MULTITUDE
BANK

Company Announcement

Date of Announcement 13th August 2026

The following is a Company Announcement issued by Multitude Bank p.l.c. (C56251) (the "Bank") with its registered office at ST Business Centre, 120, The Strand, Gzira, GZR 1027, Malta, pursuant to Section 5.16 of the Capital Market Rules as issued by the Malta Financial Services Authority:

Condensed Interim Financial Statements for the six-month period ended 30th June 2026

Quote

During the meeting of the Board of Directors of the Bank held on the 12th August 2026, the Board of Directors approved the half-yearly financial report, including the condensed interim financial statements for the six-month period ended 30th June 2026.

The half-yearly financial report, drawn up in terms of the Capital Markets Rules, is attached to this Company Announcement. The condensed interim financial statements are unaudited but independently reviewed by PWC, the Bank's registered auditors, in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

The Bank registered a profit before tax of €11.7 million during the period ended 30th June 2026, compared with €9.5 million for the same period last year.

In accordance with the requirements of the Capital Markets Rules, the half-yearly report is also being made publicly available for viewing on the Bank's website at https://www.multitudebank.com/financial-information.

Unquote

Mr Kenneth Zammit
Chief Financial Officer
Multitude Bank p.l.c.

MULTITUDE BANK

Condensed Interim Financial Statements

30 June 2026

Interim Board of Directors' report

The directors present the Bank's condensed consolidated interim financial statements for the six-month period ended on 30 June 2026.

Principal activities

The principal activity of the Multitude Bank Group (the "Group") comprises the operations of Multitude Bank p.l.c. (the "Bank") and its subsidiary, Bhawana Capital Private Limited ("Bhawana"), which it acquired during 2026. The Bank operates as a credit institution under the Banking Act, Cap. 371 of the Laws of Malta, in accordance with the credit institution licence granted by the Malta Financial Services Authority. Bhawana operates as Non-Banking Financial Company authorised by the Reserve Bank of India to issue consumer loans in the Indian market.

The Group's principal activities comprise the origination of unsecured lending and credit products, which are distributed through an online platform. During the first six months of 2026, the Group provided its services in Estonia, Latvia, Czechia, Germany, Bulgaria, Sweden, Norway, Croatia, Denmark, Finland, Romania, Poland, Slovenia and India. The Group also continued to strengthen its investment portfolio during the period. To partly finance its lending activities, the Group offers savings and term deposits to customers in Germany, Sweden, Spain, Finland and Malta.

For ease of reference, this Interim Board of Directors' Report is presented primarily from a Group perspective. Unless otherwise stated, references to the Group also apply to the Bank where the corresponding figures are identical. Where there are material differences between the Group and the Bank, both are presented separately.

Business development

Acquisition of Bhawana Capital Private Limited

In May 2026, as part of an internal group reorganisation, Multitude International Services Oy, a fellow group entity ultimately controlled by Multitude AG, transferred 8,924,688 shares in Bhawana Capital Private Limited ("Bhawana"), representing 99.60% of its issued share capital, to the Bank. Bhawana is an Indian non-banking financial company authorised by the Reserve Bank of India. Following completion of the share transfer on 26 May, Bhawana became a subsidiary of the Bank and has been consolidated from that date.

Other developments

During the first six months of 2026, the Group continued to offer unsecured lending and credit products to its customers, originated new corporate exposures and further expanded its investment in securitisation portfolios.

As at 30 June 2026, the Group's debt investments comprised investments in securitisation portfolios amounting to EUR 200.1 million and investments in bonds amounting to EUR 82.3 million.

The investments in securitisation portfolios comprise notes issued by two private limited liability companies incorporated in Luxembourg and Lithuania as unregulated securitisation vehicles. As at 30 June 2026, the Luxembourg vehicle held a portfolio of SME loans in the Netherlands, Sweden, Finland, Denmark and Lithuania, while the Lithuanian vehicle held a portfolio of SME loans in Lithuania. In both investments, the Group holds Class A Notes, which rank senior to the other classes of notes, have the highest credit quality and benefit from the highest priority of payment.

The Group's bond portfolio comprises secured bonds backed by pledged loan portfolios. These investments are subject to financial covenants, including prescribed ageing ratios and advance rates, which are monitored regularly by Management and the Investments Committee. In addition, each investment benefits from supplementary collateral in the form of cash deposits, pledged financial instruments or real estate, depending on the specific investment.

Interim Board of Directors' report – continued

Financial performance

The Group reported a profit before tax of EUR 11.7 million for the period of six months ended on 30 June 2026, compared with EUR 9.5 million for the corresponding period of 2025.

Net interest income amounted to EUR 82.7 million, representing an increase of 9% over the corresponding period in 2025. Of this, EUR 82.6 million was generated by the Bank. Net fee and commission income amounted to EUR 3.6 million for both the Group and the Bank, compared with EUR 4.2 million in the corresponding period last year. As a result, the Group's operating income increased by 8% to EUR 86.9 million, of which EUR 86.8 million was generated by the Bank.

The Group's operating expenditure increased by 18% to EUR 44.6 million, compared with EUR 37.7 million in the corresponding period last year. Similarly, the Bank's operating expenditure increased to EUR 44.5 million from EUR 37.7 million in the corresponding period last year. The increase was primarily attributable to higher information technology, marketing and representation, travel and payroll costs.

Net impairment losses for the Group amounted to EUR 30.6 million, compared with EUR 33.0 million in the corresponding period last year. The reduction was mainly driven by continued credit risk management initiatives and changes in macroeconomic conditions during 2026 that positively impacted the credit quality of certain lending portfolios.

As a result of the above, the Group reported a profit after tax of EUR 11.4 million for the period ended 30 June 2026 (EUR 9.0 million) for the period ended on 30 June 2025).

Financial position

The Group's statement of financial position reflects total assets of EUR 1,432.4 million as at 30 June 2026, compared with EUR 1,301.0 million as at 31 December 2025. Similarly, the Bank's statement of financial position reflects total assets of EUR 1,432.3 million as at 30 June 2026, compared with EUR 1,301.0 million as at 31 December 2025.

The Group's assets primarily comprise loans and advances to customers, which increased from EUR 672.2 million as at 31 December 2025 to EUR 712.1 million as at 30 June 2026. The Bank's loans and advances to customers also increased from EUR 672.2 million to EUR 710.9 million over the same period. The increase was partly attributable to continued growth in the Group's corporate lending portfolio.

The Group's asset base also comprises debt investments amounting to EUR 282.4 million (31 December 2025: EUR 288.3 million) and balances with central banks and other banks amounting to EUR 328.3 million (31 December 2025: EUR 226.6 million). The corresponding balance for the Bank amounted to EUR 328.1 million as at 30 June 2026 (31 December 2025: EUR 226.6 million). The carrying amount of the investment in associate amounted to EUR 27.1 million as at 30 June 2026 (31 December 2025: EUR 28.1 million), change driven by the Group's share of the associate's results for the period, dividends received and foreign currency translation movements. The Bank's investment in subsidiaries of EUR 1.3 million (31 December 2025: EUR 0.0 million) reflects the acquisition of 99.60% of Bhawana Capital Private Limited's shares, completed on 26 May 2026.

The Group continued to fund its business through customer deposits, which grew from EUR 1,034.5 million as at the end of 2025 to EUR 1,159.8 million as at 30 June 2026. The Group offers savings and term deposit products with different maturities ranging from 3 months to 36 months, which are predominantly sourced from the German, Swedish, Spanish, Finnish and Maltese markets.

The Group maintained strong regulatory capital and liquidity ratios throughout the period. The Group's Liquidity Coverage Ratio ("LCR"), which measures the availability of high-quality liquid assets to meet liquidity needs over a 30-day stress scenario, stood at 1429.47% as at 30 June 2026 (31 December 2025: 686.10%).

Interim Board of Directors' report – continued

Financial position - continued

The Group is required to maintain a Total Capital Ratio above a minimum regulatory requirement of 17.68% and a Common Equity Tier 1 ("CET1") Capital Ratio above 14.49%. As at 30 June 2026, the Group's Total Capital Ratio and CET1 Capital Ratio stood at 23.45% (31 December 2025: 21.97%) and 17.96% (31 December 2025: 16.53%), respectively. The corresponding ratios for the Bank were 23.27% (31 December 2025: 21.97%) and 17.86% (31 December 2025: 16.53%), respectively.

As at 30 June 2026, retained earnings amounted to EUR 65.4 million.

Statement of responsibility by the Directors pursuant to the Capital Market Rules issued by the MFSA

We, the undersigned, confirm that to the best of our knowledge the condensed interim financial statements as at 30 June 2026 have been prepared, in all material respect, in accordance with International Financial Reporting Standards as adopted by the EU applicable to IAS 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

Approved by the Board of Directors and signed on its behalf on 12 August 2026 by:

Signed by: Charles Borg 2EA3B5154E0C430...	Signed by: Antti Kumpulainen 1EEF794DE5C5440...
Charles Borg Director	Antti Kumpulainen Director

Registered Office:
ST Business Centre,
120, The Strand,
Gzira, GZR1027
Malta

12 August 2026

Condensed consolidated statements of financial position

EUR '000		Group		Bank	
		As at		As at	
	Notes	**30 June 2026 (unaudited)**	31 December 2025 (audited)	**30 June 2026 (unaudited)**	31 December 2025 (audited)
ASSETS					
Balances with central banks		**251,518**	162,686	**251,518**	162,686
Loans and advances to banks		**76,736**	63,881	**76,597**	63,881
Derivative financial instruments		**-**	3,167	**-**	3,167
Loans and advances to customers	3	**712,107**	672,175	**710,898**	672,175
Loans and advances to group companies		**46,265**	44,195	**46,265**	44,195
Debt investments	9	**282,435**	288,266	**282,435**	288,266
Other financial assets		**33,695**	35,972	**33,690**	35,972
Prepaid expenses and other assets		**749**	200	**704**	200
Intangible assets		**729**	909	**729**	909
Right-of-use asset		**929**	1,219	**929**	1,219
Property and equipment		**157**	191	**157**	191
Investment in associate	10	**27,117**	28,103	**27,117**	28,103
Investments in subsidiaries	11	**-**	-	**1,301**	-
Total assets		**1,432,437**	1,300,964	**1,432,340**	1,300,964

Condensed consolidated statements of financial position - continued

EUR '000	Group As at 30 June 2026 (unaudited)	Group As at 31 December 2025 (audited)	Bank As at 30 June 2026 (unaudited)	Bank As at 31 December 2025 (audited)
EQUITY AND LIABILITIES				
Equity				
Share capital	**10,000**	10,000	**10,000**	10,000
Capital contribution reserve	**120,500**	120,500	**120,500**	120,500
Currency translation reserve	**494**	1,260	**464**	1,260
Other reserve	**(87)**	-	-	-
Retained earnings	**65,408**	54,028	**65,399**	54,028
Total equity attributable to the owners of the parent	**196,315**	185,788	**196,363**	185,788
Non-controlling interest	-	-	-	-
Total equity	**196,315**	185,788	**196,363**	185,788
Liabilities				
Derivative financial instruments	**906**	-	**906**	-
Amounts owed to customers	**1,159,785**	1,034,460	**1,159,785**	1,034,460
Current tax liabilities	**39**	-	-	-
Borrowings from group companies	**26,440**	27,275	**26,440**	27,275
Debt securities	**29,068**	29,184	**29,068**	29,184
Lease liability	**886**	1,152	**886**	1,152
Other financial liabilities	**18,998**	23,105	**18,892**	23,105
Total liabilities	**1,236,122**	1,115,176	**1,235,977**	1,115,176
Total equity and liabilities	**1,432,437**	1,300,964	**1,432,340**	1,300,964
MEMORANDUM ITEMS				
Commitments	**13,476**	22,127	**13,476**	22,127

These condensed interim financial statements were approved by the Board of Directors on 12 August 2026 and were signed on its behalf by:

Signed by:
Charles Borg
2EA3B5154E0C430...
Charles Borg
Director

Signed by:
Antti Kumpulainen
1EEF794DE5C5440...
Antti Kumpulainen
Director

Condensed consolidated statements of comprehensive income

EUR '000		For the six-month period ended 30 June			
		Group		Bank	
	Notes	**2026 (unaudited)**	2025 (unaudited)	**2026 (unaudited)**	2025 (unaudited)
Interest and similar income	6	**103,211**	94,942	**103,131**	94,942
Interest and similar expense	7	**(20,554)**	(18,834)	**(20,554)**	(18,834)
Net interest income		**82,657**	76,108	**82,577**	76,108
Fee and commission income	8	**4,215**	5,600	**4,215**	5,600
Fee and commission expense	8	**(657)**	(1,432)	**(657)**	(1,432)
Net fee and commission income		**3,558**	4,168	**3,558**	4,168
Share of results of associates		**1,694**	847	**1,694**	847
Fair value and foreign exchange losses		**(1,050)**	(886)	**(1,050)**	(886)
Total operating income		**86,859**	80,237	**86,779**	80,237
Net impairment losses		**(30,569)**	(33,047)	**(30,560)**	(33,047)
Other operating costs		**(38,313)**	(32,210)	**(38,255)**	(32,210)
Employee compensation and benefits		**(5,761)**	(4,927)	**(5,760)**	(4,927)
Depreciation and amortisation		**(526)**	(535)	**(526)**	(535)
Profit before tax		**11,690**	9,518	**11,678**	9,518
Tax expense		**(310)**	(476)	**(307)**	(476)
Profit for the period		**11,380**	9,042	**11,371**	9,042
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		**(669)**	486	**(699)**	486
Share of other comprehensive income of associate		**(97)**	-	**(97)**	-
Total comprehensive income		**10,614**	9,528	**10,575**	9,528
Total comprehensive income for the period attributable to:					
Owners of the Bank		**10,614**	9,528	-	-
Non-controlling interest		-	-	-	-

Condensed consolidated statements of changes in equity

EUR '000 — Group

	Share capital	Capital contribution reserve	Currency translation reserve	Other reserve	Retained earnings	Total equity attributable to the owners of the parent	Non controlling interest	Total equity
At 1 January 2025	10,000	120,500	67	-	31,240	161,807	-	161,807
Comprehensive income								
Profit for the period	-	-	-	-	9,042	9,042	-	9,042
Exchange differences on translation of foreign operations	-	-	486	-	-	486	-	486
Total comprehensive income for the period	-	-	486	-	9,042	9,528	-	9,528
Balance as at 30 June 2025	10,000	120,500	553	-	40,282	171,335	-	171,335
At 1 January 2026	10,000	120,500	1,260	-	54,028	185,788	-	185,788
Comprehensive income								
Profit for the period	-	-	-	-	11,380	11,380	-	11,380
Exchange differences on translation of foreign operations	-	-	(669)	-	-	(669)	-	(669)
Share of other comprehensive income of associate	-	-	(97)	-	-	(97)	-	(97)
Total comprehensive income for the period	-	-	(766)	-	11,380	10,614	-	10,614
Transactions with owners								
Acquisition of subsidiary under common control	-	-	-	(87)	-	(87)	-	(87)
Total transactions with owners	-	-	-	(87)	-	(87)	-	(87)
Balance as at 30 June 2026	10,000	120,500	494	(87)	65,408	196,315	-	196,315

