International Bank for Economic Co-operation

Interim condensed financial statements

30 June 2025
(together with report on review)

Contents

NEW CHALLENGES
NEW SOLUTIONS

ООО «ЦАТР – аудиторские услуги»
Россия, 115035, Москва
Садовническая наб., 75
Тел.: +7 495 705 9700
+7 495 755 9700
Факс: +7 495 755 9701
ОГРН: 1027739707203
ИНН: 7709383532
ОКПО: 59002827
КПП: 770501001

TSATR – Audit Services LLC
Sadovnicheskaya Nab., 75
Moscow, 115035, Russia
Tel: +7 495 705 9700
+7 495 755 9700
Fax: +7 495 755 9701
www.b1.ru

Report on Review of the Interim Financial Information

To the Council of
International Bank for Economic Co-operation

Introduction

We have reviewed the accompanying interim condensed financial statements of International Bank for Economic Co-operation, which comprise of the interim statement of financial position as at 30 June 2025, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-month period then ended, and notes (interim financial information).

Management of the Bank is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

NEW CHALLENGES
NEW SOLUTIONS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Shinin Gennadiy Aleksandrovich
Partner
TSATR – Audit Services Limited Liability Company

18 August 2025

Details of the auditor

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

Details of the entity

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

Interim statement of financial position

as at 30 June 2025

(EUR thousand)

	Note	30 June 2025 (unaudited)	2024
Assets			
Cash and cash equivalents	5	40,764	17,176
Securities at fair value through profit or loss	6	4,825	4,190
- Held by the Bank		*4,825*	*4,190*
Securities at fair value through other comprehensive income	7	239,045	186,370
- Held by the Bank		*202,781*	*186,370*
- Pledged under repurchase agreements		*36,264*	–
Due from banks and financial institutions	8	35,167	45,742
- Loans issued to banks under trade financing		*33,524*	*37,019*
- Short-term deposits with financial institutions		–	*4,735*
- Due from financial institutions		*1,643*	*1,924*
- Short-term deposits with banks in member countries		–	2,064
Securities at amortized cost	9	49,966	36,220
Loans to corporate customers	10	166,489	143,129
Derivative financial assets	11	8,183	1,356
Property, plant and equipment, intangible assets and right-of-use assets	12	50,527	51,014
Other assets	13	2,892	948
Total assets		**597,858**	**486,145**
Liabilities			
Due to financial institutions	14	98,255	54,598
Due to customers	15	97,043	70,210
Derivative financial liabilities	11	90	257
Debt securities issued	16	161,650	141,874
Other liabilities	13	13,495	6,995
Total liabilities		**370,533**	**273,934**
Equity			
Paid-in capital	17	199,674	199,923
Revaluation reserve for securities at fair value through other comprehensive income		(5,616)	(23,656)
Revaluation reserve for property, plant and equipment		22,914	22,914
Retained earnings less net (loss) profit for the period		11,692	8,352
Net (loss) profit for the period		(1,339)	4,678
Total equity		**227,325**	**212,211**
Total liabilities and equity		**597,858**	**486,145**
Off-balance sheet commitments			
Credit-related commitments	18	107,100	90,329

Международный банк экономического сотрудничества МБЭС Москва

Denis Ivanov — Chairman of the Board

Inna Zheleznova — Director of the Financial Department

18 August 2025

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

Interim statement of profit or loss and other comprehensive income

for the six months ended 30 June 2025

(EUR thousand)

	Note	For the six months ended 30 June (unaudited) 2025	2024
Interest income calculated using the EIR method		34,517	21,154
Other interest income		35	34
Interest expense		(29,797)	(16,303)
Net interest income	19	**4,755**	**4,885**
(Allowance) reversal of allowance for expected credit losses from financial assets	23	(3,919)	4,609
Net interest income after allowance for expected credit losses		**836**	**9,494**
Fee and commission income		1,229	718
Fee and commission expense		(362)	(390)
Net fee and commission income	20	**867**	**328**
Net gains from operations with securities at fair value through profit or loss		601	59
Net gains from operations with securities at fair value through other comprehensive income	21	3,083	2,414
Net losses from operations with securities at amortized cost	8	(3)	(638)
Net (losses) gains from operations with derivative financial instruments and foreign currency			
- *Dealing*	11	*(63)*	*1,609*
- *Revaluation of currency items*		*(1,580)*	*(654)*
Lease income		1,149	587
Other banking income		637	348
Administrative and management expenses	22	(6,724)	(5,910)
Net losses from disposal of property, plant and equipment		–	(3)
Other provisions	24	(108)	(78)
Other banking expenses		(34)	(331)
(Loss) profit for the period		**(1,339)**	**7,225**

Interim statement of profit or loss and other comprehensive income
for the six months ended 30 June 2025 (continued)

(EUR thousand)

	Note	For the six months ended 30 June (unaudited) 2025	2024
Other comprehensive (loss) income			
Items that are or may be subsequently reclassified to profit or loss			
Unrealized gains (losses) from operations with securities at fair value through other comprehensive income		20,610	(9,331)
Realized (gains) from operations with securities at fair value through other comprehensive income, reclassified to profit or loss	21	(3,162)	(2,373)
Change in allowance for expected credit losses		592	(5,959)
Net (losses) from cash flow hedges	11	–	(312)
Total items that are or may be subsequently reclassified to profit or loss		**18,040**	**(17,975)**
Total other comprehensive income (loss)		**18,040**	**(17,975)**
Total comprehensive income (loss) for the period		**16,701**	**(10,750)**

Interim statement of changes in equity
for the six months ended 30 June 2025

(EUR thousand)

	Paid-in capital	Revaluation reserve for securities at fair value through other comprehensive income	Revaluation reserve for property, plant and equipment	Cash flow hedge reserve	Retained earnings	Total equity
1 January 2025	**199,923**	**(23,656)**	**22,914**	**–**	**13,030**	**212,211**
Net loss for the period	**–**	**–**	**–**	**–**	**(1,339)**	**(1,339)**
Other comprehensive income						
Items that are or may be subsequently reclassified to profit or loss						
Unrealized gains (losses) from operations with securities at fair value through other comprehensive income	–	20,610	–	–	–	**20,610**
Realized (gains) from operations with securities at fair value through other comprehensive income, reclassified to profit or loss	–	(3,162)	–	–	–	**(3,162)**
Change in allowance for expected credit losses	–	592	–	–	–	**592**
Total items that are or may be subsequently reclassified to profit or loss	**–**	**18,040**	**–**	**–**	**–**	**18,040**
Total other comprehensive income	**–**	**18,040**	**–**	**–**	**–**	**18,040**
Total comprehensive income for the period	**–**	**18,040**	**–**	**–**	**(1,339)**	**16,701**
Payments to withdrawn countries (Note 17)	(249)	–	–	–	249	**–**
Liabilities to the withdrawn countries (Note 17)	–	–	–	–	(1,587)	**(1,587)**
30 June 2025 (unaudited)	**199,674**	**(5,616)**	**22,914**	**–**	**10,353**	**227,325**

Interim statement of changes in equity

for the six months ended 30 June 2025 (continued)

(EUR thousand)

	Paid-in capital	Revaluation reserve for securities at fair value through other comprehensive income	Revaluation reserve for property, plant and equipment	Cash flow hedge reserve	Retained earnings	Total equity
1 January 2024	**200,000**	**(448)**	**23,115**	**312**	**10,159**	**233,138**
Net profit for the period	**–**	**–**	**–**	**–**	**7,225**	**7,225**
Other comprehensive income						
Items that are or may be subsequently reclassified to profit or loss						
Unrealized losses from operations with securities at fair value through other comprehensive income	–	(9,331)	–	–	–	**(9,331)**
Realized gains from operations with securities at fair value through other comprehensive income, reclassified to profit or loss	–	(2,373)	–	–	–	**(2,373)**
Change in allowance for expected credit losses	–	(5,959)	–	–	–	**(5,959)**
Net unrealized losses from cash flow hedges	–	–	–	275	–	**275**
Net gains from cash flow hedges, reclassified to profit or loss	–	–	–	(587)	–	**(587)**
Total items that are or may be subsequently reclassified to profit or loss	**–**	**(17,663)**	**–**	**(312)**	**–**	**(17,975)**
Total other comprehensive loss	**–**	**(17,663)**	**–**	**(312)**	**–**	**(17,975)**
Total comprehensive loss for the period	**–**	**(17,663)**	**–**	**(312)**	**7,225**	**(10,750)**
30 June 2024 (unaudited)	**200,000**	**(18,111)**	**23,115**	**–**	**17,384**	**222,388**

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

Interim statement of cash flows

for the six months ended 30 June 2025

(EUR thousand)

	Note	For the six months ended 30 June (unaudited) 2025	2024
Cash flows from operating activities			
(Loss) profit for the period		**(1,339)**	**7,225**
Adjustments for:			
Accrued interest receivable		2,731	(772)
Accrued interest payable		5,578	(319)
Other accrued income receivable		(43)	(56)
Other accrued expenses payable		507	401
Depreciation and amortization	22	643	691
Allowance for expected credit losses from financial assets	23	3,919	(4,609)
Other provisions	24	108	78
Remeasurement of securities at fair value through profit or loss		(601)	(59)
Revaluation of currency items		1,580	654
Net losses from operations with securities at fair value through other comprehensive income	21	(3,083)	(2,414)
Net gains from disposal of property, plant and equipment		–	3
Cash from operating activities before changes in operating assets and liabilities		**10,000**	**823**
(Increase) decrease in operating assets			
Securities at fair value through profit or loss		1	–
Due from banks and financial institutions		7,310	52,401
Loans to corporate customers		(18,373)	2,159
Other assets		(1,944)	(2,590)
Increase (decrease) in operating liabilities			
Due to financial institutions		38,912	(25,133)
Due to customers		11,831	33,589
Other liabilities		3,932	(8,988)
Net cash from operating activities		**51,669**	**52,261**
Cash flows from investing activities			
Purchases of securities at fair value through other comprehensive income		(103,902)	(84,813)
Sales of securities at fair value through other comprehensive income		85,054	52,723
Purchases of securities at amortized cost		(19,250)	–
Proceeds from redemption of securities at amortized cost		12,166	9,668
Purchases of property, plant and equipment		(156)	(94)
Net cash used in investing activities		**(26,088)**	**(22,516)**

Interim statement of cash flows

for the six months ended 30 June 2025 (continued)

(EUR thousand)

		For the six months ended 30 June (unaudited)	
	Note	**2025**	**2024**
Cash flows from financing activities			
Proceeds from bonds issued	16	–	52,399
Redemption of bonds	16	(601)	(50,294)
Long-term financing repaid to banks		(1,357)	(1,111)
Liabilities to the withdrawn countries		(249)	–
Net cash (used in) from financing activities		**(2,207)**	**994**
Net increase in cash and cash equivalents before translation differences		**23,374**	**30,739**
Effect of changes in exchange rates on cash and cash equivalents		214	3,597
Net increase in cash and cash equivalents		**23,588**	**34,336**
Cash and cash equivalents at 31 December preceding the reporting period	5	17,176	21,559
Cash and cash equivalents at 30 June of the reporting year	5	**40,764**	**55,895**
Additional information			
Interest received		37,283	20,416
Interest paid		(24,219)	(16,622)

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

(EUR thousand)

1. Principal activities of the Bank

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

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

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

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

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

As at 30 June 2025, members of the Bank are the following three countries (hereinafter, the "member countries"): the Socialist Republic of Vietnam, Mongolia, and the Russian Federation (as at 31 December 2024, three member countries: the Socialist Republic of Vietnam, Mongolia, and the Russian Federation). In accordance with Article 20 of the Statutes of IBEC, each member country has one vote irrespective of its share in the Bank's capital (Note 17).

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

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

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

- On 29 January 2025, the Analytical Credit Rating Agency (ACRA) upgraded IBEC's credit rating on the international scale to 'A-' with a Stable outlook, affirmed its credit rating on the national scale at 'AAA(RU)' with a Stable outlook, and also affirmed the ratings of IBEC's series 001P-02 (RU000A101RJ7) and 002P-03 (RU000A108Q03) bonds at 'AAA(RU)'.
- On 11-14 March 2025, an IBEC delegation headed by the Chairman of the Management Board paid a working visit to the Lao People's Democratic Republic. During the meetings, the parties discussed opportunities and prospects for cooperation between the Lao People's Democratic Republic and IBEC with a view to supporting the implementation of Lao's strategic agenda for diversifying its international relations and expanding foreign economic ties with IBEC member countries.
- To support the export and import operations of its member countries, IBEC issued a RUB 15.8 million guarantee, backed by a counter-guarantee from a financial institution in Mongolia, to promote exports of agricultural products from the Russian Federation to Mongolia.
- To support the development of export and import operations between IBEC member countries and China, IBEC provided funding to financial institutions in an amount equivalent to EUR 5.5 million.

(EUR thousand)

1. Principal activities of the Bank (continued)

- IBEC continued to support the pharmaceutical sector. In the first half of 2025, it issued payment guarantees on behalf of several major pharmaceutical distributors for a total of approximately RUB 2.5 billion (equivalent to EUR 26.6 million at the exchange rate on the date the guarantees were issued) and extended targeted trade finance facilities to companies in the pharmaceutical sector in the amount of nearly RUB 1.9 billion (equivalent to EUR 20.5 million at the exchange rate on the date the financing was provided). IBEC's support enables the uninterrupted supply of medicines and pharmaceutical products from leading global manufacturers to pharmacies and healthcare institutions in the IBEC member country, including in the fields of oncology, haematology, neurology and cardiology.
- As part of the sectoral diversification of its credit and documentary portfolio launched in 2024, IBEC provided funding – including through its credit and investment portfolio – of nearly RUB 600 million (equivalent to EUR 6.4 million at the exchange rate on the transaction date) to companies in the leasing sector and extended short-term loans of approximately RUB 9 billion (equivalent to EUR 96 million at the exchange rate on the date the financing was provided) to a financial company in the e-commerce sector in the first half of 2025.
- On 16-17 April 2025, an IBEC delegation paid a working visit to Vietnam. During the meetings, the parties discussed cooperation in the area of foreign trade finance to support Vietnam's import and export transactions with IBEC member countries and other countries of strategic interest.
- On 24 April 2025, at the 48th Annual Meeting of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), IBEC received a corporate governance award for its innovative methodology for assessing operational sustainability. The award recognizes IBEC's pioneering approach to integrating environmental, social and governance (ESG) principles into corporate decision-making processes and the classification of its trade finance products.

