142</b>
Gross-settled derivative financial instruments						
- Inflow	4,597	559	8,487	–	13,643	<b>4,484</b>
- Outflow	(4,524)	(3,787)	(3,538)	–	(11,849)	<b>(4,227)</b>
<b>Total</b>	<b>47,052</b>	<b>35,472</b>	<b>82,378</b>	<b>169,723</b>	<b>334,625</b>	<b>272,081</b>

**Liquidity risk and funding management**

The table below shows the contractual maturities of credit-related commitments, with all outstanding credit-related commitments included in the period that contains the earliest date on which the customer may demand performance:

	<b>On demand and less than 1 month</b>	<b>1 to 6 months</b>	<b>6 to 12 months</b>	<b>12 months to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
31 December 2025	128,398	–	–	–	–	<b>128,398</b>
31 December 2024	90,329	–	–	–	–	<b>90,329</b>

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(EUR thousand)

**25. Risk management (continued)****Classification of assets and liabilities by maturity**

The tables below show the analysis of all financial assets and financial liabilities of the Bank as at 31 December 2025 and 31 December 2024 by contractual maturity.

Quoted debt securities being highly liquid securities that can be sold by the Bank in the short term on an arm's-length basis, measured at fair value through other comprehensive income and at fair value through profit or loss and are not pledged under repurchase agreements are classified as "On demand and less than 1 month." Securities at fair value through other comprehensive income and securities at fair value through profit or loss pledged under repurchase agreements are presented over the periods remaining from the reporting date to the expiry date of the relevant contractual obligations of the Bank.

	<i>On demand and less than 1 month</i>	<i>1 to 6 months</i>	<i>6 to 12 months</i>	<i>12 months to 5 years</i>	<i>Over 5 years</i>	<i>Overdue</i>	<i>Excluded from analysis<sup>7</sup></i>	<i>Total</i>
<b>2025</b>								
Cash and cash equivalents	63,069	–	–	–	–	–	–	<b>63,069</b>
Securities at fair value through profit or loss								
- Held by the Bank	5,085	–	–	–	–	–	–	<b>5,085</b>
- Pledged under repurchase agreements	–	4,935	–	–	–	–	–	<b>4,935</b>
Securities at fair value through other comprehensive income								
- Held by the Bank	150,508	–	–	–	–	–	8,563	<b>159,071</b>
- Pledged under repurchase agreements	–	84,290	–	–	–	–	–	<b>84,290</b>
Due from banks and financial institutions	39,817	33,323	3,000	–	–	–	–	<b>76,140</b>
Securities at amortized cost								
- Held by the Bank	–	7,647	6,428	38,020	5,475	–	2,533	<b>60,103</b>
- Pledged under repurchase agreements	–	15,307	–	–	–	–	–	<b>15,307</b>
- Digital rights	–	9,738	–	–	–	–	–	<b>9,738</b>
Loans to corporate customers	4,551	96,490	33,549	35,864	4,891	5,376	–	<b>180,721</b>
Derivative financial assets	400	4,127	3	–	–	–	–	<b>4,530</b>
Other financial assets	871	10	53	251	–	–	–	<b>1,185</b>
<b>Total financial assets</b>	<b>264,301</b>	<b>255,867</b>	<b>43,033</b>	<b>74,135</b>	<b>10,366</b>	<b>5,376</b>	<b>11,096</b>	<b>664,174</b>
Due to financial institutions	32,993	85,572	1,841	20,102	4,841	–	–	<b>145,349</b>
Due to customers	27,341	47,764	38,598	–	–	–	–	<b>113,703</b>
Derivative financial liabilities	190	–	156	2,500	–	–	–	<b>2,846</b>
Debt financial instruments issued	497	73,123	69,730	66,098	–	–	–	<b>209,448</b>
Other financial liabilities	4,071	–	–	–	–	–	4,017	<b>8,088</b>
<b>Total financial liabilities</b>	<b>65,092</b>	<b>206,459</b>	<b>110,325</b>	<b>88,700</b>	<b>4,841</b>	<b>–</b>	<b>4,017</b>	<b>479,434</b>
<b>Net position</b>	<b>199,209</b>	<b>49,408</b>	<b>(67,292)</b>	<b>(14,565)</b>	<b>5,525</b>	<b>5,376</b>	<b>7,079</b>	<b>184,740</b>
<b>Cumulative liquidity gap for financial instruments</b>	<b>199,209</b>	<b>248,617</b>	<b>181,325</b>	<b>166,760</b>	<b>172,285</b>	<b>177,661</b>	<b>184,740</b>	<b>–</b>

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<sup>7</sup> The following assets are excluded from the liquidity risk analysis: restricted cash and securities of the Bank, including those subject to sanctions imposed on depositories having custody of IBEC's securities, due to limited ability to forecast their return date, as well as IBEC's liabilities to the Republic of Poland and the Czech Republic.

(EUR thousand)

**25. Risk management (continued)****Classification of assets and liabilities by maturity (continued)**

<b>2024</b>	<b>On demand and less than 1 month</b>	<b>1 to 6 months</b>	<b>6 to 12 months</b>	<b>12 months to 5 years</b>	<b>Over 5 years</b>	<b>Overdue</b>	<b>Excluded from analysis<sup>8</sup></b>	<b>Total</b>
Cash and cash equivalents	17,176	–	–	–	–	–	–	17,176
Securities at fair value through profit or loss								
- Held by the Bank	4,190	–	–	–	–	–	–	4,190
Securities at fair value through other comprehensive income								
- Held by the Bank	177,698	–	–	–	–	–	8,672	186,370
Due from banks and financial institutions	13,744	3,848	12,909	15,241	–	–	–	45,742
Securities at amortized cost								
- Held by the Bank	–	3,333	–	25,528	2,834	–	4,525	36,220
Loans to corporate customers	22,376	18,799	30,405	34,577	32,165	4,807	–	143,129
Derivative financial assets	126	–	1,230	–	–	–	–	1,356
Other financial assets	695	–	–	184	–	–	–	879
<b>Total financial assets</b>	<b>236,005</b>	<b>25,980</b>	<b>44,544</b>	<b>75,530</b>	<b>34,999</b>	<b>4,807</b>	<b>13,197</b>	<b>435,062</b>
Due to financial institutions	24,181	–	2,016	19,087	9,314	–	–	54,598
Due to customers	17,427	21,630	31,153	–	–	–	–	70,210
Derivative financial liabilities	44	–	213	–	–	–	–	257
Debt financial instruments issued	–	3,922	21,913	116,039	–	–	–	141,874
Other financial liabilities	3,876	–	–	–	–	–	1,853	5,729
<b>Total financial liabilities</b>	<b>45,528</b>	<b>25,552</b>	<b>55,295</b>	<b>135,126</b>	<b>9,314</b>	<b>–</b>	<b>1,853</b>	<b>272,668</b>
<b>Net position</b>	<b>190,477</b>	<b>428</b>	<b>(10,751)</b>	<b>(59,596)</b>	<b>25,685</b>	<b>4,807</b>	<b>11,344</b>	<b>162,394</b>
<b>Cumulative liquidity gap for financial instruments</b>	<b>190,477</b>	<b>190,905</b>	<b>180,154</b>	<b>120,558</b>	<b>146,243</b>	<b>151,050</b>	<b>162,394</b>	<b>–</b>

**Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return on risk. The Board of Management of the Bank sets limits on the level of risk that may be accepted and monitors compliance on a regular basis.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such fluctuations but may also decrease or create losses in the event that unexpected movements occur.

Interest rate risk is managed primarily by monitoring changes in interest rates. The sensitivity of the statement of profit or loss is the effect of hypothetical interest rate changes on net interest income for one year, calculated based on non-trading financial assets and financial liabilities with floating interest rates as at 31 December. The sensitivity of equity to assumed changes in interest rates as at 31 December was calculated by revaluing fixed-rate debt financial assets measured at fair value through other comprehensive income, assuming parallel shifts in the yield curve. The interest rate gap for major fixed-rate financial instruments is summarized as follows.

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<sup>8</sup> The following assets are excluded from the liquidity risk analysis: restricted cash and securities of the Bank, including those subject to sanctions imposed on depositories having custody of IBEC's securities, due to limited ability to forecast their return date, as well as IBEC's liabilities to the Republic of Poland.