Condensed consolidated statements of changes in equity - continued

EUR '000			Bank		
	Share capital	**Capital contribution reserve**	**Currency translation reserve**	**Retained earnings**	**Total equity**
At 1 January 2025	**10,000**	**120,500**	**67**	**31,240**	**161,807**
Comprehensive income					
Profit for the period	-	-	-	9,042	9,042
Exchange differences on translation of foreign operations	-	-	486	-	486
Total comprehensive income for the period	**-**	**-**	**486**	**9,042**	**9,528**
Balance as at 30 June 2025	**10,000**	**120,500**	**553**	**40,282**	**171,335**
At 1 January 2026	**10,000**	**120,500**	**1,260**	**54,028**	**185,788**
Comprehensive income					
Profit for the period	-	-	-	11,371	11,371
Exchange differences on translation of foreign operations	-	-	(699)	-	(699)
Share of other comprehensive income of associate	-	-	(97)	-	(97)
Total comprehensive income for the period	**-**	**-**	**(796)**	**11,371**	**10,575**
Balance as at 30 June 2026	**10,000**	**120,500**	**464**	**65,399**	**196,363**

Condensed consolidated statements of cash flows

EUR '000	Group For the six-month period ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities		
Interest and commission receipts	**105,401**	97,896
Interest and commission payments	**(18,693)**	(15,276)
Net trading (payments) / receipts	**(2,152)**	1,161
Income tax paid	**(316)**	(369)
Payments to employees and suppliers	**(46,695)**	(40,184)
Cash flows from operating profit before changes in operating assets and liabilities	**37,545**	43,228
Changes in operating assets and liabilities:		
Loans and advances to group companies	**(2,208)**	(176)
Loans and advances to customers	**(59,333)**	(98,020)
Amounts owed to customers	**122,561**	122,000
Amount paid in favour of Depositor Compensation Scheme	**(2,878)**	(184)
Net cash generated from operating activities	**95,687**	66,848
Cash flows from investing activities		
Purchase of debt investments in securitisation portfolio	**(6,056)**	(18,393)
Redemption of debt investments in bonds	**14,159**	-
Purchase of debt investments in bonds	**(2,543)**	(13,565)
Purchase of investment in associates	**-**	(13,958)
Dividend received from associates	**1,318**	2,851
Purchase of property and equipment	**(312)**	(70)
Purchase of intangible assets	**(290)**	(67)
Net cash generated from / (used in) investing activities	**6,276**	(43,202)
Cash flows from financing activities		
Principal element of lease payments	**(276)**	(278)
Proceeds from the issuance of debt securities	**-**	24,024
Repayment of loans received from group undertaking	**-**	(13,000)
Net cash (used in) / generated from financing activities	**(276)**	10,746
Net movement in cash and cash equivalents	**101,687**	34,392
Cash and cash equivalents at beginning of the period	**226,567**	194,567
Cash and cash equivalents at end of period	**328,254**	228,959

Condensed consolidated statements of cash flows - continued

EUR '000	**Bank For the six-month period ended 30 June**	
	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities		
Interest and commission receipts	**105,321**	97,896
Interest and commission payments	**(18,693)**	(15,276)
Net trading receipts	**(2,152)**	1,161
Income tax paid	**(295)**	(369)
Payments to employees and suppliers	**(46,692)**	(40,184)
Cash flows from operating profit before changes in operating assets and liabilities	**37,489**	43,228
Changes in operating assets and liabilities:		
Loans and advances to group companies	**(2,208)**	(176)
Loans and advances to customers	**(58,115)**	(98,020)
Amounts owed to customers	**122,561**	122,000
Amount paid in favour of Depositor Compensation Scheme	**(2,878)**	(184)
Net cash generated from operating activities	**96,849**	66,848
Cash flows from investing activities		
Purchase of debt investments in securitisation portfolio	**(6,056)**	(18,393)
Redemption/(purchase) of debt investments in bonds	**11,616**	(13,565)
Purchase of investments in associates	**-**	(13,958)
Purchase of investments in subsidiaries	**(1,301)**	-
Dividend received from associates	**1,318**	2,851
Purchase of property and equipment	**(312)**	(70)
Purchase of intangible assets	**(290)**	(67)
Net cash from / (used in) investing activities	**4,975**	(43,202)
Cash flows from financing activities		
Principal element of lease payments	**(276)**	(278)
Proceeds from the issuance of debt securities	**-**	24,024
Repayment of loans received from group undertaking	**-**	(13,000)
Net cash (used in) / generated from financing activities	**(276)**	10,746
Net movement in cash and cash equivalents	**101,548**	34,392
Cash and cash equivalents at beginning of the period	**226,567**	194,567
Cash and cash equivalents at end of period	**328,115**	228,959

Notes to the condensed financial statements

1. Reporting entity

Multitude Bank Group condensed financial statements include Multitude Bank plc and its subsidiary, Bhawana Capital Private Limited.

Multitude Bank plc (the "Bank") is a public limited company and was incorporated in Malta with its registered address at ST Business Centre, 120, The Strand, Gzira GZR1027, Malta. Bhawana Capital Private Limited is consolidated from 26 May 2026, the date as at which Multitude Bank became its majority shareholder.

The Financial Statements of the Group and Bank as at, and for the year ended, 31 December 2025 are available upon request from the Bank's registered office and are available for viewing on its website at https://www.multitudebank.com/financial-information.

Changes in the Group structure

These are the Group's first condensed consolidated interim financial statements following the acquisition of Bhawana Capital Private Limited on 26 May 2026. Comparative figures of the Group as at 31 December 2025 and for the six months ended 30 June 2025 represent the standalone financial position and performance of the Bank, as Bhawana Capital Private Limited did not form part of the Group during those periods. Accordingly, current-period and comparative figures are not directly comparable.

2. Basis of preparation and summary of material accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with IAS 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's Annual Report and Financial Statements 2025. Accordingly, they include an explanation of events and transactions that are significant for understanding the changes on the Group's and Bank's financial position and performance since the end of 2025.

2.2 New standards and amendments

This Note provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2026 (i.e. year ending 31 December 2026), (b) IFRS Interpretations Committee agenda decisions issued in 2026 and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2027.

(a) New standards and amendments – applicable 1 January 2026. The following amendments and improvements apply for the first time to financial reporting periods commencing on or after 1 January 2026:

2. **Basis of preparation and summary of material accounting policies** - continued

2.2 New standards and amendments - continued

Title	Key requirements if relevant
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	Not relevant. The Group and the Bank do not have contracts referencing nature-dependent electricity.
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1. Derecognition of Financial Liabilities (IFRS 9) Electronic Transfers: Relevant. Allows entities to derecognise a financial liability settled through electronic payment systems before the settlement date if certain specific criteria are met. The option must be applied consistently to all such transactions. This option was not applied by the Group and the Bank. 2. Classification of Financial Assets (IFRS 9) Basic Lending Arrangement: Relevant. Provides guidance on assessing whether contractual cash flows align with a basic lending arrangement, with added examples for clarity. Non-Recourse Features: Relevant. Clarifies that a financial asset has non-recourse features if cash flows are limited to those generated by specific assets. Contractually Linked Instruments: Not relevant. Group and the Bank do not have performance-linked contractual arrangements. 3. Disclosure Requirements (IFRS 7) Equity Investments at Fair Value. Not relevant because Group and the Bank do not have equity instruments held at fair value through other comprehensive income. Contingent Contractual Terms: Relevant. Mandates disclosure of contractual terms that could alter cash flows based on contingent events, covering financial assets and liabilities at amortised cost or fair value.

2. Basis of preparation and summary of material accounting policies - continued

2.2 New standards and amendments - continued

Title	Key requirements if relevant
Annual Improvements to IFRS Accounting Standards — Volume 11	Relevant. Annual Improvements to IFRS Accounting Standards — Volume 11 introduces narrow-scope amendments intended to clarify wording, correct minor inconsistencies, and remove outdated references across several IFRS Accounting Standards. While the amendments do not introduce new accounting policies, they improve consistency and application in practice. For Group and the Bank, the most relevant impacts relate to IFRS 7 and IFRS 9, where clarifications on derecognition, transaction price references, and disclosure guidance may affect financial instruments disclosures and documentation, given the Group's lending and financing activities. Amendments to IAS 7 improve clarity in cash flow presentation terminology, supporting consistent reporting across entities. Changes to IFRS 10 refine judgement around de facto agents, which may be relevant for assessing control in structured arrangements or partnerships. Overall, the amendments enhance clarity and comparability without materially affecting recognition or measurement.

(b) IFRS Interpretations Committee agenda decisions issued in 2026, the following agenda decisions were issued that might be relevant for the preparation of reports in 2026. The date issued refers to the date of approval by the IASB as per the IASB's website.

Date issued	Topic
2 February 2026	Embedded Prepayment Option (IFRS 9)
2 February 2026	Determining and Accounting for Transaction Costs (IFRS 9)

The Group assessed the explanatory material contained in these agenda decisions against its existing accounting policies and relevant financial instruments. The assessment did not result in any changes to the Group's accounting policies and the agenda decisions had no material impact on the Group's financial position or financial performance for the six-month period ended 30 June 2026.

2. Basis of preparation and summary of material accounting policies - continued

2.2 New standards and amendments - continued

(c) Forthcoming requirements. The following standards and amendments had been issued but were not mandatory for annual reporting periods ending on 31 December 2026.

Title	Key requirements if relevant	Effective Date
IFRS 18 Presentation and Disclosure in Financial Statements	Relevant. IFRS 18 introduces mandatory subtotals, such as "operating profit," to improve clarity in financial performance reporting. It requires classification of income and expenses into specific categories like operating, investing, and financing. Management-defined performance measures (MPMs) must be clearly labelled, reconciled with IFRS measures, and explained for their usefulness. Comparative information for all reported amounts must be provided, with explanations for any changes. The standard emphasises proper aggregation and disaggregation to ensure meaningful and clear financial statements. Finally, IFRS 18 will replace IAS 1 while retaining its key principles. The IFRS 18 is expected to have a material impact on the future financial statements of the Group and the Bank, introducing significant changes to the presentation and disclosure of income and other financial elements within the primary statements.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures and its amendments	Not relevant. The Group and the Bank, as a group of companies that prepares a comprehensive set of consolidated financial statements, are not impacted by the changes in IFRS 19, as the Bank has public accountability.	1 January 2027
Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	Not relevant. The amendments are not applicable as the Group neither: • has a functional currency of a non-hyperinflationary economy and translating its results and financial position into the currency of a hyperinflationary economy; nor • translates the results and financial position of a foreign operation into the currency of a hyperinflationary economy.	1 January 2027
Amendments to IAS 28 - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	Not relevant. The Group and the Bank's investment in associate is accounted for using equity method.	1 January 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	Not relevant. The Group and the Bank are not subject to a regulatory agreement that creates regulatory assets and regulatory liabilities.	1 January 2029

2. Basis of preparation and summary of material accounting policies - continued

2.2 New standards and amendments - continued

The Group is actively working on assessing and implementing all forthcoming IFRS Accounting Standards (specifically IFRS 18 that will have significant impact on presentation of financial statements). The Group is conducting detailed analyses to evaluate the implications of these standards on our financial reporting processes and developing comprehensive implementation plans. The Group remains committed to ensuring full compliance with all applicable IFRS requirements by the respective effective dates and will continue to monitor guidance and updates to be fully prepared for their adoption.

2.3 Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards as adopted by the EU requires the use of certain accounting estimates. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1, other than those related to the calculation of expected credit losses on loans and advances to customers and debt investments, and modifications of financial assets.

2.4 Going concern

The Group continues to monitor the economic developments in each of the territories in which it offers its lending products and has investment exposures, particularly the volatile interest rate environment, and the impact that the ongoing geo-political tensions could have on the Group's customers repayment abilities. Furthermore, the Group continues to assess its credit management process, the financial performance, the projected level of business and anticipated adherence to the regulatory ratios for the next twelve months.

Based on these assessments and other cash flow projections, the Directors and senior management have concluded that the going concern basis of accounting remains appropriate in preparing the Group's and Bank's Condensed Interim Financial Statements for the six-month period ended 30 June 2026 at the date of authorisation for issue.

2.5 Material accounting policies

The material accounting policies that were applied in these condensed interim financial statements are consistent with those described in Note 2 of the Bank's Annual Report and Financial Statements 2025, as are the methods of computation, except with the additional accounting policies that have become material for disclosure set out below.

2. Basis of preparation and summary of material accounting policies - continued

2.5 Material accounting policies - continued

2.5.1 Basis of consolidation

The consolidated financial statements comprise the parent company's financial statements and each of those companies over which the parent company or another Group company exercises control. Control over an entity exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When assessing whether to consolidate an entity, the Group evaluates a range of factors, namely:

- Purpose and design of the entity;
- Relevant activities and how these are determined;
- Whether the Group's rights result in the ability to direct the relevant activities;
- Whether the Group has exposure or rights to variable returns;
- Whether the Group can use its power to affect the amount of its returns.

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to direct the relevant activities unilaterally. Potential voting rights deemed to be substantive are also considered when assessing control.

Likewise, the Group also assesses the existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of the shareholders' holdings give the Group the power to direct the activities of the investee.

All intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated upon consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the transferred asset. Consistent accounting policies are applied throughout the Group for consolidation purposes.

2. Basis of preparation and summary of material accounting policies - continued

2.5 Material accounting policies - continued

2.5.1 Basis of consolidation - continued

Bhawana Capital Private Limited is fully consolidated. Non-controlling interests are considered to be immaterial. All profit after tax is attributable to the owners of the Bank.

2.5.2 Common control transactions

The acquisition of Bhawana was a transaction between entities under common control because Multitude Bank (the buyer), Multitude International Services Oy (the seller) and Bhawana (the acquired entity) are ultimately controlled by Multitude AG before and after the transaction.

Business combinations under common control are outside the scope of IFRS 3 Business Combinations. As IFRS Accounting Standards do not prescribe a specific accounting treatment for such transactions, management applied an accounting policy under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group applies predecessor accounting to common-control transactions that are internal group reorganisations. Under predecessor accounting, the assets and liabilities of the acquired entity are recognised at the predecessor IFRS carrying amounts included in Multitude AG's consolidated financial statements. No new fair value uplift, purchase price allocation or new goodwill is recognised. Any difference between the consideration recognised and the predecessor carrying amount of the net assets acquired is recognised directly in equity as a common-control reserve.