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

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

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

2. Operating environment of the Bank

In the first half of 2025, the global economy faced new challenges, including rising trade barriers and growing political uncertainty. The tightening of the US trade policies has dampened prospects for global trade and economic growth in 2025.

Higher import tariffs are hitting production worldwide, both on the supply side – by increasing costs and disrupting supply chains and value creation – and on the demand side, by reducing external demand for exporting countries. At the same time, increased uncertainty has led to cuts in investment and consumption.

Commodity prices have dropped markedly, reflecting concerns about a slowdown in global production and trade this year.

(EUR thousand)

2. Operating environment of the Bank (continued)

Despite the slowdown in trade and falling commodity prices, inflation expectations – particularly short-term – rose in the first half of 2025, driven by anticipated tariff-related increase in consumer prices. Ongoing underlying inflationary pressures, combined with tariff hikes and protectionist measures, are likely to delay a return to normal inflation levels globally.

Many international organizations have revised their growth forecasts for 2025 downwards compared to earlier estimates. In the second quarter of 2025, the World Bank and the IMF lowered their 2025 forecasts for global GDP growth to 2.3% and 2.8%,[1] respectively – down 0.4 and 0.5 percentage points from their January projections. Similarly, forecasts for global trade growth were cut by 1.3 and 1.5 percentage points to 1.8% (World Bank) and 1.7% (IMF).

Vietnam

The economy of Vietnam showed growth in the first half of 2025, with GDP increasing by 7.5% during the six months ended 30 June 2025. Positive momentum was observed in agriculture, industry and trade. However, tightening trade policies put pressure on Vietnam's export-oriented industries. New export orders declined in April and May, leading to a slowdown in economic activity. Nevertheless, following the dip in April, growth in the manufacturing sector resumed in May amid some stabilization in US tariff policies.

Inflationary pressures increased somewhat in the first half of 2025 due to rising prices for certain goods and services. However, the overall inflation rate remained within the State Bank's of Vietnam target of (4.5%).

According to the latest forecasts,[2] Vietnam's economic growth for 2025 is expected to range between 5.2% and 5.8%.

Mongolia

Macroeconomic conditions in Mongolia were mixed in the first half of 2025. On the one hand, positive developments in the mining sector – primarily, the copper segment – and a recovery in agriculture create a foundation for strong economic growth this year. On the other hand, factors such as declining commodity prices, a widening current account deficit and potential risks related to rising inflationary pressures and global economic uncertainty are constraining economic activity.

In the first quarter of 2025, Mongolia's GDP grew by 2.4%, supported by gains in agriculture, manufacturing and services. After peaking in February, inflation gradually declined but remained above the target range of (6% ± 2%).

According to the latest forecasts, Mongolia's economic growth for 2025 is expected to range between 6.0% and 6.3%.

Russia

In the first half of 2025, economic activity in Russia showed signs of gradual cooling, with a steady return to a balanced growth trajectory. GDP growth slowed to 1.4%[3] in the first quarter, down from 4.5% in the fourth quarter of 2024, amid continued tight monetary conditions that dampened consumption and investment, as well as a decline in exports due to worsening external conditions. Industrial production – primarily the manufacturing sector, supported in part by budgetary spending – remained the key driver of economic growth.

Inflationary pressures eased in response to weakening domestic demand, continued tight monetary policy, falling global commodity prices and a stronger ruble. However, inflation remained above the set target of (4%).

According to the latest forecasts, Russia's economic growth for 2025 is expected to range between 1.4% and 1.5%.

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[1] World Bank, Global Economic Prospects, June 2025.
IMF, World Economic Outlook, April 2025.

[2] Sources cited here and throughout this Note: World Bank, Global Economic Prospects, June 2025; and IMF, World Economic Outlook, April 2025.

[3] Preliminary estimate by Rosstat.

(EUR thousand)

2. Operating environment of the Bank (continued)

Effect of the economic environment on IBEC's activities

Since February 2022, escalating geopolitical tensions have adversely affected the economy of the Bank's host country. The European Union, the USA and several other countries imposed new sanctions on a number of Russian state-owned organizations and commercial entities, including banks, individuals and certain sectors of the economy, as well as restrictions on specific types of transactions. Some international corporations announced that they were suspending their operations in Russia or stopping supplies to Russia. This has led to increased volatility in stock and currency markets. In March 2022, the Russian Federation introduced temporary restrictive economic measures in response to the sanctions.

In this context, in the first half of 2025, as in previous periods IBEC continued to provide necessary clarifications regarding its international supranational status to mitigate emerging restrictions.

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

On 22 November 2024, IBEC and the Republic of Poland signed an agreement on the final settlement of mutual claims and liabilities in connection with the Republic of Poland's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on 25 November 2024. In accordance with IFRS, on 25 November 2024, IBEC recorded on its balance sheet a financial liability to the Republic of Poland at present value, calculated by discounting cash flows based on the scheduled gradual cash repayment of the paid-in portion of the authorized capital as set out in the bilateral agreement. The liability was recognized as a reduction in the Bank's retained earnings from prior years by EUR 1,884 thousand. On the dates when payments are made to the Republic of Poland (Note 17) and on a monthly basis thereafter, IBEC recognizes the change inthe amortized cost of the liability in accordance with IFRS 9. As at 30 June 2025, a net result of EUR (240) thousand was recognized in the interim statement of profit or loss and other comprehensive income (31 December 2024: a net result of EUR (45) thousand).

On 16 May 2025, IBEC and the Czech Republic signed an agreement on the final settlement of mutual claims and liabilities in connection with the Czech Republic's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on the date of signing. In accordance with IFRS, on 16 May 2025, IBEC recorded on its balance sheet a financial liability to the Czech Republic at present value, calculated by discounting cash flows based on the scheduled gradual cash repayment of the paid-in portion of the authorized capital as set out in the bilateral agreement. The liability was recognized as a reduction in the Bank's retained earnings from prior years by EUR 1,587 thousand. On the dates when payments are made to the Czech Republic (Note 17) and on a monthly basis thereafter, IBEC recognizes the change inthe amortized cost of the liability in accordance with IFRS 9. As at 30 June 2025, a net result of EUR (57) thousand was recognized in the interim statement of profit or loss and other comprehensive income (31 December 2024: no liability recognized).

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

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

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

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

(EUR thousand)

3. Basis of preparation of financial statements

These interim condensed financial statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual financial statements as at 31 December 2024.

Certain notes are included to explain events and transactions that are significant to understanding the changes in the Bank's financial position and performance, which have occurred since the date of the last annual financial statements.

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

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

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

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

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

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

Significant accounting estimates and professional judgments

To the extent that information was available as at 30 June 2025, the Bank recorded revised estimates of expected future cash flows in its measurement of expected credit losses (Note 23) and fair value measurement of financial instruments (Note 26).

Key significant accounting estimates and judgments used in applying accounting policies, are disclosed in the financial statements for the year ended 31 December 2024. Management did not identify any areas where new accounting estimates or judgments could be applied.

Changes in accounting policies

The material accounting policies and calculation methods used in the preparation of these interim condensed financial statements are consistent with those used and described in the Bank's annual financial statements for the year ended 31 December 2024 in *Summary of Accounting Policies*, except for the new standards below that have been applied since 1 January 2025. The nature and the effect of these changes are disclosed below. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Bank adopted several amendments that have become effective since 1 January 2025, but they do not have any effect on its interim condensed financial statements.

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(EUR thousand)

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

Below are the amendments that became effective as at 1 January 2025:

Amendments to IAS 21 – Lack of Exchangeability

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

The amendments explain the following:

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

Some new disclosure requirements were added. An entity is required to disclose information about:

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

5. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2025 (unaudited)	***31 December 2024***
Cash on hand	2,174	2,256
Correspondent accounts with banks in other countries	23,584	1,419
Correspondent accounts with banks in IBEC member countries	15,011	13,506
Total cash and cash equivalents	**40,769**	**17,181**
Allowance for expected credit losses	(5)	(5)
Cash and cash equivalents less allowance for expected credit losses	**40,764**	**17,176**

As at 30 June 2025, balances with three major groups of counterparties amounted to EUR 26,711 thousand, or 69.22% of the total cash and cash equivalents other than cash on hand (31 December 2024: balances with three major groups of counterparties amounted to EUR 12,967 thousand, or 86.91% of the total cash and cash equivalents other than cash on hand).

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(EUR thousand)

5. Cash and cash equivalents (continued)

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

	30 June 2025 (unaudited)	***31 December 2024***
Due from central banks	**3,601**	**110**
Correspondent accounts with banks		
Internationally rated		
From AAA to A-	*2*	*4*
From BBB+ to BB-	*19,040*	*1,525*
From B+ to B-	*10,149*	*10,802*
Internally rated only		
From BBB+ to BB-	*699*	*2,448*
From B+ to B-	*5,090*	*15*
From CCC+ to C	*10*	*17*
Unrated	*4*	*4*
Total correspondent accounts with banks	**38,595**	**14,925**
Allowance for expected credit losses	(5)	(5)
Cash and cash equivalents (other than cash on hand) less allowance for expected credit losses	**38,590**	**14,920**

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

6. Securities at fair value through profit or loss

Securities at fair value through profit or loss comprise:

	30 June 2025 (unaudited)	***31 December 2024***
Held by the Bank		
Internally rated only		
Bonds of IBEC member countries	3,968	3,449
From BBB+ to BB-	*3,968*	*3,449*
Corporate bonds	857	741
From BBB+ to BB-	*857*	*741*
	4,825	**4,190**
Securities at fair value through profit or loss	**4,825**	**4,190**

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

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(EUR thousand)

7. Securities at fair value through other comprehensive income

Securities at fair value through other comprehensive income comprise:

	30 June 2025 (unaudited)	***31 December 2024***
Held by the Bank		
Internationally rated		
Corporate Eurobonds	7,647	7,582
From BBB+ to BB-	*7,647*	*7,582*
Eurobonds of other countries	6,820	6,876
From BBB+ to BB-	*6,820*	*6,876*
Internally rated only		
Corporate bonds	147,316	94,782
From BBB+ to BB-	*109,124*	*64,070*
From B+ to B-	*38,192*	*30,712*
Corporate Eurobonds	6,548	11,192
From BBB+ to BB-	*6,548*	*11,192*
Bonds of banks	10,127	9,524
From BBB+ to BB-	*6,176*	*6,111*
From CCC+ to C	*3,951*	*3,413*
Bonds of IBEC member countries	22,409	54,743
From BBB+ to BB-	*22,409*	*54,743*
Eurobonds of international financial institutions	1,914	1,671
From BBB+ to BB-	*1,914*	*1,671*
	202,781	**186,370**
Pledged under repurchase agreements		
Internally rated only		
Bonds of IBEC member countries	36,264	–
From BBB+ to BB-	*36,264*	*–*
	36,264	**–**
Securities at fair value through other comprehensive income	**239,045**	**186,370**

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(EUR thousand)

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

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

Securities at fair value through other comprehensive income	***Stage 1***	***Stage 2***	***Total***
Gross carrying amount at 1 January 2025	**167,375**	**18,995**	**186,370**
New originated or purchased assets	116,121	1,188	**117,309**
Transfer to Stage 2	(8,502)	8,502	**–**
Change in fair value	19,788	1,602	**21,390**
Assets derecognized or redeemed (excluding write-offs)	(97,003)	(1,591)	**(98,594)**
Changes in currency exchange rates	12,109	461	**12,570**
Gross carrying amount at 30 June 2025 (unaudited)	**209,888**	**29,157**	**239,045**
Allowance for expected credit losses at 1 January 2025	**1,148**	**5,236**	**6,384**
New originated or purchased assets	703	–	**703**
Transfer to Stage 2	(96)	96	**–**
Assets derecognized or redeemed (excluding write-offs)	(826)	(8)	**(834)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	252	498	**750**
Changes in currency exchange rates	131	(158)	**(27)**
Allowance for expected credit losses at 30 June 2025 (unaudited)	**1,312**	**5,664**	**6,976**
Gross carrying amount at 1 January 2024	**143,611**	**28,721**	**172,332**
New originated or purchased assets	104,910	521	**105,431**
Transfer to Stage 2	(2,675)	2,675	**–**
Change in fair value	(6,506)	(2,386)	**(8,892)**
Assets derecognized or redeemed (excluding write-offs)	(54,658)	(18,408)	**(73,066)**
Changes in currency exchange rates	5,779	367	**6,146**
Gross carrying amount at 30 June 2024 (unaudited)	**190,461**	**11,490**	**201,951**
Allowance for expected credit losses at 1 January 2024	**866**	**8,564**	**9,430**
New originated or purchased assets	3,717	–	**3,717**
Transfer to Stage 2	(91)	91	**–**
Assets derecognized or redeemed (excluding write-offs)	(825)	(5,837)	**(6,662)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(2,636)	(587)	**(3,223)**
Changes in currency exchange rates	115	94	**209**
Allowance for expected credit losses at 30 June 2024 (unaudited)	**1,146**	**2,325**	**3,471**

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(EUR thousand)

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

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

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

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

Bonds of banks are debt securities denominated in euros, US dollars and Russian rubles (31 December 2024: euros, US dollars and Russian rubles) and are intended for circulation in the domestic markets of the issuer's country. These bonds mature from January 2026 to August 2029 (31 December 2024: from January 2026 to August 2029), with coupon rates ranging from 3.1% to 22.75% p.a. (31 December 2024: from 3.1% to 23.75% p.a.).