*(EUR thousand)***25. Risk management (continued)****Interest rate risk (continued)***Interest rate sensitivity analysis*

	<b>2025</b>		<b>2024</b>	
	<b>Profit or loss</b>	<b>Equity</b>	<b>Profit or loss</b>	<b>Equity</b>
<b>Parallel shift of minus 100 bps</b>	<b>402</b>	<b>273</b>	<b>2</b>	<b>1</b>
EUR	(121)	(163)	56	55
USD	31	19	–	–
RUB	707	658	(55)	(55)
Other currencies	(215)	(241)	1	1
<b>Parallel shift of plus 100 bps</b>	<b>(402)</b>	<b>(273)</b>	<b>(2)</b>	<b>(1)</b>
EUR	121	163	(56)	(55)
USD	(31)	(19)	–	–
RUB	(707)	(658)	55	55
Other currencies	215	241	(1)	(1)

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(EUR thousand)

**25. Risk management (continued)****Interest rate risk (continued)***Average interest rates*

The following table shows weighted average interest rates for interest-bearing assets and liabilities as at 31 December 2025 and 31 December 2024. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2025					2024				
	Average interest rate, %					Average interest rate, %				
	EUR	USD	RUB	CNY	Other currencies	EUR	USD	RUB	CNY	Other currencies
<b>Interest-bearing assets</b>										
Correspondent accounts with banks in IBEC member countries and other countries	1.01	–	–	0.36	3.00	0.02	0.13	–	0.14	0.30
Securities at fair value through profit or loss										
- Held by the Bank	–	–	18.86	–	–	1.26	–	–	–	–
- Pledged under repurchase agreements	1.26	–	–	–	–	–	–	–	–	–
Securities at fair value through other comprehensive income										
- Held by the Bank	2.34	3.33	17.83	7.05	–	2.20	3.33	15.58	6.29	–
- Pledged under repurchase agreements	1.95	–	13.79	–	–	–	–	–	–	–
Due from banks and financial institutions	5.40	–	16.48	7.25	–	9.08	–	20.53	8.40	–
Securities at amortized cost										
- Held by the Bank	2.20	–	19.54	–	–	2.20	8.50	20.89	–	–
- Pledged under repurchase agreements	–	–	19.66	–	–	–	–	–	–	–
- Digital rights	–	–	19.00	–	–	–	–	–	–	–
Loans to corporate customers	6.67	–	19.85	6.01	–	7.75	–	24.38	9.50	–
Consumer lending	3.00	–	–	–	–	3.00	–	–	–	–
<b>Interest-bearing liabilities</b>										
Due to financial institutions	2.52	–	16.28	4.00	–	4.09	–	20.53	6.65	–
Due to customers	2.91	0.07	16.43	–	–	1.78	3.00	22.60	–	–
Debt financial instruments issued	–	–	16.45	–	–	–	–	16.16	–	–

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(EUR thousand)

**25. Risk management (continued)****Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board follows a conservative policy regarding foreign currency transactions, aiming to minimize open currency positions in order to reduce currency risk to an acceptable level. The Bank monitors its currency positions on a daily basis.

The table below shows a general analysis of the Bank's currency risk related to financial assets and liabilities as at 31 December 2025:

	<b>Note</b>	<b>EUR</b>	<b>USD</b>	<b>RUB</b>	<b>CNY</b>	<b>Other</b>	<b>Total</b>
Cash and cash equivalents		29,247	22,203	2,417	9,180	22	<b>63,069</b>
Securities at fair value through profit or loss							
- Held by the Bank		–	–	5,085	–	–	<b>5,085</b>
- Pledged under repurchase agreements		4,935	–	–	–	–	<b>4,935</b>
Securities at fair value through other comprehensive income							
- Held by the Bank		45,539	6,857	103,605	3,070	–	<b>159,071</b>
- Pledged under repurchase agreements		42,033	–	42,257	–	–	<b>84,290</b>
Due from banks and financial institutions		9,693	–	40,877	25,570	–	<b>76,140</b>
Securities at amortized cost							
- Held by the Bank		8,750	–	51,353	–	–	<b>60,103</b>
- Pledged under repurchase agreements		–	–	15,307	–	–	<b>15,307</b>
- Digital rights		–	–	9,738	–	–	<b>9,738</b>
Loans to corporate customers		43,402	–	111,597	25,722	–	<b>180,721</b>
Other financial assets	13	365	2	629	46	143	<b>1,185</b>
<b>Total financial assets</b>		<b>183,964</b>	<b>29,062</b>	<b>382,865</b>	<b>63,588</b>	<b>165</b>	<b>659,644</b>
Due to financial institutions		28,914	9	91,636	24,790	–	<b>145,349</b>
Due to customers		2,317	4,340	107,033	13	–	<b>113,703</b>
Debt financial instruments issued		–	–	209,448	–	–	<b>209,448</b>
Other financial liabilities	13	6,358	10	1,691	27	2	<b>8,088</b>
<b>Total financial liabilities</b>		<b>37,589</b>	<b>4,359</b>	<b>409,808</b>	<b>24,830</b>	<b>2</b>	<b>476,588</b>
<b>Net balance sheet position</b>		<b>146,375</b>	<b>24,703</b>	<b>(26,943)</b>	<b>38,758</b>	<b>163</b>	<b>183,056</b>
<b>Net off-balance sheet position</b>		<b>54,313</b>	<b>(25,443)</b>	<b>10,868</b>	<b>(38,054)</b>	<b>–</b>	<b>1,684</b>
<b>Net balance sheet and off-balance sheet position</b>		<b>200,688</b>	<b>(740)</b>	<b>(16,075)</b>	<b>704</b>	<b>163</b>	<b>184,740</b>

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(EUR thousand)

**25. Risk management (continued)****Currency risk (continued)**

The table below shows a general analysis of the Bank's currency risk related to financial assets and liabilities as at 31 December 2024:

	<b>Note</b>	<b>EUR</b>	<b>USD</b>	<b>RUB</b>	<b>CNY</b>	<b>Other</b>	<b>Total</b>
Cash and cash equivalents		12,337	1,062	272	3,479	26	<b>17,176</b>
Securities at fair value through profit or loss							
- Held by the Bank		4,190	-	-	-	-	<b>4,190</b>
Securities at fair value through other comprehensive income							
- Held by the Bank		92,961	7,442	76,091	9,876	-	<b>186,370</b>
Due from banks and financial institutions		6,323	-	17,077	22,342	-	<b>45,742</b>
Securities at amortized cost							
- Held by the Bank		2,533	1,991	31,696	-	-	<b>36,220</b>
Loans to corporate customers		64,140	-	77,073	1,916	-	<b>143,129</b>
Other financial assets	13	336	-	518	25	-	<b>879</b>
<b>Total financial assets</b>		<b>182,820</b>	<b>10,495</b>	<b>202,727</b>	<b>37,638</b>	<b>26</b>	<b>433,706</b>
Due to financial institutions		32,689	10	19,994	1,905	-	<b>54,598</b>
Due to customers		9,245	61	60,712	192	-	<b>70,210</b>
Debt financial instruments issued		-	-	141,874	-	-	<b>141,874</b>
Other financial liabilities	13	3,787	-	1,940	-	2	<b>5,729</b>
<b>Total financial liabilities</b>		<b>45,721</b>	<b>71</b>	<b>224,520</b>	<b>2,097</b>	<b>2</b>	<b>272,411</b>
<b>Net balance sheet position</b>		<b>137,099</b>	<b>10,424</b>	<b>(21,793)</b>	<b>35,541</b>	<b>24</b>	<b>161,295</b>
<b>Net off-balance sheet position</b>		<b>3,446</b>	<b>-</b>	<b>(1,162)</b>	<b>(1,185)</b>	<b>-</b>	<b>1,099</b>
<b>Net balance sheet and off-balance sheet position</b>		<b>140,545</b>	<b>10,424</b>	<b>(22,955)</b>	<b>34,356</b>	<b>24</b>	<b>162,394</b>

A weakening of the euro against the US dollar and the Russian ruble as at 31 December 2025 and 31 December 2024, would have resulted in an increase (decrease) in equity and profit (or loss) as shown in the table below. This analysis is based on foreign currency exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, particularly interest rates, remain constant. The effect on equity does not differ from the effect on the statement of profit or loss and other comprehensive income.

	<b>2025</b>	<b>2024</b>
20% appreciation of USD against EUR	(148)	2,085
20% appreciation of RUB against EUR	(3,215)	(4,591)
20% depreciation of USD against EUR	148	(2,085)
20% depreciation of RUB against EUR	3,215	4,591

**Operational risk**

Operational risk is the risk arising from system failures, human errors, fraud or external events. Operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. While the Bank cannot assume that all operational risks are completely eliminated, it can control and mitigate them through a control framework that monitors and responds appropriately to potential risks.

