EFG Bank (Luxembourg) S.A.
Société Anonyme

Audited financial statements
for the year ended
December 31, 2025

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The figures presented in the financial statements tables may in some cases show non-significant differences due to the use of rounding. These differences do not affect in any way the fair view of the financial statements of the Bank.

Management Report for the year ended December 31, 2025

Overview
For EFG International Group (hereinafter the "EFG Group" or "EFG") and EFG Bank (Luxembourg) S.A. (hereinafter the "Bank"), 2025 was another year of strong progress and performance.

Against the backdrop of this dynamic global environment, EFG successfully concluded its 2023–2025 strategic cycle, meeting the ambitious targets set in 2022, exceeding the majority of them. Over the past cycle, EFG Group delivered strong growth, strengthened our profitability and enhanced our operational resilience, while maintaining disciplined cost management.

The Bank has reported IFRS profit before tax of EUR 50.5 million for the full year 2025 (2024: EUR 61.3 million) while the profit after tax is reported at EUR 37.9 million (2024: EUR 45.3 million). The Bank has maintained a disciplined approach to costs and reported an underlying cost/income ratio for Luxembourg operations of 57.8% for 2025 (51.9% in 2024).
The decrease in profitability year on year was mainly due to the decrease of Euro interest rates in the first half of 2025 and one-off expenses.

The Bank has maintained its strong capital and liquidity positions that are well in excess of the regulatory minimum requirements. At the end of 2025, our overall capital ratio stood at 30.98% (2024: 26.4%).

Economic and political events that shaped the market
In 2025, the global trade and security landscape shifted dramatically, and witnessed what is potentially the largest geopolitical reordering in recent times. This tested the resilience of governments and companies alike, as they were forced to react to sudden and sweeping changes. Despite these challenges, economic growth remained resilient, with only a slight slowdown in major advanced economies and continued strength in emerging markets. For the financial sector, the weaker US Dollar and lower interest rates, coupled with rising geopolitical tensions, create some headwinds and reduced visibility as we head into 2026.

For EFG as a globally active private banking group, there are, however, several secular trends shaping society that have a profound impact on our business. Wealth creation remains strong around the globe. According to a recent analysis, the financial wealth of high-net-worth individuals (HNWIs) is expected to grow by around 6% annually until 2030. A large part of this wealth will be created by entrepreneurs and will flow to international financial centres, where EFG is present. Many of our clients are global citizens who are seeking ways to diversify risk – not only across asset classes but also across geographies. In this period of geopolitical uncertainty, they view Swiss Private Banking with booking capabilities around the world as a means of geopolitical risk diversification.
We are increasingly seeing that wealth is "on the move" – between geographies and also between generations. The forthcoming Great Wealth Transfer, in which baby boomers will pass on their assets to their children and grandchildren, is set to become the largest intergenerational transfer of wealth in history.

Finding solutions to these global topics and secular trends will continue to shape the agenda of actors in the private and public sectors for the foreseeable future.

Key Financials

The amounts reported in the audited income statement are as follows:

Amounts in EUR '000	2025	2024	Δ%
Operating income	119 743	118 381	1%
Operating expense	-70 101	-62 641	12%
Operating profit	**49 642**	**55 741**	**-11%**
Portugal branch result, Depreciation, amortisation, provisions and one-off items	824	5 615	-85%
Result before taxes	**50 466**	**61 355**	**-18%**
Income tax (current and deferred)	-12 552	-16 098	-22%
Result after taxes	**37 914**	**45 258**	**-16%**

Note: presentation of the table is as per internal management reporting classification

The operating income of the Bank increased by 1% compared to prior year as the negative impact of the decreasing interest rates has been compensated from fees, larger volume of foreign exchange transactions by clients and higher contribution from treasury swap activity.

Operating expenses have increased by 12%, mainly due to increased salaries, variable compensation and IT & operational costs.

The result before taxes of the Bank decreased by 18% compared to prior year, impacted by increased provisions and one-off costs, mostly related to legacy cases.

The net profit of the Bank decreased by 16% and is reported at EUR 37.9 million, net of the full utilization of deferred tax assets of the Luxembourg entity (EUR 10.3 million) and current income tax expense (EUR 2.7 million).

Balance Sheet

Amounts in EUR '000	2025	2024	Δ%
Assets			
Cash and balances with central banks	1 947 899	1 498 740	30%
Due from banks	283 428	465 625	-39%
Loans and advances to customers	1 395 145	1 149 260	21%
Investment Securities	302 644	299 450	1%
Derivative financial instruments	3 082	11 001	-72%
Participation	12	12	0%
Other non-financial assets	22 487	37 228	-40%
	3 954 698	**3 461 316**	**14%**
Liabilities			
Due to banks	267 962	147 492	82%
Due to customers	3 345 173	2 984 222	12%
Derivative financial instruments	3 081	9 682	-68%
Other non-financial liabilities	73 847	51 523	43%
	3 690 064	**3 192 920**	**16%**

Equity			
Share Capital	168 000	168 000	0%
Other equity items	96 635	100 396	-4%
	264 635	268 396	-1%

The balance sheet increased in 2025 by approximately 14% as compared to the previous year mainly due to the increase of customer deposits by 12% (EUR 361 million). The increased liquidity has been mostly placed in Luxembourg Central Bank, while customer loan growth has been partially funded by EFG Group through a long-term credit line of € 130 million.

The total equity of the Bank has decreased from EUR 268.4 million in 2024 to EUR 264.6 million in 2025 mainly due to the result of the year offset by the dividend payment to the direct shareholder of the Bank.

Research & Developments

Consistently with prior years, the Bank did not invest into research and development during 2025.

Acquisition of own shares

The Bank did not acquire own shares during the year 2025.

Branches

Greek branch

The Bank opened a Representative Office in Athens on September 15, 2014, which was transformed into a non-booking branch on July 7, 2017 upon receipt of the approval from the Greek regulator.

The main objective of the presence in Athens is to promote the Bank and EFG products and services to High Net Worth (HNW) clients in Greece whose accounts are opened and managed in Luxembourg. The Athens branch operates under the European Union passport rules.

The growth strategy of the Athens branch has been focused on organic growth based on the EFG CRO model. The Athens branch has offered since early 2023 the following additional services to clients:

- Investment advice – investment recommendations, based on market and securities analysis provided by the Luxembourg Head Office and EFG Group affiliates, in order to meet the investment profiles and the clients' needs;
- The reception of orders from clients and the transmission of these orders to the Head Office.

The Athens branch is staffed with 10 employees, including a Legal and Compliance Liaison Officer.

Portuguese branch
As part of its growth strategy within E.U., the Bank during January 2019 filed with the CSSF a new branch passport notification to open a non-booking branch in Portugal located in Lisbon to offer specific investment services. The regulator transmitted the passport request to the Bank of Portugal who approved the creation of the branch in March 2019.

The Portuguese branch's main objective is to attract High Net Worth clients, introduce them to the Head Office and to offer a diverse range of services and acting as one stop shop for their needs, aiming to grow the AuMs and revenues of the Bank from wealth management services.

As these investment services are provided locally, the respective agreements executed between the Portuguese branch, the Bank and their clients.

The activities of the branch officially started in September 2019.

The branch with offices in Lisbon and Porto, is staffed with 15 employees, including a Legal and Compliance Liaison Officer.

Risk management

The Authorised Management is responsible for introducing appropriate internal control mechanisms and for providing sufficient and competent human resources to ensure sound and prudent risk management of the activities of the Bank and adherence to the risk appetite approved by the Audit & Risk Committee and the Board of Directors in the overall context of the Bank's Risk Strategy.

The Authorised Management implements, through internal risk policies and procedures and in alignment with regulatory requirements, all risk management principles defined by the Board of Directors through the Risk Management Framework of the Bank.

The Risk Management principles are outlined in the Risk Management Framework, which has been approved by the Audit & Risk Committee and the Board of Directors and are set out in the Bank's procedures, which are approved by the Authorised Management.

The organisation is set up according to the concept of the three-lines of defence model, distinguishing operational units, support functions and the Internal Audit function.

Within the support functions, the Bank's organisation includes two Control Functions, Compliance and Risk Management. Together with the Internal Audit function, these functions are responsible for controlling that the policies and procedures of the Bank are respected and for identifying and evaluating their appropriateness in respect to both internal and external developments in the context of their specific domain. They are independent functions which can report directly to the Board of Directors.

Finally, the Internal Audit function conducts audit missions according to a duly approved audit plan which covers all the activities of the Bank.

The Bank is also under the consolidated supervision of EFG Group.

Taking into account the scope of the business activity, the Board of Directors has drawn up a risk strategy which details the following taxonomy of risk:

- Credit risks (Client, Counterparty and Country exposure risk, Default risk, Recovery risk, Settlement risk, Concentration risk);
- Market risks (Equity risk, foreign currency (FX) risk, Interest Rate risk in the Banking Book (IRRBB), Longevity risk, Correlation risk);
- Liquidity risks (Asset liquidity risk, Funding liquidity risk);
- Operational risks (Operational risk, Compliance (Financial Crime/Conduct) risk, Legal risk, Tax risk, outsourcing risk);
- Other risks (Business/Strategic risk, Reputational risk, Emerging risk).

Below there is a description of those risk areas that constitute material risk.

1. <u>Credit risk:</u>

The credit risk is the risk of loss due to the default by a client of the Bank. The credit risk includes the risk in relation with the loans secured by financial assets and those secured by real estate, granted on restrictive basis.

To mitigate this risk, the Bank has established an organisational structure assigning responsibilities, administration, approval and control of credit activities escalated to management depending on the level of exposure. Credit operations are governed by a comprehensive set of policies and procedures to ensure that all aspects of credit risk are adequately covered.

Counterparty risk is the risk of loss due to the default by a financial institution or professional counterparty.

The global policy of the Bank is to select only highly rated counterparties. The Bank has received an exemption from the Regulator concerning intra-group exposures in respect to the limit regulation towards credit institutions. The Bank monitors counterparty risk through a set of limits and performs controls on a regular basis on the different counterparties to ensure that there is no breach against these limits.

2. <u>Market risk:</u>

Market risk comprises the risk of losses on-balance-sheet and off-balance-sheet items as a result of price movements in the equity, interest rate and foreign exchange markets. Given the Bank's activity, market risk consists mainly of interest rate risk and foreign currency risk. The Bank does not have exposure to equities or commodities.

The Bank, with the support of the EFG Group Risk Control and Market Risk departments, monitors daily interest rate and FX risks through historical Value at Risk and Exposure at Risk, standard shocks on interest and FX rates and other stress testing scenarios ensuring that Capital and Earnings sensitivities move within the set internal market limits.

3. <u>Liquidity risk:</u>

Liquidity risk is the risk that the Bank will have insufficient liquid assets to meet its commitments or to fund its asset base.

The Bank maintains adequate liquidity in order to conduct its business in a prudent manner and to be able to meet its obligations.

With regard to Luxembourg statutory requirements, the Bank endeavours to always maintain regulatory liquidity ratios at a high level (well above the regulatory 100% for the Liquidity Coverage ratio (31 12 2025: 186% ¦ 31 12 2024: 167%) and the NSFR ratio (31 12 2025: 141% ¦ 31 12 2024: 225%). The decrease of NSFR as compared to prior year is due to a change of the regulatory treatment of lombard loans maturities that attract higher required stable funding.

4. *Operational risk:*

Operational risk is the risk of loss resulting from inadequate or failed internal processes, failure of people and/or system operations, internal or external frauds or from external non idiosyncratic events. In addition, the Bank has identified among others the following "non-pure operational" categories falling within the greater perimeter of operational risks:

- Compliance (Financial Crime and Conduct) risk;
- Outsourcing risk;
- Legal risk;
- Wealth Management risk;
- IT risk;
- Tax risk.

The Bank has implemented a comprehensive manual of procedures covering the activities of all departments and respects a strict segregation of duties. Detailed workflows provide all employees with a valuable toolkit to perform their daily duties and controls. Internal processes and systems are regularly monitored and improved.

The Bank has also introduced a business continuity plan designed to enable it to continue operations under all circumstances. An IT system back-up has been put in place so that normal business can be resumed as soon as possible in the event of major problems.

The Bank considers Compliance and Legal risks as the main drivers of Operational risk present in the Institution and has taken all necessary steps in terms of Governance, staffing, controls and processes in order to mitigate these risks.

5. *Other risks:*

- Reputational:

Reputation risk is the risk of harm to the Bank as a result of damage to its image or reputation. The Bank endeavours to mitigate reputation risk in various ways including having a selective client acceptance policy, non-participation in non-standard or non-transparent activities, employees hiring process, Code of Conduct and ethical standards.

- Strategic & Business risk:

Strategic risk is the risk to earnings and capital resulting from adverse or delayed strategic business decisions, which may prove to be sub-optimal even though they could have been correct at the time they were taken based on the available information.

- Emerging risk:

New risks or familiar risks become apparent in new or unfamiliar conditions. Their sources can be natural or human, and often are both. Relevant emerging risk of the Bank may arise from environmental and climate aspects affecting other risk categories.

The Bank reviews on a regularly basis the strategy drawn up and the financial results. In addition, periodic monitoring of the financial key figures is performed to ensure the adherence with the strategic plan of the Bank.

Bank's perspective 2026

EFG has initiated the next chapter of our sustainable and profitable growth story. As announced at the Investor Day on 25 November 2025, the EFG Group will focus on delivering consistent performance and on unlocking the power of compounding for the 2026-2028 period.

Over the next three years, the EFG Group and the Bank will continue to build on strengths: client-centric business model, first-class content and client solutions, and our "simplicity" mindset across our operational processes, which can enhance with technology. EFG focuses on three key areas:

- Clients: EFG's client-centric model has been the engine of growth
- Content: Delivering impartial, high-quality advice is core priority.
- Simplicity: stablished the core foundations for technology enabled growth

At the same time, the EFG Group and the Bank will seek to capture new opportunities for growth.