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

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

Securities at fair value through other comprehensive income include securities pledged under repurchase agreements. As at 30 June 2025, their fair value amounted to EUR 36,264 thousand. As at 31 December 2024, no securities were pledged under repurchase agreements. Under the terms of the agreements, the counterparty is required to return the transferred securities when the agreement expires (Note 14).

Securities at fair value through other comprehensive income in the amount equivalent to EUR 8,462 thousand as at 30 June 2025 (31 December 2024: EUR 8,672 thousand) are restricted from use due to sanctions imposed on the depositories having custody of IBEC's securities. The Bank is taking all necessary steps to lift the restrictions on the use of these assets taking into account potential scenarios for each security individually. Accordingly, Bank has recognized an allowance for these securities in the amount of EUR 4,231 thousand (31 December 2024: EUR 4,336 thousand).

During the six months ended 30 June 2024, a number of securities at fair value through other comprehensive income with a nominal value equivalent to EUR 15,653 thousand were replaced by issuers from one issue to another, thereby lifting the restrictions on their use. No such replacements involving IBEC took place in the first half of 2025.

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

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(EUR thousand)

8. Due from banks and financial institutions

Amounts due from banks and financial institutions comprise:

	30 June 2025 (unaudited)	***31 December 2024***
Loans issued to banks under trade financing	33,732	37,288
- To banks in IBEC member countries	*29,932*	*26,858*
- To banks in other countries	*3,800*	*10,430*
Restricted cash	2,678	2,919
Due from financial institutions in member countries	1,643	1,924
Short-term deposits with financial institutions in member countries	–	4,735
Short-term deposits with banks in member countries	–	2,066
Total due from banks and financial institutions	**38,053**	**48,932**
Allowance for expected credit losses	(2,886)	(3,190)
Due from banks and financial institutions	**35,167**	**45,742**

Restricted cash represents cash balances with the Bank's depository partners, which are restricted for use by foreign depositories. As at 30 June 2025, the Bank had recognized an allowance of EUR 2,678 thousand for the entire amount of restricted cash (31 December 2024: EUR 2,919 thousand).

As at 30 June 2025, balances with three major counterparties amounted to EUR 29,957 thousand, or 85.18% of the total amount due from banks and financial institutions (31 December 2024: EUR 37,019 thousand, or 80.94% of the total amount due from banks and financial institutions).

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

Due from banks and financial institutions	***30 June 2025 (unaudited)***	***31 December 2024***
Internationally rated		
From AAA to A-	*1,448*	*1,689*
From BBB+ to BB-	*3,800*	*10,430*
From B+ to B-	*26,358*	*26,859*
Internally rated only		
From BBB+ to BB-	*1,535*	*7,889*
From B+ to B-	*4,912*	*2,065*
Total	**38,053**	**48,932**
Allowance for expected credit losses	(2,886)	(3,190)
Carrying amount	**35,167**	**45,742**

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(EUR thousand)

8. Due from banks and financial institutions (continued)

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

Due from banks and financial institutions	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Gross carrying amount at 1 January 2025	**46,013**	**–**	**2,919**	**48,932**
New originated or purchased assets	149,652	–	–	**149,652**
Assets derecognized or redeemed (excluding write-offs)	(159,242)	–	(201)	**(159,443)**
Changes in currency exchange rates	(1,048)	–	(40)	**(1,088)**
Gross carrying amount at 30 June 2025 (unaudited)	**35,375**	**–**	**2,678**	**38,053**
Allowance for expected credit losses at 1 January 2025	**271**	**–**	**2,919**	**3,190**
New originated or purchased assets	104	–	–	**104**
Assets derecognized or redeemed (excluding write-offs)	(100)	–	(201)	**(301)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(51)	–	–	**(51)**
Changes in currency exchange rates	(16)	–	(40)	**(56)**
Allowance for expected credit losses at 30 June 2025 (unaudited)	**208**	**–**	**2,678**	**2,886**
Gross carrying amount at 1 January 2024	**94,662**	**–**	**2,918**	**97,580**
New originated or purchased assets	379,724	–	2	**379,726**
Assets derecognized or redeemed (excluding write-offs)	(432,490)	–	(11)	**(432,501)**
Changes in currency exchange rates	1,781	–	30	**1,811**
Gross carrying amount at 30 June 2024 (unaudited)	**43,677**	**–**	**2,939**	**46,616**
Allowance for expected credit losses at 1 January 2024	**223**	**–**	**2,918**	**3,141**
New originated or purchased assets	382	–	2	**384**
Assets derecognized or redeemed (excluding write-offs)	(232)	–	(11)	**(243)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(90)	–	–	**(90)**
Changes in currency exchange rates	4	–	30	**34**
Allowance for expected credit losses at 30 June 2024 (unaudited)	**287**	**–**	**2,939**	**3,226**

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

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(EUR thousand)

9. Securities at amortized cost

Securities at amortized cost comprise:

	30 June 2025 (unaudited)	***31 December 2024***
Held by the Bank		
Internationally rated		
Corporate Eurobonds	–	3,983
From BBB+ to BB-	–	*3,983*
From B+ to B-	–	–
Internally rated only		
Corporate bonds	41,877	31,876
From BBB+ to BB-	*35,462*	*30,505*
From B+ to B-	*6,415*	*1,371*
Corporate Eurobonds	11,118	5,177
From B+ to B-	*11,118*	*5,177*
Total securities at amortized cost	**52,995**	**41,036**
Allowance for expected credit losses	(3,029)	(4,816)
Securities at amortized cost	**49,966**	**36,220**

Corporate Eurobonds and bonds are debt securities issued in euros and Russian rubles (31 December 2024: euros, US dollars and Russian rubles) by financial and industrial entities in IBEC member countries and other countries for circulation in both domestic and foreign markets relative to the issuer and for trading over the counter and on stock exchanges. Corporate Eurobonds mature in May 2027 (31 December 2024: from February 2027 to May 2027) and bear a coupon rate of 2.2% p.a. (31 December 2024: coupon rates ranging from 2.2% to 8.5% p.a.). Corporate bonds mature from February 2026 to May 2035 (31 December 2024: from March 2025 to October 2034), with coupon rates ranging from 12.4% to 26.5% p.a. (31 December 2024: from 12.4% to 27.5% p.a.).

Securities at amortized cost in the amount equivalent to EUR 5,012 thousand as at 30 June 2025 (31 December 2024: EUR 9,050 thousand) are restricted from use due to sanctions imposed on the depositories having custody of IBEC's securities. The Bank is taking all necessary steps to lift the restrictions on the use of these assets taking into account potential scenarios for each security individually. Accordingly, Bank has recognized an allowance for these securities in the amount of EUR 2,506 thousand (31 December 2024: EUR 4,525 thousand).

During the six months ended 30 June 2024, the Bank sold securities at amortized cost with a nominal value of EUR 5,000 thousand. Expenses of EUR 638 thousand were recognized in the interim statement of profit or loss and other comprehensive income within net losses from operations with securities at amortized cost. No similar transactions were carried out in the first half of 2025.

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(EUR thousand)

9. Securities at amortized cost (continued)

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

Securities at amortized cost	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Gross carrying amount at 1 January 2025	**31,876**	**9,050**	**110**	**41,036**
New originated or purchased assets	23,994	195	–	**24,189**
Assets derecognized or redeemed (excluding write-offs)	(13,158)	(3,884)	–	**(17,042)**
Changes in currency exchange rates	5,161	(349)	–	**4,812**
Gross carrying amount at 30 June 2025 (unaudited)	**47,873**	**5,012**	**110**	**52,995**
Allowance for expected credit losses at 1 January 2025	**182**	**4,524**	**110**	**4,816**
New originated or purchased assets	176	–	–	**176**
Assets derecognized or redeemed (excluding write-offs)	(23)	(1,773)	–	**(1,796)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	50	(67)	–	**(17)**
Changes in currency exchange rates	28	(178)	–	**(150)**
Allowance for expected credit losses at 30 June 2025 (unaudited)	**413**	**2,506**	**110**	**3,029**
Gross carrying amount at 1 January 2024	**27,498**	**13,348**	**110**	**40,956**
New originated or purchased assets	1,562	380	–	**1,942**
Assets derecognized or redeemed (excluding write-offs)	(6,183)	(5,115)	–	**(11,298)**
Changes in currency exchange rates	1,428	264	–	**1,692**
Gross carrying amount at 30 June 2024 (unaudited)	**24,305**	**8,877**	**110**	**33,292**
Allowance for expected credit losses at 1 January 2024	**395**	**3,470**	**110**	**3,975**
New originated or purchased assets	–	–	–	**–**
Assets derecognized or redeemed (excluding write-offs)	(44)	(1,194)	–	**(1,238)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(240)	(5)	–	**(245)**
Changes in currency exchange rates	14	68	–	**82**
Allowance for expected credit losses at 30 June 2024 (unaudited)	**125**	**2,339**	**110**	**2,574**

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(EUR thousand)

9. Securities at amortized cost (continued)

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

	30 June 2025 (unaudited)	*31 December 2024*
Credit and investment portfolio	44,077	36,220
Capital market securities	5,889	–
Securities at amortized cost	**49,966**	**36,220**

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

10. Loans to corporate customers

Loans to corporate customers comprise:

	30 June 2025 (unaudited)	*31 December 2024*
Loans issued to legal entities from IBEC member countries	124,580	92,905
Loans for foreign trade purposes issued to legal entities from IBEC member countries	33,861	35,863
Syndicated loans issued to legal entities from other countries	9,268	9,476
Loans issued to legal entities from other countries	7,375	10,644
Loans for foreign trade purposes issued to legal entities from other countries	521	521
Total loans to corporate customers	**175,605**	**149,409**
Allowance for expected credit losses	(9,116)	(6,280)
Loans to corporate customers less allowance for expected credit losses	**166,489**	**143,129**

Other countries refer to countries whose counterparties conduct business in dealings with the Bank's member countries.

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

	30 June 2025 (unaudited)		*31 December 2024*	
	Amount	*%*	*Amount*	*%*
Transport	35,672	21.43	40,368	28.20
Pharmaceuticals	33,742	20.27	21,241	14.84
Financial services	32,444	19.49	22,984	16.06
Chemicals	28,934	17.38	25,622	17.90
Investment – leasing	13,660	8.20	10,323	7.21
Logistics	12,788	7.68	13,135	9.18
Natural gas	9,249	5.55	9,456	6.61
Total loans to corporate customers	**166,489**	**100**	**143,129**	**100**

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(EUR thousand)

10. Loans to corporate customers (continued)

As at 30 June 2025, balances with three major counterparties of the Bank accounted for EUR 93,332 thousand, or 56.06% of the Bank's total corporate loan portfolio less allowance for expected credit losses (31 December 2024: EUR 80,501 thousand, or 56.25% of the Bank's total corporate loan portfolio less allowance for expected credit losses).

Loans are issued to customers operating in the following countries:

	30 June 2025 (unaudited)	***31 December 2024***
Russian Federation	108,781	77,074
Mongolia	33,569	35,554
Socialist Republic of Vietnam	11,172	11,219
Republic of Bulgaria	9,249	12,552
Republic of Poland	3,718	6,730
Slovak Republic	–	–
Total	**166,489**	**143,129**

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

Loans to corporate customers	***30 June 2025 (unaudited)***	***31 December 2024***
Internally rated only		
From BBB+ to BB-	*48,140*	*43,262*
From B+ to B-	*79,715*	*58,139*
From CCC+ to C	*47,749*	*48,008*
Total	**175,605**	**149,409**
Allowance for expected credit losses	(9,116)	(6,280)
Carrying amount	**166,489**	**143,129**

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(EUR thousand)

10. Loans to corporate customers (continued)

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

Loans to corporate customers	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Gross carrying amount at 1 January 2025	**123,446**	**25,442**	**521**	**149,409**
New originated or purchased assets	141,189	182	117	**141,488**
Transfer to Stage 3	–	(7,444)	7,444	**–**
Assets derecognized or redeemed (excluding write-offs)	(122,287)	(3,251)	(186)	**(125,724)**
Changes in currency exchange rates	10,432	–	–	**10,432**
Gross carrying amount at 30 June 2025 (unaudited)	**152,780**	**14,929**	**7,896**	**175,605**
Allowance for expected credit losses at 1 January 2025	**1,363**	**4,396**	**521**	**6,280**
New originated or purchased assets	825	420	1,017	**2,262**
Transfer to Stage 3	–	(714)	714	**–**
Assets derecognized or redeemed (excluding write-offs)	(366)	(185)	(464)	**(1,015)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(771)	(161)	2,390	**1,458**
Changes in currency exchange rates	131	–	–	**131**
Allowance for expected credit losses at 30 June 2025 (unaudited)	**1,182**	**3,756**	**4,178**	**9,116**
Gross carrying amount at 1 January 2024	**117,168**	**13,261**	**521**	**130,950**
New originated or purchased assets	12,440	392	–	**12,832**
Transfer to Stage 1	5,074	(5,074)	–	**–**
Transfer to Stage 2	(14,392)	14,392	–	**–**
Transfer to Stage 3	–	(47)	47	**–**
Assets derecognized or redeemed (excluding write-offs)	(13,486)	(939)	–	**(14,425)**
Changes in currency exchange rates	3,896	–	–	**3,896**
Gross carrying amount at 30 June 2024 (unaudited)	**110,700**	**21,985**	**568**	**133,253**
Allowance for expected credit losses at 1 January 2024	**2,207**	**1,273**	**521**	**4,001**
New originated or purchased assets	1,419	19	–	**1,438**
Transfer to Stage 1	2	(2)	–	**–**
Transfer to Stage 2	(2,016)	2,016	–	**–**
Transfer to Stage 3	–	(47)	47	**–**
Assets derecognized or redeemed (excluding write-offs)	(553)	(447)	–	**(1,000)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	164	(144)	–	**20**
Changes in currency exchange rates	69	–	–	**69**
Allowance for expected credit losses at 30 June 2024 (unaudited)	**1,292**	**2,668**	**568**	**4,528**

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

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

(EUR thousand)

10. Loans to corporate customers (continued)

Collateral and other credit enhancements

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

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

- Real estate mortgages;
- Third-party guarantees;
- Property rights.