To reduce the negative impact of operational risks, the Bank collects and classifies data on operational risk events, maintains a risk event database, assesses and monitors risks, and prepares management reports. Concurrently, in accordance with its existing methodology, the Bank measures operational risk using the Basic Indicator Approach as recommended by Basel II.

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(EUR thousand)

## 26. Fair value measurement

### Fair value measurements procedures

The Bank has methods and procedures to perform recurring fair value measurements for securities at fair value through profit or loss, securities at fair value through other comprehensive income and derivative financial instruments.

At each reporting date, the Bank analyzes changes in the value of assets and liabilities which are required to be re-measured, or re-assessed in accordance with the Bank's accounting policies. Fair value measurement is performed using available market information (with application of additional professional judgment) and valuation techniques appropriate to a given asset or liability.

For significant assets, such as the Bank's building, independent external appraisers are engaged. The decision on whether to engage external appraisers is made annually by the Board of Management of the Bank. Selection criteria include market knowledge, reputation, independence and adherence to professional standards. Together with the external appraisers, the Bank compares each change in the fair value of the building against relevant external sources to determine whether the change is reasonable. The results are presented to the Board of Management and independent auditors of the Bank. This includes a discussion of key assumptions used in the valuation.

The fair value of the building is classified within Level 3 of the fair value hierarchy.

### Fair value hierarchy

The Bank uses the following hierarchy for measuring and disclosing fair values of financial instruments:

- ▶ Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- ▶ Level 2: techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- ▶ Level 3: valuation techniques not based on observable market data, which use inputs that have a significant effect on the recorded fair value and that are not based on observable market data. If a fair value measurement uses observable inputs that require significant adjustment, the measurement is included in Level 3. The relevance of the inputs used is assessed for all fair value measurements.

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(EUR thousand)

**26. Fair value measurement (continued)****Fair value hierarchy (continued)**

Transfers between the levels of the fair value hierarchy are deemed to have been made as at the end of the reporting period.

The following tables show the analysis of financial instruments presented in the financial statements at fair value by level of the fair value hierarchy as at 31 December 2025 and 31 December 2024:

<b>2025</b>	<b>Fair value measurement using</b>			<b>Total</b>
	<b>Level 1 inputs</b>	<b>Level 2 inputs</b>	<b>Level 3 inputs</b>	
<b>Assets measured at fair value</b>				
Securities at fair value through profit or loss held by the Bank				
- Corporate bonds	5,085	–	–	<b>5,085</b>
Securities at fair value through profit or loss pledged under repurchase agreements				
- Bonds of IBEC member countries	4,056	–	–	<b>4,056</b>
- Corporate bonds	879	–	–	<b>879</b>
Securities at fair value through other comprehensive income held by the Bank				
- Corporate bonds	95,935	–	–	<b>95,935</b>
- Bonds of IBEC member countries	30,151	–	–	<b>30,151</b>
- Corporate Eurobonds	–	8,055	6,580	<b>14,635</b>
- Bonds of banks	9,623	–	–	<b>9,623</b>
- Eurobonds of other countries	6,744	–	–	<b>6,744</b>
- Eurobonds of international financial institutions	–	–	1,983	<b>1,983</b>
Securities at fair value through other comprehensive income pledged under repurchase agreements				
- Corporate bonds	51,723	–	–	<b>51,723</b>
- Bonds of IBEC member countries	32,567	–	–	<b>32,567</b>
Derivative financial assets	–	4,530	–	<b>4,530</b>
Property, plant and equipment – building	–	–	47,084	<b>47,084</b>
	<b>236,763</b>	<b>12,585</b>	<b>55,647</b>	<b>304,995</b>
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	63,069	–	–	<b>63,069</b>
Securities at amortized cost	85,148	–	–	<b>85,148</b>
Due from banks and financial institutions	–	–	76,140	<b>76,140</b>
Loans to corporate customers	–	–	180,721	<b>180,721</b>
Other financial assets	–	–	1,185	<b>1,185</b>
	<b>148,217</b>	<b>–</b>	<b>258,046</b>	<b>406,263</b>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	–	2,846	–	<b>2,846</b>
<b>Liabilities for which fair values are disclosed</b>				
Due to financial institutions	–	–	145,349	<b>145,349</b>
Due to customers	–	–	113,703	<b>113,703</b>
Debt financial instruments issued	209,448	–	–	<b>209,448</b>
	<b>209,448</b>	<b>–</b>	<b>259,052</b>	<b>468,500</b>

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(EUR thousand)

**26. Fair value measurement (continued)****Fair value hierarchy (continued)**

<b>2024</b>	<b>Fair value measurement using</b>			
	<b>Level 1 inputs</b>	<b>Level 2 inputs</b>	<b>Level 3 inputs</b>	<b>Total</b>
<b>Assets measured at fair value</b>				
Securities at fair value through profit or loss held by the Bank				
- Bonds of IBEC member countries	3,449	-	-	<b>3,449</b>
- Corporate bonds	741	-	-	<b>741</b>
Securities at fair value through other comprehensive income held by the Bank				
- Corporate bonds	94,782	-	-	<b>94,782</b>
- Bonds of IBEC member countries	54,743	-	-	<b>54,743</b>
- Corporate Eurobonds	4,191	7,582	7,001	<b>18,774</b>
- Bonds of banks	9,524	-	-	<b>9,524</b>
- Eurobonds of other countries	6,876	-	-	<b>6,876</b>
- Eurobonds of IBEC member countries	-	-	-	<b>-</b>
- Eurobonds of international financial institutions	-	-	1,671	<b>1,671</b>
Derivative financial assets	-	1,356	-	<b>1,356</b>
Property, plant and equipment – building	-	-	48,073	<b>48,073</b>
	<b>174,306</b>	<b>8,938</b>	<b>56,745</b>	<b>239,989</b>
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	17,176	-	-	<b>17,176</b>
Securities at amortized cost	36,220	-	-	<b>36,220</b>
Due from banks and financial institutions	-	-	45,742	<b>45,742</b>
Loans to corporate customers	-	-	143,129	<b>143,129</b>
Other financial assets	-	-	879	<b>879</b>
	<b>53,396</b>	<b>-</b>	<b>189,750</b>	<b>243,146</b>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	-	257	-	<b>257</b>
<b>Liabilities for which fair values are disclosed</b>				
Due to financial institutions	-	-	54,598	<b>54,598</b>
Due to customers	-	-	70,210	<b>70,210</b>
Debt financial instruments issued	141,874	-	-	<b>141,874</b>
	<b>141,874</b>	<b>-</b>	<b>124,808</b>	<b>266,682</b>

**Derivative financial instruments**

All derivative financial instruments are carried at fair value as assets when their fair value is positive and as liabilities when their fair value is negative. In accordance with IFRS 9, the fair value of an instrument at its origination is usually equal to the transaction price. If the transaction price differs from the amount determined at the origination of a financial instrument using valuation techniques, the difference is amortized on a straight-line basis over the life of the financial instrument.

Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and currency swaps. The most frequently applied valuation techniques include swap pricing models using present value calculations. The techniques incorporate various inputs, including counterparties' creditworthiness, foreign exchange forward and spot rates and interest rate curves.

Derivatives valued using valuation techniques with significant unobservable inputs are mainly long-term option contracts. These derivatives are valued using the binomial model. The techniques incorporate various non-observable assumptions, including market rate volatility.

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(EUR thousand)

**26. Fair value measurement (continued)****Securities at fair value**

Securities at fair value valued using a valuation technique consist of debt securities. Such assets are valued using models which incorporate either only observable market data or both observable and non-observable data. The unobservable inputs include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

*Transfers between Level 1 and Level 2*

There were no transfers from Level 1 to Level 2 in 2025. In 2024, corporate Eurobonds at fair value through other comprehensive income held by the Bank in the amount of EUR 7,582 thousand were transferred from Level 1 to Level 2. There were no transfers from Level 2 to Level 1 in 2025 and 2024.

*Movements in Level 3 financial instruments*

There were no transfers from Level 1 to Level 3 and from Level 3 to Level 1 in 2025 and 2024.

In 2025 and 2024, no financial instruments were added to Level 3 of the fair value hierarchy.