In line with commitment to sustainable value creation, EFG has set ambitious yet realistic financial targets for the 2026-2028 strategic cycle, targeting to net new asset growth and increased profitability.

For the Bank the main priorities for 2026 will be:

- Support the EFG Group to achieve the EFG 2026-2028 strategic plan & financial targets;
- Expand the product offering and support clientele with credit solutions;
- Funds Services continue to grow and support the Private Banking clientele;
- Portugal branch to continue its growth trajectory by focusing on high-net-worth individuals and niche market segments;
- Greek branch targeting to further increase market visibility and provide tailored product offering to the local market.

The bank has limited direct exposure to middle east and does not expect a significant impact other than the general macroeconomic effect in the main markets it operates.

Subsequent Events

Mr Yves Maas has been appointed as Chief Executive Officer of the Bank with effective date 1st January 2026, succeeding Mrs Eleni Laskari who has retired from the role.

The Bank did not face any significant subsequent event in 2026 that would require adjustment or disclosure in the financial statements.

March 27, 2026

Yves Maas Chief Executive Officer	Christos Deligiannis Chief Financial Officer

Audit report

To the Board of Directors of
EFG Bank (Luxembourg) S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of EFG Bank (Luxembourg) S.A. (the "Bank") as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

- The Bank's financial statements comprise:
- the statement of financial position as at 31 December 2025;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended;
- the Statement of profit and loss and other comprehensive income for the year then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

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

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Bank and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 34 to the financial statements.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of provision and contingent liabilities of ongoing litigations. We refer to Note 25 of the financial statements, which states a provision of 2 740 069 EUR. We focused on the valuation of the provisions as those are of material significance for the financial statements. Indeed, the Bank has some pending and ongoing legal disputes in Luxembourg and its branches. The Management's judgement towards those provisions includes the estimation in assessing the valuation but also the likelihood that a pending claim will succeed, or that a liability will araise. The evaluation of this judgement have been of most significance during the current year.	We obtained Management's assessment and their assumptions used to determine the provisions related to the ongoing litigations in Luxembourg and its branches: • We assessed Management's process to identify new possible obligations and changes regarding existing obligations in compliance with IAS 37 requirements; • We analysed significant changes from prior years and obtained from the Management a detailed understanding of these items and assumptions used; • We challenged the assumptions used by the Management as well as the methods used to determine the provisions as at 31 December 2025; • We inspected the list of client complaints for Luxembourg and its branches and performed external lawyer's confirmation; • Finally, in relation to the present financial statements, we verified that the disclosures related to the provisions are in line with the requirements of IAS 37.
Valuation of Loans and advances to customers in Stage 3 may not be accurate We refer to the accounting policy in Note 2 and to Note 4.2 of the financial statements, which presents the Credit Risk the Bank is exposed to, including the Expected Credit Loss (ECL) of the loan portfolio of the Bank. The loans and advances to customers are iniitally recognised at amortised cost and subsequently measured at amortised costs less expected credit loss in accordance with IFRS 9. The portfolio of Loans and advances to customers granted by the Bank contains a limited number of Stage 3 loans as per IFRS 9. The calculation of the expected credit loss for these loans includes estimated that are based on judgement. Due to these estimates and the impact on the aforementioned balance sheet item, its valuation is determined as a key audit matter.	We obtained Management's assessment, calculations and their assumptions used to determine the amount of Expected Credit Loss (ECL) of the loans and advances to customers currently under Stage 3 in Luxembourg: • We performed a review of the loans in Stage 3 in order to assess the validity of the Loan, and of the collateral and guarantees obtained by the Bank to grant the Loan; • We ensured that the collateral used by the Bank was sufficient in order to cover the position at risk. We also challenged the valuation of this collateral; • We obtained Management's position and understanding of the Loans identified and assessed their judgement on the possibility for the Bank to activate and recover the collateral; • We challenged the assumptions used by the Management as well as the calculations methods used to determine the ECL of those loans as at 31 December 2025; • We obtained an analysis of external lawyers, if needed, to corroborate the position and assumptions of the Bank over the recoverability of the collateral; • Finally, in relation to the present financial statements, we verified that the disclosures related to the provisions are in line with the requirements of IFRS9.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

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

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Bank as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the Board of Directors on 27 March 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 20 years.

Luxembourg, 27 March 2026

PricewaterhouseCoopers Assurance, Société coopérative
Represented by

Nicolas Grillot

Statement of profit and loss and other comprehensive income for the year ended December 31, 2025

	Note	2025 EUR	2024 EUR
Interest income	5	103 543 637	139 621 607
Interest expense	5	(56 252 800)	(82 188 384)
Net interest income		47 290 837	57 433 223
Banking Fee and commission income	6	56 806 190	52 284 384
Banking Fee and commission expense	6	(2 011 051)	(2 029 707)
Net banking fee and commission income		54 795 139	50 254 677
Net other income	7	21 415 225	14 098 018
Operating income		123 501 201	121 785 918
Operating expenses	8, 9	(71 561 624)	(61 870 889)
Provisions	25	(1 292 389)	1 278 932
Loss allowances		(181 161)	161 481
Profit/(loss) before tax		50 466 027	61 355 442
Income tax	10	(12 552 047)	(16 097 540)
Net profit/(loss) for the year		37 913 980	45 257 902
Other comprehensive income items that may be reclassified subsequently to the income statement:			
Fair value gains and losses on financial assets at fair value through other comprehensive income		-	-
Tax effect on financial assets at fair value through other comprehensive income		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		37 913 980	45 257 902

Statement of financial position as at December 31, 2025

	Note	2025 EUR	2024 EUR
ASSETS			
Cash and balances with central banks	12, 13	1 947 899 155	1 498 740 069
Due from other banks	13, 14	283 428 286	465 624 972
Derivative financial instruments	15	3 082 054	11 000 645
Investment Securities	18	302 644 499	299 450 163
Loans and advances to customers	16, 17	1 395 145 409	1 149 259 878
Participations	19	12 000	12 000
Property, plant and equipment	21	7 962 939	10 173 389
Intangible assets	20	2 892 924	2 953 771
Current income tax assets		161 287	15 903
Deferred income tax assets	11	1 120 842	10 777 523
Other assets	22	10 348 955	13 307 393
Total assets		**3 954 698 350**	**3 461 315 706**
LIABILITIES			
Due to other banks	23	267 962 403	147 491 947
Due to customers	24	3 345 172 647	2 984 222 389
Derivative financial instruments	15	3 081 328	9 681 860
Current income tax liabilities	11	2 492 215	203 500
Deferred income tax liabilities	11	173 240	-
Provisions	25	2 740 069	1 076 980
Other liabilities	26	68 441 864	50 242 889
Total liabilities		**3 690 063 766**	**3 192 919 565**
EQUITY			
Share capital	27	168 000 000	168 000 000
Other equity	28, 31	10 745 466	9 695 856
Other reserves	28	8 165 971	5 903 076
Retained earnings		77 723 147	84 797 208
Total equity		**264 634 584**	**268 396 141**
Total equity and liabilities		**3 954 698 350**	**3 461 315 706**

Statement of changes in equity for the year ended December 31, 2025

	Attributable to equity holder of the Bank					
	Share capital EUR	Other Equity EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance at January 1, 2024	168 000 000	8 644 861	-	2 722 076	83 166 900	262 533 837
Equity-settled share-based plan expensed in the income statement	-	3 298 994	-	-	-	3 298 994
Employee equity incentive plans exercised	-	(4 284 829)	-	-	-	(4 284 829)
Employee equity incentive plans revaluation (*)		2 036 830			(2 036 830)	-
Issuance Additional Tier 1 instrument	-	-	-	-	-	-
Dividend paid	-	-	-	-	(38 409 763)	(38 409 763)
Profit/(loss) for the year	-	-	-	-	45 257 902	45 257 902
Legal reserve allocation	-	-	-	3 181 000	(3 181 000)	-
Balance at December 31, 2024	168 000 000	9 695 856	-	5 903 076	84 797 209	268 396 141
Balance at January 1, 2025	**168 000 000**	**9 695 856**	**-**	**5 903 076**	**84 797 209**	**268 396 141**
Equity-settled share-based plan expensed in the income statement	-	3 339 344	-	-	-	3 339 344
Employee equity incentive plans exercised	-	(4 556 096)	-	-	-	(4 556 096)
Employee equity incentive plans revaluation (*)		2 266 361			(2 266 361)	-
Issuance Additional Tier 1 instrument	-	-	-	-	-	-
Dividend paid	-	-	-	-	(40 458 785)	(40 458 785)
Profit/(loss) for the year	-	-	-	-	37 913 980	37 913 980
Legal reserve allocation	-	-	-	2 262 895	(2 262 895)	-
Balance at December 31, 2025	168 000 000	10 745 465	-	8 165 971	77 723 148	264 634 585

(*) Please refer to Note 35.

Statement of cash flows for the year ended December 31, 2025

	Note	2025 EUR	2024 EUR
Cash flows from operating activities			
Interest received	5	103 543 637	139 621 607
Interest paid	5	(56 252 800)	(82 188 384)
Banking fee and commission received	6	56 564 940	53 219 566
Banking fee and commission paid	6	(2 011 051)	(2 029 707)
Net trading income	7	22 568 270	11 041 383
Other operating income receipts / (payments)	7	165 015	502 596
Staff costs paid	9	(39 520 202)	(36 763 680)
Other operating expenses paid	8	(20 959 474)	(19 796 750)
Income tax paid	10	(433 411)	(450 283)
Cash flows from operating activities before changes in operating assets and liabilities		**63 664 924**	**63 156 348**
Changes in operating assets and liabilities			
Net (increase)/decrease in Treasury bills and other eligible bills		-	-
Net decrease/(increase) in due from other banks (>90 days)		39 525 622	(39 515 494)
Net (increase)/decrease in derivatives financial instruments		(102 345)	(1 405 485)
Net decrease/(increase) in loans and advances to customers		(250 066 692)	(15 152 365)
Net decrease/(increase) in other assets		(3 170 642)	1 649 851
Net increase/(decrease) in due to other banks		120 470 456	40 116 789
Net increase/(decrease) in due to customers		360 950 258	(293 075 175)
Net increase/(decrease) in provisions	25	(188 111)	(457 874)
Net increase/(decrease) in other liabilities		17 920 298	6 618 596
Net cash flows from operating activities		**285 338 844**	**(301 221 160)**
Cash flows from investing activities			
Purchase of securities	18	(172 938 288)	(25 604 265)
Proceeds from sale of securities		169 743 951	443 175 219
Purchase of intangible assets	20	-	-
Purchase of property, plant and equipment	21	(252 592)	(624 863)
Net cash flows used in investing activities		**(3 446 929)**	**416 946 091**
Cash flows from financing activities			
Share capital issuance	27	-	-
Additional Tier 1 equity instruments issuance	28, 31	-	-
Dividend paid		(40 458 785)	(38 409 763)
Net cash flows from financing activities		**(40 458 785)**	**(38 409 763)**
Effect of exchange rate changes on cash and cash equivalents		**1 389 968**	**(8 540 211)**

Net change in cash and cash equivalents		**306 488 022**	**131 931 304**
Cash and cash equivalent at beginning of period		1 924 839 419	1 792 908 115
Net change in cash and cash equivalents		306 488 022	131 931 304
Cash and cash equivalents	13	**2 231 327 441**	**1 924 839 419**

1. General

EFG Bank (Luxembourg) S.A. (the "Bank") was incorporated in Luxembourg on January 10, 2006 as a "Société Anonyme".

The Bank is engaged in the business of providing private banking services and offers following services to Undertakings for Collective Investments ("UCI"): custody, transfer agent and register, paying and listing agent.

EFG Bank (Luxembourg) S.A. is included in the consolidated accounts of EFG International AG ("EFGI"), whose registered office is in Zurich where the consolidated accounts are available. These consolidated accounts represent the biggest group of companies, which the Bank belongs to as a subsidiary. They can be viewed on the Group's website www.efginternational.com and they will be delivered to the Registrar of Companies in Luxembourg, together with the financial statements of EFG Investment (Luxembourg) S.A., the immediate parent company of the Bank and the smallest group of companies.

The Bank has branches in Greece, Portugal. The Bank's financial statements include the operations of the branches.

These financial statements have been approved and issued by the Board of Directors on March 27, 2026.

2. Summary of significant accounting policies and valuation rules

Basis of preparation

The financial statements are for the year ended December 31, 2025. These financial statements have been prepared in accordance with (i) IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union and (ii) interpretations issued by the IFRS Interpretation Committee (IFRIC) applicable to companies reporting under IFRS.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2024.

The preparation of financial statements in conformity with IFRS, as adopted by the European Union, require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Please also refer to Note 3 regarding the accounting estimates and judgements.

New and amended standards applied by the Bank

The Bank has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2025:

- Amendments to IAS 21 – "The effects of changes in foreign exchange rates ".

These standards and amendments do not have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

New and amended standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Bank.

In April 2024, the IASB issued a new standard, IFRS 18 "Presentation and Disclosure in Financial Statements". The new standard will be effective for reporting periods beginning on or after January 1, 2027. IFRS 18 introduces a defined structure of the income statement, disclosures related to the income statement, and enhanced guidance on the principles of aggregation and disaggregation which focus on grouping items based on their shared characteristics.

In May 2024, the IASB issued targeted amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The new amendments will be effective for reporting periods beginning on or after January 1, 2026.

These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, add new guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows, and update the disclosures for equity instruments designated at fair value through other comprehensive income.

The Bank did not identify any material impacts arising from the review of these new amendments.

(a) Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as "true mergers" or "mergers of equals" are also business combinations as that term is used in IFRS 3.

A business combination may be structured in a variety of ways for legal, taxation or other reasons, which include but are not limited to:

- one or more businesses become subsidiaries of an acquirer or the net assets of one or more businesses are legally merged into the acquirer;
- one combining entity transfers its net assets, or its owners transfer their equity interests, to another combining entity or its owners;

- all of the combining entities transfer their net assets, or the owners of those entities transfer their equity interests, to a newly formed entity (sometimes referred to as a roll-up or put-together transaction); or
- a Group of former owners of one of the combining entities obtains control of the combined entity.