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

Collateral held for loans to corporate customers comprises:

	30 June 2025 (unaudited)	***31 December 2024***
Loans secured by guarantees and sureties of third parties	122,530	99,691
Loans secured by pledge of (movable) property and property rights	43,959	43,438
Total loans to corporate customers	**166,489**	**143,129**

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

During the six months ended 30 June 2025, the Bank modified the loan terms for one borrower (31 December 2024: two borrowers) due to the geopolitical crisis that began in February 2022. The impact of these modifications is considered immaterial.

For the quality analysis and interest rate risk of the loan portfolio, please refer to Note 25.

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(EUR thousand)

11. Derivative financial instruments

The Bank enters into derivative financial instruments for trading purposes. The table below shows the fair values of derivative financial instruments recorded in the interim condensed financial statements as assets or liabilities.

	Notional principal	***Fair value***	
		Asset	***Liability***
30 June 2025 (unaudited)			
Foreign exchange contracts			
Derivative financial instruments – contracts with residents of IBEC member countries	34,670	1,200	–
Derivative financial instruments – contracts with residents of other countries	14,102	2	3
Cross-currency interest rate contracts			
Derivative financial instruments – contracts with residents of IBEC member countries	1,107	6,981	87
Total derivative assets/liabilities		**8,183**	**90**
31 December 2024			
Foreign exchange contracts			
Derivative financial instruments – contracts with residents of other countries	3,337	126	–
Derivative financial instruments – contracts with residents of IBEC member countries	1,187	–	44
Cross-currency interest rate contracts			
Derivative financial instruments – contracts with residents of IBEC member countries	558	1,230	213
Total derivative assets/liabilities		**1,356**	**257**

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(EUR thousand)

11. Derivative financial instruments (continued)

The fair values of claims and liabilities under interest rate, foreign exchange and cross-currency interest rate swap contracts as at the end of the reporting period by currency is presented in the table below. The table includes contracts with settlement dates after the end of the respective reporting period and reflects gross positions before the netting of any counterparty positions (and payments). A significant portion of the transactions is represented by short-term transactions.

	30 June 2025 (unaudited)		***31 December 2024***	
	Contracts with positive fair value	***Contracts with negative fair value***	***Contracts with positive fair value***	***Contracts with negative fair value***
Foreign exchange swaps: fair value at the end of the reporting period				
- EUR-denominated claim, receivable on settlement (+)	37,869	12,100	3,446	–
- RUB-denominated liability, payable on settlement (-)	1,998	–	3,320	–
- RUB-denominated claim, receivable on settlement (+)	–	–	–	1,142
- Liability in other currencies, payable on settlement (-)	23,391	12,103	–	1,185
- USD-denominated liability, payable on settlement (-)	11,278	–	–	–
Cross-currency interest rate swaps: fair value at the end of the reporting period				
- RUB-denominated claim, receivable on settlement (+)	72,924	3,706	35,019	3,085
- RUB-denominated liability, payable on settlement (-)	65,943	3,793	33,789	3,299
Net fair value of interest rate, foreign exchange and cross-currency interest rate swaps	**8,183**	**(90)**	**1,356**	**(257)**

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

Net (losses) gains from operations with derivative financial instruments and foreign currency recorded in the interim statement of profit or loss and other comprehensive income include, among other items, trading in derivative financial instruments amounting to EUR (1,417) thousand (30 June 2024: EUR 719 thousand) and trading in foreign currencies amounting to EUR 1,354 thousand (30 June 2024: EUR 890 thousand).

Cash flow hedges

Cash flow hedge relationships relate to distinctly identifiable assets or liabilities, hedged by one, or a few, hedging instruments. The Bank's cash flows hedges consist of cross-currency interest rate swaps that are used to protect against exposures to variability in future interest and principal cash flows on its issued notes in rubles due to changes in interest rate and currency risks (Note 25). The hedging ratio is established by matching the notional of the derivatives against the principal of the hedged item.

As at 30 June 2025 and 31 December 2024, the Bank had no hedge relationships in place as the hedged item (or part of it) no longer existed. The line in the interim statement of financial position where the hedged items were recorded, is "Debt securities issued".

To test the hedge effectiveness, the Bank compares the changes in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks (interest rate and currency risks) as represented by a hypothetical derivative. The hypothetical derivative method involves establishing a notional derivative that would be the ideal hedging instrument for the hedged exposures. The basis currency spread was excluded from the hedge relationship and was recognized in the interim statement of profit or loss and other comprehensive income.

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(EUR thousand)

11. Derivative financial instruments (continued)

Cash flow hedges (continued)

Cash flow hedge ineffectiveness may arise from mismatches in timing and amounts of cash flows between the hedging instrument and the hedged item, as well as changes in the fair value of the derivative instrument from the trade date to the date the hedge relationship is established.

The table below sets out the outcome of the Bank's hedging strategy, in particular, the notional and the carrying amounts of the derivatives the Bank uses as hedging instruments and the changes in their fair value used for measuring hedge ineffectiveness separately showing the effective and ineffective portions:

					Changes in the fair values of hedging instruments used for measuring hedge ineffectiveness					
					Effective portion		***Hedge ineffectiveness***	***Reclassified to profit or loss***		
		Carrying amount								
Cash flow hedges	***Notional principal***	***Assets***	***Liabilities***	***Total***	***Recognized in other comprehensive income (cash flow hedge reserve net of basis currency spread)***	***Recognized in other comprehensive income (basis currency spread)***	***Recognized in the statement of profit or loss within net gains (losses) from operations with derivative financial instruments and foreign currency***	***Interest income (expense) calculated using the EIR method***	***Net gains (losses) from operations with derivative financial instruments and foreign currency***	***Net gains (losses) from operations with derivative financial instruments and foreign currency***
31 December 2024										
Cross-currency interest rate swaps	–	–	–	**275**	468	(193)	–	388	247	(48)

In 2024, the effective portion of hedge relationships recognized in other comprehensive income (cash flow hedge reserve, excluding basis currency spread) was adjusted to the lesser of the two amounts.

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(EUR thousand)

11. Derivative financial instruments (continued)

Cash flow hedges (continued)

The table below show the effect of hedging activities on equity for the six months ended 30 June 2024:

Cash flow hedges	*Cash flow hedge reserve net of basis currency spread*	*Basis currency spread*
Balance at 1 January 2024	**167**	**145**
Effective portion of changes in the fair value of cross-currency interest rate swaps	468	(193)
Net amounts reclassified to profit or loss:		
- *Interest expense*	*(388)*	–
- *Net gains (losses) from operations with derivative financial instruments and foreign currency*	*(247)*	*48*
Balance at 30 June 2024 (unaudited)	**–**	**–**

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

Movements in property, plant and equipment for the six months ended 30 June 2025 were as follows:

30 June 2025 (unaudited)	*Note*	*Building*	*Office equipment and computer hardware*	*Furniture*	*Transport*	*Intangible assets and investments in intangible assets*	*Total*
Cost							
Balance at 1 January 2025		**75,936**	**1,665**	**392**	**510**	**2,976**	**81,479**
Additions		44	60	3	–	49	**156**
Disposals		–	–	–	–	–	**–**
Balance at 30 June 2025 (unaudited)		**75,980**	**1,725**	**395**	**510**	**3,025**	**81,635**
Accumulated depreciation							
Balance at 1 January 2025		**27,863**	**1,503**	**287**	**510**	**302**	**30,465**
Depreciation charges for the reporting period	22	520	39	2	–	82	**643**
Disposals		–	–	–	–	–	**–**
Balance at 30 June 2025 (unaudited)		**28,383**	**1,542**	**289**	**510**	**384**	**31,108**
Net book value							
Net book value at 1 January 2025		**48,073**	**162**	**105**	**–**	**2,674**	**51,014**
Net book value at 30 June 2025 (unaudited)		**47,597**	**183**	**106**	**–**	**2,641**	**50,527**

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(EUR thousand)

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

Movements in property, plant and equipment for the six months ended 30 June 2024 were as follows:

30 June 2024 (unaudited)	***Note***	***Building***	***Office equipment and computer hardware***	***Furniture***	***Transport***	***Intangible assets and investments in intangible assets***	***Total***
Cost							
Balance at 1 January 2024		**76,050**	**1,682**	**405**	**510**	**2,884**	**81,531**
Additions		6	15	–	–	73	**94**
Disposals		–	(5)	(13)	–	–	**(18)**
Balance at 30 June 2024 (unaudited)		**76,056**	**1,692**	**392**	**510**	**2,957**	**81,607**
Accumulated depreciation							
Balance at 1 January 2024		**26,947**	**1,390**	**294**	**510**	**141**	**29,282**
Depreciation charges for the reporting period	22	522	87	2	–	80	**691**
Disposals		–	(5)	(6)	–	–	**(11)**
Balance at 30 June 2024 (unaudited)		**27,469**	**1,472**	**290**	**510**	**221**	**29,962**
Net book value							
Net book value at 1 January 2024		**49,103**	**292**	**111**	**–**	**2,743**	**52,249**
Net book value at 30 June 2024 (unaudited)		**48,587**	**220**	**102**	**–**	**2,736**	**51,645**

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

	30 June 2025 (unaudited)	***31 December 2024***
Cost	**48,973**	**48,929**
Accumulated depreciation	(18,353)	(17,998)
Net book value	**30,620**	**30,931**

Revaluation of assets

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

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

Part of the building is leased to third parties on a short-term basis; however, the building is primarily intended for Bank’s i operational needs. The Bank classifies the building as an item of property, plant and equipment because it cannot physically and legallyseparate the leased premises and take into account short-term nature of the concluded contracts.

The Bank expects to receive lease payments under operating leases after 30 June 2025 as follows: EUR 224 thousand within 30 days; EUR 1,086 thousand from 31 to 180 days, and EUR 624 thousand from 181 days to one year.

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(EUR thousand)

13. Other assets and liabilities

Other assets comprise:

	Note	*30 June 2025 (unaudited)*	*31 December 2024*
Financial assets			
Settlement balances related to securities		15,575	12,386
Receivables from financial and operational transactions		1,176	737
Consumer lending		183	259
Bank fees receivable from customers		7	3
Allowance for expected credit losses from financial assets	23	(14,119)	(12,506)
Total financial assets less allowance for expected credit losses		**2,822**	**879**
Non-financial assets			
Inventories		70	69
Total non-financial assets		**70**	**69**
Total other assets		**2,892**	**948**

As at 30 June 2025, IBEC had not received cash from redemption of a number of securities and paid coupon income totaling EUR 15,575 thousand, partly due to sanctions imposed on the depositories having custody of IBEC's securities (31 December 2024: EUR 12,386 thousand). As at 30 June 2025, the Bank made an allowance in the amount of EUR 13,784 thousand (31 December 2024: EUR 12,386 thousand).

Other liabilities comprise:

	Note	*30 June 2025 (unaudited)*	*31 December 2024*
Financial liabilities			
Margin call		6,900	975
Liabilities to the withdrawn countries	17	3,488	1,853
Settlements under financial and operational transactions		408	2,086
Other		167	–
Advances received		–	126
Contributions to social security funds		905	689
Total financial liabilities		**11,868**	**5,729**
Non-financial liabilities			
Allowance for expected credit losses from credit-related commitments	18, 23	1,124	849
Provision for unused vacation	24	503	417
Total non-financial liabilities		**1,627**	**1,266**
Total other liabilities		**13,495**	**6,995**

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(EUR thousand)

14. Due to financial institutions

Amounts due to financial institutions comprise:

	30 June 2025 (unaudited)	*31 December 2024*
Repurchase agreements	33,912	–
Long-term related financing from banks in IBEC member countries	30,804	32,435
Deposits from banks in IBEC member countries	27,449	10,222
Deposits from banks in other countries	1,084	10,521
Correspondent accounts of banks in IBEC member countries	3,914	977
Correspondent accounts of banks in other countries	827	132
Correspondent accounts of international financial institutions	265	311
Due to financial institutions	**98,255**	**54,598**

As at 30 June 2025, balances due to three major counterparties amounted to EUR 75,552 thousand, or 76.90% of the total amount due to financial institutions (31 December 2024: EUR 48,624 thousand due to three major counterparties, or 89.06% of the total amount due to financial institutions).

As at 30 June 2025, the Bank entered into repurchase agreements with financial institutions in IBEC member countries, with securities pledged having a fair value of EUR 36,264 thousand (31 December 2024: no repurchase agreements) (Note 7).

Transferred financial assets not derecognized

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

	Note	*30 June 2025 (unaudited)*	*31 December 2024*
Carrying amount of transferred assets – securities at fair value through other comprehensive income	7	36,264	–
Carrying amount of associated liabilities – due to financial institutions		(33,912)	–

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

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(EUR thousand)

15. Due to customers

Amounts due to customers comprise:

	30 June 2025 (unaudited)	31 December 2024
Deposits of international organizations	70,056	41,454
Current accounts of organizations in IBEC member countries	10,053	10,465
Amounts due to the Fund	7,467	7,462
Deposits of organizations in IBEC member countries	5,996	8,865
Current accounts of organizations in other countries	1,032	151
Deposits of organizations in other countries	92	76
Current accounts of international organizations	2	–
Other current accounts	2,345	1,737
Due to customers	**97,043**	**70,210**

As at 30 June 2025, balances due to three major customers of the Bank amounted to EUR 86,673 thousand, or 89.31% of the total amounts due to customers (31 December 2024: EUR 57,537 thousand, or 81.95% of the total amounts due to customers).