2.5.3 Investments in subsidiaries and associates

Investments in equity instruments qualify as investments in subsidiaries where the Bank controls the investee, whether through ownership of a majority of the voting rights or by virtue of contractual arrangements.

In the Bank's separate financial statements, investments in subsidiaries are initially recognised at cost, including directly attributable transaction costs. Subsequently, they are measured at cost less any impairment losses. Investments are tested for impairment whenever there is an indication that the carrying amount may not be recoverable. The accounting policy for impairment of non-financial assets is applied in determining whether an impairment loss should be recognised or reversed.

Subsequent additions to investments in subsidiaries, such as capital contributions or acquisitions of additional shares, are recognised at cost. Dividends received from subsidiaries are recognised in profit or loss when the Bank's right to receive payment is established. Where a dividend clearly represents a recovery of part of the cost of the investment, it is recognised as a reduction in the carrying amount of the investment.

Investments in subsidiaries are derecognised on disposal or when the Bank otherwise loses its rights to the investment. Any resulting gain or loss is recognised in profit or loss.

2. Basis of preparation and summary of material accounting policies - continued

2.5 Material accounting policies - continued

2.5.3 Investments in subsidiaries and associates - continued

Investment in associate is accounted for using equity method, after initially being recognised at cost in the Group's statement financial position. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where an associate's accounting policies differ from those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group.

3. Financial instruments

3.1 Summary of financial instruments to which the IFRS 9 requirements are applied

The Group is exposed to credit risk, being the risk that a counterparty will cause a financial loss to the Group by failing to meet its contractual obligations.

Credit risk is the most significant risk to which the Group is exposed and is therefore managed carefully by management. Credit risk arises primarily from the Group's lending activities across various European countries, together with the placement of liquidity with banks in Malta and other European countries.

The Group is also exposed to credit risk arising from the issuance of financial guarantee contracts to entities granting micro-loans and other related credit products to individuals and other corporate entities located in certain European countries.

Credit exposures through advances to group undertakings located in Finland and operating balances with other group undertakings located in European countries also give rise to credit risk.

3. **Financial instruments** - continued

3.1 Summary of financial instruments to which the IFRS 9 requirement are applied - continued

The Group's credit risk exposures relating to on-balance sheet assets and off-balance sheet instruments, reflecting the maximum exposure to credit risk before collateral held or other credit enhancements include the following:

EUR '000	**Group**			
	As at 30 June 2026		As at 31 December 2025	
	Gross carrying amount	**ECL allowance**	Gross carrying amount	ECL allowance
Credit risk exposures relating to on-balance sheet assets:				
Subject to IFRS 9 impairment allowance requirements				
Financial assets measured at amortised cost:				
Balances with Central Banks	**251,518**		162,686	-
Loans and advances to banks	**76,736**		63,881	-
Loans and advances to customers	**794,343**	**(82,236)**	757,578	(85,403)
Loans and advances to group companies	**46,600**	**(335)**	44,392	(197)
Debt investments in securitisation portfolio	**200,177**	**(34)**	194,106	(34)
Debt investments in bonds	**83,630**	**(1,338)**	95,222	(1,028)
Other financial assets	**33,904**	**(209)**	35,972	-
Not subject to IFRS 9 impairment requirements				
Derivative financial instruments	**-**	**-**	3,167	-
Credit risk exposure	**1,486,908**	**(84,152)**	1,357,004	(86,662)
Credit risk exposures relating to off-balance sheet instruments:				
Commitments	**13,476**	**(426)**	22,127	(429)
Credit risk exposure	**13,476**	**(426)**	22,127	(429)
Total credit risk exposure	**1,500,384**	**(84,578)**	1,379,131	(87,091)

3. Financial instruments - continued

3.1 Summary of financial instruments to which the IFRS 9 requirement are applied - continued

EUR '000	Bank			
	As at 30 June 2026		As at 31 December 2025	
	Gross carrying amount	**ECL allowance**	Gross carrying amount	ECL allowance
Credit risk exposures relating to on-balance sheet assets:				
Subject to IFRS 9 impairment allowance requirements				
Financial assets measured at amortised cost:				
Balances with Central Banks	**251,518**		162,686	-
Loans and advances to banks	**76,597**		63,881	-
Loans and advances to customers	**793,040**	**(82,142)**	757,578	(85,403)
Loans and advances to group companies	**46,600**	**(335)**	44,392	(197)
Debt investments in securitisation portfolio	**200,177**	**(34)**	194,106	(34)
Debt investments in bonds	**83,630**	**(1,338)**	95,222	(1,028)
Other financial assets	**33,899**	**(209)**	35,972	-
Not subject to IFRS 9 impairment requirements				
Derivative financial instruments	-	-	3,167	-
Credit risk exposure	**1,485,461**	**(84,058)**	1,357,004	(86,662)
Credit risk exposures relating to off-balance sheet instruments:				
Commitments	13,476	(426)	22,127	(429)
Credit risk exposure	13,476	(426)	22,127	(429)
Total credit risk exposure	1,498,937	(84,484)	1,379,131	(87,091)

3. **Financial instruments** - continued

3.2 Expected credit loss measurement

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

(a) Loans and advances to customers - consumer portfolio

The ECL is determined by projecting the PD, EAD and LGD at a collective portfolio level as allowable under IFRS 9 in the case of retail portfolios comprising individually insignificant exposures that are homogenous in nature. These three components are multiplied together effectively calculating the forward-looking ECL, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the actual effective interest rate or an approximation thereof.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD, and EAD. Lifetime ECL is calculated on a similar basis for the residual life of the exposure. The PD, EAD and LGD parameters are derived from internally developed statistical models and other historical data, adjusted to reflect forward-looking information as described below. The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. Accordingly, the 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument, respectively.

The Group's expected credit loss allowances on loans and advances to customers are modelled on a collective basis. As a result, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group of financial assets are homogenous. In performing this grouping, the Group ensures that there is sufficient information for the group of financial assets to be statistically credible. In this respect, the Group considers the following categories for ECL measurement of loans and advances to customers:

i. Micro-credit portfolios which are subject to bullet repayment characteristics;
ii. Credit portfolios with instalment repayment features and revolving credit facilities; and
iii. Other amortising, long-term credit products with instalment repayment features.

In the case of micro lending facilities with bullet repayment characteristics, the Group utilises roll-rate methodology in order to estimate its PDs. This methodology employs statistical analysis of historical data and experience of delinquency and default to estimate the amount of loans that will eventually be written off as unrecoverable. This methodology is applied at territory or country level with adaptations to reflect the different nature of the respective markets in which the Group operates. Under this methodology, loans are grouped into ranges according to the number of days past due and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable (PD).

In the case of credit facilities with characteristics similar to instalment loans or revolving facilities, the Group utilises curve-stitching methodology to estimate its PDs. Under this approach, an analysis of historical default data is carried out in order to estimate cumulative monthly loss rates at various snapshot dates. Subsequently, statistical analysis is employed to combine curves with different historical performance windows into a single PD curve over the expected lifetime of the micro-credit exposures. This methodology is also applied at territory or country level in order to incorporate adaptations to reflect the nature of the different markets in which the Group operates. Under this approach, loans are also grouped into ranges according to the number of days past due, with an individual lifetime PD curve being calculated for each range.

3. **Financial instruments** - continued

3.2 Expected credit loss measurement - continued

(a) Loans and advances to customers - consumer portfolio - continued

The conditional PD is adjusted to consider forward-looking information through macroeconomic modelling.

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). EAD represents the expected exposure in the event of a default (including any expected drawdowns of committed facilities). The 12-month and lifetime EADs are determined based on the total balance of loans receivable at the reporting date, taking into account the total amount receivable from borrowers inclusive of principal, interest and fees that are accounted for as part of the effective interest rate. This is deemed an adequate representation of the expected balance at default in the case of the Group's credit facilities given that the Group models its ECLs on a collective portfolio level with the modelling of the EAD for each future month on an individual loan-by-loan basis not being deemed practical. Additionally, in the case of revolving credit facilities the Bank also factors in expected drawdowns of committed facilities.

The Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. Hence, the LGD represents expected credit losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral values (if any) at the time it is expected to be realised and the time value of money. The LGD is determined based on the factors which impact the recoveries made post default.

Given that its credit facilities are generally unsecured in nature, the Group estimates LGD parameters based on the history of recovery rates in respect of claims against defaulted customers, which rates are highly impacted by collective debt recovery strategies. Moreover, the Group's LGDs comprise the effects of the Group's ability to dispose of overdue loans originated in specific territories to other parties at pre-established prices, that are dependent on the credit quality or ageing of the loans, emanating from existing contractual arrangements. Estimated LGDs are also impacted by historical one-off portfolio sales and the expected future uncontracted portfolio sales activity. Recoveries from loan portfolio sales are calculated on a discounted cash flow basis using the contractual default interest rate as the discounting factor.

The Group has a number of forward flow agreements in place with third parties whereby loans and advances which are more than certain days past due will be sold to the third party in batch at an agreed price. The Group is also capable of selling loans and advances on the market which it cannot collect or recover internally in the form of debt sales. In respect of longer-term amortising products where there is no experience of sales, the Group has developed a number of scenarios.

The ECL is measured from the initial recognition of the financial asset. The maximum period considered when measuring ECL (be it 12-month or lifetime ECL) is the maximum contractual period over which the Group is exposed to credit risk. With respect to non-revolving credit facilities, the contractual life of the facility is considered. In the case of revolving credit facilities, provided that such facilities do not have a fixed term or repayment structure, the Group defines the lifetime of such exposures as 24 months in line with observed borrower behaviour in specific territories. The lifetime of revolving credit facilities is re-assessed by the Group at a territory level based on more recent borrower behaviour patterns on a periodic basis.

The calculation of ECL incorporates forward-looking information. The Group performs a historical analysis to identify the key economic variables affecting credit risk and expected credit losses for each product portfolio at a territory level. These economic variables and their associated impact on the PD, EAD and LGD may vary by portfolio or territory.

3. **Financial instruments** - continued

3.2 Expected credit loss measurement - continued

(b) Loans and advances to customers - corporate portfolio

In respect of loans originated to corporate entities, the Group considers these exposures to be individually significant. Whilst forming part of the Group's loans and advances to customers, such loans, given their distinct inherent characteristics, are assessed and managed separately. These exposures are principally secured by a number of loan portfolios, real estate and/or other financial assets which are pledged in favour of the Group and are subject to a number of covenants. Such covenants are monitored on a regular basis by management and the Investments Committee. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts and/or pledged financial instruments in its favour in respect of a number of these exposures. Additionally, these exposures encompass several clauses and covenants structured in a way which enable an effective management of credit risk. Thorough assessments are conducted on the entities prior to the granting of the loans by the Bank. After the date of initial recognition, the payment behaviour of the entities, along with other financial metrics, with reference to the relative financial performance and position of the counterparties, is monitored on an ongoing basis. In addition, the Bank applies a minimum reserve for its corporate loans. This minimum reserve acts as a portfolio-level buffer that is calibrated by asset class and portfolio characteristics and is reviewed and adjusted periodically. A portion of this minimum reserve is recognised at deal inception and the remainder is recognised once the facility becomes operational, ensuring that it complements the individual ECL measured for each exposure.

The Group also conducts periodical assessments to the respective collateral, in order to assess whether the Group should account for expected credit losses. Such assessments are based on the credit information supplied by the borrowers. In order for its ECL methodology to represent an appropriate estimation of its credit risk emanating from said loans, the Group assesses the ECL on each credit exposure separately. Consistent with regulatory and industry best practices, the Bank's ECL calculations are based on Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is consistent to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9 for credit products originated by the Bank.

The PD applicable in the ECL calculation is derived through an internal credit rating on the counterparty which is determined using an internal model that the Bank developed, by reference to financial information of the counterparty, information sourced from external credit bureaus or other proxies as applicable. The EAD equates to the amount of investment committed and entered into by the Bank, in addition to the interest and any other additional fees which may be accrued. The LGD is based on the loss arising on default when comparing the outstanding exposure and the expected recoverability of the collateral.

(c) Debt investments in securitisation portfolio

The debt investments in securitisation portfolio are made up of notes in two companies, one registered in Luxembourg and one registered in Lithuania. In respect of both investments, the Group is the holder of Class A notes, which are senior notes, have a higher credit quality and the highest payment ranking amongst the other creditors.

The management of 'expected credit losses' considers that an exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The expected credit risk of the underlying portfolio in SME loans which the securitisation vehicle invests in is measured using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

3. **Financial instruments** - continued

3.2 Expected credit loss measurement - continued

(c) Debt investments in securitisation portfolio - continued

In this respect, the Group actively assesses the underlying loan portfolios which were acquired by the securitisation vehicle for indications of impairment. The Group conducts periodical sensitivity analysis in relation to the respective portfolio, taking into consideration plausible worst-case scenarios, in order to assess whether the Group should account for expected credit losses. The outcome of such sensitivity analysis, coupled with the fact that a substantial amount of potential losses would first be absorbed by Class B Notes holder, continues to indicate that the level of expected credit losses to be accounted for by the Group is insignificant.

(d) Debt investments in bonds

The debt investments in bonds represent the acquisition by the Group of secured bonds issued by corporate entities. These investments are evaluated and assessed at inception in order to determine the credit quality of the investment and potential credit risks that may arise. These investments in bonds are principally secured by a number of loan portfolios, other financial instruments and/or immoveable property which are pledged in favour of the Group and are subject to a number of covenants including predetermined ratios of ageing portfolios and advance rates or loan-to-value. Such covenants are monitored on a regular basis by management and the Investments Committee. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts and/or pledged financial instruments in its favour in respect of each investment. Additionally, the debt investments in bonds encompass several clauses and covenants structured in a way which enable an effective management of credit risk.

The Group also conducts periodical assessments to the respective collateral, in order to assess whether the Group should account for expected credit losses. Such assessments are based on the credit information supplied by the bond issuers which the Bank has invested in. In order for its ECL methodology to represent an appropriate estimation of its credit risk emanating from said investments, the Group assesses the ECL on each credit portfolio securing the Bank's investment separately. Consistent with regulatory and industry best practices, the Bank's ECL calculations are based on Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is consistent to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9 for credit products originated by the Bank.

The Group, on a selective basis, also elects to enforce specific rights arising from the contractual investment arrangements in place with the counterparties and through the engagement of external independent auditors obtains assurance reports in connection to specific credit and financial information supplied by the counterparties, on the basis of which the requirement for expected credit losses is calculated.

(e) Other financial assets

Other financial assets include Balances with the Central Banks of Malta, Sweden, Czechia and Lithuania, loans and advances to credit and financial institutions and loans and advances to group companies. Other than cash held with Central Banks, the Group's excess liquidity is deposited with a large number of credit and financial institutions, according to the limits set in the Group's Treasury Management Policy (TMP).