The Bank shall account for each business combination by applying the acquisition method that requires:

- identifying the acquirer;
- determining the acquisition date;
- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- recognising and measuring goodwill or a gain from a bargain purchase. This means allocating, at the acquisition date, the purchase price to the assets acquired and liabilities and contingent liabilities assumed.

The acquisition date is the date on which the Bank (as acquirer) effectively obtains control of the acquiree. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred to the Bank (as the acquirer), liabilities incurred by the Bank to the former owners of the acquirees and the equity interests issued by the Bank in exchange for control of the acquiree with specific exception for employee benefit, income taxes, contingent liabilities, reacquired rights, share-based payment transactions and assets held for sale. After the business combination, the assets acquired and liabilities assumed are measured in accordance with the respective IFRS.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The Bank as acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

a) the aggregate of:
   - the consideration transferred measured in accordance with IFRS 3, which generally requires acquisition-date fair value except for the above exceptions;
   - the amount of any non-controlling interest in the acquire measured in accordance with IFRS 3; and
   - in a business combination achieved in stages, the acquisition-date fair value of the acquirer’s previously held equity interest in the acquiree.
b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3.

After initial recognition, goodwill is measured at cost and tested for impairment at least annually. Occasionally, an acquirer will make a bargain purchase, which is a business combination in which the amount (b) exceeds the aggregate of the amounts (a). If that excess remains after applying the requirements in IFRS 3, the acquirer shall recognise the resulting gain in profit or loss on the acquisition date. The gain shall be attributed to the acquirer.

In addition, the Bank as acquirer shall recognise, separately from goodwill, the identifiable intangible assets acquired in a business combination. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal criterion. After initial recognition, these intangible assets are measured at cost less accumulated depreciation and impairment losses.

However, IFRS 3 does not apply to a business combination of entities or businesses under common control. A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. IFRS principles do not cover accounting treatment that should be applied to business combinations involving entities under common control.

(b) Foreign currencies

The Bank's functional and presentation currency is Euro (EUR).

Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at the market rates of exchange ruling at the balance sheet date.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items valued at fair value, such as derivatives, are reported as part of the Net other income fair value gain or loss.

(c) Derivative financial instruments

Derivative financial instruments, including foreign exchange contracts such as currency forwards and currency swaps, are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivative financial instruments are initially recognised in the balance sheet at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices, including recent market transactions, discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives embedded in other financial instruments, such as the option in a structured product, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement, unless the Bank chooses to designate the hybrid contracts at fair value through profit and loss. The Bank does not have any such embedded derivatives.

The Bank does not use hedge accounting. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

(d) Statement of profit and loss and other comprehensive income

(i) Interest income and expenses

Interest income and expenses are recognised for all interest-bearing instruments on an accrual basis, using the effective interest method. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and any other premiums or discounts. Negative interest on assets is recorded as an interest expense, and negative interest on liabilities is recorded as interest income. For financial assets at amortised cost or debt instruments at fair value through other comprehensive income classified in Stage 3 for expected credit loss purposes, the original effective interest rate is applied to the amortised cost of the asset rather than to the gross carrying amount.

(ii) Banking Fee and commission

Fees and commissions are recognised on an accrual basis.

The Bank generates fees and commission income from services provided over time (such as portfolio management and advisory services) or when the Bank delivers a specific transaction at a point in time (such as brokerage services). The Bank recognises fees earned on transaction-based arrangements at a point in time when the service has been fully provided to the customer. Where the contract requires services to be provided over time, income is recognised on a systematic basis over the life of the agreement.

Except for certain portfolio management and advisory fees, all fees are generated at a fixed price. Portfolio management and advisory fees can be variable depending on the size of the customer portfolio and the Bank’s performance as fund manager. Variable fees are recognised when the performance benchmark has been met and when collectability is assured. The Bank acts as principal in the majority of contracts with customers. When the Bank acts as agent (in certain brokerage, custody and retrocession arrangements), it recognises income net of fees payable to other parties in the arrangement.

Fee income generated from providing a service that does not result in the recognition of a financial instrument is presented within banking fees and commission income. Fees generated from the acquisition, issue or disposal of a financial instrument are presented in the income statement in line with the balance sheet classification of that financial instrument.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment, to their residual values over their estimated useful life as follows:

- Computer hardware: 3–10 years;
- Furniture, equipment and motor vehicles: 3–10 years;
- Right-of-use assets: over the non-cancellable period for which the Bank has the right to use an asset, including optional periods when the Bank is reasonably certain to exercise an option to extend (or not to terminate) a lease.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating expenses in the income statement.

The Bank primarily leases office premises, as well as some IT equipment. Rental contracts vary from fixed periods of six months to 15 years.

The Bank recognises lease liabilities in relation to leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of entering the lease.

The remeasurements to the lease liabilities are recognised as adjustments to the related right-of-use assets immediately after the date of initial application. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet.

(f) Intangible assets

This includes the following categories:

Computer software

Amortisation is calculated using the straight-line method over a 3 to 10 year basis. The acquisition cost of software, licences and other assets capitalised is on the basis of the cost to acquire and bring into use the specific software, licenses and other assets.

Customer relationships

Amortisation is calculated on the basis of 14 years useful life. The remaining life is reviewed periodically for reasonableness.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Under IFRS, goodwill is not amortised but is tested for impairment at least annually and is carried at cost less accumulated impairment losses. Intangible assets are amortised on a systematic basis over their useful lives.

Intangible assets are tested for impairment when there is any indication that the asset may be impaired. Intangible assets are carried at cost less amortisation and accumulated impairment losses.

(g) Financial assets and liabilities

All financial assets are recorded on the day the transaction is undertaken, with the exception of loans and advances to customers, which are entered in the balance sheet on their respective value dates. Purchases and sales of other financial assets at fair value or amortised cost are recognised on trade date, which is the date on which the Bank commits to purchase or sell the asset. Loans and advances to customers are recognised when cash is advanced to the borrowers.

(i) Measurement methods: Amortised cost and effective interest rate

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

When the Bank revises the estimates of future cash flows, the carrying value of the respective financial asset or financial liability is adjusted to reflect the new estimated discount using the original effective interest rate. Any changes are recognised in profit or loss.

(ii) Initial recognition and measurement

At initial recognition, the Bank measures a financial asset or financial liability at its fair value. In case of a financial asset or financial liability subsequently not measured at fair value through profit or loss (FVTPL), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions are included to the fair value at initial recognition. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

Business models: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as “other” business model and measured at FVTPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key Management personnel, how risks are assessed and managed and how Management are compensated.

Solely Payment of Principal and Interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instrument’s cash flows represent solely payments of principal and interest (the “SPPI test”). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, based on qualitative or quantitative criteria, the related financial asset is classified and measured at fair value through profit or loss.

(iii) Fair value through other comprehensive income (FVTOCI)

Debt instruments that are held for collection of contractual cash flows and for selling the assets, where the asset's cash flows represent solely payments of principal and interest, and that are not designated at fair value through profit or loss are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for loss allowances, interest revenue and foreign exchange gains and losses on the instruments amortised cost, which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Net other income". Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

Equity instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. The Bank subsequently measures all equity investments at fair value through profit and loss, except where the Bank's Management has elected at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments in fair value through other comprehensive income when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit and loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit and loss as other income when the Bank's right to receive payment is established.

The Bank does not have financial assets classified at fair value through profit or loss except derivatives.

(iv) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Other movements in the fair value (for example from interest rate or credit risk changes) which are not part of a hedging relationship, are presented in the income statement within "Fair value gains less losses on financial instruments measured at fair value" in the period in which they arise.

Gains and losses on equity investments at fair value through profit and loss are included in "Net other income".

The Bank does not have financial assets classified at fair value through profit or loss except derivatives.

(v) Impairment

The Bank assesses loss allowances at each reporting date as further detailed in Note 4. The measurement of expected credit loss reflects:

- An unbiased and probability-weighted value that is determined by evaluating a range of possible outcomes;
- Time value of money;

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(vi) *Classification and subsequent measurement of financial liabilities, financial guarantees contracts and loan commitments*

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking). Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the value of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the value that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining value of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial guarantee contracts and loan commitments: financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of the expected credit loss value; and the premium received on initial recognition less any income recognised upfront. Loan commitments provided by the Bank are measured as the value of the expected loss allowance. For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. If the contract includes both a loan and an undrawn commitment and the expected credit loss on the undrawn commitment cannot be separated from the loan component, the expected credit loss on the undrawn commitment is recognised together with the loss allowance for the loan.

(vii) *Derecognition of financial assets and liabilities*

A financial asset, or a portion thereof, is derecognised when the contractual rights to receive cash flows from the asset have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control. A financial liability is derecognised when extinguished (i.e. the obligation specified in the contract is discharged, cancelled or expires).

(viii) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Such a right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances:

- In the normal course of business;
- In the event of default;
- In the event of insolvency or bankruptcy.

(h) Investment in subsidiaries

The Bank has elected, as allowed by IAS 27, to account for the investment in subsidiary at cost. In case of impairment indicators the Bank measures and records the impairment loss in the reporting period. The Bank determines that investments are potentially impaired when there has been a significant or prolonged decline in the fair value of the investments below their cost.

(i) Income tax expense

Current tax expense comprises income tax payable on profits, based on the applicable tax law in each jurisdiction, and is recognised as an expense in the period in which profits arise.

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The expected effective tax rates are used to determine deferred income tax. The principal temporary differences arise from intangible amortisation, pension obligations, and revaluation of certain financial assets and liabilities.

Deferred tax assets are only recognised to the extent that it is probable that they will crystallise in the future. Deferred tax relating to changes in fair values of financial assets classified as “Investment Securities”, which is taken directly to the “Statement of other comprehensive income”, is charged or credited directly to other comprehensive income and for debt instruments is subsequently recognised in the income statement together with the deferred gain or loss on disposal. The Bank does not currently have Investment Securities revalued through other comprehensive income.

(j) Employee benefits

(i) Retirement benefit obligations

The Bank operates a defined contribution pension plan. The Bank pays the contribution to publicly or privately administered pension plans and has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

(ii) Short-term employee benefits

The Bank recognises short-term compensated absences and approved bonuses as a liability and an expense.

(iii) Share-based compensation

The parent company EFG International AG operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options or restricted stock units is recognised as an expense over the vesting period for options or restricted stock units granted under the plan.

(k) Related party transactions

Related parties include associates, fellow subsidiaries, directors and key members of the management, their close families, companies owned or controlled by them and companies whose financial and operating policies they can influence. Transactions of similar nature are disclosed on an aggregate basis.

(l) Provisions

The Bank is involved in various legal and arbitration proceedings in the normal course of its business operations. The Bank establishes provisions for current and pending legal proceedings if Management is of the opinion that the Bank is more likely than not to face payments or losses and if the amount of such payments or losses can be reliably estimated. The nature and amount of provisions are disclosed, unless management expects the disclosure of that fact could prejudice our position with other parties in the matter.

Restructuring provisions comprise employee termination payments and costs to terminate contracts. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(m) Share Capital and dividends

Ordinary shares issued are classified as equity.

(i) Share issue costs

Incremental costs directly attributable to the issue of new shares or Bons de Participation are shown in equity as a deduction from the proceeds attributable to share premium.

(ii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholder.

(n) Fiduciary activities

Where the Bank acts in a fiduciary capacity, such as nominee, trustee or agent, assets and income arising on fiduciary activities, together with related undertakings to return such assets to customers, are excluded from the statement of financial position and are monitored off-balance sheet.

(o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, short-term deposits and other short-term highly liquid investments with original maturities of less than 90 days maturity. Cash and cash equivalents must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

3. Critical accounting estimates and judgements in applying accounting policies

In the process of applying the accounting policies, the Bank's Management makes various judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities recognised in the financial statements in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The different judgements, estimates and assumptions are disclosed in the notes.

(a) Expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring the expected credit losses are further detailed in Note 4, which also sets out the key sensitivities of the expected credit losses to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring the expected credit losses, such as:

- Determining the criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit losses;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated expected credit losses;
- Establishing groups of similar financial assets for the purposes of measuring the expected credit losses.

(b) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The determination of whether an outflow is probable and the amount, which are assessed by Bank's Management in coordination with the Bank's and EFG Group's legal and other advisors, requires the judgement of the Bank's Management. For further information please refer to Note 25.

(c) Impairment of intangible assets

The Bank tests at least annually whether goodwill has suffered impairment in accordance with the accounting policy stated in Note 2 (f). The recoverable amounts of cash-generating units are the higher of the assets' value in use and fair value less costs of disposal which is determined on the basis of the best information available on the amount that could be obtained from the disposal of the assets in an arm's-length transaction, after deduction of the costs of disposal. The value in use is determined by using a discounted cash flow calculation based on the estimated future operating cash flows of the asset. An impairment is recorded when the carrying amount exceeds the recoverable amount. For key assumptions used in value in use calculations and further information please refer to Note 20.

(d) Fair value of financial instruments

The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are validated before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require Management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For further information please refer to Note 4.6.

4. Financial risk management

4.1 Financial risk factors

The Bank's Management has implemented risk management procedures which are based on policies and procedures of EFGI. Ultimate responsibility for the risk management of the Bank lies with the Bank's Board of Directors, who set the Bank policies and risk appetite in collaboration with EFGIs Group Risk Committee (GRC).

4.2 Credit risk

Credit risk is the risk of loss due to borrower or counterparty default. To address this risk, the Bank has established an organizational structure allocating responsibilities, administration, approval and control of credit activities. Credit operations are governed by a comprehensive set of policies and procedures to ensure that all aspects of credit risk are adequately covered.

Credit risk related to transactions with clients of the Bank is managed according to the Bank Credit competence procedure.