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

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

	30 June 2025 (unaudited)		31 December 2024	
	Amount	%	Amount	%
Insurance	76,028	87.16	46,427	76.09
Construction	9,190	10.54	8,658	14.19
Trade	1,129	1.30	692	1.13
Manufacturing	149	0.17	109	0.18
Investment – leasing	136	0.16	212	0.35
Transport	117	0.13	89	0.15
Power	100	0.11	100	0.16
Pharmaceuticals	91	0.10	294	0.48
Chemicals	81	0.09	3	0.01
Metals	68	0.08	55	0.09
Financial services	21	0.02	3,876	6.35
Investment	6	0.01	6	0.01
Factoring	3	0.00	6	0.01
Research	2	0.00	89	0.15
Agriculture	1	0.00	–	0.00
Advertising and PR	–	0.00	43	0.07
Other	109	0.13	352	0.58
Total due to customers	**87,231**	**100**	**61,011**	**100**

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(EUR thousand)

16. Debt securities issued

Debt securities issued comprise:

	30 June 2025 (unaudited)	*31 December 2024*
RUB-denominated bonds	161,650	141,874
Debt securities issued	**161,650**	**141,874**

On 18 June 2024, IBEC issued bonds totaling RUB 5 billion (equivalent to EUR 58,240 thousand at the exchange rate as at the date of issue), maturing on 6 June 2034, with a call date in June 2026. The bond coupon is calculated as the sum of income accrued daily during the coupon period based on the Bank of Russia's key rate plus a spread of 2.1% p.a., and is payable on a quarterly basis. As at 30 June 2025, the average coupon rate on the bonds of this issue was 22.10% p.a. Given the Bank's OCP structure and the planned pipeline of new assets (Note 11), no hedging transactions were entered into for this issue.

On 18 December 2023, IBEC issued bonds totaling RUB 5.5 billion (equivalent to EUR 55,886 thousand at the exchange rate as at the date of issue), maturing on 14 December 2026. The bond coupon is calculated as the sum of income accrued daily during the coupon period based on the Bank of Russia's key rate plus a spread of 2.5% p.a., and is payable on a semi-annual basis. As at 30 June 2025, the average coupon rate on the bonds of this issue was 22.50% p.a. Given the Bank's OCP structure and the planned pipeline of new assets (Note 11), no hedging transactions were entered into for this issue.

On 15 June 2023, IBEC issued bonds totaling RUB 1.7 billion (equivalent to EUR 18,668 thousand at the exchange rate as at the date of issue), maturing on 2 June 2033, with a call date in June 2026. The coupon rate was fixed for three years at 10.75% p.a., with the coupon payable on a quarterly basis. Given the Bank's OCP structure and the planned pipeline of new assets (Note 11), no hedging transactions were entered into for this issue.

On 15 June 2020, IBEC issued bonds totaling RUB 5 billion (equivalent to EUR 63,675 thousand at the exchange rate as at the date of issue), maturing on 3 June 2030, with a call date in June 2024. The coupon rate was set at 6.20% p.a., with the coupon payable on a semi-annual basis. Following the call in June 2024, the Bank repurchased bonds in the amount of RUB 4.769 billion. Bonds totaling RUB 0,231 billion not redeemed at the call date continue to trade. The coupon was set at 16.40% p.a., with a call date in June 2025. Following the call in June 2025, the Bank repurchased bonds in the amount of RUB 54.155 million. Bonds totaling RUB 0.176 billion not redeemed at the call date continue to trade. The coupon was set at 16.40% p.a., with a call date in December 2027. Given the Bank's OCP structure and the planned pipeline of new assets (Note 11), no hedging transactions were entered into for this issue after the call date was set.

On 9 October 2019, IBEC issued bonds totaling RUB 7 billion (equivalent to EUR 98,266 thousand at the exchange rate effective as at the date of issue), maturing on 26 September 2029, with a call date in October 2022. The coupon rate on the bonds was set at 7.90% p.a., with the coupon payable on a semi-annual basis. Following the call in October 2022, a secondary placement of part of the repurchased bonds was made in November 2022. The coupon rate was set at 10.25% p.a., with a call date in October 2023. Following the call in October 2023, a secondary placement of part of the repurchased bonds was made. The coupon rate was set at 13.25% p.a., with a call date in October 2025. As at 30 June 2025, the volume of this bond issue outstanding in the market amounted to RUB 2.340 billion (31 December 2024: RUB 2.340 billion). Given the Bank's OCP structure and the planned pipeline of new assets (Note 11), no hedging transactions were entered into for this issue after the call date was set.

When bonds were issued in currencies other than the euro and without natural hedging, and in the absence of a planned portfolio of new projects (performing assets), the Bank entered into cross-currency interest rate swaps to manage currency risks (Note 11).

(EUR thousand)

17. Equity

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

As at 30 June 2025 and 31 December 2024, the Bank's members were the following three countries: the Socialist Republic of Vietnam, Mongolia and the Russian Federation.

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

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

On 22 November 2024, IBEC and the Republic of Poland signed an agreement on the final settlement of mutual claims and liabilities in connection with the Republic of Poland's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement, which came into effect on 25 November 2024, provides for annual payments. As at 30 June 2025, IBEC had made a payment totaling EUR 77.1 thousand (31 December 2024: EUR 77.1 thousand).

On 16 May 2025, IBEC and the Czech Republic signed an agreement on the final settlement of mutual claims and liabilities in connection with the Czech Republic's withdrawal from the Agreement on the Organization and Activities of IBEC and from membership in IBEC. The agreement came into effect on the date of signing and provides for annual payments. As at 30 June 2025, IBEC made a payment totaling EUR 171.4 thousand.

As at 30 June 2025, no bilateral agreements had been signed with other withdrawn countries, with bilateral consultations ongoing between IBEC and the withdrawn countries on the draft bilateral agreements provided by the Bank.

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

The paid-in portion of the authorized capital of IBEC as at 30 June 2025 amounted to EUR 199,674 thousand (31 December 2024: EUR 199,923 thousand). The allocation of shares in the Bank's paid-in share capital by country is set out below:

	30 June 2025 (unaudited)	***31 December 2024***
IBEC member countries	**106,605**	**106,605**
Russian Federation	103,179	103,179
Mongolia	2,668	2,668
Socialist Republic of Vietnam	758	758
Withdrawn countries	**93,069**	**93,318**
Czech Republic	26,512	26,684
Republic of Poland	23,862	23,939
Republic of Bulgaria	15,121	15,121
Romania	14,232	14,232
Slovak Republic	13,342	13,342
Total	**199,674**	**199,923**

(EUR thousand)

18. Credit-related commitments

Credit-related commitments comprise the following:

	30 June 2025 (unaudited)	***31 December 2024***
Guarantees issued	108,224	91,178
Total credit-related commitments	**108,224**	**91,178**
Allowance for expected credit losses (Notes 13 and 23)	(1,124)	(849)
Credit-related commitments	**107,100**	**90,329**

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

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

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

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

	30 June 2025 (unaudited)	***31 December 2024***
Russian Federation	106,929	90,329
Mongolia	171	–
Total	**107,100**	**90,329**

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(EUR thousand)

18. Credit-related commitments (continued)

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

Credit-related commitments	***Stage 1***	***Stage 2***	***Total***
Balance at 1 January 2025	**91,178**	**–**	**91,178**
New commitments	39,735	–	**39,735**
Commitments expired or settled	(34,999)	–	**(34,999)**
Changes in currency exchange rates	12,310	–	**12,310**
Balance at 30 June 2025 (unaudited)	**108,224**	**–**	**108,224**
Allowance for expected credit losses at 1 January 2025	**849**	**–**	**849**
New commitments	589	–	**589**
Commitments expired or settled	(300)	–	**(300)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(126)	–	**(126)**
Changes in currency exchange rates	112	–	**112**
Allowance for expected credit losses at 30 June 2025 (unaudited)	**1,124**	**–**	**1,124**
Balance at 1 January 2024	**60,885**	**–**	**60,885**
New commitments	33,619	–	**33,619**
Commitments expired or settled	(26,635)	–	**(26,635)**
Changes in currency exchange rates	4,450	–	**4,450**
Balance at 30 June 2024 (unaudited)	**72,319**	**–**	**72,319**
Allowance for expected credit losses at 1 January 2024	**766**	**–**	**766**
New commitments	571	–	**571**
Commitments expired or settled	(147)	–	**(147)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(879)	–	**(879)**
Changes in currency exchange rates	48	–	**48**
Allowance for expected credit losses at 30 June 2024 (unaudited)	**359**	**–**	**359**

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(EUR thousand)

19. Interest income and interest expense

	For the six months ended 30 June (unaudited)	
	2025	**2024**
Interest income		
Interest income calculated using the EIR method		
Securities at fair value through other comprehensive income	13,674	6,789
Loans to corporate customers	12,161	6,596
Securities at amortized cost	5,010	1,942
Due from banks and financial institutions, including cash and cash equivalents	3,642	5,274
Other	30	553
Other interest income		
Securities at fair value through profit or loss	35	34
Total interest income	**34,552**	**21,188**
Interest expense		
Interest expense calculated using the EIR method		
Debt securities issued	(14,899)	(9,271)
Due to customers	(8,190)	(3,034)
Due to financial institutions	(6,079)	(3,989)
Other	(629)	(9)
Total interest expense	**(29,797)**	**(16,303)**
Net interest income	**4,755**	**4,885**

20. Net fee and commission income

	For the six months ended 30 June (unaudited)	
	2025	**2024**
Documentary operations	997	593
Loan servicing fees	147	44
Currency control	36	30
Account maintenance	28	25
Cash and settlement operations	21	17
Other	–	9
Fee and commission income	**1,229**	**718**
Fee and commission expense	(362)	(390)
Net fee and commission income	**867**	**328**

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(EUR thousand)

21. Net gains from operations with securities at fair value through other comprehensive income

Net gains from operations with securities at fair value through other comprehensive income that are recorded in profit or loss comprise:

	For the six months ended 30 June (unaudited)	
	2025	***2024***
Result from disposal of debt securities		
Gains from revaluation of securities due to their disposal	3,162	2,373
(Losses)/gains from operations with securities	(79)	41
Total net gains from operations with securities at fair value through other comprehensive income	**3,083**	**2,414**

Gains from the revaluation of securities at fair value through other comprehensive income due to their disposal during the six months ended 30 June 2025 were reclassified from other comprehensive income to net gains from operations with securities at fair value through other comprehensive income.

Unrealized gains/(losses) from securities at fair value through other comprehensive income during the six months ended 30 June 2025 amounted to EUR 20,610 thousand (30 June 2024: EUR (9,331) thousand).

22. Administrative and management expenses

	For the six months ended 30 June (unaudited)	
	2025	***2024***
Staff costs	4,443	3,942
Depreciation of property, plant and equipment	643	691
Repair and maintenance of the building, equipment and apartments	632	524
Information and advisory expenses	166	55
Building security expenses	159	153
Other administrative and management expenses	681	545
Total administrative and management expenses	**6,724**	**5,910**

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(EUR thousand)

23. Allowances for expected credit losses

The tables below show losses (gains) associated with allowances for expected credit losses from financial assets recognized in profit or loss for the six months ended 30 June 2025 and the six months ended 30 June 2024:

30 June 2025 (unaudited)	***Note***	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Cash and cash equivalents	5	–	–	–	**–**
Securities at fair value through other comprehensive income	7	129	490	–	**619**
Due from banks and financial institutions	8	(47)	–	(201)	**(248)**
Securities at amortized cost	9	203	(1,840)	–	**(1,637)**
Loans to corporate customers	10	(312)	74	2,943	**2,705**
Credit-related commitments	18	163	–	–	**163**
Other financial assets	13	–	1,791	526	**2,317**
		136	**515**	**3,268**	**3,919**

30 June 2024 (unaudited)	***Note***	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Cash and cash equivalents	5	2	–	(2)	**–**
Securities at fair value through other comprehensive income	7	256	(6,424)	–	**(6,168)**
Due from banks and financial institutions	8	60	–	(9)	**51**
Securities at amortized cost	9	(284)	(1,199)	–	**(1,483)**
Loans to corporate customers	10	1,030	(572)	–	**458**
Credit-related commitments	18	(455)	–	–	**(455)**
Other financial assets	13	–	2,629	359	**2,988**
		609	**(5,566)**	**348**	**(4,609)**

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(EUR thousand)

23. Allowances for expected credit losses (continued)

A reconciliation of the balances of the allowance for expected credit losses from financial assets as at 30 June 2025 and 31 December 2024 is presented below:

	Cash and cash equivalents	*Securities at fair value through other comprehensive income*	*Due from banks and financial institutions*	*Securities at amortized cost*	*Loans to corporate customers*	*Credit-related commitments*	*Other financial assets*	*Total*
Balance at 1 January 2025	**5**	**6,384**	**3,190**	**4,816**	**6,280**	**849**	**12,506**	**34,030**
New originated or purchased assets	–	703	104	176	2,262	589	1,986	**5,820**
Assets derecognized or redeemed (excluding write-offs)	–	(834)	(301)	(1,796)	(1,015)	(300)	(4)	**(4,250)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	–	750	(51)	(17)	1,458	(126)	335	**2,349**
Changes in currency exchange rates	–	(27)	(56)	(150)	131	112	(704)	**(694)**
Balance at 30 June 2025 (unaudited)	**5**	**6,976**	**2,886**	**3,029**	**9,116**	**1,124**	**14,119**	**37,255**
Balance at 1 January 2024	**7**	**9,430**	**3,141**	**3,975**	**4,001**	**766**	**18,723**	**40,043**
New originated or purchased assets	67	3,717	384	–	1,438	571	3	**6,180**
Assets derecognized or redeemed (excluding write-offs)	(41)	(6,662)	(243)	(1,238)	(1,000)	(147)	(2)	**(9,333)**
Changes in models and inputs used for ECL calculations, and as a result of transfers between Stages	(26)	(3,223)	(90)	(245)	20	(879)	2,987	**(1,456)**
Changes in currency exchange rates	–	209	34	82	69	48	189	**631**
Balance at 30 June 2024 (unaudited)	**7**	**3,471**	**3,226**	**2,574**	**4,528**	**359**	**21,900**	**36,065**

(EUR thousand)

24. Other provisions

Movements in other provisions are presented below:

	Provision for unused vacation	***Total***
1 January 2025	**417**	**417**
Charge	108	**108**
Write-offs	(22)	**(22)**
30 June 2025 (unaudited)	**503**	**503**
1 January 2024	**379**	**379**
Charge	78	**78**
Write-offs	(22)	**(22)**
At 30 June 2024	**435**	**435**

25. Risk management

Introduction

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

Risk management structure

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

Council of the Bank

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

Board of the Bank

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

Credit Committee (CC)

The CC is a standing collegial advisory body to the IBEC's Board of Management established to support the Board's lending and credit risk management activities in accordance with the Bank's goals and objectives. The CC reports to the Board of Management of the Bank.