3. **Financial instruments** - continued

3.2 Expected credit loss measurement - continued

(e) Other financial assets - continued

The Group uses external risk grades to reflect its assessment of the probability of default of individual counterparties. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by rating agencies.

Other receivables are assessed in line with large exposure limits set in the Capital Requirements Regulation (CRR).

3.3 Forward-looking information incorporated in the ECL model

The calculation of ECL incorporates forward-looking information. The Group's framework forecasts portfolio-level average default rates ('ADR'), defined as the ratio of defaulted exposure to total exposure. Given the inherent volatility observed in monthly default rates, particularly within lower-volume portfolios, the Group applies a Hodrick–Prescott ('HP') filter (λ = 1600) to extract the underlying trend component of default behaviour. This approach reduces short-term volatility while preserving economically meaningful movements in credit risk. Forecast targets are logit-transformed. The modelling framework incorporates both external macroeconomic indicators and internally forecasted portfolio characteristics. Country-specific portfolio-level variables, including the number of defaulting customers and the ratio of defaulting customers to total customers, are forecasted using Seasonal ARIMA (SARIMA) models.

Forecasts are generated over a 15-month horizon, and the model is recalibrated monthly using updated portfolio data and refreshed macroeconomic projections. Macroeconomic inputs are sourced from Oxford Economics and include both historical observations and forward-looking projections. A broad set of macroeconomic indicators is transformed (including lag structures, first and second differences, and percentage changes) and subjected to correlation and multicollinearity screening. Final variable selection is performed using time-based cross-validation techniques to support robustness and out-of-sample stability. Following comparative assessment of multiple modelling techniques, the Group selected an exponentially time-weighted ridge regression model. The time-weighting mechanism ensures that more recent observations receive greater relevance, reflecting evolving credit conditions.

In line with IFRS 9, ECL estimates incorporate multiple forward-looking economic scenarios: baseline, adverse, and optimistic for its consumer portfolio, corporate portfolio and debt investments. Each scenario has assigned its own probability of weighting to reflect both its likelihood and potential impact on credit risk. The baseline scenario carries the highest weight as it reflects consensus forecasts and provides stability. The adverse scenario ensures that downside risks are appropriately reflected, while the optimistic scenario prevents systematic over-provisioning. This approach ensures a balanced and prudent assessment of future credit losses. While the Group generally applies a 60% / 20% / 20% weighting across baseline, adverse and optimistic scenarios, weightings may differ by country or business unit to reflect differences in portfolio composition and sensitivity to economic conditions. The baseline scenario is always assigned at least 50%, and individual downside or upside scenarios cannot exceed 25%. Scenario weights always sum to 100%.

The risk management function monitors the economic forecast releases on an ongoing basis and adjusts its model inputs and assesses the connected outcomes in the light of revised macroeconomic data and other quantitative and qualitative information on a quarterly basis.

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

Macroeconomic scenarios applied in the ECL model

In the baseline scenario, Oxford assumes that the disruption in the Strait of Hormuz gradually eases and oil prices decline, although they remain above the pre-conflict forecast. Inflationary pressures moderate and central banks begin to cut rates gradually in 2027. World GDP growth is forecast at 2.5% in 2026 and 3.2% in 2027.

In the Iran war intensifies scenario (downside), a prolonged conflict causes severe disruption to energy markets and supply chains. Higher inflation, weaker confidence and tighter financial conditions lead to recessions in the US and other major advanced economies. World GDP growth falls to 1.9% in 2026 and 1.5% in 2027.

In the sustained disruption scenario (downside), the Strait of Hormuz remains effectively closed until 2028, keeping energy prices and inflation elevated. Central banks tighten policy and financial markets remain weak. Although a global recession is avoided, world GDP growth slows to 2.2% in 2026 and 1.8% in 2027.

In the tech downturn scenario (downside), the AI investment boom reverses, leading to sharp falls in technology valuations and investment. US growth stalls and the weakness spreads globally, particularly to economies exposed to US technology demand. World GDP growth slows to 2.1% in both 2026 and 2027.

In the AI boom scenario (upside), strong US technology investment, rising stock prices and faster AI adoption support productivity and global demand. Technology exporters also benefit from stronger US activity. World GDP growth increases to 2.6% in 2026 and 3.7% in 2027.

Macroeconomic variables

The respective macroeconomic variables ('MEVs') as of 30 June 2026 used in the ECL model, as obtained from Oxford Economics, are reproduced below. The MEVs presented in the following tables represent base case MEVs. MEVs for pessimistic and optimistic scenarios typically range from base case by circa ±30%.

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

Macroeconomic variables - continued

	2026 4-quarter average *	**2027 4-quarter average ***
Denmark - Employment, total (Person – thousands)	8,860	8,916
Denmark - Exports, goods, constant prices & exchange rate, US$ (Millions)	122,608	123,952
Denmark - GDP, nominal, Local Currency ('LCU') (Kroner billions)	782	814
Denmark - GDP, PPP exchange rate, real, US$ (Millions)	272,932	279,370
Denmark - Industrial production index	388	406
Denmark - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	62,223	63,964
Denmark - Share price index	5,087	7,012
Estonia - Exports, goods, constant prices & exchange rate, US$ (Millions)	10,874	11,366
Finland - Domestic demand, real,LCU (Billions)	57	58
Finland - Exports, goods, real, LCU (Billions)	16	16
Finland - Exports, services, constant prices & exchange rate, US$ (Millions)	27,068	27,416
Finland - GDP per capita, PPP exchange rate, real, US$ (Millions)	35,109	35,589
Finland - GDP, nominal, LCU (Billions)	72	75
Finland - Industrial production index	306	308
Finland - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	40,955	41,515
Finland - World trade index	466	478
Germany - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	539,866	574,277
Germany - Share price index	27,827	28,154
Germany - World trade index	473	484
Latvia - Exports, goods & services, constant prices and exchange rate, US$ (Millions)	17,321	17,811
Latvia - Exports, goods, constant prices & exchange rate, US$ (Millions)	11,197	11,497
Latvia - GDP per capita, PPP exchange rate, nominal, US$ (Millions)	36,599	38,721
Latvia - Reserves, months of import cover	7	7

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

Macroeconomic variables - continued

	2026 4-quarter average *	**2027 4-quarter average ***
Latvia - World trade index	480	496
Lithuania - GDP, nominal, LCU (millions)	23,949	24,972
Lithuania - Productivity trend, LCU (Euro per employee) (Thousands)	31	32
Lithuania - Share price index	3,907	3,992
Lithuania - Stockbuilding, real, share of GDP (%)	(4)	(3)
Norway - Exchange rate, period average (Kroner per US$)	29	28
Norway - Share price index	6,611	6,713
Romania - World trade index	463	474
Sweden - Domestic demand, real, LCU (Kronor) (Millions)	1,615,845	1,644,020
Sweden - Employment, total (Person) (Thousands)	15,937	16,052
Sweden - Exchange rate, period average (Kronor per US$)	27	26
Sweden - Exports, goods, constant prices & exchange rate, US$ (Millions)	154,094	155,376
Sweden - Imports, services, real, LCU (Kronor) (Millions)	335,709	338,356
Sweden - Share price index	3,044	3,043
Sweden - World trade index	448	459

** The 2026 four-quarter average reflects Oxford Economics' forecast as of March 2026, covering the one-year projection period to March 2027. The 2027 quarter average reflects forecasts from March 2027 to March 2028.*

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

Macroeconomic variables - continued

The respective macroeconomic variables as of 31 December 2025 used in the ECL model, as obtained from Oxford Economics, are reproduced below:

	2025 4-quarter average *	**2026 4-quarter average ***
Denmark - Employment, total (Person – thousands)	8,805	8,913
Denmark - Exports, goods, constant prices & exchange rate, US$ (Person – thousands)	120,948	119,836
Denmark - GDP, nominal, Local Currency ('LCU') (Kroner billions)	752	766
Denmark - Industrial production index	379	374
Denmark - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	61,311	59,923
Denmark - Share price index	5,836	5,208
Estonia - Exports, goods, constant prices & exchange rate, US$ (Millions)	10,672	10,909
Finland - Domestic demand, real, LCU (Billions)	56	57
Finland - Exports, goods, real, LCU (Billions)	16	16
Finland - Exports, services, constant prices & exchange rate, US$ (Millions)	26,982	26,906
Finland - GDP per capita, PPP exchange rate, real, US$ (Millions)	34,776	35,092
Finland - GDP, nominal, LCU (Billions)	70	73
Finland - Industrial production index	306	310
Finland - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	40,245	40,792
Finland - World trade index	435	436
Germany - Investment, total fixed investment, constant prices and exchange rate, US$ (Millions)	526,575	530,681
Germany - Share price index	25,181	26,330

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

Macroeconomic variables - continued

	2025 4-quarter average *	**2026 4-quarter average ***
Germany - World trade index	447	447
Latvia - Exports, goods & services, constant prices and exchange rate, US$ (Millions)	17,566	17,893
Latvia - Exports, goods, constant prices & exchange rate, US$ (Millions)	11,675	11,826
Latvia - GDP per capita, PPP exchange rate, nominal, US$ (Millions)	33,444	35,559
Latvia - Reserves, months of import cover	6	7
Latvia - World trade index	444	452
Lithuania - GDP, nominal, LCU (millions)	20,643	21,952
Lithuania - Productivity trend, LCU (Euro per employee) (Thousands)	30	31
Lithuania - Share price index	3,245	3,358
Lithuania - Stockbuilding, real, share of GDP (%)	(7)	(9)
Norway - Exchange rate, period average (Kroner per US$)	32	30
Norway - Share price index	5,256	5,688
Romania - World trade index	433	439
Sweden - Domestic demand, real, LCU (Kronor) (Millions)	1,560,304	1,577,267
Sweden - Employment, total (Person) (Thousands)	15,761	15,887
Sweden - Exchange rate, period average (Kronor per US$)	31	28
Sweden - Exports, goods, constant prices & exchange rate, US$ (Millions)	152,141	153,005
Sweden - Imports, services, real, LCU (Kronor) (Millions)	330,396	327,632
Sweden - Share price index	2,908	2,921
Sweden - World trade index	427	429

** The 2025 four-quarter average reflects Oxford Economics' forecast as of September 2024, covering the one-year projection period to September 2025. The 2026 quarter average reflects forecasts from September 2025 to September 2026.*

ECL sensitivity analysis in respect of macroeconomic scenarios

The Risk Management function considered the sensitivity of the ECL outcome to the macroeconomic forecasts by recalculating the ECL under the different scenarios, applying a 100% weighting to each scenario. The effect of economic uncertainty on the ECL outcome is disclosed in the sensitivity analysis presented below. The ECL calculated for the upside and downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes as there is a degree of estimation uncertainty in the numbers representing tail risk scenarios when assigned a 100% weighting.

3. **Financial instruments** - continued

3.3 Forward-looking information incorporated in the ECL model - continued

ECL sensitivity analysis in respect of macroeconomic scenarios - continued

As with any macroeconomic forecasts, the projections and likelihood of occurrence are subject to a degree of uncertainty, especially in the context of the macroeconomic and geopolitical conflicts and tensions being experienced, and therefore, the actual outcomes may be specifically different from those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes. In view of the above, the Group assessed and is hereby presenting the sensitivity analysis in respect of credit loss allowances for loans and advances to customers and investments, estimated by determining the range of credit loss allowances which would have been measured by assigning a 100% weighting to each of the three macroeconomic scenarios developed as presented in the tables below.

(a) Loans and advances to customers – consumer portfolio

	Group and Bank	
EUR '000	**(Decrease) / increase in ECL As at 30 June 2026**	(Decrease) / increase in ECL As at 31 December 2025
100% Base	**(703)**	(89)
100% Downside	**6,276**	6,436
100% Upside	**(7,101)**	(6,232)

(b) Loans and advances to customers – corporate portfolio

	Group and Bank	
EUR '000	**(Decrease) / increase in ECL As at 30 June 2026**	(Decrease) / increase in ECL As at 31 December 2025
100% Base	**(12)**	(8)
100% Downside	**92**	141
100% Upside	**(120)**	(118)

(c) Debt investments in securitisation portfolio

	Group and Bank	
EUR '000	**(Decrease) / increase in ECL As at 30 June 2026**	(Decrease) / increase in ECL As at 31 December 2025
100% Base	**-**	-
100% Downside	**6**	7
100% Upside	**(5)**	(7)

(d) Debt investments in bonds

	Group and Bank	
EUR '000	**(Decrease) / increase in ECL As at 30 June 2026**	(Decrease) / increase in ECL As at 31 December 2025
100% Base	**(110)**	(673)
100% Downside	**784**	1,129
100% Upside	**(670)**	(1,008)

3. Financial instruments - continued

3.4 Information on credit quality of debt investments

(a) Debt investments in securitisation portfolio

The debt investments in securitisation portfolio are made up of notes issued by two entities, registered in Luxembourg and Lithuania, respectively. In respect of both investments, the Group is the holder of Class A Notes, which are senior notes, have a higher credit quality and the highest payment ranking amongst the other creditors.

As at 30 June 2026, the Luxembourg company owns a portfolio of SME loans in the Netherlands, Sweden, Finland, Denmark and Lithuania. According to the note purchase agreement dated 21 August 2020, this company acquires receivables which are not defaulted, disputed or insolvent. The acquired receivables consist of current and 1-30 days past due exposures with an underlying estimated probability of default which is not in excess of 20%.

In this respect, the Group actively assesses the securitisation portfolio for indications of impairment. The Group conducts periodical sensitivity analysis in relation to the respective portfolio, taking into consideration plausible worst-case scenarios, in order to assess whether the Group should provide for expected credit losses. The outcome of such analysis, coupled with the fact that a substantial amount of potential losses would first be absorbed by Class B Notes holder, does not reflect any need for the Group to provide for expected credit losses.

As at 30 June 2026, the Lithuanian company owns a portfolio of SME loans in Lithuania.

Such investments are principally secured by loan portfolios that are pledged in favour of the Group, taking into consideration pre-established collateralised ratios in relation to the amount invested and also encompass pre-established ratios of exposures by ageing of the underlying pledged portfolio. Moreover, the underlying pledged portfolio is also backed by a European Investment Fund ('EIF') guarantee. The Group conducts periodical assessments in relation to the respective portfolio, in order to assess whether the Group should account for expected credit losses. The outcome of such assessments considers the safeguards in favour of the Group which are included within the investment covenants.