Management of exposure to financial institutions is based on a system of counterparty limits. Financial institutions as well as country risk exposures are the responsibility of the Bank's Credit Function.

The Bank's Management ensures the implementation of the credit policies and procedures defined by the Board of Directors and the approval of the client credit risks according to the competencies defined by the Board of Directors. The Credit department monitors credit exposures against approved limits and pledged collateral on a daily, weekly, and monthly basis. The Bank applies additional margins if the loan and the collateral are not in the same currency. Management insists on a thorough understanding of the underlying collateral and the purpose of the loan, ordinarily property or cash. The credit policy of the Bank and the nature of the loans ensure that the Bank's loan book is of high quality.

Each exposure receives a grading from 1 to 10, whereas 1 (top) is the best and 10 (expected loss) is the worst grading. The classification into one of the grading levels depends mainly on the provided collateral.

<u>Credit loss measurement</u>

The Bank applies the IFRS 9 three stage approach for impairment measurement:
- Stage 1: for financial assets that have not experienced a significant increase in credit risks (SICR) since initial recognition a 12-months expected credit losses (ECL) is measured;
- Stage 2: for financial assets that experienced a significant increase in credit risks since initial recognition (but not yet deemed to be credit-impaired) a lifetime ECL is measured;
- Stage 3: for credit-impaired or defaulted financial assets a lifetime ECL is measured.

Specific ECL measurements have been developed for each type of credit exposure. Generally the three components of ECL are exposure at default, probability of default and loss given default, defined as follows:
- Exposure at default (EAD) is based on the amounts the Bank expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur;
- Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per “definition of default” below), either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation; and
- Loss given default (LGD) represents the Bank’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of EAD expected to be non-recoverable if the default occurs in the next 12 months and lifetime LGD is the percentage of EAD expected to be non-recoverable, the default occurs over the remaining expected lifetime of the loan.

<u>Due from other banks and investment securities</u>

This includes all assets that are classified as follows:
- Cash and balances with central banks;
- Treasury bills and other eligible bills;
- Due from other banks; and
- Investment Securities.

Inputs and assumptions

The ECL for all products above is estimated using three components:
- EAD (exposure at default): book value (amortised cost assets) and purchase value adjusted for amortisation and discount unwind (financial assets at fair value through other comprehensive income);
- PD (probability of default): estimated based on external counterparty credit risk rating information (Standard & Poor’s annual global corporate default study and rating transition). For unrated instruments a BBB is considered as a proxy;
- LGD (loss given default): for stage 1 and stage 2 assets aligned to the credit default swap ISDA market standard (recovery rate 40%). In case of stage 3 assets, determined on an individual basis.

Estimation techniques

Macroeconomic expectations for sovereign securities and central banks debt are incorporated via their respective rating obtained from Standard & Poor's as part of their assessment of counterparty credit risk. For banks and corporate counterparties the PD and related transition matrices are impacted on the basis of the Bank's macroeconomic expectations.

Significant increase in credit risk

A significant increase in credit risk (SICR) is determined based on rating changes and individually assessed by an internal expert panel considering a range of external market information (e.g. credit default spreads, rating outlook).

Definition of default

The default is triggered through a payment default on the instrument or any cross-default indication.

Lombard lending

Lombard lending includes loans and advances to customers covered by financial collaterals. Being secured by diversified portfolios of investment securities, the risk of default of the loan is driven by the collateral.

Inputs and assumptions

The exposure of Lombard loans considers potential drawdowns, and the ECL is estimated by means of two components:

- ECL due to adverse market price movements that captures the risk that a shortfall arises when collateral values decrease to a level insufficient to cover the respective lombard loan exposure (based on assumptions regarding market price volatility of collateral asset classes, currency mismatch between loan and collateral, close-out periods and LGD considering collateral liquidation sales cost) and;
- ECL due to a default of a large single collateral position (top 1 to top 5) yielding a shortfall for the lombard loan exposure (based on PD and LGD for each sub-asset class based on counterparty risk ratings, LGD to assess the collateral value after default and close-out periods).

Estimation techniques

As opposed to the general measurement approach, the ECL measurement for lombard loans is not based on the PD but on the probability to reach the close-out trigger level and the related expected positive exposure (EPE). The latter corresponds to an uncovered shortfall which in combination with the LGD parameter determines the ECL. No additional macro-conditioning of variables is necessary as macroeconomic effects are captured through parameters such as volatility and loan-to-value (LTV) levels. Post-model adjustments have been recognised on selected individual cases for which risks and uncertainties cannot be adequately reflected with the existing models.

Significant increase in credit risk

A SICR occurs once the close-out trigger (based on collateral LV) is reached and contextually the computed ECL is above a materiality threshold.

Definition of default

Lombard loans that were closed out or have their collateral liquidated, resulting in an actual shortfall, or where liquidation is still in progress, resulting in a potential shortfall, are considered credit-impaired and classified as stage 3.

Mortgages and other loans

All loans and advances to customers not considered lombard lending are included in this classification. These are residential and commercial mortgages, commercial loans, and overdrafts.

Inputs and assumptions

The ECL for mortgages and for other loans is estimated using three components:
- EAD: the exposure considers contractual repayments, as well as potential drawdown over the lifetime of the loan;
- PD: derived from historical transition matrices. To derive forward-looking default estimates, these matrices are calibrated to the macroeconomic expectation;
- LGD: calculated based on the possibility to cure (derived from the transition matrix), considering the current LTV and the future recovery value of underlying properties for mortgages (computed considering house price development and sales costs proxies).

Estimation techniques

Each loan is assigned to a risk grade on the basis of its credit quality (i.e. rank order estimation).

Forward-looking macroeconomic effects are incorporated with forecasts on gross domestic product (GDP) growth, unemployment rate and house price index (HPI).

Post-model adjustments have been recognised on selected individual cases for which risks and uncertainties cannot be adequately reflected with the existing models.

Significant increase in credit risk

A SICR is experienced by any exposure greater than 30 days past due, or with a deterioration of other criteria (such as rank order estimation or watchlist status), or previously defaulted (cure period).

Definition of default

Any exposure greater than 90 days past due, or other criteria (such as rank order estimation or watchlist status) or following an individual assessment is considered credit-impaired and classified as stage 3.

Contractual modifications

The Bank may modify the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view of maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms of initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank may determine that the credit risk has significantly reduced after restructuring, so that the assets are removed from stage 3 or stage 2 in accordance with the new terms for the six consecutive months or more.

Write off policy

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- Ceasing enforcement activity;
- Where The Bank recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write off financial assets that are still subject to enforcement activity. The Bank still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectations of full recovery.

Macro-economic scenario and sensitivity analysis

The ECL results are based on forward-looking projections. These projections consider different macroeconomic scenarios, in particular a baseline, upside and downside scenario are considered.

The most significant assumptions affecting the ECL are as follows:

- For residential and commercial mortgages: HPI, given the impact it has on mortgage collateral valuations; GDP and unemployment rate, given the correlation with the customers' wealth, as well as the commercial clients' business environment, hence in turn their ability to repay the loans;
- For due from customers – lombard lending: asset volatility, given the impact it has on financial collateral valuations.

The table below illustrates the impact on stage 1 and stage 2 ECL from reasonably possible changes in the main parameters from the actual assumptions used.

Portfolio	Parameter	Scenario		
		Upside sensitivity EUR k	Downside sensitivity EUR k	Stress sensitivity EUR k
Mortgages and other loans	GDP growth, unemployment and yields	(0.5)	0.5	1
Mortgages and other loans	House price indices	-	3.8	60.8
Lombard loans	Volatilities	na	na	6.9

Exposure to credit risk

Quality of assets and liabilities measured at amortised cost

The table below summarises the carrying values, expected credit loss allowance by stage of those financial assets that were measured at amortised cost as of December 31, 2025:

December 31, 2025	Total carrying value EUR	ECL Staging Stage 1	Stage 2	Stage 3	ECL allowance included in carrying values EUR
Cash and balances with central banks	1 947 899 470	(314)	-	-	1 947 899 156
Due from other banks	283 428 286	-	-	-	283 428 286
Loans and advances to customers	1 395 902 520	(5 410)	(10)	(751 691)	1 395 145 409
Investment Securities	302 663 797	(19 298)	-	-	302 644 499
Other assets	10 348 954	-	-	-	10 348 954
Total Expected Credit Losses as at December 31, 2025	-	**(25 023)**	**(10)**	**(751 691)**	**(776 724)**
Total carrying value as at December 31, 2025	**3 940 243 028**	**3 918 763 772**	**5 575 658**	**15 903 598**	**3 940 243 028**
Commitments and financial guarantees	88 133 909	-	4 114	-	4 114

The table below summarises the carrying values, expected credit loss allowance by stage of those financial assets that were measured at amortised cost as of December 31, 2024:

December 31, 2024	Total carrying value EUR	ECL Staging Stage 1	Stage 2	Stage 3	ECL allowance included in carrying values EUR
Cash and balances with central banks	1 498 740 315	(246)	-	-	1 498 740 069
Due from other banks	465 624 972	-	-	-	465 624 972
Loans and advances to customers	1 149 829 445	(5 723)	(233)	(563 611)	1 149 259 878
Investment Securities	299 471 514	(21 351)	-	-	299 450 163
Other assets	13 307 393	-	-	-	13 307 393
Total Expected Credit Losses as at December 31, 2024		**(27 320)**	**(233)**	**(563 611)**	**(591 164)**
Total carrying value as at December 31, 2024	**3 426 973 639**	**3 408 840 198**	**1 534 934**	**16 598 507**	**3 426 973 639**
Commitments and financial guarantees	115 404 322	-	8 575	-	8 575

Loss allowances

Total

The table below presents the total aggregate changes in gross carrying values and loss allowances:

Loss allowance	Stage 1 12-month ECL EUR	Stage 2 Lifetime ECL EUR	Stage 3 Lifetime ECL EUR	Total EUR
IPCLoss allowance as at January 1, 2025	**(27 320)**	**(233)**	**(563 611)**	**(591 164)**
Increase due to origination and acquisition	(15 560)	(9)	(234 527)	(250 096)
Decrease due to derecognition	12 403	-	15 368	27 771
Changes due to change in credit risk (net)	5 454	232	31 078	36 765
Changes due to modifications without derecognition (net)	-	-	-	-
Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at December 31, 2025	**(25 023)**	**(10)**	**(751 691)**	**(776 724)**
Gross carrying amount transfers:				
Transfer from Stage 1 to Stage 2	-	4 546 024	-	4 546 024
Transfer from Stage 2 to Stage 1	5 785 635	-	-	5 785 635
Transfer from Stage 1 to Stage 3	-	-	187 236	187 236
Transfer from stage 3 to Stage 1	3 004 043	-	-	3 004 043

Cash and balances with central banks

The table below presents the aggregate changes in gross carrying values and loss allowances for balances with central banks:

Loss allowance	Stage 1 12-month ECL EUR	Stage 2 Lifetime ECL EUR	Stage 3 Lifetime ECL EUR	Total EUR
Loss allowance as at January 1, 2025	(246)	-	-	(246)
Increase due to origination and acquisition	-	-	-	-
Decrease due to derecognition	-	-	-	-
Changes due to change in credit risk (net)	(68)	-	-	(68)
Changes due to modifications without derecognition (net)	-	-	-	-
Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at December 31, 2025	(314)	-	-	(314)
Gross carrying amount transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 1 to Stage 3				
Transfer from stage 3 to Stage 1	-	-	-	-

Due from other banks

The table below presents the aggregate changes in gross carrying values and loss allowances for Due from other banks:

Loss allowance	Stage 1 12-month ECL EUR	Stage 2 Lifetime ECL EUR	Stage 3 Lifetime ECL EUR	Total EUR
Loss allowance as at January 1, 2025	-	-	-	-
Increase due to origination and acquisition	-	-	-	-
Decrease due to derecognition	-	-	-	-
Changes due to change in credit risk (net)	-	-	-	-
Changes due to modifications without derecognition (net)	-	-	-	-
Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at December 31, 2025	-	-	-	-
Gross carrying amount transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 1 to Stage 3				
Transfer from stage 3 to Stage 1	-	-	-	-

Loans and advances to customers

The table below presents the aggregate changes in gross carrying values and loss allowances for Loans and advances to customers:

Loss allowance	**Stage 1 12-month ECL EUR**	**Stage 2 Lifetime ECL EUR**	**Stage 3 Lifetime ECL EUR**	**Total EUR**
Loss allowance as at January 1, 2025	**(5 723)**	**(233)**	**(563 611)**	**(569 567)**
Increase due to origination and acquisition	(5 025)	(9)	(234 527)	(239 561)
Decrease due to derecognition	4 982	-	15 368	20 350
Changes due to change in credit risk (net)	356	232	31 078	31 667
Changes due to modifications without derecognition (net)	-	-	-	-
Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at December 31, 2025	**(5 410)**	**(10)**	**(751 691)**	**(757 111)**
Gross carrying amount transfers:				
Transfer from Stage 1 to Stage 2	-	4 546 024	-	4 546 024
Transfer from Stage 2 to Stage 1	5 785 635	-	-	5 785 635
Transfer from Stage 1 to Stage 3	-	-	187 236	187 236
Transfer from stage 3 to Stage 1	3 004 043	-	-	3 004 043

Investment Securities

The table below presents the aggregate changes in gross carrying values and loss allowances for Investment Securities:

Loss allowance	**Stage 1 12-month ECL EUR**	**Stage 2 Lifetime ECL EUR**	**Stage 3 Lifetime ECL EUR**	**Total EUR**
Loss allowance as at January 1, 2025	**(21 351)**	-	-	**(21 351)**
Increase due to origination and acquisition	(10 535)	-	-	(10 535)
Decrease due to derecognition	7 421	-	-	7 421
Changes due to change in credit risk (net)	5 166	-	-	5 166
Changes due to modifications without derecognition (net)	-	-	-	-
Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
Decrease in allowance account due to write-offs	-	-	-	-
Other adjustments	-	-	-	-
Loss allowance as at December 31, 2025	**(19 298)**	-	-	**(19 298)**
Gross carrying amount transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 2 to Stage 1				
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from stage 3 to Stage 1	-	-	-	-

Collateral and other credit enhancements

The Bank employs a range of policies and practices to mitigate the credit risk. The most traditional of these is the taking of security for credit exposures. The Bank adheres to guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

- Charged over financial instruments such as debt securities and equities; and
- Mortgages over residential and to a limited extent commercial properties.