Assets, Liabilities and Risk Management Committee (ALRMC)

The ALRMC is a standing collegial advisory body to the IBEC's Board of Management established to provide methodological support to the Board in preparing and implementing the Bank's current and long-term policies for asset and liability management, effective resource allocation, and risk management (for risks other than credit risk). The ALRMC reports to the Board of Management of the Bank.

(EUR thousand)

25. Risk management (continued)

Risk management structure (continued)

Risk Control Department (RCD)

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

Internal Audit Department (IAD)

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

Risk measurement and reporting systems

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

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

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

Risk mitigation

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

Excessive risk concentration

Concentrations arise when multiple counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical region. In order to avoid excessive risk concentration, the Bank's policies and procedures include specific guidelines for maintaining a diversified portfolio.

Credit risk

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

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

(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

The Bank considers the credit ratings assigned by international rating agencies to manage the credit quality of its financial assets. If no external rating is available, the Bank determines its internal credit rating on the basis of the sovereign rating ceiling. In addition to the analysis of the financial standing of counterparties, the Bank also analyzes cash flows and prepares cash flow models for its corporate lending transactions, if necessary.

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

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

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

Risks associated with credit-related commitments

Credit risk on credit-related commitments refers to the possibility of a loss as a result of another party to the transaction failing to perform in accordance with the terms of the contract. These contracts expose the Bank to risks similar to those associated with loans, which are mitigated through the same assessment, limitation, monitoring and control procedures.

Definition of default

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

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

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

- Qualitative indicators (e.g., breach of covenants);
- Quantitative indicators (e.g., 'past due' status with the Bank combined with failure by the same counterparty to discharge another obligation); and
- Indicators independently designed by the Bank's internal functions or obtained from external sources.

Significant increase in credit risk

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

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

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

(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

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

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

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

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

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

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

- ► The criteria help to identify a significant increase in credit risk before an event of default in respect of the position exposed to the credit risk takes place;
- ► The criteria are not aligned with the moment in time when the amount due for the asset is more than 30 days past due;
- ► The average period between the date when a significant increase in credit risk was identified and the date when the event of default actually occurred is deemed reasonable;
- ► Positions exposed to credit risk are not reclassified directly from the portfolio for which an allowance is recorded in the amount of 12-month expected credit losses (Stage 1) to the portfolio of credit-impaired assets (Stage 3);
- ► No unjustified volatility arises in the amount of the allowance for expected credit losses when positions exposed to credit risk are reclassified from the portfolio for which the allowance is recorded in the amount of 12-month expected credit losses (Stage 1) to the portfolio for which the allowance is recorded on a lifetime expected credit losses basis (Stage 2).

Credit risk levels (grades)

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

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

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(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

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

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

Creating a term structure of probability of default

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

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

This analysis includes the determination and calibration of relationships between changes in probabilities of default and changes in macroeconomic factors, as well as in-depth analysis of the impact of certain other factors (e.g., forbearance experience) on the risk of default. For most positions exposed to credit risk, key macroeconomic indicators include movements in GDP and changes in consumer price index.

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

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

Inputs for measuring expected credit losses

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

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

(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

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

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

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

Loss given default (LGD) is the amount of possible loss in the case of default that depends on the recovery rate. For corporate investment and speculative securities, the recovery rate is determined by reference to Moody's average historical rates. For default securities, the recovery rate is deemed to be 0%. For interbank loans and deposits, the recovery rate is determined by reference to Moody's average historical recovery rates for unsecured bank loans.

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

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

Forward-looking information

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

The Bank also carries out regular stress testing of more extreme scenarios to adjust its approach to determining these representative scenarios.

The Bank identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, estimated relationships among the macroeconomic variables, credit risk and credit losses. These key drivers are forecasts of GDP and consumer price index.

Forecast correlations between the key indicator, default rates and loss levels across various portfolios of financial assets were determined based on an analysis of historical data for the past seven years.

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

(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets

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

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

The table below shows the credit quality of assets exposed to credit risk for three stages of impairment, with external ratings assigned by international rating agencies and internal credit ratings (if no external ratings are available) as at 30 June 2025:

	Stage 1	***Stage 2***	***Stage 3***	
	12-month ECL	***Lifetime ECL***	***Lifetime ECL***	***Total***
Cash and cash equivalents (other than cash on hand)				
Due from central banks	3,601	–	–	**3,601**
Correspondent accounts with internationally rated banks	29,191	–	–	**29,191**
Correspondent accounts with banks having internal credit ratings only	5,799	–	4	**5,803**
Total	**38,591**	**–**	**4**	**38,595**
Allowance for expected credit losses	(1)	–	(4)	**(5)**
Carrying amount	**38,590**	**–**	**–**	**38,590**
Securities at fair value through other comprehensive income				
Held by the Bank				
Internationally rated	6,820	7,647	–	**14,467**
Internally rated only	166,804	21,510	–	**188,314**
Carrying amount	**173,624**	**29,157**	**–**	**202,781**
Allowance for expected credit losses	**(1,250)**	**(5,664)**	**–**	**(6,914)**
Pledged under repurchase agreements				
Internally rated only	36,264	–	–	**36,264**
Carrying amount	**36,264**	**–**	**–**	**36,264**
Allowance for expected credit losses	**(62)**	**–**	**–**	**(62)**

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(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

	Stage 1 *12-month ECL*	*Stage 2* *Lifetime ECL*	*Stage 3* *Lifetime ECL*	*Total*
Due from banks and financial institutions				
Internationally rated	30,158	–	1,448	**31,606**
Internally rated only	5,217	–	1,230	**6,447**
Total	**35,375**	**–**	**2,678**	**38,053**
Allowance for expected credit losses	(208)	–	(2,678)	**(2,886)**
Carrying amount	**35,167**	**–**	**–**	**35,167**
Securities at amortized cost				
Held by the Bank				
Internally rated only	47,873	5,012	110	**52,995**
Total	**47,873**	**5,012**	**110**	**52,995**
Allowance for expected credit losses	(413)	(2,506)	(110)	**(3,029)**
Carrying amount	**47,460**	**2,506**	**–**	**49,966**
Loans to corporate customers				
Internally rated only	152,780	14,929	7,896	**175,605**
Total	**152,780**	**14,929**	**7,896**	**175,605**
Allowance for expected credit losses	(1,182)	(3,756)	(4,178)	**(9,116)**
Carrying amount	**151,598**	**11,173**	**3,718**	**166,489**
Other financial assets				
Internationally rated	–	–	197	**197**
Internally rated only	1,033	3,582	12,129	**16,744**
Total	**1,033**	**3,582**	**12,326**	**16,941**
Allowance for expected credit losses	(2)	(1,791)	(12,326)	**(14,119)**
Carrying amount	**1,031**	**1,791**	**–**	**2,822**

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(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

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

	Stage 1	*Stage 2*	*Stage 3*	
	12-month ECL	***Lifetime ECL***	***Lifetime ECL***	***Total***
Cash and cash equivalents (other than cash on hand)				
Due from central banks	110	–	–	**110**
Correspondent accounts with internationally rated banks	12,331	–	–	**12,331**
Correspondent accounts with banks having internal credit ratings only	2,479	–	5	**2,484**
Total	**14,920**	**–**	**5**	**14,925**
Allowance for expected credit losses	–	–	(5)	**(5)**
Carrying amount	**14,920**	**–**	**–**	**14,920**
Securities at fair value through other comprehensive income				
Held by the Bank				
Internationally rated	11,468	2,990	–	**14,458**
Internally rated only	155,907	16,005	–	**171,912**
Carrying amount	**167,375**	**18,995**	**–**	**186,370**
Allowance for expected credit losses	**(1,148)**	**(5,236)**	**–**	**(6,384)**
Due from banks and financial institutions				
Internationally rated	37,289	–	1,689	**38,978**
Internally rated only	8,724	–	1,230	**9,954**
Total	**46,013**	**–**	**2,919**	**48,932**
Allowance for expected credit losses	(271)	–	(2,919)	**(3,190)**
Carrying amount	**45,742**	**–**	**–**	**45,742**
Securities at amortized cost				
Held by the Bank				
Internationally rated	–	3,983	–	**3,983**
Internally rated only	31,876	5,067	110	**37,053**
Total	**31,876**	**9,050**	**110**	**41,036**
Allowance for expected credit losses	(182)	(4,524)	(110)	**(4,816)**
Carrying amount	**31,694**	**4,526**	**–**	**36,220**

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(EUR thousand)

25. Risk management (continued)

Credit risk (continued)

	Stage 1	*Stage 2*	*Stage 3*	
	12-month ECL	***Lifetime ECL***	***Lifetime ECL***	***Total***
Loans to corporate customers				
Internally rated only	123,446	25,442	521	**149,409**
Total	**123,446**	**25,442**	**521**	**149,409**
Allowance for expected credit losses	(1,363)	(4,396)	(521)	**(6,280)**
Carrying amount	**122,083**	**21,046**	**–**	**143,129**
Other financial assets				
Internally rated only	881	–	12,504	**13,385**
Total	**881**	**–**	**12,504**	**13,385**
Allowance for expected credit losses	(2)	–	(12,504)	**(12,506)**
Carrying amount	**879**	**–**	**–**	**879**

As at 30 June 2025, all credit-related commitments less allowances for expected credit losses in the amount of EUR 108,224 thousand related to Stage 1. As at 31 December 2024, credit-related commitments less allowances for expected credit losses in the amount of EUR 91,178 thousand related to Stage 1. During the six months ended 30 June 2025 and 30 June 2024, there were no transfers between stages.

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(EUR thousand)

25. Risk management (continued)

Geographical risk

Information on risk concentration by geographical region is based on the geographical location of the Bank's counterparties. The table below shows risk concentration by geographical region as at 30 June 2025:

Country	*Cash and cash equivalents (other than cash on hand)*	*Securities at fair value through profit or loss held by the Bank*	*Securities at fair value through other comprehen-sive income held by the Bank*	*Securities at fair value through other comprehen-sive income pledged under repurchase agreements*	*Due from banks and financial institutions*	*Securities at amortized cost held by the Bank*	*Loans to corporate customers*	*Derivative financial assets*	*Other financial assets*	*Total*	*Share, %*
Russian Federation	4,713	4,825	186,400	36,264	5,210	49,966	108,781	8,181	2,795	**407,135**	**74.69**
Mongolia	10,148	–	–	–	26,170	–	33,569	–	–	**69,887**	**12.82**
Republic of Bulgaria	–	–	3,028	–	–	–	9,249	–	2	**12,279**	**2.25**
Socialist Republic of Vietnam	150	–	–	–	–	–	11,172	–	–	**11,322**	**2.08**
Republic of Poland	2	–	4,563	–	–	–	3,718	–	–	**8,283**	**1.52**
Romania	–	–	3,792	–	–	–	–	–	–	**3,792**	**0.70**
Czech Republic	–	–	3,084	–	–	–	–	–	–	**3,084**	**0.57**
IFI[4]	–	–	1,914	–	–	–	–	–	–	**1,914**	**0.35**
Other countries	23,577	–	–	–	3,787	–	–	2	25	**27,391**	**5.02**
Total	**38,590**	**4,825**	**202,781**	**36,264**	**35,167**	**49,966**	**166,489**	**8,183**	**2,822**	**545,087**	**100**

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

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4 IFI stands for international financial funds and institutions.

(EUR thousand)

25. Risk management (continued)

Geographical risk (continued)

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

Country	*Cash and cash equivalents (other than cash on hand)*	*Securities at fair value through profit or loss held by the Bank*	*Securities at fair value through other comprehen-sive income held by the Bank*	*Due from banks and financial institutions*	*Securities at amortized cost held by the Bank*	*Loans to corporate customers*	*Derivative financial assets*	*Other financial assets*	*Total*	*Share, %*
Russian Federation	2,538	4,190	170,241	6,659	34,229	77,074	1,230	853	**297,014**	**68.63**
Mongolia	10,801	–	–	28,664	–	35,554	–	–	**75,019**	**17.33**
Republic of Bulgaria	–	–	3,067	–	–	12,552	–	–	**15,619**	**3.61**
Socialist Republic of Vietnam	166	–	–	–	–	11,219	–	–	**11,385**	**2.63**
Republic of Poland	4	–	4,592	–	–	6,730	–	–	**11,326**	**2.62**
Czech Republic	–	–	2,990	–	1,991	–	–	–	**4,981**	**1.15**
Romania	–	–	3,809	–	–	–	–	–	**3,809**	**0.88**
IFI[5]	–	–	1,671	–	–	–	–	–	**1,671**	**0.38**
Other countries	1,411	–	–	10,419	–	–	126	26	**11,982**	**2.77**
Total	**14,920**	**4,190**	**186,370**	**45,742**	**36,220**	**143,129**	**1,356**	**879**	**432,806**	**100**

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

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[5] IFI stands for international financial funds and institutions.