3. **Financial instruments** - continued

3.4 Information on credit quality of investments - continued

(a) Debt investments in securitisation portfolio - continued

EUR '000	Group and Bank For the period ended 30 June 2026			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total ECL**
Debt investments in securitisation portfolio at amortised cost				
Unrated	**200,177**	-	-	**200,177**
Gross carrying amount	**200,177**	-	-	**200,177**
Loss allowance	(34)	-	-	(34)
Net carrying amount	**200,143**	-	-	**200,143**
Off-balance sheet items:				
Gross carrying amount				
Loss allowance	-	-	-	-
Net carrying amount	-	-	-	-

EUR '000	Group and Bank For the year ended 31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total ECL
Debt investments in securitisation portfolio at amortised cost				
Unrated	194,106	-	-	194,106
Gross carrying amount	194,106	-	-	194,106
Loss allowance	(34)	-	-	(34)
Net carrying amount	194,072	-	-	194,072
Off-balance sheet items:				
Gross carrying amount	1,166	-	-	1,166
Loss allowance	-	-	-	-
Net carrying amount	1,166	-	-	1,166

3. Financial instruments - continued

3.4 Information on credit quality of debt investments - continued

(b) Debt investments in bonds

The debt investments in bonds reflect the Group's acquisition of secured bonds issued by unlisted entities. Such bonds are principally secured by immoveable property or loan portfolios that are pledged in favour of the Group, taking into consideration pre-established collateralised ratios in relation to the amount invested and also encompass pre-established covenants, such as *inter alia* ratios in relation to exposures by ageing of the underlying pledged portfolio or loan-to-value. Moreover, the Group also has an additional collateral in the form of cash deposited in its accounts or pledged financial instruments in favour of the Group in respect of specific investments.

The Group conducts periodical assessments at management and Investments Committee level in relation to the respective portfolio, in order to assess whether the Group should account for expected credit losses. The outcome of such assessments considers the safeguards in favour of the Group which are included within the investment covenants.

EUR '000	**Group and Bank For the period ended 30 June 2026**			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total ECL**
Debt investments in bonds at amortised cost				
Unrated	48,738	-	34,892	83,630
Gross carrying amount	**48,738**	**-**	**34,892**	**83,630**
Loss allowance	(10)	-	(1,328)	(1,338)
Net carrying amount	**48,728**	**-**	**33,564**	**82,292**
Off-balance sheet items:				
Gross carrying amount	**500**	**-**	**-**	**500**
Loss allowance	-	-	-	-
Net carrying amount	**500**	**-**	**-**	**500**

3. Financial instruments - continued

3.4 Information on credit quality of debt investments - continued

(b) Debt investments in bonds - continued

EUR '000	Group and Bank For the year ended 31 December 2025 Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	 Total ECL
Debt investments in bonds at amortised cost				
Unrated	57,361	8,906	28,955	95,222
Gross carrying amount	57,361	8,906	28,955	95,222
Loss allowance	(16)	(30)	(982)	(1,028)
Net carrying amount	57,345	8,876	27,973	94,194
Off-Balance sheet items:				
Gross carrying amount	3,000	-	-	3,000
Loss allowance	-	-	-	-
Net carrying amount	3,000	-	-	3,000

3.5 Information on credit quality of loans and advances to customers

The Group manages the credit quality of its consumer portfolio under its loans and advances to customers by using internal risk grades, which provide a progressively increasing risk profile ranging from 'Regular' (best quality, less risky) to 'Loss'. These risk grades are an essential tool for the Group to identify both non-performing exposures and better-performing customers. The internal risk grades used by the Group are as follows:

- Performing: Internal grade 'Regular';
- Under performing: Internal grades 'Watch' and 'Substandard'; and
- Non-performing: Internal grades 'Doubtful' and 'Loss'.

Regular

The Group's consumer portfolio under its loans and advances to customers which are categorised as 'Regular' are principally debts in respect of which payment is not overdue by 30 days and no recent history of customer default exists. Management does not expect losses from non-performance by these customers, which are considered as fully performing.

3. **Financial risk management** - continued

3.5 Information on credit quality of loans and advances to customers - continued

Watch

Consumer portfolio under its Loans and advances that attract this category principally comprise those where:

(i) payment becomes overdue by 30 days, but does not exceed 60 days where a loan is deemed to be as non-performing when past due for more than 90 days;

(ii) payment becomes overdue by 30 days but does not exceed 45 days where a loan is deemed to be as non-performing when past due for more than 60 days; or

(iii) there are indicators of a significant increase in credit risk in instances when loans were granted a payment holiday in a specific portfolios.

Substandard

Consumer portfolio exposures that are categorised within this category comprise those where:

(i) payment becomes overdue by 61 days but does not exceed 90 days for where a loan is deemed to be as non-performing when past due for more than 90 days; or

(ii) where payment becomes overdue by 46 days, but does not exceed 60 days where a loan is deemed to be as non-performing when past due for more than 60 days.

Doubtful

Consumer portfolio of its Loans and advances which attract a 'Doubtful' grading are principally those assets in respect of which:

(i) repayment becomes overdue by 61 days and over but not exceeding 180 days for where a loan is deemed to be as non-performing when past due for more than 60 days;

(ii) repayment becomes overdue by 91 days and over but not exceeding 180 days for a loan is deemed to be as non-performing when past due for more than 90 days; or

(iii) have indicated Unlikeliness-To-Pay criteria.

Loss

Consumer portfolio of its Loans and advances in respect of which payment becomes overdue by more than 180 days.

The following table sets out information about the credit quality of loans and advances to customers measured at amortised cost.

3. **Financial risk management** - continued

3.5 Information on credit quality of loans and advances to customers - continued

EUR '000	Group 30 June 2026			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total ECL**
Loans and advances to customers – Consumer portfolio				
Regular	500,540	-	-	500,540
Watch	-	18,147	-	18,147
Substandard	-	11,129	-	11,129
Doubtful	-	-	19,995	19,995
Loss	-	-	67,909	67,909
Gross carrying amount	**500,540**	**29,276**	**87,904**	**617,720**
Loss allowance	(21,806)	(8,848)	(50,125)	(80,779)
Carrying amount	**478,734**	**20,428**	**37,779**	**536,941**
Off-balance sheet items:				
Gross carrying amount	**3,933**	**41**	**126**	**4,100**
Loss allowance	(326)	(20)	(80)	(426)
Carrying amount	**3,607**	**21**	**46**	**3,674**
Loans and advances to customers - Corporate portfolio				
Gross carrying amount	**167,573**	-	**9,050**	**176,623**
Loss allowance	(1,367)	-	(90)	(1,457)
Carrying amount	**166,206**	-	**8,960**	**175,166**
Off-balance sheet items:				
Gross carrying amount	8,876	-	-	8,876
Loss allowance	-	-	-	-
Carrying amount	**8,876**	-	-	**8,876**

3. **Financial risk management** - continued

3.5 Information on credit quality of loans and advances to customers - continued

EUR '000	Bank 30 June 2026			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total ECL**
Loans and advances to customers – Consumer portfolio				
Regular	499,429	-	-	499,429
Watch	-	18,091	-	18,091
Substandard	-	11,094	-	11,094
Doubtful	-	-	19,922	19,922
Loss	-	-	67,881	67,881
Gross carrying amount	**499,429**	**29,185**	**87,803**	**616,417**
Loss allowance	(21,728)	(8,840)	(50,117)	(80,685)
Carrying amount	**477,701**	**20,345**	**37,686**	**535,732**
Off-balance sheet items:				
Gross carrying amount	**3,933**	**41**	**126**	**4,100**
Loss allowance	(326)	(20)	(80)	(426)
Carrying amount	**3,607**	**21**	**46**	**3,674**
Loans and advances to customers - Corporate portfolio				
Gross carrying amount	**167,573**	-	**9,050**	**176,623**
Loss allowance	(1,367)	-	(90)	(1,457)
Carrying amount	**166,206**	-	**8,960**	**175,166**
Off-balance sheet items:				
Gross carrying amount	8,876	-	-	8,876
Loss allowance	-	-	-	-
Carrying amount	**8,876**	-	-	**8,876**

3. **Financial risk management** - continued

3.5 Information on credit quality of loans and advances to customers - continued

EUR '000	Group 31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers - Consumer portfolio				
Regular	482,160	-	-	482,160
Watch	-	21,112	-	21,112
Substandard	-	11,700	-	11,700
Doubtful	-	-	18,896	18,896
Loss	-	-	78,709	78,709
Gross carrying amount	482,160	32,812	97,605	612,577
Loss allowance	(21,590)	(10,470)	(52,000)	(84,060)
Carrying amount	460,570	22,342	45,605	528,517
Off-balance sheet items:				
Gross carrying amount	3,631	75	5	3,711
Loss allowance	(358)	(34)	(37)	(429)
Carrying amount	3,273	41	(32)	3,282
Loans and advances to customers - Corporate portfolio				
Gross carrying amount	136,461	-	8,540	145,001
Loss allowance	(1,257)	-	(86)	(1,343)
Carrying amount	135,204	-	8,454	143,658
Off-balance sheet items:				
Gross carrying amount	14,250	-	-	14,250
Loss allowance	-	-	-	-
Carrying amount	14,250	-	-	14,250

3. **Financial risk management** - continued

3.5 Information on credit quality of loans and advances to customers - continued

EUR '000	Bank			
	31 December 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers - Consumer portfolio				
Regular	482,160	-	-	482,160
Watch	-	21,112	-	21,112
Substandard	-	11,700	-	11,700
Doubtful	-	-	18,896	18,896
Loss	-	-	78,709	78,709
Gross carrying amount	482,160	32,812	97,605	612,577
Loss allowance	(21,590)	(10,470)	(52,000)	(84,060)
Carrying amount	460,570	22,342	45,605	528,517
Off-balance sheet items:				
Gross carrying amount	3,631	75	5	3,711
Loss allowance	(358)	(34)	(37)	(429)
Carrying amount	3,273	41	(32)	3,282
Loans and advances to customers - Corporate portfolio				
Gross carrying amount	136,461	-	8,540	145,001
Loss allowance	(1,257)	-	(86)	(1,343)
Carrying amount	135,204	-	8,454	143,658
Off-balance sheet items:				
Gross carrying amount	14,250	-	-	14,250
Loss allowance	-	-	-	-
Carrying amount	14,250	-	-	14,250

3. Financial risk management - continued

3.6 Modification of financial assets

As explained in Note 2.5 of the Bank's Annual Report and Financial Statements 2025, the Group sometimes modifies the terms of loans provided to customers. These modifications can take different forms and can happen at different stages during the maturity period of the loan. The Group has in place procedures and policies to identify whether such modifications granted by the Group constitute forbearance as defined by EU Regulation 575/2013 ('CRR2').

The Group held renegotiated or rescheduled loans and advances to customers within consumer portfolio amounting to EUR 84.7 million as at June 2026 (31 December 2025: EUR 93.8 million). These are analysed below by Stage as follows:

EUR '000	**For the six month period ended 30 June 2026**		Still outstanding at 31 July 2026	
	Gross carrying amount	**Expected credit losses**	Gross carrying amount	Expected credit losses
Stage 1	77,152	(3,722)	75,580	(3,643)
Stage 2	4,914	(1,532)	5,145	(1,545)
Stage 3	2,662	(1,302)	3,311	(1,587)
	84,728	**(6,556)**	**84,036**	**(6,775)**

EUR '000	**31 December 2025**		Still outstanding at 31 January 2026	
	Gross carrying amount	**Expected credit losses**	Gross carrying amount	Expected credit losses
Stage 1	81,784	(4,071)	79,652	(3,979)
Stage 2	6,805	(2,109)	6,949	(2,168)
Stage 3	5,181	(2,480)	6,319	(3,050)
	93,770	(8,660)	92,920	(9,197)

3. **Financial instruments** – continued

3.6 Modification of financial assets – continued

The Group's rescheduled loans are analysed by geographical location as follows:

EUR '000	**For the six-month month period ended 30 June 2026**	For the year ended 31 December 2025
Northern and Western Europe	**68,408**	75,243
Eastern Europe	**16,320**	18,527
	84,728	93,770

In cases where the Group grants specific modifications to customers who are assessed by the Group as experiencing financial difficulties, then these exposures are marked as forborne in line with the Group's policies in relation to forbearance.

3.8 Reconciliation of 12-month and lifetime ECL provision

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between 'Stage 1' and 'Stages 2 or 3' due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Derecognition arising upon the sale of loan portfolios;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

The significant change in the gross carrying amount of financial assets that contributed to changes in loss allowances was mainly due to growth in the loan book, which was aligned with the Group's growth objectives.

3. **Financial instruments** - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

The following table explains changes in the gross carrying amount of the financial assets to help explain their significance to the changes in the loss allowance for the same portfolios as discussed previously:

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Balances with Central Banks at amortised cost at 1 January 2026	162,686	-	-	-	-	-	162,686	-
Net movement in EAD and changes in risk parameters (PD/LGD)	88,832	-	-	-	-	-	88,832	-
As at 30 June 2026	251,518	-	-	-	-	-	251,518	-
Total net income statement change during the period		-		-		-		-
Debt investments in securitisation portfolio at amortised cost at 1 January 2026	194,106	(34)	-	-	-	-	194,106	(34)
Financial assets originated or purchased during the period	1,166	-	-	-	-	-	1,166	-
Net movement in EAD and changes in risk paraments (PD/LGD)	4,905	-	-	-	-	-	4,905	-
As at 30 June 2026	200,177	(34)	-	-	-	-	200,177	(34)
Total net income statement change during the period		-		-		-		-
Debt investments in bonds at amortised cost at 1 January 2026	57,361	(16)	8,906	(30)	28,955	(982)	95,222	(1,028)
Financial assets originated or purchased during the period	2,500	-	-	-	-		2,500	-
Net movement in EAD and changes in risk paraments (PD/LGD)	(11,123)	6	(8,906)	30	5,937	(346)	(14,092)	(310)
As at 30 June 2026	48,738	(10)	-	-	34,892	(1,328)	83,630	(1,338)
Total net income statement change during the period		6		30		(346)		(310)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to banks at amortised cost at 1 January 2026	63,881	-	-	-	-	-	63,881	-
Net movement in EAD and changes in risk parameters (PD/LGD)	12,855	-	-	-	-	-	12,855	-
As at 30 June 2026	76,736	-	-	-	-	-	76,736	-
Total net income statement change during the period		-		-		-		-
Loans and advances to group companies at amortised cost at 1 January 2026	44,392	(197)	-	-	-	-	44,392	(197)
Net movement in EAD and changes in risk paraments (PD/LGD)	2,208	(138)	-	-	-	-	2,208	(138)
As at 30 June 2026	46,600	(335)	-	-	-	-	46,600	(335)
Total net income statement change during the period		(138)		-		-		(138)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Balances with Central Banks at amortised cost at 1 January 2026	162,686	-	-	-	-	-	162,686	-
Net movement in EAD and changes in risk parameters (PD/LGD)	88,832	-	-	-	-	-	88,832	-
As at 30 June 2026	251,518	-	-	-	-	-	251,518	-
Total net income statement change during the period		-		-		-		-
Debt investments in securitisation portfolio at amortised cost at 1 January 2026	194,106	(34)	-	-	-	-	194,106	(34)
Financial assets originated or purchased during the period	1,166	-	-	-	-	-	1,166	-
Net movement in EAD and changes in risk paraments (PD/LGD)	4,905	-	-	-	-	-	4,905	-
As at 30 June 2026	200,177	(34)	-	-	-	-	200,177	(34)
Total net income statement change during the period		-		-		-		-
Debt investments in bonds at amortised cost at 1 January 2026	57,361	(16)	8,906	(30)	28,955	(982)	95,222	(1,028)
Financial assets originated or purchased during the period	2,500	-	-	-	-		2,500	-
Net movement in EAD and changes in risk paraments (PD/LGD)	(11,123)	6	(8,906)	30	5,937	(346)	(14,092)	(310)
As at 30 June 2026	48,738	(10)	-	-	34,892	(1,328)	83,630	(1,338)
Total net income statement change during the period		6		30		(346)		(310)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to banks at amortised cost at 1 January 2026	63,881	-	-	-	-	-	63,881	-
Net movement in EAD and changes in risk parameters (PD/LGD)	12,716	-	-	-	-	-	12,716	-
As at 30 June 2026	76,597	-	-	-	-	-	76,597	-
Total net income statement change during the period		-		-		-		-
Loans and advances to group companies at amortised cost at 1 January 2026	44,392	(197)	-	-	-	-	44,392	(197)
Net movement in EAD and changes in risk paraments (PD/LGD)	2,208	(138)	-	-	-	-	2,208	(138)
As at 30 June 2026	46,600	(335)	-	-	-	-	46,600	(335)
Total net income statement change during the period		(138)		-		-		(138)