Concentration of risks of financial assets with credit risk exposure

The Bank manages the risk of concentration by monitoring and reviewing on a regular basis its large exposures.

As of December 31, 2025, the carrying value of the exposure of the eight largest borrowers (excluding Central Bank and intragroup) was EUR 496 million (2024: EUR 370 million).

4.3 Market Risk

Market risk is the risk of the fair value or cash flow of the financial instruments will fluctuate due to change in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The exposure of the Bank to the market risk is considered as limited as no investment in equity other than the Hold to Collect Investment portfolio, metals and commodities portfolios and no treasury and trading activity for its own account. The Bank's portfolio on derivative instrument is for covering customer transactions and for closing the on-balance net currency exposure mainly denominated in USD. Their mirroring on the Bank's side is managed through a Service Level Agreement with EFGI. The Bank ensures that no exposure to significant market risk stays open at the end of the day, by verifying correct mirroring of clients' transactions.

(a) Price risk

Price risk is the potential for the decline in the price of an asset or security relative to the rest of the market. The Bank has no treasury and trading activities for its own account.

(b) Foreign exchange risk

The Bank carries out foreign currency operations for its clients. As a general rule, the Bank does not take any forex exposure. All contracts initiated by clients are directly mirrored/covered by the Bank. The Bank monitors on a daily basis the eventual foreign exchange exposure that the Bank may encounter. In most of the cases, such exposures are caused by automatic currency conversion done within the Bank main banking application (limited to specific transactions and amounts).

For the net currency position that derives from on balance sheet transactions (mainly driven by USD net customer deposits), the Bank enters into cross currency swaps to close any foreign currency position. The related nominal values of the cross-currency swaps are disclosed in Note 15.

The table below summarises the Bank's on balance sheet exposure to foreign currency exchange rate risk at December 31, 2025. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by currency.

	2025					
	EUR					
	GBP	USD	EUR	CHF	Other	Total
Assets						
Cash and balances with central banks	6 813	32 579	1 947 850 082	9 681	-	1 947 899 155
Due from other banks	2 958 678	141 301 952	70 578 873	2 625 022	65 963 761	283 428 286
Derivative financial instruments	15 296	910 224	1 015 362	782 811	358 361	3 082 054
Investment Securities	-	30 330 488	272 314 012	-	-	302 644 499
Loans and advances to customers	67 008 297	157 461 343	850 105 752	154 250 879	166 049 138	1 395 145 409
Participations	-	-	12 000	-	-	12 000
Property, plant, and equipment	-	-	7 962 939	-	-	7 962 939
Intangible assets	-	-	2 892 924	-	-	2 892 924
Current income tax assets	-	-	161 287	-	-	161 287
Deferred income tax asset	-	-	1 120 842	-	-	1 120 842
Other assets	21 800	48 279	10 278 143	298	435	10 348 955
Total assets	70 010 884	301 347 075	3 193 030 006	157 938 691	232 371 695	3 954 698 350

	2025					
	EUR					
	GBP	USD	EUR	CHF	Other	Total
Liabilities						
Due to other banks	-	15 427 420	104 527 317	-	148 007 665	267 962 403
Due to customers	71 332 889	994 948 809	2 028 167 363	156 694 900	94 028 686	3 345 172 647
Derivative financial instruments	-	1 761 834	458 348	648 171	212 975	3 081 328
Current income tax liabilities	-	-	2 492 215	-	-	2 492 215
Deferred income tax liabilities	-	-	173 240	-	-	173 240
Provision	-	-	2 740 069	-	-	2 740 069
Other liabilities	328 727	37 253 727	30 810 798	320	48 292	68 441 864
Total liabilities	71 661 615	1 049 391 791	2 169 369 350	157 343 391	242 297 618	3 690 063 765
Net balance sheet position	(1 650 732)	(748 044 717)	1 023 660 656	595 302	(9 925 925)	264 634 585
Contingent liabilities and Commitments	-	-	61 819 460	50 000	2 050 078	63 919 538

	2024					
	EUR					
	GBP	USD	EUR	CHF	Other	Total
Assets						
Cash and balances with central banks	7 170	16 844	1 498 705 572	10 483	-	1 498 740 069
Due from other banks	5 965 603	178 576 442	149 865 992	4 802 952	126 413 983	465 624 972
Derivative financial instruments	42 344	8 185 699	278 375	2 477 375	16 852	11 000 645
Investment Securities	-	82 521 798	216 928 365	-	-	299 450 163
Loans and advances to customers	84 563 561	70 076 147	847 859 325	117 590 536	29 170 309	1 149 259 878
Participations	-	-	12 000	-	-	12 000
Property, plant, and equipment	-	-	10 173 389	-	-	10 173 389
Intangible assets	-	-	2 953 771	-	-	2 953 771
Current income tax assets	-	-	15 903	-	-	15 903
Deferred income tax asset	-	-	10 777 523	-	-	10 777 523
Other assets	21 341	633 185	12 579 163	71 927	1 777	13 307 393
Total assets	90 600 019	340 010 115	2 750 149 378	124 953 273	155 602 921	13 461 315 706

	2024					
	EUR					
	GBP	USD	EUR	CHF	Other	Total
Liabilities						
Due to other banks	13 297 970	5 678 021	74 328 269	54 187 687	-	147 491 947
Due to customers	76 805 586	1 083 797 460	1 630 313 285	64 780 983	128 525 075	2 984 222 389
Derivative financial instruments	19 595	53 376	5 673 099	2 800 380	1 135 410	9 681 860
Current income tax liabilities	-	-	203 500	-	-	203 500
Provision	2 784	-	1 074 196	-	-	1 076 980
Other liabilities	375 091	13 424 188	33 305 324	3 110 706	27 580	50 242 889
9Total liabilities	90 501 026	1 102 953 044	1 744 897 673	124 879 756	129 688 065	3 192 919 565
Net balance sheet position	98 993	(762 942 929)	1 005 251 705	73 517	25 914 856	268 396 141
Contingent liabilities and Commitments	-	-	88 389 004	164 683	11 714	88 565 401

The Bank performs on a daily basis a Value at Risk (VaR) on its FX exposures. In regard to VaR calculations, a 10D VaR is calculated with 99% confidence interval-meaning that the Bank is 99% confident that the most of losses will not exceed 1% (Historical 501 days). At the end of December 2025, the VaR is evaluated at EUR (18 959) (2024: EUR (7 233)).

(c) Interest rate risk

The table below summarises the Bank's exposure to interest rate risk at December 31, 2025. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2025					
	Up to 3 months EUR	3 - 12 months EUR	1- 5 years EUR	Over 5 years EUR	Non-interest bearing EUR	Total EUR
Assets						
Cash and balances with central banks	1 947 899 155	-	-	-	-	1 947 899 155
Due from other banks	283 411 643	-	16 643	-	-	283 428 286
Derivative financial instruments	3 082 054	-	-	-	-	3 082 054
Investment Securities	142 000 038	160 644 461	-	-	-	302 644 499
Loans and advances to customers	1 001 802 791	321 974 200	47 930 918	23 437 500	-	1 395 145 409
Participations	-	-	-	-	12 000	12 000
Property, plant and equipment	-	-	-	-	7 962 939	7 962 939
Intangible assets and goodwill	-	-	-	-	2 892 924	2 892 924
Current income tax	-	-	-	-	161 287	161 287
Deferred income tax assets	-	-	-	-	1 120 842	1 120 842
Other assets	-	-	-	-	10 348 955	10 348 955
Total assets	**3 378 195 681**	**482 618 661**	**47 947 561**	**23 437 500**	**22 498 947**	**3 954 698 350**
Liabilities						
Due to banks	85 766 558	14 199 633	144 558 712	23 437 500	-	267 962 403
Due to customers	2 970 389 602	364 499 330	10 252 937	30 778	-	3 345 172 647
Derivative financial instruments	3 081 328	-	-	-	-	3 081 328
Current income tax liabilities	-	-	-	-	2 492 215	2 492 215
Deferred income tax liabilities	-	-	-	-	173 240	173 240
Provisions	-	-	-	-	2 740 069	2 740 069
Other liabilities	-	-	-	-	68 441 863	68 441 863
Total liabilities	**3 059 237 488**	**378 698 963**	**154 811 649**	**23 468 278**	**73 847 387**	**3 690 063 765**
Net balance sheet position	**318 958 194**	**103 919 698**	**(106 864 088)**	**(30 778)**	**(51 348 440)**	**264 634 585**
Contingent liabilities and commitments	90 649	550 000	11 548 755	51 730 134	-	63 919 538

Impact of stress testing in relation with interest rate is detailed in Note 4.5.

The table below summarises the Bank's exposure to interest rate risk at December 31, 2024. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2024					
	Up to 3 months EUR	3 - 12 months EUR	1- 5 years EUR	Over 5 years EUR	Non-interest bearing EUR	Total EUR
Assets						
Cash and balances with central banks	1 498 740 069	-	-	-	-	1 498 740 069
Due from other banks	426 099 349	39 505 246	20 377	-	-	465 624 972
Derivative financial instruments	11 000 645	-	-	-	-	11 000 645
Investment Securities	156 222 790	143 227 373	-	-	-	299 450 163
Loans and advances to customers	812 988 532	249 288 418	46 670 428	40 312 500	-	1 149 259 878
Participations	-	-	-	-	12 000	12 000
Property, plant and equipment	-	-	-	-	10 173 389	10 173 389
Intangible assets and goodwill	-	-	-	-	2 953 771	2 953 771
Current income tax	-	-	-	-	15 903	15 903
Deferred income tax assets	-	-	-	-	10 777 523	10 777 523
Other assets	-	-	-	-	13 307 393	13 307 393
Total assets	**2 905 051 385**	**432 021 037**	**46 690 805**	**40 312 500**	**37 239 979**	**3 461 315 706**
Liabilities						
Due to banks	63 430 105	17 265 522	26 483 820	40 312 500	-	147 491 947
Due to customers	2 750 964 917	222 931 081	10 303 786	22 605	-	2 984 222 389
Derivative financial instruments	9 681 860	-	-	-	-	9 681 860
Current income tax liabilities	-	-	-	-	203 500	203 500
Provisions	-	-	-	-	1 076 980	1 076 980
Other liabilities	-	-	-	-	50 242 889	50 242 889
Total liabilities	**2 824 076 882**	**240 196 603**	**36 787 606**	**40 335 105**	**51 523 369**	**3 192 919 565**
Net balance sheet position	**80 974 503**	**191 824 434**	**9 903 199**	**(22 605)**	**(14 283 390)**	**268 396 141**
Contingent liabilities and commitments	324 807	-	36 484 794	51 755 800	-	88 565 401

4.4 *Liquidity risk*

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The Bank's liquidity risk management process is carried out by Middle Office department and monitored by the Finance department in collaboration with the Head Office. It includes:

- The day-to-day review of placements, balances and limits to ensure respect of Group and regulator principles, is done by Middle Office Department;
- The day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, is done by Middle Office Department;
- The monitoring balance sheet, liquidity ratios against internal and regulatory requirements is done by Finance Department;
- The global control, management and reporting of limit with Head Office, is done by the Finance Department.

The Bank trades the majority of client's deposits and exchange transactions through the Treasury Desk of EFG Bank AG, Geneva.

(a) Non-derivative financial liabilities cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial instruments by remaining contractual undiscounted cash flows.

Although due to customers are mainly at sight from a contractual point of view, in practice and from an economical perspective, it has been observed that they provide a stable funding source, thereby reducing the exposure to liquidity risk.

	2025					
	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Financial Liabilities						
Due to other banks	199 664 619	16 402 816	14 199 633	14 257 835	23 437 500	267 962 403
Due to customers	2 281 484 258	688 475 963	366 181 648	9 000 000	30 778	3 345 172 647
Total Financial liabilities (Contractual maturity dates)	**2 481 148 876**	**704 878 778**	**380 381 282**	**23 257 835**	**23 468 278**	**3 613 135 050**
Guarantees and loan commitments	230 224	899 025	3 186 593	13 915 917	69 902 151	88 133 909

	2024					
	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Financial Liabilities						
Due to other banks	61 975 920	1 454 185	17 265 522	26 483 820	40 312 500	147 491 947
Due to customers	2 238 956 330	510 197 889	226 027 822	9 017 743	22 605	2 984 222 389
Total Financial liabilities (Contractual maturity dates)	**2 300 932 250**	**511 652 074**	**243 293 345**	**35 501 563**	**40 335 105**	**3 131 714 336**
Guarantees and loan commitments	397 475	1 645 585	3 765 735	37 898 160	71 697 367	115 404 322

Assets available to meet all of the liabilities and to cover outstanding loan commitments include "cash and balances with central banks", "loans and advances to banks" and "Investment securities".

(b) Derivative cash flows

The Bank's derivatives that will be settled on a gross basis include foreign exchange derivatives: currency forwards and currency swaps. There are no derivatives settled on a net basis.

The table below analyses the Bank's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Due to the unpredictability of option's exercise, options are not disclosed in table below.