The following table shows a reconciliation of the 2025 opening and closing balances of Level 3 financial assets measured at fair value:

	<b>At 1 January 2025</b>	<b>Total gains/(losses) recognized in profit or loss</b>	<b>Total gains/(losses) recognized in other com- prehensive income</b>	<b>Purchases</b>	<b>Settlements</b>	<b>Replacements</b>	<b>At 31 December 2025</b>
<b>Financial assets</b>							
Securities at fair value through other comprehensive income	8,672	(253)	465	–	(321)	–	8,563
Property, plant and equipment – building	48,073	(1,048)	–	59	–	–	47,084
<b>Total Level 3 financial assets</b>	<b>56,745</b>	<b>(1,301)</b>	<b>465</b>	<b>59</b>	<b>(321)</b>	<b>–</b>	<b>55,647</b>
<b>Total net Level 3 financial assets</b>	<b>56,745</b>	<b>(1,301)</b>	<b>465</b>	<b>59</b>	<b>(321)</b>	<b>–</b>	<b>55,647</b>

The following table shows a reconciliation of the 2024 opening and closing balances of Level 3 financial assets measured at fair value:

	<b>At 1 January 2024</b>	<b>Total gains/(losses) recognized in profit or loss</b>	<b>Total gains/(losses) recognized in other com- prehensive income</b>	<b>Purchases</b>	<b>Settlements</b>	<b>Replacements</b>	<b>At 31 December 2024</b>
<b>Financial assets</b>							
Securities at fair value through other comprehensive income	30,717	1,264	(2,705)	–	(7,904)	(12,700)	8,672
Property, plant and equipment – building	49,103	(1,032)	(201)	203	–	–	48,073
<b>Total Level 3 financial assets</b>	<b>79,820</b>	<b>232</b>	<b>(2,906)</b>	<b>203</b>	<b>(7,904)</b>	<b>(12,700)</b>	<b>56,745</b>
<b>Total net Level 3 financial assets</b>	<b>79,820</b>	<b>232</b>	<b>(2,906)</b>	<b>203</b>	<b>(7,904)</b>	<b>(12,700)</b>	<b>56,745</b>

**Fair value of financial assets and liabilities not recorded at fair value**

As at 31 December 2025 and 31 December 2024, the fair value of financial assets and liabilities not carried at fair value in the statement of financial position did not differ significantly from their carrying amount. Financial assets and liabilities not recorded at fair value in the statement of financial position include due from banks and financial institutions, loans to corporate customers, due to financial institutions, amounts due to customers, debt financial instruments issued and securities measured at amortized cost.

*(EUR thousand)***27. Segment reporting**

For the purposes of managing operating activities, making decisions on resource allocation and assessing performance, the Bank is organized into three operating segments based on its mission of assisting in developing market economic relations among business entities in IBEC member countries:

**Development portfolio** Providing investment banking services, including corporate financing (except for impaired credit projects) and interbank financing to fund the foreign trade activities of companies from IBEC member countries, as well as investment in debt securities purchased at initial issuance from issuers based in the Bank's member countries with a view to support the operations of the Bank's member countries (including during the period of withdrawal of countries from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation); raising corporate and interbank finance from counterparties based in member countries and from international financial institutions (IFIs) with the same shareholders as IBEC.

If, at the time of a transaction, the company's country of exposure was a member country of the Bank, this transaction remains in the development portfolio up to the date of repayment, irrespective of whether the country has withdrawn from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation.

**Other banking activities** Providing investment banking services, including term interbank financing, as well as investments in debt securities (not included in the development portfolio), handling derivative financial instruments and foreign currency, managing liquidity, raising corporate and interbank finance from counterparties based in non-member countries (including during the period of withdrawal of countries from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation), lending to corporate customers in the non-performing loan category, and trust management.

**Other activities** Lease services and other activities.

Management monitors operating results of each segment separately to make decisions on allocation of resources and to assess their operating performance. Segment performance is measured on the basis of operating profit or loss, which is calculated differently from operating profit or loss recorded in the financial statements, as indicated in the table below.

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*(EUR thousand)***27. Segment reporting (continued)**

Income and expense by segment and profit for 2025 and 2024, respectively, are shown in the table below:

<b>2025</b>	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
Interest income calculated using the EIR method	63,408	10,291	10	<b>73,709</b>
Other interest income	140	248	–	<b>388</b>
Interest expense	(56,012)	(4,790)	(62)	<b>(60,864)</b>
<b>Net interest income (expense)</b>	<b>7,536</b>	<b>5,749</b>	<b>(52)</b>	<b>13,233</b>
Allowance for expected credit losses from financial assets	(1,571)	(4,094)	–	<b>(5,665)</b>
<b>Net interest income (expense) after allowance for expected credit losses</b>	<b>5,965</b>	<b>1,655</b>	<b>(52)</b>	<b>7,568</b>
Net fee and commission income (expense)	1,936	(204)	–	<b>1,732</b>
Net gains from operations with securities at fair value through profit or loss	11	745	–	<b>756</b>
Net gains from operations with securities at fair value through other comprehensive income	4,154	3,384	–	<b>7,538</b>
Net losses from operations with securities at amortized cost	(8)	–	–	<b>(8)</b>
Net (losses) gains from operations with derivative financial instruments and foreign currency	(8,390)	6,746	(99)	<b>(1,743)</b>
Lease income	–	–	2,317	<b>2,317</b>
Other banking income	233	158	477	<b>868</b>
Net losses from disposal of property, plant and equipment	–	–	(1)	<b>(1)</b>
Other provisions	–	–	(134)	<b>(134)</b>
Other banking expenses	(66)	(89)	(27)	<b>(182)</b>
<b>Segment profit</b>	<b>3,835</b>	<b>12,395</b>	<b>2,481</b>	<b>18,711</b>

*(continued on the next page)*

(EUR thousand)

**27. Segment reporting (continued)**

<b>2024</b>	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
Interest income calculated using the EIR method	35,051	12,391	13	<b>47,455</b>
Other interest income	–	69	–	<b>69</b>
Interest expense	(37,972)	(1,553)	(55)	<b>(39,580)</b>
<b>Net interest income (expense)</b>	<b>(2,921)</b>	<b>10,907</b>	<b>(42)</b>	<b>7,944</b>
Reversal of allowance (allowance) for expected credit losses from financial assets	(3,183)	9,647	–	<b>6,464</b>
<b>Net interest income (expense) after allowance for expected credit losses</b>	<b>(6,104)</b>	<b>20,554</b>	<b>(42)</b>	<b>14,408</b>
Net fee and commission income (expense)	942	(115)	–	<b>827</b>
Net losses from operations with securities at fair value through profit or loss	–	(365)	–	<b>(365)</b>
Net (losses) gains from operations with securities at fair value through other comprehensive income	(1,881)	1,714	–	<b>(167)</b>
Net losses from operations with securities at amortized cost	(642)	–	–	<b>(642)</b>
Net gains (losses) from operations with derivative financial instruments and foreign currency	3,617	(9)	–	<b>3,608</b>
Lease income	–	–	1,546	<b>1,546</b>
Other banking income	22	73	337	<b>432</b>
Net losses from disposal of property, plant and equipment	–	–	(3)	<b>(3)</b>
Other provisions	–	–	(72)	<b>(72)</b>
Other banking expenses	(17)	(763)	(98)	<b>(878)</b>
<b>Segment profit (loss)</b>	<b>(4,063)</b>	<b>21,089</b>	<b>1,668</b>	<b>18,694</b>

The reconciliation of total segment profit with the Bank's profit is as follows:

	<b>2025</b>	<b>2024</b>
<b>Total segment profit</b>	<b>18,711</b>	<b>18,694</b>
Unallocated administrative and management expenses	(15,756)	(14,016)
<b>Profit for the year</b>	<b>2,955</b>	<b>4,678</b>

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(EUR thousand)

**27. Segment reporting (continued)**

The table below shows the assets and liabilities of the Bank's operating segments:

	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
<b>Segment assets</b>				
31 December 2025	457,991	205,161	51,690	<b>714,842</b>
31 December 2024	304,281	129,965	51,899	<b>486,145</b>
	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
<b>Segment liabilities</b>				
31 December 2025	433,929	40,892	5,796	<b>480,617</b>
31 December 2024	245,736	24,880	3,318	<b>273,934</b>
	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
<b>Credit-related commitments</b>				
31 December 2025	128,398	–	–	<b>128,398</b>
31 December 2024	90,329	–	–	<b>90,329</b>

In 2025, Bank had one external counterparty individually generating lease revenue of EUR 548 thousand, accounting for more than 20% of the Bank's income for 2025 (2024: one external counterparty individually generating lease revenue of EUR 489 thousand, accounting for more than 20% of the Bank's income for 2024).

