

Half-yearly directors' report



**for the six-month period ended on
June 30, 2026**

**According to the Regulation of the Financial
Supervision Authority no. 5/2018**

Issuer identification data

Report date	June 30, 2026
Issuer name	CEC BANK S.A.
Registered Office	No. 13 Calea Victoriei, District 3, Bucharest
Contact Information	Phone: 021.311.11.19 Website: www.cec.ro
Sole Identification Number with the Trade Register	RO 361897
Order number with the Trade Register	J1997000155405
Regulated market where the issued securities are traded	The Company's bonds are listed on the Bucharest Stock Exchange and Luxemburg Stock Exchange
Subscribed and paid-up share capital	RON 3,290,661,600

Main features of the securities issued by the trade company:

- Bucharest Stock Exchange

- 3,000 pieces at a nominal value of 100,000 eur/bond, stock ticker CECRO29 (ISIN XS2948748012)
(<https://bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=CECRO29E>)
- 2,819 pieces at a nominal value of 100.000 eur/bond, stock ticker CECRO28E (ISIN XS2574275280)
(<https://bvb.ro/FinancialInstruments/Details/FinancialInstrumentsDetails.aspx?s=CECRO28E>)

- Luxemburg Stock Exchange

- 3,000 pieces at a nominal value of 100.000 eur/bond, stock ticker CECRO28E (ISIN XS2948748012)
(<https://www.luxse.com/security/XS2948748012/416258>)
- 2,819 pieces at a nominal value of 100.000 eur/bond, stock ticker CECRO28E (ISIN XS2574275280)
(<https://luxse.com/security/XS2574275280/373236>)

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I. Significant events for the period January - June 2026

Significant related party transactions

There were no related party transactions that substantially affected the Bank's financial position or results between January and June 2026. Additional details can be found in Note 20 of the interim financial information summarized as of June 2026 accompanying this report.

Issuer management

1. Presentation of the list of Issuer's directors and the following information for each director

The structure of the Board of Directors of CEC Bank S.A as of June 30, 2026 is the following:

- Mr. Valentin Tiberiu Mavrodin, Chairman;
- Mr. Bogdan Constantin Neacșu, Member;
- Mr. Ciprian Sebastian Badea, Member;
- Mrs. Mirela Sitoiu, Member;
- Mrs. Mirela Iovu, Member;
- Mrs. Simona Andrei, Member;
- Mr. Cristian Florin Șaitariu, Member;
- Mrs. Nicoleta Mioara Cîrciumaru – Member.

Valentin Tiberiu Mavrodin (50 years old) graduated from ASE Bucharest, the Faculty of Finance, Insurance, Banking and Stock Exchange, and has a master's degree in management.

He has over 22 years of experience in the public finances field, coordinated the project to implement the electronic payment system in Romania within the Ministry of Finance, acted as General Manager of the General Treasury and Public Accounting Directorate during the 2007-2017 period and as a secretary of state within the Ministry of Finance between 2017 and 2020. He has been operating in the private sector since 2021.

Between November 2010 and March 2013, for over 2 years he was a member of the General Meeting of Shareholders of CEC Bank. Since March 2013, he has been a

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member of the Board of Directors of CEC Bank, a position he also occupied for a few months during 2010-2011.

On September 12, 2022, he was appointed Chairman of the Board of Directors, a position he also held between May 11, 2019 and December 9, 2020.

The current mandate expires on May 11, 2027.

Bogdan Constantin Neacșu (47 years old) graduated from ASE Bucharest, the Faculty of Finance and Banking, specializing in banks and stock exchanges, and attended a master's degree in finance and banking within in the same institution, along with many other specific professional training courses.

With over 20 years of experience in the banking system, Bogdan Neacșu has held several management positions within several financial institutions, including Garanti Bank, Patria Bank, Volksbank Romania and BRD. His previous experience includes occupying the position of Vice Chairman responsible for business growth, risk and audit, compliance and control and corporate governance.

Since October 22, 2019, he has acted as General Manager and Chairman of the CEC Bank Management Committee, and in May 2021, he was elected Chairman of the Romanian Association of Banks.

The current mandate of General Manager - Chairman of the CEC Bank Management Committee, executive member of the Board of Directors expires on May 11, 2027.

Ciprian Sebastian Badea (49 years old) graduated from the Faculty of Law at the Spiru Haret University and has a master's degree in public policy and European integration.

He has over 23 years of experience within the Ministry of Finance (MF) and the National Tax Administration Agency, holding various coordination positions in the legal field, of which over 15 years as General Manager of the General Legal Directorate within the MF. Between March 2012 and July 2014, he acted as General Secretary and Deputy General Secretary of the Ministry of Public Finance. Since January 2025, he has been working in the private sector.

He has been a member of the Board of Directors of CEC Bank since 2006, with the current mandate expiring on May 11, 2027.

Mirela Șițoiu (54 years old) graduated from ASE Bucharest, the Faculty of Finance, Insurance, Banking and Stock Exchange, has a master's degree in public management, has good experience in national and transnational cooperation projects aimed at strengthening the institutional capacity. Furthermore, she also took part in postgraduate training programs run by the University of Social Sciences in Toulouse, France.

He has over 30 years of experience in the central public administration field, of which over 29 years in the field of human resources management within the Ministry of Finance. Between September 2020 and 2021, she acted as General Manager of the General Directorate of Revenue Monitoring and Overview within ANAF. She currently holds the position of General Manager of the General Directorate of Human Resources Management within the Ministry of Finance.

She has been a member of the Board of Directors of CEC Bank since 2013, with the current mandate expiring on May 11, 2027.

Mirela Iovu (55 years old) has a PhD in Law, from the Bucharest Faculty of Law, while also having obtained a degree in legal sciences from the Faculty of Law of the "Lucian Blaga" University in Sibiu. Furthermore, she also has a Master of Business Administration (MBA) from the City University of Seattle, USA and obtained a professional postgraduate diploma in Governance, Risk and Compliance - ICA Professional Postgraduate Diploma in Governance, Risk and Compliance - from the International Compliance Association (ICA) in cooperation with The University of Manchester-Manchester Business School, also specializing in financial inclusion policies at the Harvard Kennedy School.

She has been an active member of several technical committees within the Romanian Association of Banks, and for 18 years she has been the representative of the banking community as a permanent member of the Legal Support Group of the European Payment Council (EPC), in Brussels, regarding the Single European Payment Area (SEPA) project. During the period 2019 – 2023, she served as Chairman of the Association of Legal Advisors within the Financial-Banking System, after occupying the position of Vice-Chairman for 3 mandates.

Mirela Iovu participated in the "Board Practice and Directorship" program of Henley Business School – University of Reading, holding at the end of the internship

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in 2024 "Postgraduate certificate", and at the end of the internship in 2025 the "Postgraduate Diploma".