3. **Financial instruments** - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Balances with Central Banks at amortised cost at 1 January 2025	107,670	-	-	-	-	-	107,670	-
Net movement in EAD and changes in risk parameters (PD/LGD)	55,016	-	-	-	-	-	55,016	-
As at 31 December 2025	162,686	-	-	-	-	-	162,686	
Total net income statement change during the year	-	-	-	-		-		-
Debt investment in securitisation portfolio at amortised cost at 1 January 2025	151,967	(3)	-	-	-	-	151,967	(3)
Net movement in EAD and changes in risk paraments (PD/LGD)	42,139	(31)	-	-	-	-	42,139	(31)
As at 31 December 2025	194,106	(34)	-	-	-	-	194,106	(34)
Total net income statement change during the year		(31)		-		-		(31)
Debt investment in bonds at amortised cost at 1 January 2025	99,517	(49)	9,866	(347)	-	-	109,383	(396)
Financial assets originated or purchased during the year	(15,255)	-	-	347	34,157	(347)	18,902	-
Net movement in EAD and changes in risk paraments (PD/LGD)	(26,901)	33	(960)	(30)	(5,202)	(635)	(33,063)	(632)
As at 31 December 2025	57,361	(16)	8,906	(30)	28,955	(982)	95,222	(1,028)
Total net income statement change during the year		33		317		(982)		(632)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to banks at amortised cost at 1 January 2025	86,897	-	-	-	-	-	86,897	-
Financial assets originated or purchased during the year	503	-	-	-	-	-	503	-
Net movement in EAD and changes in risk parameters (PD/LGD)	(19,464)	-	-	-	-	-	(19,464)	-
Financial assets derecognised during the year	(4,055)	-	-	-	-	-	(4,055)	-
As at 31 December 2025	63,881	-	-	-	-	-	63,881	-
Total net income statement change during the year		-		-		-		-
Loans and advances to group companies at amortised cost at 1 January 2025	35,602	-	-	-	-	-	35,602	-
Financial assets originated or purchased during the year	5,017	-	-	-	-	-	5,017	-
Net movement in EAD and changes in risk paraments (PD/LGD)	3,773	(197)	-	-	-	-	3,773	(197)
As at 31 December 2025	44,392	(197)	-	-	-	-	44,392	(197)
Total net income statement change during the year		(197)		-		-		(197)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Balances with Central Banks at amortised cost at 1 January 2025	107,670	-	-	-	-	-	107,670	-
Net movement in EAD and changes in risk parameters (PD/LGD)	55,016	-	-	-	-	-	55,016	-
As at 31 December 2025	162,686	-	-	-	-	-	162,686	
Total net income statement change during the year	-	-	-	-		-		-
Debt investment in securitisation portfolio at amortised cost at 1 January 2025	151,967	(3)	-	-	-	-	151,967	(3)
Net movement in EAD and changes in risk paraments (PD/LGD)	42,139	(31)	-	-	-	-	42,139	(31)
As at 31 December 2025	194,106	(34)	-	-	-	-	194,106	(34)
Total net income statement change during the year		(31)		-		-		(31)
Debt investment in bonds at amortised cost at 1 January 2025	99,517	(49)	9,866	(347)	-	-	109,383	(396)
Financial assets originated or purchased during the year	(15,255)	-	-	347	34,157	(347)	18,902	-
Net movement in EAD and changes in risk paraments (PD/LGD)	(26,901)	33	(960)	(30)	(5,202)	(635)	(33,063)	(632)
As at 31 December 2025	57,361	(16)	8,906	(30)	28,955	(982)	95,222	(1,028)
Total net income statement change during the year		33		317		(982)		(632)

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to banks at amortised cost at 1 January 2025	**86,897**	**-**	**-**	**-**	**-**	**-**	**86,897**	**-**
Financial assets originated or purchased during the year	503	-	-	-	-	-	503	-
Net movement in EAD and changes in risk parameters (PD/LGD)	(19,464)	-	-	-	-	-	(19,464)	-
Financial assets derecognised during the year	(4,055)	-	-	-	-	-	(4,055)	-
As at 31 December 2025	**63,881**	**-**	**-**	**-**	**-**	**-**	**63,881**	**-**
Total net income statement change during the year		**-**		**-**		**-**		**-**
Loans and advances to group companies at amortised cost at 1 January 2025	**35,602**	**-**	**-**	**-**	**-**	**-**	**35,602**	**-**
Financial assets originated or purchased during the year	5,017	-	-	-	-	-	5,017	-
Net movement in EAD and changes in risk paraments (PD/LGD)	3,773	(197)	-	-	-	-	3,773	(197)
As at 31 December 2025	**44,392**	**(197)**	**-**	**-**	**-**	**-**	**44,392**	**(197)**
Total net income statement change during the year		**(197)**		**-**		**-**		**(197)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

The following tables explain the changes in the gross carrying amount and loss allowance between the beginning and the end of the period in respect of loans and advances to customers (consumer portfolio):

EUR '000	Group							
	Stage1		Stage2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to customers (consumer portfolio) at amortised cost as at 1 January 2026	**482,160**	**(21,590)**	**32,812**	**(10,470)**	**97,605**	**(52,000)**	**612,577**	**(84,060)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(18,121)	1,284	18,121	(1,284)	-	-	-	-
Transfer from Stage 1 to Stage 3	(22,273)	2,114	-	-	22,273	(2,114)	-	-
Transfer from Stage 2 to Stage 1	6,244	(1,822)	(6,244)	1,822	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	(18,618)	6,578	18,618	(6,578)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		194		(4,359)		(48,021)		(52,186)
New and further lending	322,055	(15,477)	13,874	(4,634)	10,224	(4,349)	346,153	(24,459)
Repayments and disposals	(267,209)	13,400	(10,473)	3,464	(60,294)	29,418	(337,976)	46,281
Write-Offs	-	-	-	-	-	-	-	-
Total net income statement charge during the period		**(307)**		**1,587**		**(31,644)**		**(30,364)**
Loans to customers written off and sold during the period		-		-		33,857		33,857
Exchange differences and other movements	(2,315)	69	(197)	36	(522)	(337)	(3,034)	(212)
As at 30 June 2026	**500,540**	**(21,806)**	**29,276**	**(8,848)**	**87,904**	**(50,125)**	**617,720**	**(80,779)**

The movement in ECL allowances illustrated above excludes the increase in ECL allowances amounting to EUR 2 thousand as at 30 June 2026 (31 December 2025: EUR 435 thousand) in respect of off-balance sheet financial guarantees and commitments which are separately disclosed in the table on the following pages.

The unwind of discount on Stage 3 financial assets is reported within 'Interest Income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage1		Stage2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to customers (consumer portfolio) at amortised cost as at 1 January 2026	**482,160**	**(21,590)**	**32,812**	**(10,470)**	**97,605**	**(52,000)**	**612,577**	**(84,060)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(18,121)	1,284	18,121	(1,284)	-	-	-	-
Transfer from Stage 1 to Stage 3	(22,273)	2,114	-	-	22,273	(2,114)	-	-
Transfer from Stage 2 to Stage 1	6,244	(1,822)	(6,244)	1,822	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	(18,618)	6,578	18,618	(6,578)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		194		(4,359)		(48,021)		(52,186)
New and further lending	320,943	(15,396)	13,784	(4,627)	10,123	(4,342)	344,850	(24,365)
Repayments and disposals	(267,209)	13,399	(10,473)	3,464	(60,294)	29,418	(337,976)	46,281
Write-Offs	-	-	-	-	-	-	-	-
Total net income statement charge during the period		**(227)**		**1,594**		**(31,637)**	**-**	**(30,270)**
Impact of unwinding ECL provisions		-		-		-	-	-
Loans to customers written off and sold during the period		-		-	-	33,857	-	33,857
Exchange differences and other movements	(2,315)	89	(197)	36	(522)	(337)	(3,034)	(212)
As at 30 June 2026	**499,429**	**(21,728)**	**29,185**	**(8,840)**	**87,803**	**(50,117)**	**616,417**	**(80,685)**

The movement in ECL allowances illustrated above excludes the increase in ECL allowances amounting to EUR 2 thousand as at 30 June 2026 (31 December 2025: EUR 435 thousand) in respect of off-balance sheet financial guarantees and commitments which are separately disclosed in the table on the following pages.

The unwind of discount on Stage 3 financial assets is reported within 'Interest Income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expecte credit losses	Gross carrying amount	Expecte credit losses	Gross carrying amount	Expecte credit losses	Gross carrying amount	Expecte credit losses
Loans and advances to customers (consumer portfolio) at amortised cost as at 1 January 2025	**431,467**	**(23,984)**	**32,251**	**(10,419)**	**107,404**	**(64,776)**	**571,122**	**(99,179)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(18,246)	1,464	18,246	(1,464)	-	-	-	-
Transfer from Stage 1 to Stage 3	(40,955)	3,587	-	-	40,955	(3,587)	-	-
Transfer from Stage 2 to Stage 1	5,001	(1,515)	(5,001)	1,515	-	-	-	-
Transfer from Stage 2 to Stage 3	-		(19,674)	6,708	19,674	(6,708)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		2,986		(4,279)		(83,160)		(84,453)
New and further lending	525,344	(25,606)	26,799	(8,556)	45,294	(21,430)	597,437	(55,592)
Repayments and disposals	(426,336)	20,274	(20,381)	6,188	(106,501)	38,976	(553,218)	65,438
Write-offs	-	-	-	-	(11,672)	11,672	(11,672)	11,672
Total net income statement charge during the year		**1,190**		**112**		**(64,237)**	**-**	**(62,935)**
Impact of unwinding ECL provisions		-		-		3,306	-	3,306
Loans to customers written-off and sold during the period		-		-		74,728	-	74,728
Exchange differences and other movements	5,885	1,204	572	(163)	2,451	(1,021)	8,908	20
As at 31 December 2025	**482,160**	**(21,590)**	**32,812**	**(10,470)**	**97,605**	**(52,000)**	**612,577**	**(84,060)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to customers (consumer portfolio) at amortised cost as at 1 January 2025	**431,467**	**(23,984)**	**32,251**	**(10,419)**	**107,404**	**(64,776)**	**571,122**	**(99,179)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(18,246)	1,464	18,246	(1,464)	-	-	-	-
Transfer from Stage 1 to Stage 3	(40,955)	3,587	-	-	40,955	(3,587)	-	-
Transfer from Stage 2 to Stage 1	5,001	(1,515)	(5,001)	1,515	-	-	-	-
Transfer from Stage 2 to Stage 3	-		(19,674)	6,708	19,674	(6,708)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		2,986		(4,279)		(83,160)		(84,453)
New and further lending	525,344	(25,606)	26,799	(8,556)	45,294	(21,430)	597,437	(55,592)
Repayments and disposals	(426,336)	20,274	(20,381)	6,188	(106,501)	38,976	(553,218)	65,438
Write-offs	-	-	-	-	(11,672)	11,672	(11,672)	11,672
Total net income statement charge during the year		**1,190**		**112**		**(64,237)**	**-**	**(62,935)**
Impact of unwinding ECL provisions		-		-		3,306	-	3,306
Loans to customers written-off and sold during the period		-		-		74,728	-	74,728
Exchange differences and other movements	5,885	1,204	572	(163)	2,451	(1,021)	8,908	20
As at 31 December 2025	**482,160**	**(21,590)**	**32,812**	**(10,470)**	**97,605**	**(52,000)**	**612,577**	**(84,060)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

The following tables explain the changes in the gross carrying amount and loss allowance between the beginning and the end of the period in respect of loans and advances to customers (corporate portfolio):

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to customers (corporate portfolio) at amortised cost at 1 January 2026	**136,461**	**(1,257)**	**-**	**-**	**8,540**	**(86)**	**145,001**	**(1,343)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		(327)		-		-		(327)
New and further lending	39,684	343	-	-	510	(4)	40,194	339
Repayments and disposals	(8,572)	(126)	-	-	-	-	(8,572)	(126)
Total net income statement charge during the year		**(110)**		**-**		**(4)**		**(114)**
At 30 June 2026	**167,573**	**(1,367)**	**-**	**-**	**9,050**	**(90)**	**176,623**	**(1,457)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Loans and advances to customers (corporate portfolio) at amortised cost at 1 January 2026	**136,461**	**(1,257)**	**-**	**-**	**8,540**	**(86)**	**145,001**	**(1,343)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		(327)		-		-		(327)
New and further lending	39,684	343	-	-	510	(4)	40,194	339
Repayments and disposals	(8,572)	(126)	-	-	-	-	(8,572)	(126)
Total net income statement charge during the year		**(110)**		**-**		**(4)**		**(114)**
At 30 June 2026	**167,573**	**(1,367)**	**-**	**-**	**9,050**	**(90)**	**176,623**	**(1,457)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000
Loans and advances to customers (corporate portfolio) at amortised cost at 1 January 2025	**19,013**	**(47)**	**8,000**	**(58)**	**-**	**-**	**27,013**	**(105)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	8,000	(58)	(8,000)	58	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		657		-		-		657
New and further lending	117,448	(1,856)	-	-	8,540	(86)	125,988	(1,942)
Repayments and disposals	(8,000)	47	-	-	-	-	(8,000)	47
Total net income statement charge during the year		**(1,210)**		**58**		**(86)**		**(1,238)**
At 31 December 2025	**136,461**	**(1,257)**	**-**	**-**	**8,540**	**(86)**	**145,001**	**(1,343)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000	Gross carrying amount €'000	Expected credit losses €'000
Loans and advances to customers (corporate portfolio) at amortised cost at 1 January 2025	**19,013**	**(47)**	**8,000**	**(58)**	**-**	**-**	**27,013**	**(105)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 1	8,000	(58)	(8,000)	58	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters		657		-		-		657
New and further lending	117,448	(1,856)	-	-	8,540	(86)	125,988	(1,942)
Repayments and disposals	(8,000)	47	-	-	-	-	(8,000)	47
Total net income statement charge during the year		**(1,210)**		**58**		**(86)**		**(1,238)**
At 31 December 2025	**136,461**	**(1,257)**	**-**	**-**	**8,540**	**(86)**	**145,001**	**(1,343)**

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

The following tables explain the changes in the gross carrying amount and loss allowance between the beginning and the end of the period in respect of financial guarantees and commitments:

	Group							
EUR '000	Stage1		Stage2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Financial guarantees and commitments at 1 January 2026	**22,047**	**(358)**	**75**	**(34)**	**5**	**(37)**	**22,127**	**(429)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(267)	26	267	(26)	-	-	-	-
Transfer from Stage 1 to Stage 3	(754)	100	-	-	754	(100)	-	-
Transfer from Stage 2 to Stage 1	22	(10)	(22)	10	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	(48)	21	48	(21)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters	-	34	-	(104)	-	(438)	-	(508)
New and further lending	7,030	(503)	935	(428)	277	(194)	8,242	(1,125)
Repayments and disposals	(14,769)	385	(1,166)	541	(958)	710	(16,893)	1,636
Total net income statement charge during the period		**32**		**14**		**(43)**		**3**
As at 30 June 2026	**13,309**	**(326)**	**41**	**(20)**	**126**	**(80)**	**13,476**	**(426)**

Remeasurement of loss allowance arising from foreign exchange and other movements was not considered significant.