The following tables present the Bank's revenue, by segment, from contracts with external customers for 2025 and 2024, respectively:

<b>2025</b>	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
Interest income	63,548	10,539	10	<b>74,097</b>
Fee and commission income	2,759	55	–	<b>2,814</b>
- Documentary operations	2,051	–	–	<b>2,051</b>
- Commissions for support of credit products	364	–	–	<b>364</b>
- Currency control	148	26	–	<b>174</b>
- Underwriting commission income	119	–	–	<b>119</b>
- Accounts maintenance	37	22	–	<b>59</b>
- Cash and settlement operations	40	7	–	<b>47</b>
Lease income	–	–	2,317	<b>2,317</b>
<b>Total revenue from contracts with customers</b>	<b>66,307</b>	<b>10,594</b>	<b>2,327</b>	<b>79,228</b>

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(EUR thousand)

**27. Segment reporting (continued)**

<b>2024</b>	<b>Development portfolio</b>	<b>Other banking activities</b>	<b>Other activities</b>	<b>Total</b>
Interest income	35,051	12,460	13	<b>47,524</b>
Fee and commission income	1,555	77	–	<b>1,632</b>
- Documentary operations	1,260	–	–	<b>1,260</b>
- Commissions for support of credit products	204	–	–	<b>204</b>
- Accounts maintenance	36	15	–	<b>51</b>
- Currency control	28	47	–	<b>75</b>
- Cash and settlement operations	27	6	–	<b>33</b>
- Other	–	9	–	<b>9</b>
Lease income	–	–	1,546	<b>1,546</b>
<b>Total revenue from contracts with customers</b>	<b>36,606</b>	<b>12,537</b>	<b>1,559</b>	<b>50,702</b>

**28. Related party transactions**

For the purposes of these financial statements, parties are considered related if one of them has control or significant influence over the strategic, financial or operational decisions of the other party, as defined by IAS 24, *Related Party Disclosures*. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

**Transactions with the Bank's key management personnel**

Remuneration to the key management personnel of the Bank for 2025 amounted to EUR 907 thousand (2024: EUR 826 thousand). Contributions by key management personnel of the Bank to the Social Fund of the Russian Federation totaled EUR 81 thousand (2024: EUR 69 thousand); there were no contributions to the pension funds of IBEC member countries in 2024 and 2025.

As at 31 December 2025 and 31 December 2024, the balances on accounts of the Bank's key management personnel were as follows:

	<b>2025</b>	<b>2024</b>
Current accounts	32	50

**Transactions with government-related companies**

A government-related company is a company under control, joint control or significant influence of the government of an IBEC member country. The Bank carries out transactions with member countries that exercise significant influence on the Bank. In the ordinary course of business, the Bank also enters into contractual relations with government-related companies.

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(EUR thousand)

**28. Related party transactions (continued)****Transactions with government-related entities (continued)**

The table below discloses transactions with government-related companies:

<b>Statement of financial position</b>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	3,937	2,583
Securities at fair value through profit or loss	4,935	741
Securities at fair value through other comprehensive income	105,341	52,930
Due from banks and financial institutions	28,062	6,659
Securities at amortized cost	18,488	2,533
Loans to corporate customers	55,017	35,052
Derivative financial assets	4,130	1,230
Other assets	248	239
<b>Liabilities</b>		
Due to financial institutions	62,025	39,048
Due to customers	84,960	7,541
Derivative financial liabilities	2,756	257
Other liabilities	1,189	1,127
<b>Off-balance sheet commitments</b>		
Credit-related commitments	1,167	2,731

Amounts included in the statement of profit or loss and other comprehensive income for transactions with government-related companies for 2025 and 2024 are as follows:

<b>Statement of profit or loss and other comprehensive income</b>	<b>2025</b>	<b>2024</b>
Interest income calculated using the EIR method	14,882	13,776
Other interest income	142	64
Interest expense	(24,220)	(6,279)
(Allowance) reversal of allowance for expected credit losses from financial assets	(733)	(468)
Fee and commission income	152	21
Fee and commission expense	(134)	(46)
Net gains (losses) from operations with securities at fair value through profit or loss	750	(1,199)
Net gains (losses) from operations with securities at fair value through other comprehensive income	4,444	1,256
Net losses from operations with securities at amortized cost	(8)	(4)
Net gains from operations with derivative financial instruments and foreign currency	3,707	2,556
Lease income	754	680
Other banking income	158	97
Administrative and management expenses	(3,509)	(168)
Other banking expenses	–	(1)

**29. Capital adequacy**

The Bank manages capital adequacy to cover risks inherent in banking business. The adequacy of the Bank's capital is monitored using, among other measures, the methods, principles and ratios established by the Basel Capital Accord.

The primary objective of the Bank's capital management is to ensure that the Bank maintains the required level of capital adequacy in order to support its business.

The Bank's capital adequacy ratio approved by the Council of the Bank is established at not less than 25%.

*(EUR thousand)***29. Capital adequacy (continued)**

The Bank manages its capital structure and makes adjustments to it when economic conditions and the risk characteristics of its activities change.

The Bank's capital adequacy ratio as at 31 December 2025 and 31 December 2024 was 37.1% and 42.2%, respectively.

The table below shows the composition of the Bank's capital computed in accordance with the Basel Accord (Basel II) as at 31 December 2025 and 31 December 2024:

	<b>2025</b>	<b>2024</b>
Equity	234,225	212,211
<b>Total equity</b>	<b>234,225</b>	<b>212,211</b>
<b>Risk-weighted assets</b>		
Credit risk	510,861	382,276
Market risk	106,992	108,368
Operational risk	12,664	11,748
<b>Total risk-weighted assets</b>	<b>630,517</b>	<b>502,392</b>

**30. Significant accounting policies**

Except for changes described in Note 3, the Bank consistently applied the following material accounting policies to all periods presented in these financial statements.

**Interest income and expense***Effective interest rate*

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

- ▶ Gross carrying amount of the financial asset, or
- ▶ Amortized cost of the financial liability

When calculating the effective interest rate for financial instruments that are not initially recognized as credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, excluding expected credit losses (ECLs). For financial assets that are credit-impaired at initial recognition, the effective interest rate adjusted for credit risk is calculated using the expected future cash flows, including ECLs.

The effective interest rate is calculated using the transaction costs and fees and amounts paid or received, that are an integral part of the effective interest rate. Transaction costs include additional costs directly attributable to the acquisition or issue of the financial asset or liability.

*Amortized cost and gross carrying amount*

Amortized cost of the financial asset or liability is determined as the amount in which financial asset or liability is measured at initial recognition minus payments of principal amount, plus or minus accumulated amortization of the difference between the indicated initial amount and amount payable at maturity calculated using the effective interest method for financial assets and adjusted for the allowance for ECLs.

Gross carrying amount of the financial asset measured at amortized cost is the amortized cost of the financial asset before adjustment for the allowance for ECLs.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Interest income and expense (continued)

##### *Calculation of interest income and expense*

The effective interest rate for financial asset or financial liability is calculated at initial recognition of the financial asset or financial liability. When calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

The effective interest rate is revised following regular reassessment of cash flows from floating-rate instruments in order to reflect changes in the market interest rates.

However, for financial assets that become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the financial asset is no longer credit-impaired, calculation of interest income is based on the gross carrying amount.

For financial assets that are credit-impaired at initial recognition, interest income is calculated on the basis of the effective interest rate adjusted for credit risk applied to the amortized cost of the financial asset. Calculation of interest income for such assets is not based on the gross carrying amount even if the credit risk relevant to these assets will further decrease.

##### *Presentation*

Interest income calculated using the effective interest method and recorded in the statement of profit or loss and other comprehensive income includes:

- ▶ Interest income on financial assets at amortized cost
- ▶ Interest income on debt financial instruments at fair value through other comprehensive income (FVOCI)
- ▶ The right to interest income on digital rights is recorded within interest income

Other interest income recorded in the statement of profit or loss and other comprehensive income includes interest income on non-derivative debt financial assets at fair value through profit or loss (FVPL).

Interest expense recorded in the statement of profit or loss and other comprehensive income includes:

- ▶ Interest expense on financial liabilities at amortized cost
- ▶ Interest expense on non-derivative debt financial liabilities at FVPL

#### Fee and commission income and expense

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

Additional fee and commission under the agreement that are not included in the effective interest rate are recorded as fee and commission income.

Other fee and commission expenses primarily include service costs that are expensed as respective services are received.

#### Net trading income

Net trading income consists of gains less losses related to assets and liabilities held for trading and includes all changes in fair value and foreign exchange differences.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, payment documents at the Bank's cash desk, balances with the Bank of Russia and balances of current accounts of IBEC member countries and other credit institutions, as well as all interbank loans with initial maturity not exceeding seven calendar days.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities

##### *Classification of financial assets (including digital rights)*

A financial asset is classified at initial recognition as measured either at amortized cost or at FVOCI, or at FVPL.