Mirela Iovu has been an executive member of the Board of Directors of CEC Bank since December 22, 2022, the date of approval by the National Bank of Romania, her current mandate expiring on May 11, 2027.

Simona Andrei (46 years old) graduated from the Academy of Economic Studies in Bucharest, has a master's degree in Finance and Banking and a PhD in Economics and Management, as well as the "Certified Accountant in International Financial Reporting (DipIFRS)" international certification, issued by the ACCA (*Association of Chartered Certified Accountants*). She has a professional experience of 22 years, of which 17 years within CEC Bank. For 7 years she occupied the position of manager of the Financial Department, and occupied the position of CFO (Chief Financial Officer) for 8 years. Starting in May 2018, while occupying this position, she coordinated the activity of the Financial and Accounting departments, being authorized by the National Bank of Romania to exercise the new responsibilities set.

In 2020, Simona Andrei took part in a program approved by the International Coaching Federation (ICF), thus acquiring the essential knowledge and business acumen necessary to coordinate her teams as efficiently as possible.

Simona Andrei participated in the "Board Practice and Directorship" program of Henley Business School – University of Reading, holding at the end of the internship in 2024 "Postgraduate certificate", and at the end of the internship in 2025 the "Postgraduate Diploma".

Simona Andrei became Manager - Vice-Chairman of the Steering Committee and a member of the Board of Directors of CEC Bank on December 22, 2022, the date of approval by the National Bank of Romania, her current mandate expiring on May 11, 2027.

Cristian Florin Șaitariu (49 years old) is a graduate of the Bucharest University of Economic Studies, Faculty of Finance, Insurance, Banking, and Stock Exchange. He holds the CFA (Chartered Financial Analyst) certification and has completed executive development programs at prestigious international institutions such as the London Stock Exchange and HEC Montreal.

With over 20 years of experience in the financial and banking sector, Mr. Șaitariu has held management and leadership positions in major institutions such as Banca Comercială Română (BCR), Piraeus Bank Romania, SC Jidvei România SRL, First Bank and Exim Bank Romania, where he coordinated commercial and treasury activities for the last five years. He has led teams and implemented complex strategies for corporate business development, portfolio management, and the financial structuring of products aimed at corporate clients.

As First Vice President (Credit & Treasury) of the CEC Bank Management Committee, Mr. Șaitariu directly oversees key departments such as Large Corporate Clients, Agri, Retail Credit Analysis, Banking Products and Services, Customer Experience Analysis and Optimization, as well as the Treasury division. He has been an executive member of the Board of Directors of CEC Bank since January 2025, bringing strong expertise in project financing, risk optimization, and the development of strategic relationships with corporate clients, his current mandate expiring on May 11, 2027.

Nicoleta Mioara Cîrciumaru (51 years old) is a graduate of the Bucharest University of Economic Studies, Faculty of Finance, Insurance, Banking, and Stock Exchange, and holds a master's degree in business management. She has completed numerous specialization programs in taxation and public administration, developing expertise in managing financial and fiscal resources.

With over 20 years of experience in the fiscal administration, Ms. Cîrciumaru has held key positions within the National Agency for Fiscal Administration (ANAF), including Director General of the Regional General Directorate of Public Finance Bucharest, one of the largest fiscal structures in the country.

In May 2023, she served as Vice President of ANAF, responsible for coordinating budget revenue collection, and during the period from June 2023 to July 2025, she held the position of president of the institution, with the rank of Secretary of State.

Since January 28, 2025, Mrs. Nicoleta Cîrciumaru has been a non-executive member of the Board of Directors of CEC Bank, bringing solid expertise in the fiscal domain and public administration, her current mandate expiring on May 11, 2027.

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The structure of the Board of Directors of Fondului Roman de Garantare al Creditului Rural – IFN SA as of June 30, 2026 is the following:

- Mrs. Toma Alina Mihaela, Member;
- Mrs. Luchian Camelia, Member;
- Mr. Chiorean Ioan Ciprian, Chairman.

2. Presentation of the list of members of the Issuer's executive management

The structure of the Steering Committee as of June 30, 2026 was the following:

- Mr. Bogdan Constantin Neacșu, General Manager - Chairman;
- Mr. Cristian Florin Șaitariu – First Vice Chairman;
- Mrs. Mirela Iovu, Manager - Vice Chairman;
- Mrs. Simona Andrei, Manager - Vice Chairman.

The mandate of Mr. Bogdan Constantin Neacșu as General Manager and Chairman of the CEC Bank Steering Committee expires on May 11, 2027.

The mandate of Mr. Cristian Florin Șaitariu as Manager - First Vice-Chairman of the Bank's Steering Committee expires on May 11, 2027.

The mandate of Mrs. Mirela Iovu as Manager - Vice-Chairman of the Bank's Steering Committee expires on May 11, 2027.

The mandate of Mrs. Simona Andrei as Manager - Vice-Chairman of the Bank's Steering Committee expires on May 11, 2027.

The structure of the Executive Management of Fondului Roman de Garantare al Creditului Rural – IFN SA as at of June 30, 2026 is the following:

- Mrs. Toma Alina Mihaela, Chairman;

There is no information regarding any agreement, understanding or family connection between the members of the executive board and other persons that would help appoint those individuals to the position of the member of the executive board in the first half of 2026.

3. For all the individuals mentioned in sections 1 and 2, the specification of any litigation or administrative proceedings they have been involved, for the last 5 years, related to their activity within the Issuer, as well as those that concern the ability of the respective person to fulfill their duties within the Issuer

Not applicable.

II. The detailed information

1 Economic and financial position

1.1.a The Bank's financial position

Evolution of net balance sheet assets	GROUP		BANK	
	30 June	31 December	30 June	31 December
	2026	2025	2026	2025
Assets	RON thousand	RON thousand	RON thousand	RON thousand
Cash and balances in Central Banks	10,087,520	12,946,000	10,087,516	12,945,989
Financial assets at fair value through profit or loss	1,361,687	1,507,587	1,361,687	1,507,587
Loans and advances to banks and public institutions	5,475,627	7,071,505	5,423,472	7,066,722
Loans and advances to customers	33,855,327	33,326,365	33,855,327	33,326,365
Financial assets measured at fair value through other comprehensive income	43,191,374	37,887,887	43,191,374	37,887,887
Financial assets measured at amortized cost	13,036,587	13,433,902	13,022,868	13,361,041
Investment in subsidiary	-	-	5,000	5,000
Property and equipment	854,239	886,984	849,110	881,809
Intangible assets	376,739	349,116	375,904	348,212
Investment property	63,681	65,337	63,681	65,337
Right-of-use assets	103,373	116,068	103,373	116,068
Other financial assets	56,711	42,064	57,280	42,401
Other assets	46,989	40,540	46,805	40,459
Total assets	108,509,854	107,673,355	108,443,397	107,594,877