At December 31, 2025	Up to 1 month	1-3 months	3-12 months	Total
	EUR	EUR	EUR	EUR
Derivatives held for trading				
o Foreign exchange derivatives				
o Outflow	1 301 407 141	322 694 416	89 360 583	**1 713 462 140**
o Inflow	1 301 265 103	322 883 428	89 415 954	**1 713 564 485**

At December 31, 2024	Up to 1 month	1-3 months	3-12 months	Total
	EUR	EUR	EUR	EUR
Derivatives held for trading				
o Foreign exchange derivatives				
o Outflow	878 047 363	426 685 918	73 081 508	**1 377 814 789**
o Inflow	880 777 099	425 245 445	73 197 730	**1 379 220 274**

4.5 Sensitivity analysis and stress tests

(a) Sensitivity analysis

The risk assessment through sensitivity analysis considers all major market risks deriving from assets, liabilities and off-balance-sheet transactions. The simulations analyse the impacts on risk exposures of adverse movements in market parameters. For interest rate risk, the following risk exposures are assessed:

- Impact on net interest income (NII): the NII assessment determines the impact of a change in the interest rate structure on the forecasted interest income (and thus on current earnings). This view is based on nominal values and considers the impact on the basis of a 12-month time horizon;
- Impact on economic value of equity (EVE): the EVE assessment measures the impact of changes in interest rates on current values of future cash flows and thus on the current economic value of Bank's equity.

In contrast to the first approach, which focuses solely on a one-year time frame, the impact on the economic value of equity expresses the long-term impact deriving from all future cash flows, if there is a shift in market interest rates.

For foreign exchange rate risk, the sensitivity measurement covers in particular:

- The mismatch between on- and off-balance-sheet positions denominated in foreign currencies;
- The forecasted earnings that are originated by positions in foreign currencies.

(b) Stress tests

VaR calculation and sensitivity analysis are complemented by stress tests, which identify the potential impact of extreme market scenarios on Bank's equity and income statement. These stress tests simulate both exceptional movements in prices or rates, and drastic deteriorations in market correlations.

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions.

The stress tests include:

- Risk factor stress testing, where stress movements are applied to each risk category;
- Ad hoc stress testing, which includes applying possible stress events to specific positions;
- Reverse stress test to examine vulnerabilities of the implemented models and risks embedded in Bank's exposures.

The Value at risk (VaR) is an indicator used to estimate the maximum potential loss of a position, given predefined confidence interval and time horizon, under normal market conditions following adverse movements of markets parameters (interest rates, credit spreads and foreign currencies).

The VaR methodology applied by the Bank is based on a full revaluation historical approach based on 251 daily observations and considering a confidence interval of 99% and a time horizon of 10 days (VaR 10d / 99%).

The worst impact on the Statement of profit and loss and other comprehensive income from the EBA EVE stress testing, comes from a parallel shock up and amounts to EUR 13.1 mln (2024: EUR -8.95 mln).

4.6 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Therefore, for financial instruments where no market price is available, the fair values are estimated using present value or other estimation and valuation techniques based on current prevailing market conditions.

Transactions undertaken for trading purposes and available for sale investments are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then the fair values are estimated on the basis of discounted cash flows models are based on observable market data.

A significant amount of the Bank's other financial assets and liabilities are at floating rates of interest, which re-price at frequent intervals. Therefore, the Bank has no significant exposure to fair value fluctuations and the carrying value of the financial assets and liabilities is similar to their fair value as applicable, unless otherwise stated.

Fair value hierarchy

IFRS 13 requires classification of financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Assets and liabilities measured at fair value

There has been no transfer of assets and liabilities measured at fair value between Level 1, Level 2 and Level 3.

	2025 EUR				2024 EUR			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Derivative financial instruments	-	3 082 054	-	3 082 054	-	11 000 645	-	11 000 645
Total assets measured at fair value	-	3 082 054	-	3 082 054	-	**11 000 645**	-	**11 000 645**
Derivative financial instruments	-	3 081 328	-	3 081 328	-	9 681 860	-	9 681 860
Total liabilities measured at fair value	-	3 081 328	-	3 081 328	-	**9 681 860**	-	**9 681 860**
Net measured at fair value	-	**726**	-	**726**	-	**1 318 785**	-	**1 318 785**

Assets and liabilities not measured at fair value

The table below summarises the carrying values and fair values of those financial assets and liabilities that were measured at amortised cost as of December 31, 2025:

	Carrying value EUR	Fair value EUR	Difference EUR
Financial assets			
Cash and balances with central banks	1 947 899 155	1 947 899 155	-
Due from other banks	283 428 286	282 758 014	(670 272)
Loans and advances to customers	1 395 145 409	1 391 258 152	(3 887 256)
Investment securities	302 644 499	306 661 920	4 017 421
Financial liabilities			
Due to other banks	267 962 403	269 033 614	1 017 211
Due to customers	3 345 172 747	3 340 715 616	(4 457 131)
Net assets and liabilities not measured at fair value	**315 982 199**	**318 828 012**	**2 845 813**

(i) Cash and balances with central banks and Due from other banks

Cash and balances with central banks and Due from other banks include inter-bank placements and items in the course of collection. The fair value of floating rate placements, overnight deposits and term deposits with a maturity of less than 90 days is assumed to be their carrying amount, as the effect of discounting is not significant. The fair values are within level 2 of the fair value hierarchy.

(ii) Loans and advances to customers

Loans and advances to customers are net of provisions for impairment. The estimated fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received up to the next interest reset date. Expected cash flows are discounted at current market rates to determine fair value. Determined fair values are within level 2 of the fair value hierarchy.

(iii) Investment securities

Investment securities held to maturity are reflected on an amortised costs basis. The fair value of the investment securities is based on the quoted market price of the instrument. The fair values are within level 1 of the fair value hierarchy.

(iv) Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. Expected cash flows are discounted at current market rates to determine fair value. Determined fair values are within level 2 of the fair value hierarchy.

5. Net interest income

	2025 EUR	2024 EUR
Interest income		
Central Banks	37 039 335	62 229 010
Banks	8 609 119	8 487 885
Customers	47 435 398	53 081 675
Investment Securities	10 459 785	15 823 037
Total interest income	**103 543 637**	**139 621 607**
Interest expense		
Banks	(5 377 532)	(2 306 942)
Customers	(50 814 677)	(79 880 028)
Lease Liabilities	(60 591)	(1 414)
Total interest expense	**(56 252 800)**	**(82 188 384)**
Net interest income	**47 290 837**	**57 433 223**

6. Net banking fee and commission income

	2025 EUR	2024 EUR
Commissions related to securities and investment activities	47 558 716	42 923 385
Commission income from other services	9 247 474	9 360 999
Commission income	**56 806 190**	**52 284 384**
Commission expense	**(2 011 051)**	**(2 029 707)**
Net banking fee and commission income	**54 795 139**	**50 254 677**

7. Net other income

	2025 EUR	2024 EUR
Foreign exchange income	29 495 927	18 849 157
Foreign exchange expense	(8 245 716)	(5 253 735)
Client relationship services income	1 238 007	1 239 034
Other intercompany income	275 441	308 498
Other operating income	288 425	780 209
Other operating expenses	-	(21 805)
Operational losses	(20 563)	(39 234)
Client relationship services expense	(1 616 295)	(1 764 107)
Net other income	**21 415 225**	**14 098 018**

8. Operating expenses

	2025 EUR	2024 EUR
Staff costs (Note 9)	(46 477 566)	(38 701 447)
General and administrative expenses	(20 959 473)	(19 796 750)
Depreciation of property, plant and equipment (Note 21)	(595 378)	(555 888)
Amortisation of intangible assets (Note 20)	(259 123)	(209 554)
Computer software and licences (Note 20)	(52 174)	(52 174)
Client relationships (Note 20)	(157 380)	(157 380)
Other intangible assets (Note 20)	(49 569)	-
Depreciation of tangible fixed assets – Leasing (Note 21)	(3 270 084)	(2 607 251)
Operating expenses	**(71 561 624)**	**(61 870 889)**

General and administrative expenses comprise an amount of EUR (10 401 383) (2024: EUR (7 884 122)) which corresponds to royalties and services paid to Group's entities.

Single Resolution Fund contributions
The European Regulation UE n°806/2014 of July 15, 2014 determined the financing means of resolution mechanisms within the European Banking Union through the establishment of a Single Resolution Fund (SRF), represented in Luxembourg by the "Fonds de Resolution Luxembourgeois" (Luxembourg Resolution Fund). In addition to this instrument, the "Fonds de Résolution Nationale" (National Resolution Funds) exists for institutions subject to this resolution mechanisms, but not to the SRF.

The Single Resolution Fund, established in January 2016, shall receive annual contributions (included in General and administrative expenses) from the participating European financial institutions. A share of the annual contributions can be provided through irrevocable payment commitments (IPC).

The Bank has opted in 2021 to adopt an accounting policy which allows to recognise the IPC as a contingent liability and the related deposit under other assets. IPCs can be defined as an obligation on the part of credit institutions to pay their contributions in the future. The IPCs are mandatorily backed by a cash collateral for the same amount as the IPCs. The SRB is entitled to call for payment of the IPC by sending a notice to the credit institution.

As of the December 31, 2025 and at the date of issuance of the financial statements there are no indications that the Single Resolution Board would call for cash payment. At the absence of a present obligation, no provision has been set up for the IPC contingent liability.

9. Staff costs

	2025 EUR	2024 EUR
Wages, salaries and bonuses	(37 794 154)	(30 597 193)
Social security costs	(3 205 991)	(2 723 139)
Pension plan expenses - defined contribution	(1 014 863)	(973 538)
Employee Equity Incentive Plans (refer Note 35)	(3 339 343)	(3 298 994)
Other	(1 123 215)	(1 108 583)
Total staff costs	(46 477 566)	(38 701 447)

10. Income tax

	2025 EUR	2024 EUR
Current tax expense	(2 722 126)	(603 224)
Total current tax expense	(2 722 126)	(603 224)
Increase (decrease) in deferred expense tax	(9 829 921)	(15 494 316)
Total deferred tax expense (income)	(9 829 921)	(15 494 316)
Income tax expense (income)	(12 552 047)	(16 097 540)

The tax on the Bank's loss (profit) before tax differs from the theoretical amount as follows:

	2025 EUR	2024 EUR
Taxable profit (loss) before tax	50 466 027	61 355 442
Applicable standard deferred tax rate	23.87%	23.94%
Theoretical tax (expense)/income	(12 046 241)	(14 688 493)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(391 107)	(58 850)
Tax effect related to the branch with permanent establishment outside Luxembourg	(450 432)	(69 404)
Deferred tax not recognised on branches	-	(289 258)
Deferred tax asset utilization during the year	10 165 653	14 502 781
Deferred tax not recognised on Luxembourg	-	-
Tax income (expense) before tax integration	(2 722 126)	(603 224)
Deferred tax income (expense) from tax integration	(9 829 921)	(15 494 316)
Total income tax (expense)/income	(12 552 047)	(16 097 540)

The Bank is participating to a tax unity with another EFG entity with which carries forward from prior years tax losses.

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

During the year the Bank has utilised deferred income tax assets accumulated from prior years for an amount of 10.2 million (deferred tax assets utilisation of 15.5 million in 2024).

The Bank (including branches) performed an impact assessment of the OECD transitional safe harbour rules and the full Pillar Two rules. The Bank (including branches) concluded that it should not be subject to top-up tax for the current year (similar to previous year).

11. Deferred income taxes and Current Income Tax Liabilities

Deferred income taxes are calculated on all temporary differences using the enacted local applicable rate.

Deferred income tax assets and liabilities comprise the following:

	2025 EUR	2024 EUR
Deferred income tax assets	1 120 842	10 777 523
Deferred income tax liabilities	173 240	-
Net deferred income tax assets	**947 602**	**10 777 523**

The movements on the net deferred income tax assets account are as follows:

	2025 EUR	2024 EUR
Beginning of year	**10 777 523**	**26 271 839**
Deferred income tax (expense) /income for the year in the income statement	(9 829 921)	(15 494 316)
Other movements	-	-
Net deferred income tax assets	**947 602**	**10 777 523**

Deferred income tax assets and liabilities are attributable to the following items:

Tax losses carried forward	1 120 842	10 777 523
Deferred income tax assets	**1 120 842**	**10 777 523**
Arising from acquisition of intangible assets	173 240	-
Deferred income tax liabilities	**173 240**	**-**
Net deferred income tax assets	**947 602**	**10 777 523**

The deferred income tax (expense) / income in the income statement comprises the following:

	2025 EUR	2024 EUR
Utilisation of tax losses carried forward	(10 159 795)	(15 551 294)
Creation of deferred tax assets on tax losses carried forwards	503 114	56 978
Deferred tax liabilities related to intangible assets	(173 240)	-
Deferred income tax expense	**(9 829 921)**	**(15 494 316)**

The Bank has deferred tax assets related to tax losses carried forward of EUR 7 million (2024: EUR 7.8 million) to carry forward against future taxable income. These tax losses will expire as summarised below:

	2025 EUR millions	Tax rate	Carried forward losses EUR millions	Expiry in 1-3 years EUR millions	Expiry in 4-7 years EUR millions	Expiry after-7 years EUR millions
EFG Bank (Luxembourg) S.A., Portugal Branch	1.1	20%	7	-	-	7
Total	**1.1**		**7**			**7**

Current income Tax Liabilities

The Bank is liable to taxes on income and net assets as per applicable National laws where the Bank and the branches are located. The caption "Current income tax liabilities" include provisions regarding income taxes.

12. Cash and balances with central banks

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than 90 days maturity:

	2025 EUR	2024 EUR
Cash in hand	586 699	416 633
Balances with central banks	1 947 312 771	1 498 323 682
Less: Loss Allowance	(315)	(246)
Cash and balances with central banks	**1 947 899 155**	**1 498 740 069**

13. Cash and cash equivalents

	2025 EUR	2024 EUR
Cash and balances with central banks (Note 12)	1 947 899 155	1 498 740 069
Due from other banks (Note 14)	283 428 286	465 624 972
Cash and cash equivalents	**2 231 327 441**	**1 964 365 041**

Maturities of cash and cash equivalents are disclosed in Note 30.