A standard operation to sell or purchase any financial asset is recognized on the settlement date.

Settlement date is the date of the asset delivery. Under settlement date accounting, (a) the asset is recognized when received and (b) the asset is derecognized and the profit or loss on disposal of the asset is recognized when the asset is delivered.

Regular way purchases and sales of financial assets include transactions that require delivery within the time frame established by legislation or market convention.

A financial asset is measured at amortized cost if both of the following conditions are met and if the Bank selected not to measure it at FVPL:

- ▶ The asset is held under a business model designed to hold financial assets in order to collect contractual cash flows, and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest accrued on the principal amount outstanding

A debt instrument is measured at FVOCI if both of the following conditions are met and if the Bank selected not to measure it at FVPL:

- ▶ The asset is held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest accrued on the principal amount outstanding

For debt financial assets at FVOCI, gains and losses are recognized within other comprehensive income, except for the following items recognized within profit or loss in the same manner as for financial assets at amortized cost:

- ▶ Interest income calculated using the effective interest method
- ▶ ECLs and reversed impairment losses, and
- ▶ Foreign exchange gains and losses

When the financial asset at FVOCI is derecognized, accumulated gains and losses previously recognized within other comprehensive income are reclassified from equity to profit or loss.

All other financial assets are classified as measured at FVPL.

In addition, at initial recognition, the Bank may make an irrevocable election to designate a financial asset, which qualifies to be measured at amortized cost or FVOCI as measured at FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

##### *Reclassification*

Financial assets are not reclassified after initial recognition, except for the period following the period when the Bank changes its business model to manage financial assets. The Bank should reclassify its financial assets only when it changes its business model to manage these financial assets. Such changes are expected to occur rarely. These changes should be determined by the Bank's management as resulting from external or internal developments and should be significant for the Bank's activities and evident to the third parties. Accordingly, the objective of the Bank's business model may be changed when, and only when, the Bank commences or ceases any operations significant to its business. This may be the case when the Bank acquires, disposes of or ceases certain business activities.

Financial liabilities may not be reclassified after initial recognition.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

##### *Business model assessment*

The Bank assesses the business model under which the asset is held at the level of the portfolio of financial instruments, as it best reflects the model used to manage business and present information to management. The following information should be considered:

- ▶ Policies and objectives established to manage the portfolio, and actual use of the accounting policies. In particular, whether the Bank's strategy is focused on generating contractual interest income, maintaining certain structure of interest rates, ensuring the match between the maturities of the financial assets and the maturities of financial liabilities used to finance these assets, and realizing cash flows through the sale of assets
- ▶ The procedure to assess the performance of the portfolio and the way this information is communicated to the Bank's management
- ▶ Risks that affect the business model effectiveness (and the performance of financial assets held within that business model) and, in particular, the way these risks are managed
- ▶ The procedure to reward business managers
- ▶ Frequency, volume and timing of sales in prior periods, reasons for such sales and expected future level of sales. However, information on the level of sales should not be considered separately, but should be subject to a comprehensive integral analysis of how the Bank achieves its objective on asset management and how the cash flows are realized

Financial assets held for trading, which are managed and their performance is evaluated on a fair value basis, are measured at FVPL, as they are not held solely to collect contractual cash flows as well as to collect contractual cash flows or sell financial assets.

##### *Determining whether the contractual cash flows are solely payments of principal and interest*

For the purpose of this assessment, principal is defined as fair value of a financial asset at initial recognition. Interest is defined as consideration for the time value of money for credit risk related to principal amount outstanding for a certain period, as well as for other primary credit-related risks and costs (for example, liquidity risk and administrative expenses), and also include profit margin.

When determining whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion), the Bank analyzes contractual terms of the financial instrument. This includes the assessment of whether a financial asset contains a contractual provision that can change the terms or amount of contractual cash flows so that the financial assets will no longer comply with the requirement under analysis. When performing the assessment, the Bank considers:

- ▶ Contingencies that can change the terms or the amount of cash flows
- ▶ Leverage features
- ▶ Early repayment and extension provisions
- ▶ Provisions limiting the Bank's claims with cash flows from the specified assets (e.g. non-recourse asset arrangements)
- ▶ Provisions that modify consideration for the time value of money (e.g. regular revision of the interest rate)

The Bank holds a portfolio of long-term loans with fixed interest rates in relation to which the Bank has the right to revise the interest rate in case of changes in economic environment. Borrowers may either accept the revised interest rate or repay the loan at the nominal value without significant penalties. The Bank determined that the contractual cash flows on these loans are solely payments of principal and interest, as due to this right the interest rate is changed in a way that interest represents consideration for the time value of money, credit risk, other credit-related primary risks and costs related to the primary outstanding amount. Consequently, the Bank considers these loans to be loans with floating interest rates in nature.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

##### *Financial liabilities*

The Bank classifies financial liabilities as measured at amortized cost or at FVPL. Financial liabilities may not be reclassified after initial recognition.

##### *Derecognition of financial assets and liabilities*

The Bank derecognizes financial assets when:

- ▶ The assets are redeemed or the rights to cash flows from the assets have otherwise expired, or
- ▶ The Bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement and (i) also transferred substantially all the risks and rewards of ownership of the assets or (ii) lost control over such assets.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety, and if the Bank retained all or part of the risks and rewards relating to the transferred assets.

The Bank derecognizes a financial liability when the contractual obligation is fulfilled, voided or expired.

When the financial asset is derecognized, the difference between the carrying amount of the asset (or the carrying amount allocated to the derecognized part of the asset) and the amount of consideration received (including the amount of the asset received less new assumed liability) and any accumulated profit or loss recognized within other comprehensive income, is recognized within profit or loss.

The Bank enters into transactions whereby it transfers the assets recognized in the statement of financial position, but retains all or substantially all risks and rewards of ownership of transferred assets or their part. In such cases, transferred assets are not derecognized. Examples of such transactions include securities lending and repurchase transactions.

In transactions where the Bank neither retains nor transfers substantially all the risks and rewards of the asset and retains control of the transferred asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset, determined as the Bank's exposure to the risk that the value of the transferred asset may be changed.

The Bank derecognizes a financial liability when the contractual obligation is fulfilled, voided or expired.

#### **Modifications to the terms of financial assets and financial liabilities**

##### *Financial assets*

If the terms of the financial asset are changed, the Bank assesses whether cash flows related to such modified asset change substantially. If there is a substantial change in cash flows (substantial modification), the rights to contractual cash flows on original financial asset are considered to be expired. In such case, the original financial asset is derecognized and the new financial asset is recognized at fair value plus the respective transaction costs. Fees resulting from the modification are recognized as follows:

- ▶ Fees recognized when the fair value of the new asset is measured and fees comprising compensation of transactions costs are included in the initial measurement of this asset, and
- ▶ Other fees are recognized in profit or loss as part of profit or loss from derecognition

If there is a non-substantial change in cash flows, in accordance with IFRS 9, the Bank recalculates the gross carrying amount of the financial asset (or amortized cost of the financial liability) by discounting modified contractual cash flows at the initial effective interest rate and recognizes any amount resulting from the adjustment as modification gain or loss within profit or loss.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

The Bank performs quantitative and qualitative assessment of whether modification of terms is substantial, i.e., whether cash flows on the original financial asset and cash flows on modified or replaced financial asset are substantially different. The Bank performs qualitative and quantitative assessment of whether modification of terms is substantial by analyzing qualitative factors, quantitative factors and cumulative effect of qualitative and quantitative factors. If the cash flows are substantially different, the contractual rights to cash flows on the original financial asset are deemed to have expired. This assessment is based on the guidance on derecognition of financial liabilities.

The Bank concludes that the modification is substantial based on the following qualitative factors:

- ▶ The currency of a financial asset has changed
- ▶ The collateral or other credit enhancement have changed

Generally, if the modification results from the financial difficulties of the borrower, the objective of such modification is to recover the maximum value of the asset in accordance with the original terms of the agreement, and not to create (issue) a new asset on substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of a portion of contractual cash flows, then it first considers whether a part of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative assessment and results in non-compliance with the criteria for derecognition of the respective financial assets in such cases. The Bank also performs a qualitative assessment of whether the modification is substantial.