Evolution of debts and equity	GROUP		BANK	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	RON thousand	RON thousand	RON thousand	RON thousand
Liabilities				
Derivative financial liabilities	2,742	3,183	2,742	3,183
Deposits from banks	2,488,956	2,409,401	2,488,956	2,409,401
Deposits from customers	92,448,444	92,317,231	92,461,105	92,318,926
Borrowings from banks and other financial institutions	39,188	43,213	39,188	43,213
Debt securities issued	3,134,533	3,056,604	3,134,533	3,056,604
Subordinated debts	1,432,042	1,434,652	1,432,042	1,434,652
Current income tax liabilities	93,975	28,479	93,145	27,173
Deferred tax liabilities	54,340	64,873	54,657	65,384
Lease liabilities	110,371	120,564	110,371	120,564
Provisions	75,348	71,430	74,236	70,443
Other financial liabilities	466,159	339,961	430,254	308,989
Other liabilities	155,902	145,381	154,485	141,570
Total liabilities	100,502,000	100,034,972	100,475,714	100,000,102
Equity				
Share capital	3,499,746	3,499,746	3,499,746	3,499,746
Revaluation of reserve for property and equipment	633,872	634,341	633,643	634,112
Reserves for financial assets at fair value measured through other items of comprehensive income	-14,736	30,761	-14,736	30,761
Other reserves	414,428	414,429	414,428	414,429
Retained earnings	3,474,541	3,059,102	3,434,602	3,015,727
Total equity, excluding non-controlling interests	8,007,851	7,638,379	7,967,683	7,594,775
Non-controlling interests	3	4	-	-
Total equity	8,007,854	7,638,383	7,967,683	7,594,775
Total liabilities and equity	108,509,854	107,673,355	108,443,397	107,594,877

Regarding the evolution of activity of the main CEC Group indicators, as of June 30, 2026 compared to those achieved in the similar period of the previous year, the situation is presented as follows:

Outstanding loans

On June 30, 2026, the loan portfolio related to non-bank customers (mainly, gross value) is lower by 6% (2,382 million lei) compared to the same period of 2025.

From the total value of loans in the balance at the end of Semester I 2026, approx. 78% represent loans granted in lei. The total loan portfolio consists approximately 68% of loans granted to legal entities, while the remaining 32% consists of loans granted to individuals.

The largest increase was recorded in the Legal Entities segment, by approx. 7% compared to June 30, 2025 and respectively by 779.1 million lei, this growth was mainly driven by the 30.3% increase in the consumer lending portfolio (card and non-card products), while the mortgage loan portfolio grew by 7%.

The gross balance of legal entities loans recorded a lower outstanding balance during the first semester of 2026 by approx. 11.5% compared to June 30, 2025, respectively by 3,160.7 million lei, which was mainly driven by the strategic transformation process aimed at reorganizing commercial and back-office lending activities for corporate clients between the branch network and the Head Office departments, as well as by changes to credit approval criteria and lending approval limits.

New loans contracted

In the first semester of 2026, new loans were granted to private and legal clients in the total amount of 6,418 million lei (including bank guarantee letters issued).

The Bank's net assets reached RON 108,5 billion as of June 30, 2026, up 9.1% compared to the similar period of last year.

As of June 30, 2026, customer deposits amounted to RON 92,461 million, up 10% compared to the end of the previous year, with the increase being largely driven by deposits collected from corporate clients.

The currency structure of the deposits registered at the end of the first semester of 2026 is roughly similar to that of the previous periods, approx. 62% of the total attracted sources being in local currency.

The Group's own funds as at 30.06.2026 totals RON 8,008 million, increasing by 18% compared to the similar period of the last year, when they amounted to RON 6,797 million, evolution determined by the increase in retained earnings.

1.1.b Profit or loss status

Evolution of profit and loss	GROUP		BANK	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	RON thousand	RON thousand	RON thousand	RON thousand
Interest income calculated using the effective interest method	2,873,205	2,846,860	2,871,251	2,844,359
Interest expenses	-1,642,019	-1,628,027)	-1,642,749	-1,628,632
Net interest income	1,231,186	1,218,833	1,228,502	1,215,727
Commission income	271,877	264,787	251,702	238,026
Commission expenses	-110,510	-88,808	-110,482	-88,769
Net commission income	161,367	175,979	141,220	149,257
Net gain from trading	97,528	76,825	97,528	76,825
Net gain/Net loss from financial derivatives	-14,966	8,285	-14,966	8,285
Net loss /Net gain from financial assets mandatorily measured at fair value through profit or loss	957	-101	957	-101
Net gain from the sale of financial assets measured at fair value through other comprehensive income	73,596	17,821	73,596	17,821
Net loss from foreign exchange differences	-34,542	-48,466	-34,544	-48,462
Other operating income	9,236	7,049	22,639	19,373
Operating income	1,524,362	1,456,225	1,514,932	1,438,725
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	-180,283	-355,300	-180,447	-353,279
Loss on modification of financial assets	-3,782	-8,331	-3,782	-8,331
Net loss from impairment of debt instruments	-4,128	-4,516	-4,128	-4,511
Staff costs	-347,928	-320,254	-339,372	-312,080
Depreciation and amortisation expenses	-103,678	-88,749	-103,263	-88,297
Other operating expenses	-333,156	-298,382	-330,958	-296,507
Operating expenses	-972,955	-1,075,532	-961,950	-1,063,005
Profit before tax	551,407	380,693	552,982	375,720
Income tax expense	-136,568	-74,448	-134,576	-71,634
Net Profit for the period	414,839	306,245	418,406	304,086
Net profit attributable to:				
The parent	414,838	306,244		
Non-controlling interests	1	1		

The net profit obtained by the Group as of 30.06.2026, amounted to RON 414.8 million (RON 418.4 million attributed to the Bank), is 33% higher compared to the same period of 2025 (38% at Bank level).

Net interest income recorded an increase of approximately 1.1% in the first half of 2026 compared to the first half of 2025 (equivalent to around RON 12.8 million), driven by higher interest income generated by the monthly growth of the outstanding balance of investment placements. Therefore, interest income rose by approximately RON 26.9 million, while interest expenses followed an upward trend, increasing by around RON 14.1 million.

In total, operating revenues reached RON 1,524 million at the Group level, being 5% higher compared to the same period of the previous year, driven by the significant increase in net trading income (approximately +125%), following the completion of investments in Treasury platforms and the sale of securities under favorable market conditions.

Operating expenses (which also include expenses with provisions related to loans granted to clients) have registered a decrease of approx. 10% compared to those reported in the similar period of 2025, mainly due to risk cost expenses, which decreased by RON 180.0 million compared to the corresponding period of 2025, while administrative expenses increased by approximately 10.9%, broadly in line with the recorded inflation rate of 10.4%.