(EUR thousand)

25. Risk management (continued)

Liquidity risk and funding management

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

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

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

30 June 2025 (unaudited)	*On demand and less than 30 days*	*31 to 180 days*	*181 to 365 days*	*Over 365 days*	*Total gross amount of cash (inflow) outflow*	*Carrying amount*
Due to financial institutions	57,831	11,070	2,183	32,915	103,999	**98,255**
Due to customers	25,844	52,146	26,429	–	104,419	**97,043**
Debt securities issued	–	41,101	86,674	68,671	196,446	**161,650**
Other liabilities	10,007	–	–	–	10,007	**10,007**
Gross-settled derivative financial instruments						
- Inflow	*50,249*	*9,729*	*4,461*	–	*64,439*	***15,896***
- Outflow	*(49,043)*	*(5,700)*	*(814)*	–	*(55,557)*	***(15,806)***
Total	**94,888**	**108,346**	**118,933**	**101,586**	**423,753**	**367,045**

31 December 2024 (unaudited)	*On demand and less than 30 days*	*31 to 180 days*	*181 to 365 days*	*Over 365 days*	*Total gross amount of cash (inflow) outflow*	*Carrying amount*
Due to financial institutions	24,380	–	2,698	36,303	63,381	**54,598**
Due to customers	17,457	22,532	38,858	–	78,847	**70,210**
Debt securities issued	–	16,168	35,873	133,420	185,461	**141,874**
Other liabilities	5,142	–	–	–	5,142	**5,142**
Gross-settled derivative financial instruments						
- Inflow	*4,597*	*559*	*8,487*	–	*13,643*	***4,484***
- Outflow	*(4,524)*	*(3,787)*	*(3,538)*	–	*(11,849)*	***(4,227)***
Total	**47,052**	**35,472**	**82,378**	**169,723**	**334,625**	**272,081**

Liquidity risk and funding management

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

	On demand and less than 1 month	*1 to 6 months*	*6 to 12 months*	*12 months to 5 years*	*Over 5 years*	*Total*
30 June 2025 (unaudited)	107,100	–	–	–	–	**107,100**
31 December 2024	90,329	–	–	–	–	**90,329**

(EUR thousand)

25. Risk management (continued)

Classification of assets and liabilities by maturity

The tables below show the analysis of all financial assets and financial liabilities of the Bank as at 30 June 2025 and 31 December 2024 by contractual maturity.

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

30 June 2025 (unaudited)	*On demand and less than 1 month*	*1 to 6 months*	*6 to 12 months*	*12 months to 5 years*	*Over 5 years*	*Overdue*	*Excluded from analysis[6]*	*Total*
Cash and cash equivalents	40,764	–	–	–	–	–	–	**40,764**
Securities at fair value through profit or loss								
- Held by the Bank	*4,825*	–	–	–	–	–	–	***4,825***
Securities at fair value through other comprehensive income								
- Held by the Bank	*194,319*	–	–	–	–	–	*8,462*	***202,781***
- Pledged under repurchase agreements	*24,322*	*11,942*	–	–	–	–	–	***36,264***
Due from banks and financial institutions	1,643	3,567	3,183	26,774	–	–	–	**35,167**
Securities at amortized cost								
- Held by the Bank	–	–	*7,583*	*36,035*	*3,842*	–	*2,506*	***49,966***
Loans to corporate customers	26,472	58,978	27,729	39,040	8,319	5,951	–	**166,489**
Derivative financial assets	1,210	5,580	1,393	–	–	–	–	**8,183**
Other financial assets	849	–	28	154	–	–	1,791	**2,822**
Total financial assets	**294,404**	**80,067**	**39,916**	**102,003**	**12,161**	**5,951**	**12,759**	**547,261**
Due to financial institutions	58,571	11,174	1,521	18,772	8,217	–	–	**98,255**
Due to customers	25,716	48,059	23,268	–	–	–	–	**97,043**
Derivative financial liabilities	3	87	–	–	–	–	–	**90**
Debt securities issued	–	27,168	72,522	61,960	–	–	–	**161,650**
Other financial liabilities	8,380	–	–	–	–	–	3,488	**11,868**
Total financial liabilities	**92,670**	**86,488**	**97,311**	**80,732**	**8,217**	**–**	**3,488**	**368,906**
Net position	**201,734**	**(6,421)**	**(57,395)**	**21,271**	**3,944**	**5,951**	**9,271**	**178,355**
Cumulative liquidity gap for financial instruments	**201,734**	**195,313**	**137,918**	**159,189**	**163,133**	**169,084**	**178,355**	**–**

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

(EUR thousand)

25. Risk management (continued)

Classification of assets and liabilities by maturity (continued)

31 December 2024	*On demand and less than 1 month*	*1 to 6 months*	*6 to 12 months*	*12 months to 5 years*	*Over 5 years*	*Overdue*	*Excluded from analysis[7]*	*Total*
Cash and cash equivalents	17,176	–	–	–	–	–	–	**17,176**
Securities at fair value through profit or loss								
- Held by the Bank	*4,190*	–	–	–	–	–	–	***4,190***
Securities at fair value through other comprehensive income								
- Held by the Bank	*177,698*	–	–	–	–	–	*8,672*	***186,370***
Due from banks and financial institutions	13,744	3,848	12,909	15,241	–	–	–	**45,742**
Securities at amortized cost								
- Held by the Bank	–	*3,333*	–	*25,528*	*2,834*	–	*4,525*	***36,220***
Loans to corporate customers	22,376	18,799	30,405	34,577	32,165	4,807	–	**143,129**
Derivative financial assets	126	–	1,230	–	–	–	–	**1,356**
Other financial assets	695	–	–	184	–	–	–	**879**
Total financial assets	**236,005**	**25,980**	**44,544**	**75,530**	**34,999**	**4,807**	**13,197**	**435,062**
Due to financial institutions	24,181	–	2,016	19,087	9,314	–	–	**54,598**
Due to customers	17,427	21,630	31,153	–	–	–	–	**70,210**
Derivative financial liabilities	44	–	213	–	–	–	–	**257**
Debt securities issued	–	3,922	21,913	116,039	–	–	–	**141,874**
Other financial liabilities	3,876	–	–	–	–	–	1,853	**5,729**
Total financial liabilities	**45,528**	**25,552**	**55,295**	**135,126**	**9,314**	**–**	**1,853**	**272,668**
Net position	**190,477**	**428**	**(10,751)**	**(59,596)**	**25,685**	**4,807**	**11,344**	**162,394**
Cumulative liquidity gap for financial instruments	**190,477**	**190,905**	**180,154**	**120,558**	**146,243**	**151,050**	**162,394**	**–**

Market risk

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

Interest rate risk

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

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

(EUR thousand)

25. Risk management (continued)

Interest rate risk (continued)

Interest rate risk is managed primarily by monitoring changes in interest rates. The sensitivity of the interim statement of profit or loss and other comprehensive income is the effect of hypothetical interest rate changes on net interest income for the reporting period, calculated based on non-trading financial assets and financial liabilities with floating interest rates as at 30 June 2025 and 31 December 2024. The sensitivity of equity to assumed changes in interest rates as at 30 June 2025 and 31 December 2024 was calculated by revaluing fixed-rate debt financial assets measured at fair value through other comprehensive income, assuming parallel shifts in the yield curve. The interest rate gap for major fixed-rate financial instruments is summarized as follows.

Interest rate sensitivity analysis

	30 June 2025 (unaudited)		***31 December 2024***	
	Profit or loss	***Equity***	***Profit or loss***	***Equity***
Parallel shift of minus 100 bps	**441**	**403**	**2**	**1**
EUR	7	(8)	56	55
USD	(2)	(4)	–	–
RUB	584	576	(55)	(55)
Other currencies	(148)	(161)	1	1
Parallel shift of plus 100 bps	**(441)**	**(403)**	**(2)**	**(1)**
EUR	(7)	8	(56)	(55)
USD	2	4	–	–
RUB	(584)	(576)	55	55
Other currencies	148	161	(1)	(1)

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(EUR thousand)

25. Risk management (continued)

Interest rate risk (continued)

Average interest rates

The following table shows weighted average interest rates for interest-bearing assets and liabilities as at 30 June 2025 and 31 December 2024. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	30 June 2025 (unaudited)					***31 December 2024***				
	Average interest rate, %					***Average interest rate, %***				
	EUR	***USD***	***RUB***	***CNY***	***Other currencies***	***EUR***	***USD***	***RUB***	***CNY***	***Other currencies***
Interest-bearing assets										
Correspondent accounts with banks in IBEC member countries and other countries	1.20	0.32	16.00	0.46	3.00	0.02	0.13	–	0.14	0.30
Securities at fair value through profit or loss										
- Held by the Bank	*1.26*	–	–	–	–	*1.26*	–	–	–	–
Securities at fair value through other comprehensive income										
- Held by the Bank	*2.06*	*4.22*	*18.74*	*5.91*	–	*2.20*	*3.33*	*15.58*	*6.29*	–
- Pledged under repurchase agreements	*2.32*	–	–	–	–	–	–	–	–	–
Due from banks and financial institutions	7.64	–	19.58	7.76	–	9.08	–	20.53	8.40	–
Securities at amortized cost										
- Held by the Bank	*2.20*	–	*23.01*	–	–	*2.20*	*8.50*	*20.89*	–	–
Loans to corporate customers	6.72	–	24.00	9.50	–	7.75	–	24.38	9.50	–
Consumer lending	3.00	–	–	–	–	3.00	–	–	–	–
Interest-bearing liabilities										
Due to financial institutions	3.12	–	19.63	2.00	–	4.09	–	20.53	6.65	–
Correspondent accounts	–	–	*16.23*	*2.00*	–	–	–	*16.16*	–	–
Due to customers	3.00	3.00	21.88	–	–	1.78	3.00	22.60	–	–
Debt securities issued	–	–	19.46	–	–	–	–	16.16	–	–

(EUR thousand)

25. Risk management (continued)

Currency risk

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

The table below shows a general analysis of the Bank's currency risk related to financial assets and liabilities as at 30 June 2025:

	Note	*EUR*	*USD*	*RUB*	*CNY*	*Other*	*Total*
Cash and cash equivalents		28,958	995	3,726	7,063	22	**40,764**
Securities at fair value through profit or loss							
- Held by the Bank		*4,825*	–	–	–	–	***4,825***
Securities at fair value through other comprehensive income							
- Held by the Bank		*48,600*	*7,820*	*140,720*	*5,641*	–	***202,781***
- Pledged under repurchase agreements		*36,264*	–	–	–	–	***36,264***
Due from banks and financial institutions		6,191	–	5,431	23,545	–	**35,167**
Securities at amortized cost							
- Held by the Bank		*8,395*	–	*41,571*	–	–	***49,966***
Loans to corporate customers		56,093	–	108,781	1,615	–	**166,489**
Other financial assets	13	223	1,791	794	9	5	**2,822**
Total financial assets		**189,549**	**10,606**	**301,023**	**37,873**	**27**	**539,078**
Due to financial institutions		31,057	9	65,826	1,363	–	**98,255**
Due to customers		9,796	121	86,232	894	–	**97,043**
Debt securities issued		–	–	161,650	–	–	**161,650**
Other financial liabilities	13	4,407	–	7,461	–	–	**11,868**
Total financial liabilities		**45,260**	**130**	**321,169**	**2,257**	**–**	**368,816**
Net balance sheet position		**144,289**	**10,476**	**(20,146)**	**35,616**	**27**	**170,262**
Net off-balance sheet position		**49,969**	**(11,278)**	**4,896**	**(35,494)**	**–**	**8,093**
Net balance sheet and off-balance sheet position		**194,258**	**(802)**	**(15,250)**	**122**	**27**	**178,355**

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(EUR thousand)

25. Risk management (continued)

Currency risk (continued)

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

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

A weakening of the euro against the US dollar and the Russian ruble as at 30 June 2025 and 31 December 2024, would have resulted in an increase (decrease) in equity and profit (or loss) as shown in the table below. This analysis is based on foreign currency exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, particularly interest rates, remain constant. The effect on equity does not differ from the effect on the interim statement of profit or loss and other comprehensive income.

	30 June 2025 (unaudited)	***31 December 2024***
20% appreciation of USD against EUR	(160)	2,085
20% appreciation of RUB against EUR	(3,050)	(4,591)
20% depreciation of USD against EUR	160	(2,085)
20% depreciation of RUB against EUR	3,050	4,591

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(EUR thousand)

25. Risk management (continued)

Operational risk

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

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

26. Fair value measurement

Fair value measurements

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

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

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

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

Fair value hierarchy

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

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

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(EUR thousand)

26. Fair value measurement (continued)

Fair value hierarchy (continued)

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

The following tables show the analysis of financial instruments presented in the interim condensed financial statements at fair value by level of the fair value hierarchy as at 30 June 2025 and 31 December 2024:

30 June 2025 (unaudited)	***Fair value measurement using***			
	Level 1 inputs	***Level 2 inputs***	***Level 3 inputs***	***Total***
Assets measured at fair value				
Securities at fair value through profit or loss held by the Bank				
- Bonds of IBEC member countries	*3,968*	–	–	***3,968***
- Corporate bonds	*857*	–	–	***857***
Securities at fair value through other comprehensive income held by the Bank				
- Corporate bonds	*147,316*	–	–	***147,316***
- Bonds of IBEC member countries	*22,409*	–	–	***22,409***
- Corporate Eurobonds	–	*7,647*	*6,548*	***14,195***
- Bonds of banks	*10,127*	–	–	***10,127***
- Eurobonds of other countries	*6,820*	–	–	***6,820***
- Eurobonds of international financial institutions	–	–	*1,914*	***1,914***
Securities at fair value through other comprehensive income pledged under repurchase agreements				
- Bonds of IBEC member countries	*36,264*	–	–	***36,264***
Derivative financial assets	–	*8,183*	–	**8,183**
Property, plant and equipment – buildings	–	–	47,597	**47,597**
	227,761	**15,830**	**56,059**	**299,650**
Assets for which fair values are disclosed				
Cash and cash equivalents	40,764	–	–	**40,764**
Securities at amortized cost	49,966	–	–	**49,966**
Due from banks and financial institutions	–	–	35,167	**35,167**
Loans to corporate customers	–	–	166,489	**166,489**
Other financial assets	–	–	2,822	**2,822**
	90,730	**–**	**204,478**	**295,208**
Liabilities measured at fair value				
Derivative financial liabilities	–	90	–	**90**
Liabilities for which fair values are disclosed				
Due to financial institutions	–	–	98,255	**98,255**
Due to customers	–	–	97,043	**97,043**
Debt securities issued	161,650	–	–	**161,650**
	161,650	**–**	**195,298**	**356,948**

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(EUR thousand)

26. Fair value measurement (continued)

Fair value hierarchy (continued)

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

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(EUR thousand)

26. Fair value measurement (continued)

Derivative financial instruments

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

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

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

Securities at fair value

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

Transfers between Level 1 and Level 2

During the six months ended 30 June 2025 and 30 June 2024, there were no transfers from Level 1 to Level 2 and from Level 2 to Level 1.