Net changes in gross carrying amount in respect of financial guarantee and commitments for the period ended 30 June 2026 amounting to a decrease of EUR 8.7 million (31 December 2025: increase of EUR 17.8 million) mainly related to the net effect of the expiry or enforcement of existing financial guarantees and commitments, and the issuance of new financial guarantees and commitments during the period.

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

The following tables explain the changes in the gross carrying amount and loss allowance between the beginning and the end of the period in respect of financial guarantees and commitments:

EUR '000	Bank							
	Stage1		Stage2		Stage 3		Total	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Financial guarantees and commitments at 1 January 2026	**22,047**	**(358)**	**75**	**(34)**	**5**	**(37)**	**22,127**	**(429)**
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(267)	26	267	(26)	-	-	-	-
Transfer from Stage 1 to Stage 3	(754)	100	-	-	754	(100)	-	-
Transfer from Stage 2 to Stage 1	22	(10)	(22)	10	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	(48)	21	48	(21)	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters	-	34	-	(104)	-	(438)	-	(508)
New and further lending	7,030	(503)	935	(428)	277	(194)	8,242	(1,125)
Repayments and disposals	(14,768)	385	(1,166)	541	(959)	709	(16,893)	1,635
Total net income statement charge during the period		**32**		**14**		**(44)**		**2**
As at 30 June 2026	**13,310**	**(326)**	**41**	**(20)**	**125**	**(81)**	**13,476**	**(427)**

Remeasurement of loss allowance arising from foreign exchange and other movements was not considered significant.

Net changes in gross carrying amount in respect of financial guarantee and commitments for the period ended 30 June 2026 amounting to a decrease of EUR 8.7 million (31 December 2025: increase of EUR 17.8 million) mainly related to the net effect of the expiry or enforcement of existing financial guarantees and commitments, and the issuance of new financial guarantees and commitments during the period.

3. Financial instruments - continued

3.7 Reconciliation of 12-month and lifetime ECL provision - continued

EUR '000	Group							
	Stage 1		Stage 2		Stage 3		Total	
	Gross Carrying Amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Financial guarantees and commitments at 1 January 2025	4,272	(835)	2	(1)	36	(28)	4,310	(864)
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(41)	9	41	(9)	-	-	-	-
Transfer from Stage 1 to Stage 3	(100)	23	-	-	100	(23)	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters	-	(75)	-	(14)	-	(53)	-	(142)
New and further lending	31,535	(1,096)	3,289	(1,510)	104	(73)	34,928	(2,679)
Repayments and disposals	(13,619)	1,616	(3,257)	1,500	(235)	140	(17,111)	3,256
Total net income statement charge during the year		477		(33)		(9)		435
As at 31 December 2025	22,047	(358)	75	(34)	5	(37)	22,127	(429)

EUR '000	Bank							
	Stage 1		Stage 2		Stage 3		Total	
	Gross Carrying Amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
Financial guarantees and commitments at 1 January 2025	4,272	(835)	2	(1)	36	(28)	4,310	(864)
Transfers of financial instruments								
Transfer from Stage 1 to Stage 2	(41)	9	41	(9)	-	-	-	-
Transfer from Stage 1 to Stage 3	(100)	23	-	-	100	(23)	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-	-	-	-
Net remeasurement of ECL arising from stage transfers and changes in risk parameters	-	(75)	-	(14)	-	(53)	-	(142)
New and further lending	31,535	(1,096)	3,289	(1,510)	104	(73)	34,928	(2,679)
Repayments and disposals	(13,619)	1,616	(3,257)	1,500	(235)	140	(17,111)	3,256
Total net income statement charge during the year		477		(33)		(9)		435
As at 31 December 2025	22,047	(358)	75	(34)	5	(37)	22,127	(429)

4. Fair value measurement of financial instruments

The Group's financial instruments for the period ended 30 June 2026 and the financial year ended 31 December 2025, which are carried at fair value include the Group's derivative financial instruments measured at fair value through profit and loss (FVPL) and the contingent consideration emanating from the business combination (note 11). The Group is required to disclose fair value measurements by level of the following fair value measurement hierarchy for financial instruments that are measured in the Statement of Financial Position at fair value:

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

The IFRS 13 hierarchy of valuation techniques is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

The following tables reflect an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

EUR '000		**Group and Bank**		
	Level 1	**Level 2**	**Level 3**	**Total**
As at 30 June 2026				
Financial liabilities				
Derivative financial instrument measured at FVPL	-	**906**	-	**906**
Contingent consideration	-	-	**120**	**120**
Total financial liabilities	-	**906**	**120**	**1,026**

EUR '000		Group and Bank		
	Level 1	Level 2	Level 3	Total
As at 31 December 2025				
Financial assets				
Derivative financial instrument measured at FVPL	-	167	3,000	3,167
Total financial assets	-	167	3,000	3,167

4. Fair value measurement of financial instruments - continued

There were no transfers between levels 1, 2 and 3 during the period/year. The derivative financial instruments reflect the Group's currency forwards. In 2025, the derivative financial instruments reflect also an option to acquire shares in a Finnish entity which was acquired during 2023 and sold during 2026. The valuation of the share option is based on a valuation report which has been commissioned from an independent third-party valuing firm.

Financial instruments in Level 1

The fair value of instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial instruments held by the Group is the current bid price As at 30 June of the respective year. No instruments are included in Level 1.

Financial instruments in Level 2

Fair values for the Group's derivative contracts are generally determined utilising valuation techniques, involving primarily the use of discounted cash flow techniques and Black-Scholes option pricing model. The fair values referred to are determined by reference to market prices or rates (forward foreign exchange rates) quoted at the end of the reporting period. The valuation techniques used are supported by observable market prices or rates since their variables include only data from observable markets. The Group's derivative financial instruments are accordingly typically categorised as Level 2 instruments.

Financial instruments in Level 3

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The valuation techniques applied to the Group's share options comprise a combination of the discounted cash flow method, the market (trading multiples) approach, and the Scenario Based Method (SBM) for option valuation. Similarly, the valuation technique applied to the contingent consideration consists of a discounted cash flow method. These techniques incorporate unobservable inputs (i.e. equity value of a third party) and are consequently classified as Level 3 instruments. The movement in the fair value measurements within Level 3 of the fair value hierarchy for the period ended 30 June 2026 is explained in note 11.

In view of the insignificance of the Level 3 assets in the context of the Group's total assets, the disclosure of key unobservable inputs to Level 3 instruments and the sensitivity of Level 3 fair value to reasonably possible alternatives in respect of significant unobservable assumptions was not deemed necessary and relevant.

4. Fair value measurement of financial instruments - continued

Financial instruments not measured at fair value

As of the six-month period ended 30 June 2026 and the year ended 2025, the carrying amounts of balances with Central banks, loans and advances to banks, loans and advances to customers, other financial assets, borrowings from group companies, debt securities, amounts owed to customers, loans and advances with group companies and other financial liabilities reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments.

The fair values and carrying amounts of debt investments in securitisation portfolio and the debt investment in bonds are disclosed below. The estimated fair values were calculated based on cash flows discounted using the effective rate of the instrument. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

EUR '000	**Group**			
	30 June 2026		31 December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets at amortised cost				
Balances with Central Banks	**251,518**	**251,518**	162,686	162,686
Loans and advances to banks	**76,736**	**76,736**	63,881	63,881
Loans and advances to customers	**712,107**	**712,107**	672,175	672,175
Loans and advances to group companies	**46,265**	**46,265**	44,195	44,195
Debt investments:				
Debt investments in securitisation portfolio	**200,143**	**195,700**	194,072	195,200
Debt investments in bonds	**82,292**	**86,900**	94,194	94,400
Other financial assets	**33,695**	**33,695**	35,972	35,972
Total financial assets at amortised cost	**1,402,756**	**1,402,921**	1,267,175	1,268,509

EUR '000	**Bank**			
	30 June 2026		31 December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets at amortised cost				
Balances with Central Banks	**251,518**	**251,518**	162,686	162,686
Loans and advances to banks	**76,597**	**76,597**	63,881	63,881
Loans and advances to customers	**710,898**	**710,898**	672,175	672,175
Loans and advances to group companies	**46,265**	**46,265**	44,195	44,195
Debt investments:				
Debt investments in securitisation portfolio	**200,143**	**195,700**	194,072	195,200
Debt investments in bonds	**82,292**	**86,900**	94,194	94,400
Other financial assets	**33,690**	**33,690**	35,972	35,972
Total financial assets at amortised cost	**1,401,403**	**1,401,568**	1,267,175	1,268,509

4. **Fair value measurement of financial instruments** - continued

Financial instruments not measured at fair value - continued

EUR '000	**Group**			
	30 June 2026		31 December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial liabilities at amortised cost				
Amounts owed to customers	**1,159,785**	**1,159,785**	1,034,460	1,034,460
Borrowings from group companies	**26,440**	**26,440**	27,275	27,275
Debt securities	**29,068**	**29,068**	29,184	29,184
Other financial liabilities	**18,998**	**18,998**	23,105	23,105
Lease liabilities	**886**	**886**	1,152	1,152
Total financial liabilities at amortised cost	**1,235,177**	**1,235,177**	1,115,176	1,115,176

EUR '000	**Bank**			
	30 June 2026		31 December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial liabilities at amortised cost				
Amounts owed to customers	**1,159,785**	**1,159,785**	1,034,460	1,034,460
Borrowings from group companies	**26,440**	**26,440**	27,275	27,275
Debt securities	**29,068**	**29,068**	29,184	29,184
Other financial liabilities	**18,892**	**18,892**	23,105	23,105
Lease liabilities	**886**	**886**	1,152	1,152
Total financial liabilities at amortised cost	**1,235,071**	**1,235,071**	1,115,176	1,115,176

5. **Segmental reporting**

The Chief Executive Officer, supported by the Board of Directors, is considered to be the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments. Through its consumer unsecured loans, the Group serves customers in four main geographic areas being northern and western Europe, eastern Europe, Malta and Other. These four geographic areas are identified as operating segments and reported separately as they are operating segments exceeding the quantitative thresholds in IFRS 8.

The Northern and Western Europe reportable segment comprises the Nordic and Western countries, mainly Sweden, Norway, Finland, Denmark, United Kingdom, Spain, Luxembourg and Germany, while the Eastern Europe reportable segment comprises Latvia, Czechia, Estonia, Romania, Bulgaria, Croatia, Cyprus, Poland, Slovakia, Lithuania and Slovenia.

Since the Group's activities and operations are closely interlinked, the below data includes internal allocations of support services of income and expense. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity.

5. Segmental reporting - continued

In terms of segmental reporting of the Statement of Financial Position, the CODM reviews "Loans and advances to customers", "Amounts owed to customers", "Investments" and "Balances with Central Banks" as measures of the reportable segments' total assets and liabilities. These line items are consequently separately reported.