1.1.c Cash flow: Cash flow statement

	GROUP		BANK	
	30 June, 2026	30 June, 2025	30 June, 2026	30 June, 2025
	RON thousand	RON thousand	RON thousand	RON thousand
Cash and cash equivalents at the beginning of the period	19,816,016	15,918,760	19,783,618	15,886,362
Cash flow from operating activities (net)	-1,673,087	-2,770,162	-1,632,946	-2,815,988
Cash flow used in investing activities (net)	-2,875,899	-2,620,185	-2,935,934	-2,570,408
Cash flow from financing activities (net)	-200,108	914,995	-200,108	914,995
Cash and cash equivalents at the end of the period	15,066,922	11,443,408	15,014,630	11,414,961

2 Bank activity analysis

a) Bank activity description

CEC Bank S.A. is a joint-stock company 100% owned by the Romanian state, which exercises its rights and assumes all the obligations related to the sole shareholder position through the Ministry of Finance.

CEC Bank SA ("The Bank"), registered with the Trade Register under the no. J1997000155405 and functioning according to the provisions of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, approved with amendments and modifications by Law no. 227/2007, of the provisions of Law 31/1990 on trading companies and according to its Articles of Association, approved by Order no. 3397/2019 of the Minister of Public Finance, as subsequently amended and supplemented, as well as according to the Organizational and Operational Rules.

According to Article 6 of the Articles of Incorporation, the Bank's main activity is "other monetary intermediation activities" - NACE code 6419.

b) Date of incorporation

CEC Bank S.A. was established in 1864. Bank is registered with the Trade Register under the no. J1997000155405, having tax identification no. RO 361897.

c) Significant mergers or reorganizations of the Issuer, its subsidiaries or controlled companies, during the fiscal year

Not applicable.

d) Description of purchases and/or disposals of assets

Not applicable.

e) Main results of the assessment of the Bank's activity

The Bank's external auditor, KPMG Audit SRL, performed the audit of the Bank's financial statements, which include the statement regarding the financial position as of June 30, 2026, the statements regarding profit or loss and other elements of the comprehensive income, changes in equity and cash flows for the fiscal year concluded

on the same date, and notes, including significant accounting policies and other explanatory notes.

The audit opinion states that the financial information provide a true and fair view of the Bank's financial position as of June 30, 2026, as well as of its financial performance and cash flows in accordance with the International Financial Reporting Standards adopted by the European Union.

2.1 Presentation and analysis of trends, elements, events or uncertainty factors affecting or potentially affecting the Bank's liquidity, compared to the same period of previous year

The first half of 2026 was characterized by the maintenance of a significant liquidity surplus in the banking system, in contrast to the evolution recorded during the same period of the previous year, when the liquidity surplus declined rapidly and, in June 2025, the banking system temporarily moved into a liquidity deficit. Throughout H1 2026, the National Bank of Romania remained in a net debtor position vis-à-vis credit institutions, with the surplus being absorbed mainly through the standing deposit facility.

The average daily stock of amounts placed by credit institutions with the deposit facility increased from RON 42.0 billion in January 2026 to a peak of RON 45.1 billion in February. Subsequently, it declined to RON 35.5 billion in March, recovered slightly to RON 36.3 billion in April and RON 37.1 billion in May, before decreasing to approximately RON 28.3 billion in June. Even at the semester's minimum level, however, the surplus remained substantial, without the shift into deficit observed in June 2025. Over the first six months of 2026, the average monthly stock of placements with the deposit facility amounted to approximately RON 37.4 billion.

This evolution contrasts sharply with that recorded in H1 2025. During the comparable period, the net liquidity surplus increased to approximately RON 33.8 billion in March 2025, after which it declined to around RON 27.3 billion in April and only RON 0.5 billion in May. In June 2025, liquidity injections through repo operations, whose average daily stock reached approximately RON 8.4 billion, exceeded placements of around RON 3.9 billion with the deposit facility, resulting in a net liquidity deficit of approximately RON 4.5 billion.

Unlike in the previous year, the NBR did not need to provide significant volumes of liquidity through repo operations during the first half of 2026. The reported values for these operations were zero or insignificant, with the surplus being managed almost exclusively through credit institutions' access to the deposit facility. Under these conditions, very short-term interbank transaction yields evolved close to the lower bound of the interest rate corridor, namely around the deposit facility rate of 5.50% per annum.

The liquidity coverage ratio – LCR – remained at comfortable levels during the January-May 2026 period, this being the most recent period for which data were available at the time the analysis was prepared, although it recorded a certain degree of volatility. It declined from 258.5% in January to 254.4% in February and 246.0% in March, reaching a low of 224.0% in April, before recovering to 237.9% in May. The range recorded during January-May 2026, of approximately 224%-258%, was slightly below that registered during the same period of 2025, of approximately 235%-261%. Nevertheless, the values remained well above the minimum regulatory requirement of 100%, indicating the existence of a significant stock of high-quality liquid assets, sufficient to cover net cash outflows under a 30-day stress scenario.

As of March 2026, the aggregate LCR of 246.0% was also significantly above the European Union average of 163.1%. Nevertheless, the liquidity buffer remained highly concentrated in government securities, which accounted for 85.3% of total eligible liquid assets, creating a vulnerability associated with the bank-sovereign nexus. Looking ahead, the liquidity position may be affected by a deterioration in investor confidence, higher government funding costs, fiscal consolidation, persistent inflationary pressures and ongoing geopolitical uncertainties.

Developments of the financial position at the consolidated level

The CEC Bank Group closed the first part of 2026 with a net balance sheet value of 108,5 million lei, up 9% compared to June 2025, and by approximately 1% compared to December 2025, mainly driven by the increase in the Bank's holdings of government securities and placements with the National Bank of Romania (NBR). This growth was supported by the attraction of additional funding from non-bank customers.

In the coming period, the main objectives will continue to focus on the organic growth of the business and the improvement of operational efficiency and continuous digitalization of the activities. At the same time, new strategic directions started in 2024, specifically targeting the development of the 'CEC Bank Financial Group'.

In order to achieve these objectives, the Group, and CEC Bank in particular, will focus on the sustainable strengthening of its market position, both in terms of business volume and productivity, profitability and risk indicators.

The Bank will continue to focus on the agri-food industry, construction and renewable energy sectors, as well as, more generally, on Romanian-owned companies of all sizes. Their development plans will continue to be supported through tailored financing solutions aimed at investment projects, technological upgrading and energy efficiency initiatives, as well as the financing of day-to-day operational activities.