Movements in Level 3 financial instruments

During the six months ended 30 June 2025 and 30 June 2024, there were no transfers from Level 1 to Level 3 and from Level 3 to Level 1.

During the six months ended 30 June 2025 and 30 June 2024, no financial instruments were added to Level 3 of the fair value hierarchy.

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(EUR thousand)

26. Fair value measurement (continued)

Securities at fair value (continued)

The following table shows a reconciliation of the opening and closing balances of Level 3 financial assets measured at fair value for the period ended 30 June 2025:

	At 1 January 2025	*Total gains/ (losses) recorded in profit or loss*	*Total gains/ (losses) recognized in other comprehensive income*	*Purchases*	*Settle-ments*	*Replace-ments*	*At 30 June 2025 (unaudited)*
Financial assets							
Securities at fair value through other comprehensive income	8,672	66	(276)	–	–	–	8,462
Property, plant and equipment – building	48,073	(520)	–	44	–	–	47,597
Total Level 3 financial assets	**56,745**	**(454)**	**(276)**	**44**	**–**	**–**	**56,059**
Total net Level 3 financial assets	**56,745**	**(454)**	**(276)**	**44**	**–**	**–**	**56,059**

The following table shows a reconciliation of the opening and closing balances of Level 3 financial assets measured at fair value for the period ended 30 June 2024:

	At 1 January 2024	*Total gains/ (loss) recorded in profit or loss*	*Total gains (losses) recognized in other comprehensive income*	*Purchases*	*Sales*	*Settle-ments*	*Replace-ments*	*Transfers from (to) Level 1 and Level 2*	*At 30 June 2024 (unaudited)*
Financial assets									
Securities at fair value through other comprehensive income	30,717	900	(2,386)	–	–	(7,716)	(12,700)	–	8,815
Property, plant and equipment – building	49,103	(522)	–	6	–	–	–	–	48,587
Total Level 3 financial assets	**79,820**	**378**	**(2,386)**	**6**	**–**	**(7,716)**	**(12,700)**	**–**	**57,402**
Total net Level 3 financial assets	**79,820**	**378**	**(2,386)**	**6**	**–**	**(7,716)**	**(12,700)**	**–**	**57,402**

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

As at 30 June 2025 and 31 December 2024, the fair value of financial assets and liabilities not carried at fair value in the interim statement of financial position did not differ significantly from their carrying amount. Financial assets and liabilities not recorded at fair value in the interim statement of financial position include amounts due from banks and financial institutions, loans to corporate customers, amounts due to financial institutions, amounts due to customers, debt securities issued and securities measured at amortized cost.

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(EUR thousand)

27. Segment reporting

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

Development portfolio	Providing investment banking services, including corporate financing (except for impaired credit projects) and interbank financing to fund the foreign trade activities of companies from IBEC member countries, as well as investment in debt securities purchased at initial issuance from issuers based in the Bank's member countries with a view to support the operations of the Bank's member countries (including during the period of withdrawal of countries from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation); raising corporate and interbank finance from counterparties based in member countries and from international financial institutions (IFIs) with the same shareholders as IBEC. If, at the time of a transaction, the company's country of exposure was a member country of the Bank, this transaction remains in the development portfolio up to the date of repayment, irrespective of whether the country has withdrawn from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation.
Other banking activities	Providing investment banking services, including term interbank financing, as well as investments in debt securities (not included in the development portfolio), handling derivative financial instruments and foreign currency, managing liquidity, raising corporate and interbank finance from counterparties based in non-member countries (including during the period of withdrawal of countries from the Agreement on the Organization and Activities of the International Bank for Economic Co-operation), lending to corporate customers in the non-performing loan category, and trust management.
Other activities	Lease services and other activities.

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

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(EUR thousand)

27. Segment reporting (continued)

Income and expense by segment and profit for the six months ended 30 June 2025 and 30 June 2024, respectively, are shown in the table below:

Six months ended 30 June 2025 (unaudited)	***Development portfolio***	***Other banking activities***	***Other activities***	***Total***
Interest income calculated using the EIR method	29,276	5,237	4	**34,517**
Other interest income	–	35	–	**35**
Interest expense	(27,462)	(2,306)	(29)	**(29,797)**
Net interest income (expense)	**1,814**	**2,966**	**(25)**	**4,755**
(Allowance) for expected credit losses from financial assets	(1,380)	(2,539)	–	**(3,919)**
Net interest income (expense) after allowance for expected credit losses	**434**	**427**	**(25)**	**836**
Net fee and commission income (expense)	894	(27)	–	**867**
Net gains from operations with securities at fair value through profit or loss	–	601	–	**601**
Net gains from operations with securities at fair value through other comprehensive income	975	2,108	–	**3,083**
Net losses from operations with securities at amortized cost	(3)	–	–	**(3)**
Net (losses) gains from operations with derivative financial instruments and foreign currency	(4,256)	2,703	(90)	**(1,643)**
Lease income	–	–	1,149	**1,149**
Other banking income	4	158	475	**637**
Net losses from disposal of property, plant and equipment	–	–	–	**–**
Other provisions	–	–	(108)	**(108)**
Other banking expenses	(6)	(28)	–	**(34)**
Segment profit (loss)	**(1,958)**	**5,942**	**1,401**	**5,385**

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(EUR thousand)

27. Segment reporting (continued)

Six months ended 30 June 2024 (unaudited)	***Development portfolio***	***Other banking activities***	***Other activities***	***Total***
Interest income calculated using the EIR method	13,723	7,426	5	**21,154**
Other interest income	–	34	–	**34**
Interest expense	(15,998)	(276)	(29)	**(16,303)**
Net interest income (expense)	**(2,275)**	**7,184**	**(24)**	**4,885**
Reversal of allowance for expected credit losses from financial assets	2,860	1,749	–	**4,609**
Net interest income (expense) after allowance for expected credit losses	**585**	**8,933**	**(24)**	**9,494**
Net fee and commission income (expense)	427	(99)	–	**328**
Net gains from operations with securities at fair value through profit or loss	–	59	–	**59**
Net gains from operations with securities at fair value through other comprehensive income	24	2,390	–	**2,414**
Net losses from operations with securities at amortized cost	(638)	–	–	**(638)**
Net gains (losses) from operations with derivative financial instruments and foreign currency	(7,486)	8,441	–	**955**
Lease income	–	–	587	**587**
Other banking income	14	8	326	**348**
Net losses from disposal of property, plant and equipment	–	–	(3)	**(3)**
Other provisions	–	–	(78)	**(78)**
Other banking expenses	(14)	(261)	(56)	**(331)**
Segment profit (loss)	**(7,088)**	**19,471**	**752**	**13,135**

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

	For the six months ended 30 June (unaudited)	
	2025	***2024***
Total segment profit (loss)	**5,385**	**13,135**
Unallocated administrative and management expenses	(6,724)	(5,910)
Profit (loss) for the period	**(1,339)**	**7,225**

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(EUR thousand)

27. Segment reporting (continued)

Assets and liabilities of the Bank's operating segments are presented below:

	Development portfolio	***Other banking activities***	***Other activities***	***Total***
Segment assets				
30 June 2025 (unaudited)	395,357	151,083	51,418	**597,858**
31 December 2024	304,281	129,965	51,899	**486,145**

	Development portfolio	***Other banking activities***	***Other activities***	***Total***
Segment liabilities				
30 June 2025 (unaudited)	341,046	25,160	4,327	**370,533**
31 December 2024	245,736	24,880	3,318	**273,934**

	Development portfolio	***Other banking activities***	***Other activities***	***Total***
Credit-related commitments				
30 June 2025 (unaudited)	107,100	–	–	**107,100**
31 December 2024	90,329	–	–	**90,329**

During the six-month period ended 30 June 2025, the Bank had one external counterparty individually generating lease revenue of EUR 273 thousand, accounting for more than 20% of the Bank's income for the six months ended 30 June 2025 (30 June 2024: one external counterparty individually generating lease revenue of EUR 252 thousand, accounting for more than 20% of the Bank's income for the six months ended 30 June 2024).

The following tables present the Bank's revenue, by segment, from contracts with external customers for the six months ended 30 June 2025 and 30 June 2024, respectively:

Six months ended 30 June 2025 (unaudited)	***Development portfolio***	***Other banking activities***	***Other activities***	***Total***
Interest income	29,276	5,272	4	**34,552**
Fee and commission income	1,192	37	–	**1,229**
- Documentary operations	*997*	–	–	***997***
- Loan servicing fees	*147*	–	–	***147***
- Currency control	*13*	*23*	–	***36***
- Account maintenance	*18*	*10*	–	***28***
- Cash and settlement operations	*17*	*4*	–	***21***
- Other	–	–	–	**–**
Lease income	–	–	1,149	**1,149**
Total revenue from contracts with customers	**30,468**	**5,309**	**1,153**	**36,930**

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(EUR thousand)

27. Segment reporting (continued)

Six months ended 30 June 2024 (unaudited)	***Development portfolio***	***Other banking activities***	***Other activities***	***Total***
Interest income	13,723	7,460	5	**21,188**
Fee and commission income	684	34	–	**718**
- Documentary operations	*593*	–	–	***593***
- Loan servicing fees	*44*	–	–	***44***
- Currency control	*16*	*14*	–	***30***
- Account maintenance	*17*	*8*	–	***25***
- Cash and settlement operations	*14*	*3*	–	***17***
- Other	–	*9*	–	***9***
Lease income	–	–	587	**587**
Total revenue from contracts with customers	**14,407**	**7,494**	**592**	**22,493**

28. Related party transactions

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

Transactions with the Bank's key management personnel

Remuneration to the key management personnel of the Bank for the six months ended 30 June 2025 amounted to EUR 489 thousand (30 June 2024: EUR 426 thousand). Contributions by key management personnel of the Bank to the Social Fund of the Russian Federation totaled EUR 44 thousand (30 June 2024: EUR 40 thousand). As at 30 June 2025 and 30 June 2024, there were no contributions to the Pension funds of IBEC member countries.

As at 30 June 2025 and 31 December 2024, the balances on accounts of the Bank's key management personnel were as follows:

	30 June 2025 (unaudited)	***31 December 2024***
Current accounts	34	50

Transactions with government-related companies

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

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(EUR thousand)

28. Related party transactions (continued)

Transactions with government-related entities (continued)

The table below discloses transactions with government-related companies:

Interim statement of financial position	*30 June 2025 (unaudited)*	*31 December 2024*
Assets		
Cash and cash equivalents	12,466	2,583
Securities at fair value through profit or loss	4,825	741
Securities at fair value through other comprehensive income	103,268	52,930
Due from banks and financial institutions	1,535	6,659
Securities at amortized cost	8,395	2,533
Loans to corporate customers	33,272	35,052
Derivative financial assets	6,981	1,230
Other assets	186	239
Liabilities		
Due to financial institutions	73,386	39,048
Due to customers	77,634	7,541
Derivative financial liabilities	87	257
Other liabilities	6,994	1,127
Off-balance sheet commitments		
Credit-related commitments	1,138	2,731

Amounts included in the interim statement of profit or loss and other comprehensive income for transactions with government-related companies for the six months ended 30 June 2025 and 30 June 2024 are as follows:

Interim statement of profit or loss and other comprehensive income	*For the six months ended 30 June (unaudited)*	
	2025	*2024*
Interest income calculated using the EIR method	7,427	7,027
Other interest income	34	34
Interest expense	(11,062)	(3,769)
(Allowance) reversal of allowance for expected credit losses from financial assets	(297)	2,671
Fee and commission income	17	5
Fee and commission expense	(23)	(37)
Net gains from operations with securities at fair value through profit or loss	601	59
Net gains from operations with securities at fair value through other comprehensive income	2,649	2,300
Net losses from operations with securities at amortized cost	(3)	–
Net gains from operations with derivative financial instruments and foreign currency	3,084	3,528
Lease income	511	494
Other banking income	37	53
Administrative and management expenses	(97)	(96)

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(EUR thousand)

29. Capital adequacy

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

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

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

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

The Bank's capital adequacy ratio as at 30 June 2025 and 31 December 2024 was 41.7% and 42.2%, respectively.

The table below shows the composition of the Bank's capital computed in accordance with the Basel Accord (Basel II) as at 30 June 2025 and 31 December 2024.

	30 June 2025 (unaudited)	***31 December 2024***
Equity	227,325	212,211
Total equity	**227,325**	**212,211**
Risk-weighted assets		
Credit risk	424,794	382,276
Market risk	108,268	108,368
Operational risk	11,748	11,748
Total risk-weighted assets	**544,810**	**502,392**

30. Events after the reporting period

On 11 July 2025, IBEC assigned its interest in a syndicated loan issued in 2021 to a Bulgaria-based corporate customer (as at 30 June 2025, the carrying amount of the loan, including allowances, totaled EUR 9,248 thousand). The transaction generated a gain of EUR 238 thousand to the Bank.

On 18 July 2025, the Analytical Credit Rating Agency (ACRA) affirmed IBEC's credit rating on the international scale at 'A- ' with a Stable outlook and on the national scale at 'AAA(RU)' with a Stable outlook. The credit ratings were affirmed based on multiple factors, such as a satisfactory business profile, strong capital adequacy, and sound funding and liquidity levels.