If the modification of the terms of the financial asset measured at amortized cost or FVOCI does not result in derecognition of this financial asset, the Bank recalculates the gross carrying amount of such asset using the original effective interest rate and recognizes the arising differences as modification gain or loss within profit or loss. For financial assets with floating interest rate, the original effective interest rate used to calculate modification gain or loss is adjusted in order to reflect current market conditions when modification takes place. Costs incurred and fees paid or earned as a result of such modification are used to adjust the gross carrying amount of the modified financial asset and are amortized over the remaining life of the modified financial asset.

If the modification takes place due to the financial difficulties of the borrower, the respective gain or loss are presented separately. In all other cases, the respective gain or loss are presented within interest income calculated using the effective interest method. For loans with fixed interest rates, where the borrower has the right of early repayment of the loan at the nominal value without penalties, a change in the interest rate to market level in response to a change in the market conditions is accounted for by the Bank in a way similar to the accounting for the instruments with the floating interest rate, i.e., the effective interest rate is revised prospectively.

#### *Financial liabilities*

The Bank derecognizes the financial liability when its terms are modified in such a way, that the amount of cash flows under the modified liability substantially changes. In such case, the new financial liability with modified terms is recognized at fair value. Difference between the carrying amount of the original financial liability and new financial liability with modified terms is recognized within profit or loss. Consideration paid includes transferred non-financial assets, if any, and assumed liabilities, including new modified financial liability.

The Bank performs qualitative and quantitative assessment of whether modification of terms is substantial by analyzing qualitative factors, quantitative factors and cumulative effect of qualitative and quantitative factors. The Bank concludes that modification is substantial based on the following qualitative factors:

- ▶ The currency of a financial liability has changed
- ▶ The collateral or other credit enhancement has changed
- ▶ Conversion term has been added
- ▶ The subordination of a financial liability has changed

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

For the purpose of quantitative assessment, the terms are considered to be substantially different if the present value of the cash flows under the modified terms, including net fees, discounted at the original effective interest rate is at least 10% different from the discounted present value of the remaining cash flows under the initial terms.

If modification of the terms of a financial liability does not result in its derecognition, the amortized cost of the liability is recalculated by discounting the modified cash flows using the original effective interest rate and the difference is recognized as modification gain or loss within profit or loss. For financial liabilities with a floating interest rate, the original effective interest rate used to calculate modification gain or loss is adjusted in order to reflect current market conditions when modification takes place. Costs incurred and fees paid as a result of modification are recognized as the adjustment to the carrying amount of the liability and are amortized over the remaining maturity of the modified financial liability by recalculating the respective effective interest rate.

#### *Impairment of financial assets*

Impairment applies to the following financial instruments that are not measured at FVPL:

- ▶ Financial assets that are debt instruments
- ▶ Lease receivables, and
- ▶ Loan commitments and financial guarantee contracts

The model of expected credit losses is used.

Impairment loss is not recognized for investments in equity instruments.

Allowances for ECLs are recognized in the amount equal to 12-month expected credit losses or lifetime ECLs. Lifetime ECLs are ECLs arising from all probable defaults over the life of a financial instrument, and 12-month ECLs are part of ECLs arising from defaults that may occur during 12 months after the reporting date. Financial instruments for which 12-month ECLs are recognized, are included in Stage 1 financial instruments.

Lifetime ECLs are ECLs arising from all probable defaults over the life of a financial instrument. Financial instruments that are not purchased or originated credit impaired (POCI) assets for which lifetime ECLs are recognized, are included in Stage 2 (if the credit risk on financial instrument increased significantly after initial recognition but the financial instrument is not credit impaired) or Stage 3 (if the financial instrument is credit impaired).

The Bank recognizes allowances for ECLs in the amount of the lifetime ECLs, except for the following instruments, for which the allowance is based on 12-month ECLs:

- ▶ Debt investment securities that have low credit risk as at the reporting date, and
- ▶ Other financial instruments (except for lease receivables), for which the credit risk has not increased significantly since initial recognition

The Bank believes that a debt security has low credit risk if its credit rating corresponds to the generally accepted definition of the investment quality.

Impairment of a digital right certifying a cash claim is recorded in allowances for expected credit losses from digital rights at amortized cost or through other comprehensive income.

12-month ECLs are ECLs resulting from defaults on a financial instrument that are possible within 12 months after the reporting date.

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(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

##### Measuring ECLs

ECLs are probability-weighted estimates of credit losses that are measured as follows:

- ▶ *Financial assets that are not credit-impaired at the reporting date:* the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Bank under the contract and cash flows that the Bank expects to receive)
- ▶ *Financial assets that are credit-impaired at the reporting date:* the difference between the gross carrying amount of assets and the present value of estimated future cash flows
- ▶ *Unused portion of loan commitments:* the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive if the loan is issued, and
- ▶ *Financial guarantees:* the present value of expected payments to reimburse the holder for a credit loss less any amounts that the Bank expects to recover

Allowances for ECLs on lease receivables are measured in the amount of lifetime ECLs.

##### Restructured financial assets

If the terms of the financial asset are revised or modified by mutual agreement of the parties, or if the existing financial asset is replaced by the new financial asset due to financial difficulties of the borrower, the assessment of whether the asset should be derecognized is made and ECLs are measured as follows:

- ▶ If the expected restructuring does not result in derecognition of the financial asset, expected cash flows on modified financial asset are included in the calculation of cash shortfalls on the existing asset
- ▶ If the expected restructuring results in derecognition of the existing asset, the expected fair value of the new asset is treated as the final cash flows on the existing asset at the time of derecognition. This amount is included in calculating cash shortfalls on the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset

##### Credit-impaired financial assets

At each reporting date the Bank assesses financial assets carried at amortized cost and debt financial assets carried at FVOCI for credit impairment. A financial asset is determined to be credit-impaired when there are one or more events that have a negative effect on the estimated future cash flows from this asset.

In particular, the following observable data may serve as the evidence of credit impairment of a financial asset:

- ▶ Significant financial difficulties of a borrower or an issuer
- ▶ Breaches of the agreement, such as default or late payment
- ▶ Probability of bankruptcy or any other reorganization of a borrower, and
- ▶ Disappearance of an active market for any security due to financial difficulties

Generally, a loan, for which the terms were renegotiated in case of deterioration of financial position, is credit-impaired if there is no evidence of a significant decrease in the risk that contractual cash flows will not be received and there are no other indicators of impairment.

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(EUR thousand)

### 30. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

*Recording allowance for ECLs in the statement of financial position*

Allowance for ECLs is presented in the statement of financial position as follows:

- ▶ *Financial assets at amortized cost:* as the decrease of the gross carrying amount of these assets
- ▶ *Debt instruments at FVOCI:* allowance for ECLs is not recorded in the statement of financial position as these assets are carried at their fair value. However, allowance for ECLs is disclosed and recognized within the fair value change provision
- ▶ *Loan commitments and financial guarantee contracts:* generally, as a provision
- ▶ *Where a financial instrument contains both drawn and undrawn component, and the Bank cannot determine the ECLs on the loan commitment separately from ECLs on the drawn component (loan issued):* the Bank presents cumulative allowance for ECLs for both components. This amount is presented as a decrease in the gross carrying amount of the drawn component (loan issued). Any excess of the allowance for ECLs over the gross carrying amount of the loan issued is recorded as a provision.

Due from banks and financial institutions comprise restricted cash balances held in correspondent nostro accounts.

*Write-offs*

Financial assets are subject to write-off (partial or full) when there is no reasonable expectation that they will be recovered. This is generally the case when the Bank determines that the borrower has no assets or sources of income that may generate cash flows in the adequate amount to settle debt subject to write-off. For written-off financial assets, the Bank continues its activities to collect debt. Recoveries of amounts previously written off are recorded within other banking income in the statement of profit or loss and other comprehensive income.

#### Loans to corporate customers

Loans to corporate customers recorded in the statement of financial position comprise loans to customers measured at amortized cost. Such loans are initially measured at fair value plus additional direct transaction costs and are subsequently measured at amortized cost using the effective interest method.

#### Derivative financial instruments

Derivatives used by the Bank include currency swaps, currency forwards and cross-currency interest rate swaps.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

The Bank offsets assets and liabilities on each currency swap separately for each part of the transaction.

Changes in the fair value of derivatives are recognized in profit or loss.

The method used to recognize profit or loss arising from changes in the fair value of the respective derivative depends on whether the derivative is a hedging instrument.

*Hedge accounting*

The Bank makes use of derivatives to manage exposures to fluctuations both of cash flows from interest received and paid, and of fair values for specifically determined items. Therefore, hedge accounting is used for operations that satisfy the criteria established in IFRS 9 *Financial Instruments*.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Derivative financial instruments (continued)

At inception of the hedge relationship, the Bank documents the relationship between the hedged item and the hedging instrument, including the nature of the hedging risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedge. Hedging effectiveness is assessed at the inception of the hedge relationship and further on a monthly basis.