Evolution of the Profit or Loss Account, at group level (consisting of the Bank and the Rural Credit Guarantee Fund)

In the first semester of 2026, the group recorded a gross profit of RON 551.4 million (RON 553.0 million at the Bank's level), which generated a total profit tax of RON 136.6 million (RON 134.6 million at Bank level), thus resulting in a net profit of RON 414.8 million (RON 418.4 million related to the Bank) being 35.5% higher compared to the same period of 2025 (37.6% at Bank level).

Net interest income increased by approx. 1% in the first semester of 2026 compared to June 2025 (at the Bank level, respectively by approx. RON 12.4 million), due to the increase in interest income, generated by the monthly increase in the balance of loans and investments (securities, banks, etc.). Thus, interest income increased by approx. RON 26.4 million, while interest expenses also followed an upward trend, against the

backdrop of market interest rates remaining at elevated levels, they increased by approximately RON 14.0 million.

Net income from commissions decreased by approx. 8.3% (at the Bank level, respectively by approx. RON 5.4 %), mainly due to the increase in fee income by 24% (approximately RON 21.7 million). Fee and commission income increased by 3% (approximately RON 7.1 million). These developments were indirectly influenced by the macroeconomic environment and the subdued dynamics of corporate lending activity. High inflation continued to exert pressure on the cost base, while intensified competition from both banking institutions and fintech companies, together with the slower pace of economic activity and lending growth, limited cross-selling and transaction opportunities, adversely affecting the generation of fee and commission income.

Operational expenses registered an increase of approx. 10.9% at the Group level, compared to those reported in the similar period of 2025, mainly due to depreciation and amortization expenses, which increased by 16.8% as a result of significant investments; personnel expenses increased by 8.6%, in line with the strategy of gradually aligning salary levels with market standards in the banking sector. In addition, other administrative expenses rose by 11.7%, mainly as a result of the doubling of the turnover tax rate from 2% to 4% (partially offset by lower contributions to the Bank Deposit Guarantee Fund and the Resolution Fund), as well as the persistently high inflation rate (10.42% annually). Significant increases were recorded in IT support and maintenance services expenses (within the Transformation Program), local taxes and duties, utility expenses (electricity and water), as well as marketing and advertising expenses.

The Group's cost-to-income ratio increased compared to the previous year, reaching 50.37% as of 30 June 2026, versus 46.70% at the end of the first half of 2025. This development was mainly driven by the doubling of the turnover tax rate starting with July 2025, which was not passed on to customers through pricing during the first half of 2026, amid intensified banking sector competition and a less favorable macroeconomic environment.

At Bank level, the cost-to-income ratio, adjusted with the turnover tax effect, stood at 40.74% as of June 30, 2026, down from 41.85% in the corresponding period of the previous year. Had the turnover tax remained at 2%, the cost-to-income ratio would

have been 45.28% as of June 30, 2026, compared to 46.42% in June 2025, whereas the actual ratio stood at 49.83% in June 2026 and 46.42% in June 2025.

Cheltuielile cu costul riscului au scăzut cu 180 milioane lei (49%) comparativ cu perioada similară a anului precedent, evoluție susținută de un nivel mai redus al intrărilor în default, inclusiv în contextul modificării criteriilor de creditare, precum și de cesiunile de creanțe finalizate în prima jumătate a anului. Acestea din urmă au avut însă un impact nefavorabil asupra impozitului pe profit ca urmare a tratamentului fiscal aplicabil.

Capitalization, profitability and financing

The Return on Equity (ROE) at Group level was 10.61% (10.75% at Bank level), compared to 10.00% recorded at Group level as of the end of the first half of 2025 (10.00% at Bank).

The Bank's ROE, fully adjusted to exclude the impact of the additional turnover tax, stood at 13.62% at the end of the first half of 2026, compared with 11.87% at the end of the first half of 2025. Had the turnover tax remained at 2%, ROE as at June 30, 2026 would have reached 12.42%, compared with 10.0% as at June 30, 2025, once again demonstrating the Bank's strong performance despite the challenging geopolitical and macroeconomic environment.

The Bank's Total Capital Ratio stood at 28.90%, marginally lower than the level recorded in June 2025 (29.03%). Nevertheless, it remained at a comfortable level relative to the minimum regulatory requirements.

2.2 Presentation and analysis of the effects on the Bank's financial situation of all capital expenditures, current or anticipated, compared to previous year

At the end of the first half of 2026, CEC Bank recorded a 17% increase in capital expenditures compared to the same period of the previous year, with the main variations presented in the table below.

These capital expenditures were financed from the Bank's own sources.

Mil. RON	June 30, 2026	June 30, 2025	Variation (2026/2025-1)
A. IT investments, of which:	73.8	61.0	42%
CURRENT IT - RELATED INVESTMENTS	35.3	46.7	-24%
IT STRATEGIC INVESTMENTS	38.6	14.3	169%
B. Logistics - relates investments, of which:	4.0	5.6	-29%
BANKING SECURITY - RELATED INVESTMENTS	0.6	1.2	-49%
LOGISTICS - RELATED INVESTMENTS - HEADQUARTERS WORKS AND EQUIPMENT	2.0	2.7	-26%
INVESTMENTS REGARDING IMAGE CHANGE	1.0	1.7	-18%
Total Investments	77.8	66.6	17%

Within the Transformation Program, significant progress was made for the following projects:

- CRM: which aimed at enhancing customer relationships, optimizing processes, improving performance through increased sales, and strengthening customer loyalty;
- FIS: a modern Treasury platform for treasury and balance sheet management activities, featuring new functionalities for the Bank's customers;
- ERP (SAP platform): updated financial-accounting platform;
- Acquisition of the new Core Banking System, which will replace the current banking platform with a modern and robust solution capable of supporting the Bank's development requirements.

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Regulation no. 5/2018

The net interest income of CEC Bank Group increased by 1%, reaching RON 1,231.2 million in S1 2026, up from RON 1,218.8 million recorded during the same period in S1 2025, due to higher activity volumes, as detailed in the table below:

Elements, mil RON	Grup CEC Bank		CEC Bank		Variation, of which:		Grup CEC Bank		CEC Bank	
	June 2025	June 2026	June 2025	June 2026	Grup	Bank	due to increased volumes (*)	due to the increase in the interest rate (**)	due to increased volumes (*)	due to the increase in the interest rate (**)
Interest income	2,847	2,873	2,844	2,871	26	27	214	(188)	217	-190
Interest expense	1,628	1,642	1,629	1,643	14	14	144	(130)	144	-130
Net interest income	1,219	1,231	1,216	1,229	12	13	70	(58)	73	-61
Interest-bearing assets - average volume	94,723	102,349	93,063	100,682	7,626	7,619				
Interest-bearing liabilities - average volume	87,326	95,702	87,327	95,709	8,376	8,382				
Average annual interest rate on assets	6.01%	5.61%	6.11%	5.70%	-0.40%	-0.41%				
Average annual interest rate on liabilities	3.73%	3.43%	3.73%	3.43%	-0.30%	-0.30%				

Notes:

*(average rate * increase in average volume)/2;

**[(interest rate variation * previous year's average volume)/2 – for semi-annual calculations]

2.3 Presentation and analysis of events, transactions, economic changes that significantly affect revenues from core activity

The main macroeconomic factors affecting revenues from core activities stem from changes in RON interest rates (ROBOR and IRCC), developments in the stock of loans and deposits, changes in government securities yields, and movements in the exchange rate of the Romanian leu against major currencies. Thus:

- In the first half of 2026, **the 3-month and 6-month ROBOR rates** recorded decreases of 30 basis points and 36 basis points, respectively, compared to H1 2025, when these rates had increased by 117 basis points and 119 basis points, respectively.