Segmental Reporting - Statement of Comprehensive Income

EUR '000	**Group For the six-month period ended 30 June 2026**				
	Northern and Western Europe	**Eastern Europe**	**Other**	**Malta**	**Total**
Operating profit	**52,413**	**35,717**	**86**	**(1,357)**	**86,859**
Operating expenses	**(21,350)**	**(14,836)**	**(58)**	**(8,356)**	**(44,600)**
Net impairment losses	**(17,471)**	**(12,762)**	**(9)**	**(327)**	**(30,569)**
Profit before tax	**13,592**	**8,119**	**19**	**(10,040)**	**11,690**

EUR '000	Group For the six-month period ended 30 June 2025				
	Northern and Western Europe	Eastern Europe	Other	Malta	Total
Operating profit	42,137	35,875	-	2,225	80,237
Operating expenses	(3,985)	(2,995)	-	(30,692)	(37,672)
Net impairment losses	(17,592)	(15,455)	-	-	(33,047)
Profit before tax	20,560	17,425	-	(28,467)	9,518

EUR '000	**Bank For the six-month period ended 30 June 2026**				
	Northern and Western Europe	**Eastern Europe**	**Other**	**Malta**	**Total**
Operating profit	**52,413**	**35,717**	**6**	**(1,357)**	**86,779**
Operating expenses	**(21,350)**	**(14,835)**	**-**	**(8,356)**	**(44,541)**
Net impairment losses	**(17,471)**	**(12,762)**	**-**	**(327)**	**(30,560)**
Profit before tax	**13,592**	**8,120**	**6**	**(10,040)**	**11,678**

5. **Segmental reporting** - continued

Segmental Reporting - Statement of Comprehensive Income - continued

EUR '000	Bank For the six-month period ended 30 June 2025				
	Northern and Western Europe	Eastern Europe	Other	Malta	Total
Operating profit	42,137	35,875	-	2,225	80,237
Operating expenses	(3,985)	(2,995)	-	(30,692)	(37,672)
Net impairment losses	(17,592)	(15,455)	-	-	(33,047)
Profit before tax	20,560	17,425	-	(28,467)	9,518

Segmental Reporting - Statement of Financial Position

EUR '000	**Group** **For the six-month period ended 30 June 2026**				
	Northern and Western Europe	**Eastern Europe**	**Other**	**Malta**	**Total**
Loans and advances to customers	**426,135**	**284,763**	**1,209**	**-**	**712,107**
Debt investments	**243,387**	**39,048**	**-**	**-**	**282,435**
Balances with Central Banks	**7,872**	**11,274**	**-**	**232,372**	**251,518**
Amounts owed to customers	**1,073,873**	**16,779**	**-**	**69,133**	**1,159,785**

EUR '000	Group For year ended 31 December 2025				
	Northern and Western Europe	Eastern Europe	Other	Malta	Total
Loans and advances to customers	431,854	240,321	-	-	672,175
Debt investments	242,375	45,891	-	-	288,266
Balances with Central Banks	6,539	11,385	-	144,762	162,686
Amounts owed to customers	1,000,952	4,155	-	29,353	1,034,460

5. **Segmental reporting** - continued

Segmental Reporting - Statement of Financial Position - continued

EUR '000	Bank				
	For the six-month period ended 30 June 2026				
	Northern and Western Europe	**Eastern Europe**	**Other**	**Malta**	**Total**
Loans and advances to customers	**426,135**	**284,763**	**-**	**-**	**710,898**
Debt investments	**243,387**	**39,048**	**-**	**-**	**282,435**
Balances with Central Banks	**7,872**	**11,274**	**-**	**232,372**	**251,518**
Amounts owed to customers	**1,073,873**	**16,779**	**-**	**69,133**	**1,159,785**

EUR '000	Bank				
	For year ended 31 December 2025				
	Northern and Western Europe	Eastern Europe	Other	Malta	Total
Loans and advances to customers	431,854	240,321	-	-	672,175
Debt investments	242,375	45,891	-	-	288,266
Balances with Central Banks	6,539	11,385	-	144,762	162,686
Amounts owed to customers	1,000,952	4,155	-	29,353	1,034,460

6. **Interest and similar income**

EUR '000	**For the six-month period ended 30 June**			
	Group		**Bank**	
	2026	2025	**2026**	2025
On loans and advances to customers	**88,982**	82,634	**88,902**	82,634
On debt investments	**10,433**	10,517	**10,433**	10,517
On loans and advances to group companies	**1,487**	992	**1,487**	992
On loans and advances to banks	**2,309**	799	**2,309**	799
	103,211	94,942	**103,131**	94,942

7. Interest and similar expense

EUR '000	For the six-month period ended 30 June			
	Group		Bank	
	2026	2025	**2026**	2025
On amounts owed to customers	**17,258**	16,002	**17,258**	16,002
On loans and advances from group	**1,532**	1,587	**1,532**	1,587
On debt securities	**1,741**	1,211	**1,741**	1,211
On lease liability	**23**	34	**23**	34
	20,554	18,834	**20,554**	18,834

8. Fee and commission income and expense

(a) Fee and commission income

EUR '000	For the six-month period ended 30 June			
	Group		Bank	
	2026	2025	**2026**	2025
Brokerage fees	**2,946**	4,211	**2,946**	4,211
Other fees	**1,269**	1,389	**1,269**	1,389
	4,215	5,600	**4,215**	5,600

8. Fee and commission income and expense - continued

(b) Fee and commission expense

EUR '000	For the six-month period ended 30 June			
	Group		Bank	
	2026	2025	**2026**	2025
Sales and commissions fees	**657**	1,062	**657**	1,062
Interbank transaction fees	-	38	-	38
Other fees	-	332	-	332
	657	1,432	**657**	1,432

9. Debt investments

The debt investments of the Group and Bank are composed of the following:

EUR '000	**As at 30 June 2026**	As at 31 December 2025
Debt investments in securitisation portfolio	**200,143**	194,072
Debt investments in bonds	**82,292**	94,194
	282,435	288,266

9. Debt investments - continued

The movement in debt investments is analysed as follows:

EUR '000	**Debt investments in securitisation portfolio**	**Debt investments in bonds**	**Total**
At 1 January 2025			
Gross carrying amount	151,967	109,383	261,350
Accumulated expected credit losses	(3)	(396)	(399)
Net carrying amount	**151,964**	**108,987**	**260,951**
Year ended 31 December 2025			
Opening net carrying amount	151,964	108,987	260,951
Acquisitions	41,444	11,045	52,489
Redemptions	-	(26,300)	(26,300)
Expected credit losses	(31)	(632)	(663)
Accrued interest	695	1,094	1,789
Closing net carrying amount	**194,072**	**94,194**	**288,266**
At 1 January 2026			
Gross carrying amount	194,106	95,222	289,328
Accumulated expected credit losses	(34)	(1,028)	(1,062)
Net carrying amount	**194,072**	**94,194**	**288,266**
Period ended 30 June 2026			
Opening net carrying amount	194,072	94,194	288,266
Acquisitions	6,056	2,543	8,599
Redemptions	-	(14,159)	(14,159)
Expected credit losses	-	(310)	(310)
Accrued interest	15	24	39
Closing net carrying amount	**200,143**	**82,292**	**282,435**
As at 30 June 2026			
Gross carrying amount	200,177	83,630	283,807
Accumulated expected credit losses	(34)	(1,338)	(1,372)
Net carrying amount	**200,143**	**82,292**	**282,435**

10. Investment in associate

As at 30 June 2026 and 31 December 2025, the Group held 28,489,175 shares in Lea Bank AB, a digital niche bank domiciled in Sweden, representing a 29.51% stake (31 December 2025: 29.68%). The Group did not enter into any share transactions during the first six months of 2026. The marginal decrease in its ownership interest was attributable to changes in the associate's total number of outstanding shares.

This investment is classified as an investment in associate and is accounted for using the equity method.

At the Annual General Meeting of Lea Bank AB held on 12 May 2026, it was resolved that an ordinary dividend of SEK 0.72 per share would be paid to its shareholders. Accordingly, the Group is entitled to receive a gross amount of SEK 20.5 million (EUR 1.9 million).

The transactions with Lea Bank AB were as follows during the first six months of 2026 and for the year ended 31 December 2025:

EUR '000	**As at 30 June 2026**	As at 31 December 2025
Beginning of the period	**28,103**	8,432
Additions	**-**	19,748
Share of results	**1,694**	2,689
Share of other comprehensive loss	**(97)**	-
Dividends declared	**(1,883)**	(3,958)
Exchange differences on translation of foreign operations	**(700)**	1,192
At the end of the period	**27,117**	28,103

11. Business combinations under common control

On 19 May 2026, the Bank obtained the approval from Malta Financial Services Authority to acquire shares in Bhawana.

On 26 May 2026, Multitude International Services Oy, an entity ultimately controlled by Multitude AG, transferred 8,924,688 shares in Bhawana Capital Private Limited ("Bhawana" to the Bank. The shares transferred represent 99.60% of Bhawana's issued share capital.

The acquisition of Bhawana was a transaction between entities under common control, as Multitude Bank, Multitude International Services and Bhawana are ultimately controlled by Multitude AG before and after the transaction.

The Group applies predecessor accounting to common-control transactions that are internal group reorganisations. Under predecessor accounting, the assets and liabilities of the acquired entity are recognised at the predecessor IFRS carrying amounts included in Multitude AG's consolidated financial statements. No new fair value uplift, purchase price allocation or new goodwill is recognised. Any difference between the consideration recognised and the predecessor carrying amount of the net assets acquired is recognised directly in equity as a common-control reserve.

EUR '000	
Purchase consideration	
Fixed consideration	**1,175**
Fair value of contingent consideration (see (i) below)	126
Total purchase consideration recognised in the separate financial statement as investment in subsidiaries	**1,301**
Bhawana's net assets at acquisition date as per predecessor's financial statements	(1,214)
Common-control reserve recognised in equity	**87**

11. Business combinations under common control - continued

(i) Contingent consideration

The contingent consideration is defined in the form of an annual earn-out equal to 25% of Bhawana's net profit after tax for each financial year from 1 April 2026 to 31 March 2031. No earn-out payment is due for a financial year in which Bhawana reports nil or negative profit. The agreement also permits deferral of payments if regulatory, capital adequacy or prudential requirements would otherwise be breached.

The liability is measured at fair value through profit or loss and classified within Level 3 of the fair value hierarchy. The fair value of EUR 126 thousand is determined using a probability-weighted present value technique based on forecast Bhawana net profit after tax, expected annual payments, and the effect of contractual regulatory deferral provisions.

As at 30 June 2026, there was a decrease in the fair value of the contingent consideration of EUR 9 thousand recognised in fair value and foreign exchange gains/losses in profit or loss for the contingent consideration arrangement. The liability is presented within other financial liabilities in the statement of financial position.

(iii) Investment in subsidiary

In the Bank's separate financial statements, the investment in Bhawana is measured at cost.

Details of the investment are as follows:

Name of subsidiary	**Country of incorporation**	**Principal activity**	**Ownership interest**
Bhawana Capital Private Limited	India	Non-Banking Finance Company	99.60%

(iv) Non-controlling interest

The Bank holds 99.60% of Bhawana's issued share capital. The remaining 0.40% is held by non-controlling shareholders and is presented as a non-controlling interest within consolidated equity. The amounts attributable to non-controlling interests were non-significant as at 30 June 2026.

12. Related party transactions

Multitude AG is the Group's ultimate parent company. All entities, which are ultimately controlled by Multitude AG are considered by the directors to be related parties. The ultimate controlling party of Multitude Bank plc is Mr. Jorma Jokela, who holds a majority stake in the share capital of Multitude AG.

The following principal transactions were carried out with related parties, comprising mainly group companies:

EUR '000	For the six-month period ended 30 June			
	Group		**Bank**	
	2026	2025	**2026**	2025
Interest income on loans and advances to group companies	**1,487**	992	**1,487**	992
Interest expense on loans and advances from group companies	**(1,532)**	(1,587)	**(1,532)**	(1,587)
Fee and other related income from group companies	**46**	527	**46**	527
Recharge of information technology costs, marketing, credit management expenses and staff training expenses from other group companies	**(28,936)**	(24,427)	**(28,936)**	(24,427)
Foreign exchange risk management fees charged by group company	**(100)**	(280)	**(100)**	(280)

As at 30 June 2026, other assets include amounts due from group companies amounting to EUR 3.7 million (31 December 2025: EUR 5.9 million) which are repayable on demand, unsecured and bear no interest.

As at 30 June 2026, other liabilities include amounts due to group companies, amounting to EUR 12.7 million (31 December 2025: EUR 16.2 million). Amounts due to group companies are repayable on demand, unsecured and bear no interest.

The Group has entered into a Foreign Exchange Risk Agreement with a group company, where the latter provides cover to the Group over realised and unrealised foreign exchange differences. Any realised and unrealised gains or losses attributable foreign exchange rate movements registered by the Group are allocated to the group company at the end of each month, in line with the terms of this agreement. During the period, the Group reported net foreign exchange loss amounting to EUR 791,000 (2025: net foreign exchange loss EUR 280,000) which were allocated to the group company. Interest income and expense attributable to loans and advances under this arrangement are presented in the above table.

12. **Related party transactions** - continued

Loans and advances to group companies:

EUR '000	Group		Bank	
	As at 30 June 2026	As at 31 December 2025	**As at 30 June 2026**	As at 31 December 2025
Net advances to group companies	**19,825**	16,920	**19,825**	16,920

The movements in the loans and advances are analysed below:

EUR '000	Group		Bank	
	As at 30 June 2026	As at 31 December 2025	**As at 30 June 2026**	As at 31 December 2025
At beginning of the period/year	**44,195**	35,602	**44,195**	35,602
Net advances to group companies	**2,208**	8,790	**2,208**	8,790
Allowance for expected credit losses	**(138)**	(197)	**(138)**	(197)
At end of the period/year	**46,265**	44,195	**46,265**	44,195

Borrowings from group companies:

EUR '000	Group		Bank	
	2026	2025	**2026**	2025
At beginning of the period/year	**27,275**	40,477	**27,275**	40,477
Net advances effected from/(to) group companies	**(8,784)**	(13,977)	**(8,784)**	(13,977)
Accrued interest payable	**7,949**	775	**7,949**	775
At end of the period/year	**26,440**	27,275	**26,440**	27,275

12. Related party transactions - continued

In 2024, the Group entered into another three subordinated loan agreements with Multitude AG amounting to EUR 5 million, EUR 6.5 million and EUR 10 million. These loans bear interest at a rate equal to three-month Euribor plus a margin of 9.5%. As at 30 June 2026, the interest rate for these loan agreements was 11.622% (2025: 11.83%). The term of these loan agreements is of 10 years.

During 2026 and 2025, the Group has continued to invest in securitisation vehicle along with another group company as explained in Note 9.

Furthermore, EUR 2 million worth of bonds issued by the Bank were held by the Group's ultimate parent company.

Transactions with the Group's associate are disclosed in Note 10.

The Group's senior executives and directors are deemed to be its key management personnel taking cognisance of the Group's activities. Key management personnel compensation, consisting of emoluments received by senior executives and directors for the six-month period ended 30 June 2026 amounted to EUR 971,000 (2025: EUR 929,000) and EUR 111,000 (2025: EUR 108,000), respectively.

During the period, Multitude International Services Oy transferred its 99.60% shareholding in Bhawana to the Bank as part of an internal group reorganisation. Details of the transaction are disclosed in Note 11.

13. Events subsequent to the reporting period

On 31 July 2026, the Bank completed the acquisition of 100% of the issued share capital of Multitude International Services Oy from Multitude AG, the Bank's ultimate parent company, for cash consideration of EUR 8.6 million, which was settled on the acquisition date. As a result of the transaction, Multitude International Services Oy became a wholly owned subsidiary of the Bank.

As the Bank and Multitude international Services were ultimately controlled by Multitude AG both before and after the transaction, the acquisition constitutes a business combination under common control. In accordance with the Bank's accounting policy for such transactions, the acquisition will be accounted for using the predecessor accounting method.

Report on review of interim financial information

To the Board of Directors of Multitude Bank p.l.c.

Introduction

We have reviewed the accompanying condensed consolidated and parent company (the "Bank") interim statements of financial position of Multitude Bank p.l.c. and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated interim statements of comprehensive income, statements of changes in equity and statements of cash flows for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

a) The maintenance and integrity of the Multitude Bank p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.

b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and parent company interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim financial reporting".

Other matter

This report, including the conclusion, has been prepared for and only for the Group and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Signed by:
Michael Formosa
6B39376A91O7478...

Michael Formosa
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta
12 August 2026

a) The maintenance and integrity of the Multitude Bank p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.

b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

For further information on Multitude Bank p.l.c., please visit

www.multitudebank.com

MULTITUDE
BANK