14. Due from other banks

	2025 EUR	2024 EUR
Due from other banks at sight	147 241 430	65 751 903
Due from other banks at term, maturing within 3 months	136 186 856	360 347 447
Less: Loss Allowance	-	-
Included in cash and cash equivalents	283 428 286	426 099 350
Due from other banks at term, maturing after 3 months	-	39 525 622
Less: Loss Allowance	-	-
Due from other banks	**283 428 286**	**465 624 972**
Due from other banks net of Loss allowance	**283 428 286**	**465 624 972**

Maturities of assets due from other banks are disclosed in Note 30.

The credit quality of exposures on banks can be assessed by reference to the rating given by Moody's, Standard and Poor's or Fitch:

Rating	2025 EUR	2024 EUR
Aa2	3 520 582	3 384 627
A1	279 705 474	461 701 641
A2	129	129
AA	1 898	22 856
Ba1	121 942	69 624
BBB	-	30 305
Caa1	78 261	415 790
	283 428 286	465 624 972

As at December 31, 2025 and 2024, there are no impaired nor past due receivables due from other Banks.

15. Derivative financial instruments

The derivative financial instruments relate to forward exchange transactions and options outstanding as at December 31, 2025.

	December 31, 2025 EUR			December 31, 2024 EUR		
		Fair value			Fair value	
	Contract/ notional amount	Assets	Liabilities	Contract/ notional amount	Assets	Liabilities
Derivatives held for trading						
Currency forwards	693 206 403	1 802 701	1 286 491	269 857 999	3 366 666	3 184 836
Currency swaps	967 003 403	833 976	1 349 460	1 077 712 929	5 121 245	3 984 290
Options	39 748 868	445 377	445 377	28 543 776	2 512 734	2 512 734
Total derivative assets/liabilities held for trading	**1 699 958 674**	**3 082 054**	**3 081 328**	**1 376 114 704**	**11 000 645**	**9 681 860**

Credit risk of OTC derivative instruments is calculated using the original risk method as follows:

	December 31, 2025 EUR			
Internal rating (See Note 16)	Contract/ notional amount	Risk-equivalent amounts – Provisions	Collateral/ Guarantees	Net risk exposure
1	1 591 536 970	13 983 271	-	13 983 271
2	42 609 442	360 851	-	360 851
3	26 063 394	235 540	-	235 540
Total	**1 660 209 806**	**14 579 662**	-	**14 579 662**

	December 31, 2024 EUR			
Internal rating (See Note 16)	Contract/ notional amount	Risk-equivalent amounts – Provisions	Collateral/ Guarantees	Net risk exposure
1	1 175 950 584	11 665 416	-	11 665 416
2	33 732 121	337 321	-	337 321
3	137 888 224	1 234 777	-	1 234 777
Total	**1 347 570 929**	**13 237 514**	-	**13 237 514**

16. Loans and advances to customers

The ratings of a major rating agency are mapped to the Bank's rating classes based on the long-term average default rates for each external grade. The rating contributes to the determination of the loanable value for the collateral. The Bank uses total standard loanable values to benchmark its internal credit risk assessment.

Bank's rating	Rating
1	Very low risk
2	Low risk
3	Medium low risk
4	Medium risk
5	Medium high risk
6	Heightened risk
7	Special monitoring
8	Non-Performing loans
9	Non-Interest bearing loans
10	Provisioned loans

Table below presents loans and advances to customers classified according to credit internal rating criteria:

	2025		2024	
Internal Rating	EUR	%	EUR	%
1	434 801 588	31.17%	330 988 888	28.80%
2	735 835 312	52.74%	569 755 231	49.58%
3	62 905 125	4.51%	118 598 707	10.32%
4	52 778 185	3.78%	78 564 794	6.84%
5	15 039 388	1.08%	15 019 240	1.31%
6	34 631 752	2.48%	18 214 843	1.58%
7	44 253 358	3.17%	3 050 637	0.27%
10 (*)	14 900 386	1.07%	15 067 538	1.31%
	1 395 145 094	**100.00%**	**1 149 259 878**	**100.00%**

(*) The comparative information has been changed to ensure comparability of the figures with previous year.

Maturities of loans and advances to customers are disclosed in Note 30.

Economic sector risk concentrations within the Bank's customer loan portfolio were as follows:

	2025		2024	
	EUR	%	EUR	%
Private individuals	485 974 948	34.83%	429 666 359	37.39%
Financial companies	380 167 031	27.25%	405 133 864	35.25%
Private non-financial business	285 641 096	20.47%	233 268 293	20.30%
Services	192 425 770	13.79%	55 859 226	4.86%
Other	50 936 249	3.65%	25 332 136	2.20%
	1 395 145 094	100%	1 149 259 878	100%

Geographic sector risk concentration within the Bank's customer loan portfolio is mainly in Europe.

17. Collateral for loans and commitments

Loans and advances to customers are secured as follows:

	2025	2024
	EUR	EUR
<u>Loans and advances to customers</u>		
Secured by cash deposits and securities	1 133 476 442	845 168 088
Secured by immovable property	261 668 652	285 846 926
Unsecured	-	18 244 864
	1 395 145 094	1 149 259 878
<u>Off Balance-sheet commitments</u>		
Secured by cash deposits and securities	63 369 538	56 144 426
Secured by immovable property	550 000	1 420 975
Unsecured	-	31 000 000
	63 919 538	88 565 401

The fair value of the collateral of each individual non-impaired loan is greater than the carrying value of the receivable amount.

18. Investment Securities

Investment securities held to maturity are detailed in the tables below.

		2025 EUR	2024 EUR
Debt securities	Amortised cost	302 663 797	299 471 514
Gross investment securities		**302 663 797**	**299 471 514**
Less: Loss allowance on investment securities at amortised cost		(19 298)	(21 351)
Investment securities		**302 644 499**	**299 450 163**

The following table presents the split by issuer and respective loss allowances (ECL):

	2025		2024	
	Carrying amount EUR	**Loss allowance EUR**	Carrying amount EUR	Loss allowance EUR
Central Governments	101 382 357	(7 672)	124 303 391	(6 028)
Credit Institutions	158 414 491	(6 716)	121 742 732	(8 580)
Other issuers	42 866 949	(4 910)	53 425 390	(6 744)
Total	**302 663 797**	**(19 298)**	**299 471 514**	**(21 351)**

The credit quality of the investment securities can be assessed by reference to the rating given by Moody's, Standard and Poor's or Fitch:

	2025				2024			
Rating	Central Governments EUR	Credit institutions EUR	Other issuers EUR	Total EUR	Central Governments EUR	Credit institutions EUR	Other issuers EUR	Total EUR
Aaa	-	111 538 675	-	**111 538 675**	84 503 300	99 792 842	8 160 773	**192 456 915**
Aa+	101 374 685	22 124 443	10 086 205	**133 585 333**	26 979 698	21 941 310	-	**48 921 008**
Aa	-	-	-	-	12 814 365	-	40 194 284	**53 008 649**
A+	-	-	19 339 842	**19 339 842**	-	-	5 063 591	**5 063 591**
A	-	-	5 085 544	**5 085 544**	-	-	-	-
Aa1	-	-	8 350 448	**8 350 448**	-	-	-	-
Aa3	-	24 744 658	-	**24 744 658**	-	-	-	-
Total	101 374 685	158 407 775	42 862 039	302 644 499	124 297 363	121 734 152	53 418 648	299 450 163

19. Participations & Assets classified as Held for Sale

As at December 31, 2025, the Bank held the following unlisted participation:

	Acquisition value	Carrying value	Proportion of capital held	Net Equity [1]
	EUR	EUR	%	EUR
EFG Alternative Investment GP	12 000	12 000	100	78 885
Total	**12 000**	**12 000**	**100**	**78 885**

(1) Audited figures as at December 31, 2024

20. Intangible assets

	Computer software and Licences	Client relationships & other intangibles	Goodwill on acquisition of business	Total Intangible assets
	EUR	EUR	EUR	EUR
At December 31, 2024				
Cost	1 070 679	5 495 999	1 914 106	8 480 784
Accumulated amortisation	(914 158)	(2 508 068)	-	(3 422 226)
Accumulated impairment	-	(915 480)	-	(915 480)
Write-off	-	(1 189 307)	-	(1 189 307)
Net book value at December 31, 2024	**156 521**	**883 144**	**1 914 106**	**2 953 771**
Cost				
At December 31, 2024	1 070 679	5 495 999	1 914 106	8 480 784
Additions	-	198 276	-	198 276
Adjustment	-	-	-	-
At December 31, 2025	**1 070 679**	**5 694 275**	**1 914 106**	**8 679 060**
Accumulated amortisation				
At December 31, 2024	(914 158)	(2 508 068)	-	(3 422 226)
Amortisation charge for the year	(52 174)	(206 949)	-	(259 123)
Disposals	-	-	-	-
At December 31, 2025	**(966 332)**	**(2 715 017)**	-	**(3 681 349)**
Impairment				
At December 31, 2024	-	(915 480)	-	(915 480)
Impairment for the year	-	-	-	-
Write-off	-	-	-	-
At December 31, 2025	-	**(915 480)**	-	**(915 480)**
Write-off				
At December 31, 2024	-	(1 189 307)	-	(1 189 307)
Impairment for the year	-	-	-	-
Write-off	-	-	-	-
At December 31, 2025	-	**(1 189 307)**	-	**(1 189 307)**

Total At December 31, 2025

Cost	1 070 679	5 694 275	1 914 106	8 679 060
Accumulated amortisation	(966 332)	(2 715 017)	-	(3 681 349)
Impairment	-	(915 480)	-	(915 480)
Write-off	-	(1 189 307)	-	(1 189 307)
Net book value at December 31, 2025	**104 347**	**874 471**	**1 914 106**	**2 892 924**

Impairment test on BSI related intangible asset

In accordance with IFRS 3, the customer relationship/contracts arising from business combinations recognized at the date of acquisition (i.e. 1st January 2017) in relation with BSI amounted EUR 1 769 202.

As at end of December 2017, an impairment of an amount of EUR 740 982 on the intangible asset related to BSI has been recognised due to the loss of all clients of the Italian branch during 2017.

As at end of December 2025, the unamortized carrying value of the BSI related intangible asset (EUR 269 097) has been tested for impairment at year end.

Based on the revenues generated and the related profitability achieved during the year, the Bank has concluded that there are no impairment indicators.

Impairment test on UBI related goodwill and intangible asset (“Intangibles”)

On November 1, 2017, the Bank acquired 100% of the voting rights in UBI and recognised the following intangible assets:

Goodwill	EUR 1 914 106
Intangible asset related to client contracts	EUR 1 096 000

The Intangibles acquired in business combinations are reviewed at least annually for impairment by comparing the recoverable amount of each cash generating unit (CGU) to which Intangibles have been allocated at carrying value following the approaches described below.

The Bank has estimated the present value of the future cash flows expected to be derived from the Cash Generating Unit (value in use) using a discount rate of 14.18% (December 31, 2024: 14.18%).

The cash flows projections used to determine the net present values have been limited to 20 years.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Description	Assumption	Basis
Customer AuM	5% per year reduction	Prudent assumption
Return on AuM	40 bps	Based on past experience
Cost to income ratio	57.7%	Based on prudent scenario that the ratio of the Luxembourg operations will increase over the next years

The recoverable amount of the CGU was estimated to be higher (approximately for an amount of EUR 2.5 million) than the carrying amount of the Goodwill (EUR 1 914 106) and the intangible asset (EUR 456 667). Hence no impairment was required.

The Bank has performed a sensitivity analysis and stressed by 20% all the above key assumptions and the discount rate. None of the stressed assumptions would indicate an impairment.

The Bank has also stressed the base scenario assumptions by stressing by 10% the net profitability of the CGU. In this scenario, the recoverable amount was also higher than the carrying value.

21. Property, plant and equipment

	Leasehold improvements	Furniture and equipmen t	Computer hardware	Right-of-use assets	Total
	EUR	EUR	EUR	EUR	EUR
At December 31, 2024					
Cost	2 548 017	1 716 565	3 016 986	22 411 822	29 693 390
Accumulated depreciation	(1 794 377)	(1 443 662)	(2 633 470)	(13 648 492)	(19 520 001)
Net book value at December 31, 2024	**753 640**	**272 904**	**383 516**	**8 763 330**	**10 173 390**
Cost					
At January 1, 2025	2 548 017	1 716 565	3 016 986	22 411 822	29 693 390
Additions	103 857	58 636	90 100	1 402 419	1 655 011
Disposals/eliminations	-	-	-	-	-
Write-Off	-	-	-	-	-
At December 31, 2025	**2 651 874**	**1 775 200**	**3 107 086**	**23 814 241**	**31 348 401**
Accumulated depreciation					
At January 1, 2025	(1 794 377)	(1 443 662)	(2 633 470)	(13 648 492)	(19 520 001)
Depreciation charge for the year	(256 397)	(127 850)	(211 131)	(3 270 084)	(3 865 462)
Disposals/eliminations	-	-	-	-	-
Write-Off	-	-	-	-	-
At December 31, 2025	**(2 050 774)**	**(1 571 512)**	**(2 844 601)**	**(16 918 576)**	**(23 385 463)**
Total At December 31, 2025					
Cost	2 651 874	1 775 200	3 107 089	23 814 241	31 348 401
Accumulated depreciation	(2 050 774)	(1 571 512)	(2 844 601)	(16 918 576)	(23 384 463)
Net book value at December 31, 2025	**601 100**	**203 689**	**262 485**	**6 895 665**	**7 962 939**

The right-of-use assets as at December 31, 2025 are composed of office premises and car leasing for respectively EUR 6.5 million and EUR 0.4 million EUR (EUR 8.8 million as at December 31, 2024).