Change in ROBOR, bps	robor 3 months	robor 6 months
Semester 1, 2025	117	119
Semester 1, 2026	-30	-36

- In H1 2026, the **IRCC index**, used in calculating interest rates on loans granted to households, recorded a cumulative decrease of 48 basis points, compared to a decline of 44 basis points in H1 2025.

Change in IRCC, bps	IRCC
Semester 1, 2025	-44
Semester 1, 2026	-48

- **The pace of non-governmental lending** remained positive in H1 2026 (May 2026 vs. December 2025). Mortgage loans increased by 2.3%, slightly below the 2.5% growth recorded in H1 2025 (May 2025 vs. December 2024), while consumer loans advanced by 4.0%, compared with 5.7% in the same period of the previous year. Loans granted to non-financial companies accelerated to 4.7%, compared with 1.4% in H1 2025.
- **The evolution of non-governmental deposits** was mixed in H1 2026 (May 2026 vs. December 2025). Household deposits increased by 2.0%, broadly in line with the 2.1% growth recorded in H1 2025 (May 2025 vs. December 2024), while deposits of non-financial companies declined marginally by 0.3%, compared with a decrease of 2.3% in H1 2025.

	Household loans		Non-financial companies' loans	Household deposits	Non-financial companies' deposits
	Mortgage	Consumer			
Jan- May, 2025	2.5%	5.7%	1.4%	2.1%	-2.3%
Jan- May, 2026	2.3%	4.0%	4.7%	2.0%	-0.3%

- **The exchange rate of the Romanian leu** continued to be influenced by developments in both the domestic and external environment. In H1 2026, the RON depreciated by 2.8% against the euro, compared with a 2.1% depreciation in H1 2025. Against the US dollar, the RON depreciated by 6.0% in H1 2026, after having appreciated by 9.3% in H1 2025.

"+" depreciation / "-" appreciation	EURRON	USDRON
Semester 1, 2025	2.1%	-9.3%
Semester 1, 2026	2.8%	6.0%

- **The evolution of RON-denominated government securities yields** was favorable in H1 2026, reflecting a decline in yields across all monitored maturities and, consequently, an increase in the market value of debt instruments. Yields on 6-month and 12-month Treasury bills declined by 2 basis points each, while yields on 3-year, 5-year and 10-year government bonds declined by 20, 15 and 4 basis points, respectively. This contrasts with H1 2025, when yields increased across most monitored maturities.

Change, bps	Tbills 6 months	Tbills 12 months	3-year bonds	5-year bonds	10-year bonds
Semester 1, 2025	37	30	12	15	1
Semester 1, 2026	-2	-2	-20	-15	-4

3 Changes affecting the Bank's capital and management

3.1 Detailing the cases in which the Bank was unable to comply with its financial obligations

Not applicable.

3.2 Changes regarding the rights of holders of securities issued by the Bank

3.2.1 Description of the markets in Romania and other countries where the issued securities are traded

The balance of debt securities outstanding as at June 30, 2026, including accrued interest, is in amount of RON 3,134,533 thousand (as at December 31st, 2025: RON 3,056,604 thousand).

It consists of MREL eligible Senior Non-Preferred bonds (SNPs) listed on regulated markets, subscribed by professional investors through international placements carried out during 2023 - 2024: two fungible tranches in 2023 with maturity February 07th, 2028 and one tranche in 2024, with maturity November 28th, 2029.

The bonds maturing February 07th, 2028 are denominated in EUR and were first issued on February 07th, 2023 (EUR 119,300 thousand) and supplemented on November 16th, 2023 (EUR 162,600 thousand), under the ISIN XS2574275280 and Bucharest Stock Exchange trading symbol CECRO28E. According to the terms and conditions of the notes, the first tranche was listed on the regulated markets of Luxembourg Stock Exchange (LuxSE) on February 07th, 2023 and of Bucharest Stock Exchange (BSE) on February 24th, 2023; the total amount of EUR 281,900 thousand was listed after the two fungible tranches were cumulated.

The instruments have an early redemption clause for tax reasons, regulatory reasons or at the option of the issuer (as of February 07th, 2027) and are bearing fixed coupon rate until February 07th, 2027, that becomes a variable coupon rate payable quarterly during their last year.

The bonds maturing November 28th, 2029, are denominated in EUR and have a total nominal value of EUR 300,000 thousand EUR; their ISIN is XS2948748012 and the BSE trading symbol is CECRO29E. According to the terms and conditions of the notes, they were listed on the regulated markets of Luxembourg Stock Exchange (LuxSE) on November 28th, 2024 and of Bucharest Stock Exchange (BSE) on December 20th, 2024.

The instruments have an early redemption clause for tax reasons, regulatory reasons or at the option of the issuer (as of November 28th, 2028) and are bearing fixed coupon until November 28th, 2028, that becomes a variable coupon payable quarterly during their last year.

The CEC Bank issued bonds are eligible for MREL purposes (Minimum Requirement for Own Funds and Eligible Liabilities - MREL).

The notes are issued under the Bank's EMTN (Medium term Notes) Programme which allows issuances within a total ceiling of EUR 2,000 million (or equivalent in other currencies). The base prospectus of the EMTN Programme, currently in force, was updated in 2025 receiving the approval of the financial markets regulatory and supervisory authority CSSF Luxembourg (Commission de Surveillance du Secteur Financier Luxembourg) on November 7, 2025.

3.2.2 Description of the Issuer's policy regarding dividends

Not applicable.

3.2.3 Description of any Issuer activities for the purchase of its own shares

Not applicable.

3.2.4 If the Issuer has subsidiaries, specifying the number and nominal value of the shares held by the subsidiaries, issued by the parent company

Not applicable.

3.2.5 If the Issuer has issued bonds and/or other debt securities, the provision of the manner in which the Issuer is to settle its obligations to the holders of such securities

Not applicable.

4 Significant transactions

Not applicable.