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognized in the statement of profit or loss and other comprehensive income within net gains (losses) on derivative financial instruments and foreign currency transactions. Meanwhile, the change in the fair value of the hedged item attributable to the risk hedged is recorded as an adjustment of the carrying amount of the hedged item in the statement of profit or loss and other comprehensive income within net gains (losses) on derivative financial instruments and foreign currency transactions.

In order to manage the interest rate risk, the Bank hedges debt instruments issued by establishing interconnections that qualify for the fair value hedges. Adjustments to fair value of an item resulting from the fair value hedges are recognized in the statement of profit or loss and other comprehensive income within net gains (losses) on derivative financial instruments and foreign currency transactions and adjust its carrying amount.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised.

#### Financial assets under repurchase agreements

Repurchase agreements comprise loans collateralized by securities.

Securities transferred under repurchase agreements without derecognition are recognized in the financial statements within those financial assets in which they were previously recognized.

The difference between the price to sell a security and repurchase price is recorded as interest expense and accrued over the life of repurchase agreement using the effective interest method.

#### Financial guarantees and loan commitments

##### *Financial guarantees*

Financial guarantee is an agreement, according to which the Bank must make payments to a holder of a guarantee to compensate for loss incurred by the latter as a result of the contractual borrower's failure to make a payment within the time frames set by the debt instrument. Loan commitment is binding commitment to provide a loan on previously agreed terms and within the established time frames.

Issued financial guarantees and commitments to provide loans at a below-market rate are initially recognized at fair value, and are subsequently measured at the higher of the amount of the allowance for ECLs determined in accordance with IFRS 9 and initially recognized amount less, as applicable, accumulated income recognized in accordance with IFRS 15.

##### *Loan commitments*

For other loan commitments, the Bank recognizes allowance for ECLs.

Financial liabilities recognized with respect to the issued financial guarantees and loan commitments are included in provisions.

(intentionally blank)

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Property, plant and equipment

For accounting purposes, all property, plant and equipment are divided into the following groups: building, office equipment and computer hardware, furniture and vehicles.

The building is carried at fair value. All other property, plant and equipment and investments in property and equipment and construction in progress are stated at historical cost less accumulated depreciation and impairment.

All groups of property, plant and equipment are depreciated on a straight-line basis.

Depreciation of an asset begins when it is available for use and ends when the asset is derecognized.

The useful lives of property, plant and equipment are as follows:

- ▶ Building – 67 years
- ▶ Office equipment and computer hardware – from 2 to 10 years
- ▶ Furniture – from 5 to 10 years
- ▶ Vehicles – 5 years

The decrease in the carrying amount of an item of property, plant and equipment as a result of impairment is charged to profit or loss.

Any revaluation surplus of a building is recorded in the statement of financial position within the property, plant and equipment revaluation reserve and is recognized within equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit or loss and other comprehensive income, in which case the increase is recognized in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognized in the statement of profit or loss and other comprehensive income, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus recorded in the property, plant and equipment revaluation reserve.

Property, plant and equipment revaluation reserve is taken directly to retained earnings (uncovered loss) when the asset is written off or disposed of.

#### Operating leases

Where the Bank acts as a lessor and assets are leased out under an operating lease, the lease payments receivable are recognized as lease income on a straight-line basis over the lease term.

#### Intangible assets

Intangible assets include software, licenses and trademarks.

An intangible asset is recognized at actual cost incurred to acquire and bring them to use, or at their contractual value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

*(intentionally blank)*

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset becomes available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are tested for impairment.

#### Finance lease liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

Lease payments comprise fixed payments (including in-substance fixed payments) less any incentive lease payments to be received, variable lease payments that depend on a rate, and amounts that are expected to be paid under residual value guarantees. Lease payments also include the purchase option exercise price if the Bank is reasonably certain that it will exercise this option, and fines for lease termination if it is probable that the Bank may exercise its early termination option during the lease term.

Variable lease payments that do not depend on a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate in the respective currency set by the Bank at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the substantially fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases and leases of low-value assets*

For accounting purposes, the Bank applies the short-term lease recognition exemption to its short-term leases, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Bank also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below EUR five (5) thousand).

Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over lease term.

#### *Significant judgment in determining the lease term of contracts with renewal options*

The Bank determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

If the Bank has the option, under some of its new leases to lease the assets for additional term, the Bank will apply judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension option.

After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Due to financial institutions

Amounts due to financial institutions are recorded when cash or other assets are received by the Bank from financial institutions.

Term loans and deposits from banks and financial institutions are recognized in the financial statements at amortized cost using the effective interest method.

#### Due to customers

Amounts due to customers comprise non-derivative financial liabilities to state or corporate customers and individuals (employees of the Bank) and are carried at amortized cost.

#### Debt financial instruments issued

Debt financial instruments issued include bonds and digital rights issued by the Bank.

Debt financial instruments issued are initially recognized at fair value. Fair value is measured at initial recognition using observable market inputs. If the effective interest rate on debt financial instruments issued is not substantially different from the market rate, the fair value of debt obligations at initial recognition is determined as the amount of funds raised.

Financial instruments issued are subsequently measured at amortized cost decreased by the amount of costs directly related to funds raised under the issue bonds and digital rights.

Debt securities are recorded at amortized cost using the effective interest method. Digital rights maturing in less than one year are recognized at amortized cost on a straight-line basis.

If the Bank purchases debt securities issued, these securities are excluded from the statement of financial position (and are recognized on off-balance sheet accounts), and the difference between the carrying amount of repaid or transferred debt obligation (or its part) and the amount of consideration paid by the Bank is recognized within gains less losses arising from termination of liabilities.

#### Revaluation reserve for property, plant and equipment

The revaluation reserve for property, plant and equipment is used to record increases in the fair value of buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognized in equity.

#### Revaluation reserve for securities at fair value through other comprehensive income

Revaluation reserve for securities at fair value through other comprehensive income reflects the change in the fair value and allowance for ECLs on financial assets at FVOCI.

#### Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain maturity or amount.

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

#### Trade and other accounts payable

Accounts payable are recognized when the counterparty has fulfilled its obligations and are carried at amortized cost.

(EUR thousand)

### 30. Significant accounting policies (continued)

#### Currency translation

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the transaction date. For the purposes of the Bank's financial statements, any currency other than the euro is treated as a foreign currency.

Monetary and non-monetary assets and liabilities denominated in foreign currencies are recorded in the financial statements in the functional currency (euro) at a rate of exchange ruling at the reporting date. Euro exchange rate is obtained from publicly available sources: the exchange rates of IBEC member country currencies are obtained from the websites of the respective countries' central banks, while the exchange rates of other currencies are obtained from the European Central Bank website.

Items of the statement of profit or loss and other comprehensive income denominated in foreign currencies are translated to the functional currency at the exchange rate effective at the date of such transaction. All foreign exchange differences are recorded in the statement of profit or loss and other comprehensive income.

#### Offset

Generally, financial assets and liabilities are not subject to offsetting. Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Income and expense recognition

Income and expenses are recognized in the financial statements using the accrual principle. These amounts are recognized in the statement of profit or loss and other comprehensive income with simultaneous recognition of debt in the statement of financial position, which is recorded as part of other assets and liabilities.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Income (expense) from disposal of digital rights is recognized at the settlement date.

#### Taxation

Pursuant to the Agreement and the Statutes of IBEC, the Bank is exempt of all direct taxes and duties, both national and local ones, in the member countries.

This Regulation does not apply to the payment of remuneration to IBEC employees who are citizens of the Bank's country residence and individuals working under fee-based service agreements as well as payments for utility charges.

#### Settlements with withdrawing countries

Settlements related to the paid-up portion of share capital with the countries that withdrew from the Agreement on the Organization and Activities of IBEC are performed in accordance with Article 5 of the Statutes of IBEC.

A decision of the IBEC's Council which regulates the withdrawal of countries and/or a signed bilateral agreement between IBEC and the country withdrawing from the Agreement on the Organization and Activities of IBEC concerning the settlement of mutual obligations of the Bank and the respective country results in initial recognition of a financial liability related to the equity contribution at the present value of its redemption amount that is reclassified from equity.

On initial recognition, a financial liability to the withdrawing countries is formed through retained earnings of the Bank. Subsequently, this financial liability is carried at amortized cost.

When funds are actually transferred to the withdrawing country, its share in the paid-up portion of the share capital is reduced by this amount and the amount of previously used retained earnings is reimbursed.