22. Other assets

	2025 EUR	2024 EUR
Fees receivables	1 717 955	1 476 705
Transitory accounts	1 071 562	677 761
Prepaid expenses and accrued income	1 314 956	1 117 322
VAT recoverable	4 549 387	7 660 010
Guarantee deposits	1 061 003	1 060 018
Intercompany receivables	60 037	286 718
Other	574 055	598 859
Margin account	-	430 000
Other assets	**10 348 955**	**13 307 393**

23. Due to other banks

	2025 EUR	2024 EUR
Due to other banks at sight	46 558 409	5 120 182
Due to other banks – term deposits	221 403 994	142 371 765
Due to other banks	**267 962 403**	**147 491 947**

24. Due to customers

	2025 EUR	2024 EUR
Current accounts	1 204 338 841	1 169 668 069
Term deposits	2 140 833 806	1 814 554 320
Due to customers	**3 345 172 647**	**2 984 222 389**

Maturities of Due to customers are disclosed in Note 30.

25. Provisions

	2025 EUR	2024 EUR
Additional provision through profit and loss	(1 292 389)	(6 871)
Write back through profit and loss	-	1 285 803
Total provision through profit and loss	**(1 292 389)**	**1 278 932**

	2025 EUR	2024 EUR
Opening balance	1 076 980	2 813 787
Increase in provision recognised in the Income Statement	1 292 389	6 871
Release of provision recognised in the Income Statement	-	(1 285 803)
Provisions used during the year	(188 111)	(457 875)
Reclassification	558 811	-
Total provisions	**2 740 069**	**1 076 980**

26. Other liabilities

	2025 EUR	2024 EUR
Preferential creditors	5 126 421	8 854 451
Accrued expenses	16 658 787	13 040 766
Lease liabilities (see below)	7 415 637	8 951 953
Intercompany payable	232 883	3 124 592
Other	39 008 035	15 261 127
Margin account	101	1 010 000
Total other liabilities	**68 441 864**	**50 242 889**

	2025					
	Up to 1 month EUR	1 - 3 months EUR	3 - 12 months EUR	1- 5 years EUR	Over 5 years EUR	Total EUR
Contractual maturity of undiscounted Lease liabilities	260 503	521 587	2 350 970	4 282 577	-	7 415 637
Total contractual lease liabilities	**260 503**	**521 587**	**2 350 970**	**4 282 577**	-	**7 415 637**

	2024					
	Up to 1 month EUR	1 - 3 months EUR	3 - 12 months EUR	1- 5 years EUR	Over 5 years EUR	Total EUR
Contractual maturity of undiscounted Lease liabilities	17 528	35 284	2 151 292	6 747 849	-	8 951 953
Total contractual lease liabilities	**17 528**	**35 284**	**2 151 292**	**6 747 849**	-	**8 951 953**

27. Share capital

As at December 31, 2025, the total authorised number of ordinary shares at year-end is 1 680 000 with a value of EUR 100 per share. All issued shares are fully paid. 100% of the capital is held by EFG Investment (Luxembourg) S.A..

28. Other Equity & Other Reserves

Other Equity - Additional Tier 1

In 2023, the Bank issued an Additional Tier 1 capital instrument note (AT1) of EUR 5 million held by the parent company. The characteristic of the instrument allows the Bank to classify the instrument as equity. The related remuneration of the instrument is assimilated to a dividend payment directly through the statement of changes in equity.

Other Reserves

In accordance with Luxembourg law the Bank is required to transfer at least 5% of its annual profit to legal reserve until this equal at least 10% of subscribed capital. The legal reserve is not available for distribution to shareholders. As at December 31, 2025, the legal reserve amounts to EUR 8 165 971 (2024: EUR 5 903 076).

Distributable Reserves

	Amount	Availability	Note
Other Equity – Additional Tier 1	5 000 000	Non distributable	28
Other Equity – Employee Equity Incentive Plan	5 745 466	Non distributable	35
Other Reserves – Legal Reserve	8 165 971	Non distributable	28

The Bank determines the non-distributable amounts in accordance with Circular 14-02. Within the equity, the share capital, the other equity, the other reserves are not distributable totalling EUR 186 911 437.

For more information, please refer to section 27, 28 and 31 of the notes to the financial statements.

The Bank currently does not hold either any revaluation reserve related to financial instruments measured at fair value through other comprehensive income nor financial instruments measured at fair value through profit and loss.

As at 31 December 2025, the derivatives show an unrealised loss.

29. Guarantees and commitments

	2025 EUR	2024 EUR
Guarantees:		
Guarantees issued in favour of third parties	24 214 371	26 838 921
	24 214 371	26 838 921

The guarantees are as follows:

	2025 EUR	2024 EUR
Guarantees:		
Credit card guarantees	18 434 501	19 513 039
Other guarantees	5 458 036	6 696 938
Rent guarantees	321 834	628 944
	24 214 371	26 838 921

30. Maturity of assets and liabilities

The table below analyses the Bank's assets and liabilities into relevant maturity groupings based on the remaining period at December 31, 2025 to the contractual maturity date.

	2025			2024		
	Up to 1 year EUR	**Over 1 year** EUR	**Total** EUR	**Up to 1 year** EUR	**Over 1 year** EUR	**Total** EUR
Assets						
Cash and balances with central banks	1 947 889 155	-	1 947 889 155	1 498 740 069	-	1 498 740 069
Due from other banks	283 428 286	-	283 428 286	465 624 972	-	465 624 972
Derivative financial instruments	3 082 054	-	3 082 054	11 000 645	-	11 000 645
Investment Securities	33 346 200	269 298 299	302 644 499	172 791 955	126 658 208	299 450 163
Loans and advances to customers	1 142 091 206	253 054 203	1 395 145 409	889 247 076	260 012 802	1 149 259 878
Participations	-	12 000	12 000	-	12 000	12 000
Property plant and equipment	3 422 978	4 539 961	7 962 939	3 185 020	6 988 369	10 173 389
Intangible assets	259 123	2 633 802	2 892 924	209 553	2 744 218	2 953 771
Current income tax assets	161 287	-	161 287	15 903	-	15 903
Deferred income tax assets	-	1 120 842	1 120 842	10 159 802	617 721	10 777 523
Other assets	8 807 951	1 541 004	10 348 955	13 307 393	-	13 307 393
Total assets	**3 422 498 241**	**532 200 109**	**3 954 698 350**	**3 064 282 388**	**397 033 318**	**3 461 315 706**
Liabilities						
Due to other banks	230 267 068	37 695 335	267 962 403	80 695 591	66 796 356	147 491 947
Due to customers	3 336 141 869	9 030 778	3 345 172 647	2 975 182 041	9 040 348	2 984 222 389
Derivative financial instruments	3 081 328	-	3 081 328	9 681 860	-	9 681 860
Current income tax liabilities	2 492 215	-	2 492 215	203 500	-	-
Deferred income tax liabilities	37 567	135 673	173 240	-	-	-
Provisions	164 590	2 575 479	2 740 069	387 100	689 880	1 076 980
Other liabilities	63 017 457	5 424 406	68 441 863	43 494 991	6 747 898	50 242 889
Total liabilities	**3 635 202 094**	**54 861 671**	**3 690 063 765**	**3 109 645 083**	**83 274 482**	**3 192 919 565**
Net liquidity gap	**(212 703 852)**	**477 338 437**	**264 634 585**	**(45 362 695)**	**313 758 836**	**268 396 141**

31. Capital management

The Bank's objectives when managing regulatory capital is to comply with the capital requirements set by the regulatory requirements in Luxembourg and to safeguard the Bank's ability to continue as a going concern.

Capital adequacy and the use of regulatory capital are monitored continually by the Bank's Management employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives as implemented by the CSSF for supervisory purposes.

The Bank assesses the capital demand for material risks (not restricted to credit market and operational risks) in an ICAAP (Internal Capital Adequacy Assessment Process) document. Each material risk is assessed, relevant mitigants considered and appropriate levels of capital determined. ICAAP documents are subject to ongoing supervisory review and evaluation.

Capital adequacy is calculated on a quarterly basis as part of the preparation of the CSSF reports that are submitted to the Management.

The eligible prudential capital is mainly composed by Tier 1 capital, including share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of intangible assets and deferred tax assets is deducted. In November 2023 the Bank issued an AT1 capital note of EUR 5 million held by the parent company.

The solvency ratio (unaudited) is equal to 30.98% (2024: 26.42%).

32. Return on assets

The return on assets of the Bank for the year ended December 31, 2025 stands at 0.96% (1.31% as at December 31, 2024). The return on assets is calculated as being the net profit divided by the total balance sheet.

33. Related party transactions

The below table summarizes the transactions of the Bank with the related parties

	2025		2024	
	Group EUR	Key Management personnel EUR	Group EUR	Key Management personnel EUR
Assets				
Due from other banks	269 828 872	-	461 632 328	-
Derivative financial instruments	1 414 592	-	4 035 197	-
Participations	12 000	-	12 000	-
Other assets	60 036	-	282 886	-
Liabilities				
Due to other banks	267 952 759	-	146 233 719	-
Due to customers	19 928 006	1 911 886	19 296 294	1 572 771
Derivative financial instruments	2 021 583	-	8 482 684	-
Other liabilities	232 791	-	3 247 865	-
Interest income	8 530 300	-	8 312 563	-
Interest expense	(5 865 568)	-	(3 051 279)	-
Net banking fee and commission income	(1 558 147)	-	(1 937 022)	30
Net other income	481 547	-	(217 526)	-
Operating expenses (Note 8)	(10 401 383)	-	(7 594 175)	-
Guarantees issued in favour of related parties		10 000	-	10 000

The above deposits are unsecured carry variable interest rates and are repayable on demand.

All banking transactions entered into (including with related parties) are in the normal course of business.

Key Management personnel comprise Authorised Management, the Board members, their close families, companies owned or controlled by them and companies whose financial and operating policies they can influence.

34. Fees of the independent auditor

The fees for the independent auditor of the Bank for the year ending December 31, 2025 are as follows:

	2025 EUR	2024 EUR
Audit services	416 618	353 216
Non-audit services	38 190	34 034
Total	454 808	387 250

Non-audit services are composed of Agreed-Upon Procedures required by law and trainings provided to the Bank’s employees.

35. Staff and directors

(a) Staff

Average number of employees during the financial year:

	2025	2024
Senior Management	4	5
Employees	184	182
Total	188	187

(b) Information relating to Directors and Management

Senior Management received the following remuneration in respect of their duties:

	2025 EUR	2024 EUR
Cash compensation (salary + Vested Contribution cash)	2 302 747	2 341 454
Pension contributions	129 956	124 016
Other compensation and social charges	242 648	262 558
Restricted stock units	387 609	573 436
Total	3 062 960	3 301 464

Board members received emoluments in respect of their duties totalling to a gross amount of EUR 245 000 (2024: EUR 170 000).

The Bank did not grant any credit to the other Board of Directors members, Senior Management or supervisory bodies during the year (2024: EUR 0).

(c) Employee Equity Incentive Plan

The EFG International Employee Equity Incentive Plan (the “Plan”) has different classes of options and restricted stock units, which are equity settled and have a vesting period of one, two and three years. The different classes have earliest exercise dates varying from three to five years from the grant date and ending seven years from the grant date.

The expense recorded in the statement of profit and loss spreads the cost of the grants equally over the vesting period. Assumptions are made concerning the forfeiture rate which is adjusted during the vesting period so that at the end of the vesting period there is only a charge for vested amounts. Total expense related to the Plan in the Income Statement for the period ended December 31, 2025 was EUR 3 339 344 (2024: EUR 3 298 994).

As at December 31, 2025 the Bank has recognized in equity, as a contribution from the parent, a total amount of EUR 5 745 465 (2024: EUR 4 695 856) corresponding to the rights attributed to the Management.

The following table summarises the outstanding options and restricted stock units at December 31, 2024 and at December 31, 2025 which, when exercised, will each result in the issuance of one ordinary share:

	Restricted Stock units	Long term incentive plan units	Total
At January 1, 2024	819 682	109 999	929 681
Granted	221 494	-	221 494
Lapsed	-	-	-
Exercised	(328 285)	-	(328 285)
At December 31, 2024	712 891	109 999	822 890

	Restricted Stock units	Long term incentive plan units	Total
At January 1, 2025	712 891	109 999	822 890
Granted	192 563	-	192 563
Lapsed	(33 355)	-	(33 355)
Exercised	(307 289)	-	(307 289)
At December 31, 2025	564 810	109 999	674 809

When treasury shares or new shares issued are used to settle Restricted Stock Units, the corresponding reserves are transferred and any difference arising from the variation of the share price between the grant date and the exercise date are reflected through retained earnings.

The below table presents the corresponding change in the comparative information:

	01/01/2025	01/01/2025 restated	Difference
Other equity	9 695 856	11 962 217	(2 266 361)
Retained earnings	84 797 209	82 530 848	2 266 361

2025 incentive plan

The EFG Group granted 192 563 restricted stock units (2024: 221 494), and nil (2024: nil) long-term incentive plan units in 2025 to employees and managers of the Bank.

The restricted stock units have no exercise price, with two classes as follows:

- With a 3-year lock-up restriction ("Cliff vesting");
- With 1/3 annual vesting.

The deemed value of each restricted stock unit granted in 2025 is CHF 13.70 for those vesting in 12 months, CHF 13.04 for those vesting in 24 months and CHF 12.33 for those vesting in 36 months.

The long-term incentive plan units have a vesting period of three, four and five years. The different classes have earliest exercise dates varying from three to five years from the grant date and ending seven years from the grant date.

The values of the grants were determined as follows:

- restricted stock units were determined using a model which considers the present value of the expected dividends during the period between the grant date and the earliest exercise date. The significant inputs into the model were the spot share price (CHF 14.30 for restricted stock units), market consensus dividend pay-out and the expected life of the restricted stock units (12 to 36 months).

(d) Complementary Pension Plan

In 2007, the Bank contracted a pension plan for all employees under employment contract. This plan is a defined contribution plan and comprises a retirement benefit a death benefit and a disability benefit.

36. Subsequent events

The Bank did not face any significant subsequent event in 2026 that would require adjustment or disclosure in the financial statements.