5 Events subsequent to the balance sheet date

On September 28, 2026, the reasoning behind the Competition Council's decision regarding the ROBOR investigation and the imposed sanction (the "Decision") was communicated. The Bank has reviewed the aspects presented in the Decision and considers that it contains no new information compared to what was previously communicated by the Competition Council in the Investigation Report or during the review of the case file evidence. As stated in the written observations and submissions filed during the hearings, the Bank believes it

Half-yearly Report for the six-month period ended on June 30, 2026 in accordance with FSA
Regulation no. 5/2018

possesses sufficient legal and technical arguments to support its position of non-liability and to challenge the Decision.

Within the statutory 30-day period following the communication of the Decision, the Bank will file a court action seeking the annulment of the Decision and a request to suspend its effects.

Furthermore, should a decision suspending the fine payment not be obtained, the Bank will submit a bank guarantee letter to administratively suspend any potential enforcement action by the tax authorities until the contested administrative act becomes final within the judicial appeal process.

III. Appendices

The following documents are attached hereto:

- 1 The management's statement regarding the accountability for the preparation of the financial statements as of 30 June 2026;**
- 2 IFRS financial information as of 30 June 2026;**
- 3 Report of the independent auditor KPMG Audit S.R.L regarding the IFRS financial information.**


Bogdan Constantin Neacșu
General Manager, Chairman of the
Board of Directors


Ștefan Silviu Fota
Director, Accounting Division

STATEMENT

As per provisions the article 30 and article 31 of the Accounting Law no. 82/1991

The condensed interim consolidated and separate financial information were prepared as at 30.06.2026 for:

Legal entity: CEC BANK SA

County: 40 - THE MUNICIPALITY OF BUCHAREST

Address: Bucharest city, str. CALEA VICTORIEI, no. 13, tel. 0213111119

Trade Registry number: J1997000155405

Form of ownership: 12 - Commercial companies with full state capital

Main activity (CAEN code and class name): 6419 - Other monetary intermediation activities

Fiscal identification code: 361897

The General Manager - President of Executive Committee, Bogdan Constantin Neacsu takes full responsibility for preparing the condensed interim consolidated and separate financial informations as at June 30, 2026 and confirms that:

- a) The accounting policies used to prepare the condensed interim consolidated and separate financial informations are in accordance with the applicable accounting regulations.
- b) The condensed interim consolidated and separate financial informations present a true image of the financial position, financial performance and other information relating to the activity carried out.
- c) The legal entity carries its business on an ongoing basis.

Bogdan Constantin Neacsu

General Manager - President of Executive Committee



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CEC Bank SA

**CONDENSED INTERIM CONSOLIDATED AND
SEPARATE FINANCIAL INFORMATION
AS AT 30 JUNE 2026**

**Prepared in accordance with the International
Accounting Standard 34 "Interim Financial
Reporting" adopted by the European Union**

CEC BANK SA

CONDENSED INTERIM FINANCIAL INFORMATION

AS AT 30 JUNE 2026

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CEC BANK SA

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF
COMPREHENSIVE INCOME

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2026

(All amounts in RON thousand, unless otherwise specified)



	<u>Note</u>	<u>Group</u>		<u>Bank</u>	
		<u>Six months ended on</u> <u>30 June 2026</u>	<u>Six months ended on</u> <u>30 June 2025</u>	<u>Six months ended on</u> <u>30 June 2026</u>	<u>Six months ended on</u> <u>30 June 2025</u>
Interest income calculated using the effective interest method		2,873,205	2,846,860	2,871,251	2,844,359
Interest expenses		(1,642,019)	(1,628,027)	(1,642,749)	(1,628,632)
Net interest income	6	<u>1,231,186</u>	<u>1,218,833</u>	<u>1,228,502</u>	<u>1,215,727</u>
Commission income		271,877	264,787	251,702	238,026
Commission expenses		(110,510)	(88,808)	(110,482)	(88,769)
Net commission income	7	<u>161,367</u>	<u>175,979</u>	<u>141,220</u>	<u>149,257</u>
Net gain from trading		97,528	76,825	97,528	76,825
Net gain/ Net loss from financial derivatives		(14,966)	8,285	(14,966)	8,285
Net loss/ Net gain from financial assets mandatorily measured at fair value through profit or loss		957	(101)	957	(101)
Net gain from the sale of financial assets measured at fair value through other comprehensive income		73,596	17,821	73,596	17,821
Net loss from foreign exchange differences		(34,542)	(48,466)	(34,544)	(48,462)
Other operating income		9,236	7,049	22,639	19,373
Operating income		<u>1,524,362</u>	<u>1,456,225</u>	<u>1,514,932</u>	<u>1,438,725</u>
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	8	(180,283)	(355,300)	(180,447)	(353,279)
Loss on modification of financial assets		<u>(3,782)</u>	<u>(8,331)</u>	<u>(3,782)</u>	<u>(8,331)</u>
Net loss from impairment of debt instruments	8	(4,128)	(4,516)	(4,128)	(4,511)
Staff costs		(347,928)	(320,254)	(339,372)	(312,080)
Depreciation and amortisation expenses		(103,678)	(88,749)	(103,263)	(88,297)
Other operating expenses	9	(333,156)	(298,382)	(330,958)	(296,507)
Operating expenses		<u>(972,955)</u>	<u>(1,075,532)</u>	<u>(961,950)</u>	<u>(1,063,005)</u>
Profit before tax		<u>551,407</u>	<u>380,693</u>	<u>552,982</u>	<u>375,720</u>
Income tax expense	19	(136,568)	(74,448)	(134,576)	(71,634)
Net Profit for the period		<u>414,839</u>	<u>306,245</u>	<u>418,406</u>	<u>304,086</u>
Attributable to:					
The parent		<u>414,838</u>	<u>306,244</u>		

CEC BANK SA

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF
COMPREHENSIVE INCOME**

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2026**

(All amounts in RON thousand, unless otherwise specified)

Non-controlling interests	<u>1</u>	<u>1</u>		
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain from transactions with financial assets measured through other items of comprehensive income, net of tax	17,024	96,388	17,024	96,388
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax	(61,821)	(14,970)	(61,821)	(14,970)
<i>Items that will not be reclassified to profit or loss:</i>				
Net gain from equity investments	(700)	3,511	(700)	3,511
Other movements	-	(2,363)	-	(2,363)
Other comprehensive income for the period	<u>(45,497)</u>	<u>82,566</u>	<u>(45,497)</u>	<u>82,566</u>
Total comprehensive income for the period	<u>369,342</u>	<u>388,811</u>	<u>372,909</u>	<u>386,652</u>
Attributable to:				
The parent	<u>369,341</u>	<u>388,810</u>		
Non-controlling interests	<u>1</u>	<u>1</u>		

Bogdan Constantin Neacșu
General Manager - President of Executive Committee



Ștefan Silviu Fota
Director, Accounting Department



CEC BANK SA

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2026

(All amounts in RON thousand, unless otherwise specified)



		<u>Group</u>	<u>Bank</u>		
	<u>Notes</u>	<u>30 June</u> <u>2026</u>	<u>31 December</u> <u>2025</u>	<u>30 June</u> <u>2026</u>	<u>31 December</u> <u>2025</u>
Assets					
Cash and balances at Central Bank		10,087,520	12,946,000	10,087,516	12,945,989
Financial assets at fair value through profit or loss		1,361,687	1,507,587	1,361,687	1,507,587
Loans and advances to banks and public institutions		5,475,627	7,071,505	5,423,472	7,066,722
Loans and advances to customers	10	33,855,327	33,326,365	33,855,327	33,326,365
Financial assets measured at fair value through other comprehensive income of which pledged securities (repo agreements)	11	43,191,374	37,887,887	43,191,374	37,887,887
Financial assets measured at amortized cost of which pledged securities (repo agreements)	12	324,136	219,513	324,136	219,513
Investment in subsidiary		13,036,587	13,433,902	13,022,868	13,361,041
Property and equipment		1,080,079	1,513,298	1,080,079	1,513,298
Intangible assets		-	-	5,000	5,000
Investment property		854,239	886,984	849,110	881,809
Right-of-use assets		376,739	349,116	375,904	348,212
Other financial assets		63,681	65,337	63,681	65,337
Other assets		103,373	116,068	103,373	116,068
		56,711	42,064	57,280	42,401
		<u>46,989</u>	<u>40,540</u>	<u>46,805</u>	<u>40,459</u>
Total assets		<u>108,509,854</u>	<u>107,673,355</u>	<u>108,443,397</u>	<u>107,594,877</u>
Liabilities					
Derivative financial liabilities		2,742	3,183	2,742	3,183
Deposits from banks	13	2,488,956	2,409,401	2,488,956	2,409,401
Deposits from customers	14	92,448,444	92,317,231	92,461,105	92,318,926
Borrowings from banks and other financial institutions	15	39,188	43,213	39,188	43,213
Debt securities issued	16	3,134,533	3,056,604	3,134,533	3,056,604
Subordinated liabilities	17	1,432,042	1,434,652	1,432,042	1,434,652
Current income tax liability		93,975	28,479	93,145	27,173
Deferred tax liabilities		54,340	64,873	54,657	65,384
Lease liabilities		110,371	120,564	110,371	120,564
Provisions		75,348	71,430	74,236	70,443
Other financial liabilities		466,159	339,961	430,254	308,989
Other liabilities		<u>155,902</u>	<u>145,381</u>	<u>154,485</u>	<u>141,570</u>

CEC BANK SA

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF
FINANCIAL POSITION**

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2026**

(All amounts in RON thousand, unless otherwise specified)

Total liabilities		<u>100,502,000</u>	<u>100,034,972</u>	<u>100,475,714</u>	<u>100,000,102</u>
Equity					
Share capital	18	3,499,746	3,499,746	3,499,746	3,499,746
Revaluation of reserve for property and equipment		633,872	634,341	633,643	634,112
Reserves for financial assets a fair value measured through other items of comprehensive income		(14,736)	30,761	(14,736)	30,761
Other reserves		414,428	414,429	414,428	414,429
Retained earnings		<u>3,474,541</u>	<u>3,059,102</u>	<u>3,434,602</u>	<u>3,015,727</u>
Total equity, excluding non-controlling interests		<u>8,007,851</u>	<u>7,638,379</u>	<u>7,967,683</u>	<u>7,594,775</u>
Non-controlling interests		3	4	=	=
Total equity		<u>8,007,854</u>	<u>7,638,383</u>	<u>7,967,683</u>	<u>7,594,775</u>
Total liabilities and equity		<u>108,509,854</u>	<u>107,673,355</u>	<u>108,443,397</u>	<u>107,594,877</u>

Bogdan Constantin Neacșu
General Manager - President of Executive Committee



Ștefan Silviu Fota
Director, Accounting Department



CEC BANK SA

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2026

(All amounts in RON thousand, unless otherwise specified)

Note	Share capital	Re- evaluation reserve	Group Revaluation reserve for financial assets at fair value measured through other comprehensive income	Other reserves	Retained earnings	Total attributable to the parent	Non- control- ling interests	Total
Balance as at 1 January 2026	<u>3,499,746</u>	<u>634,341</u>	<u>30,761</u>	<u>414,429</u>	<u>3,059,102</u>	<u>7,638,379</u>	<u>4</u>	<u>7,638,383</u>
Comprehensive income:								
Net Profit for the period	-	-	-	-	414,838	414,838	1	414,839
Other comprehensive income:								
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax	-	-	17,024	-	-	17,024	-	17,024
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax	-	-	(61,821)	-	-	(61,821)	-	(61,821)
Net gain from equity investments	=	=	(700)	=	=	(700)	=	(700)
Total comprehensive income	=	=	(45,497)	=	414,838	369,341	(1)	369,342
Other contributions and distributions:								
Revaluation reserve representing realised surplus, net of deferred tax	-	(469)	-	-	601	132	-	132
Decrease in capital contributions for land sale	-	-	-	(1)	-	(1)	-	(1)
Increased share capital by cash contribution	=	=	=	=	=	=	(2)	(2)
Total other contributions and distributions	=	(469)	-	(1)	601	131	(2)	129
Balance as at 30 June 2026	<u>3,499,746</u>	<u>633,872</u>	<u>(14,736)</u>	<u>414,428</u>	<u>3,474,541</u>	<u>8,007,851</u>	<u>3</u>	<u>8,007,854</u>



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CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2026

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	Note	Share capital	Revaluation reserve	Bank Revaluation reserve for financial assets at fair value measured through other comprehensive income	Other reserves	Retained earnings	Total
Balance as at 1 January 2026		<u>3,499,746</u>	<u>634,112</u>	<u>30,761</u>	<u>414,429</u>	<u>3,015,727</u>	<u>7,594,775</u>
Comprehensive income:							
Net Profit for the period		-	-	-	-	418,406	418,406
Other comprehensive income:							
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax		-	-	17,024	-	-	17,024
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax		-	-	(61,821)	-	-	(61,821)
Net gain from equity investments		-	-	(700)	-	-	(700)
Total comprehensive income		<u>-</u>	<u>-</u>	<u>(45,497)</u>	<u>-</u>	<u>418,406</u>	<u>372,909</u>
Other contributions and distributions:							
Revaluation reserve representing realised surplus, net of deferred tax		-	(469)	-	-	469	-
Increased share capital by cash contribution		-	-	-	(1)	-	(1)
Total other contributions and distributions		<u>-</u>	<u>(469)</u>	<u>-</u>	<u>(1)</u>	<u>469</u>	<u>(1)</u>
Balance as at 30 June 2026		<u>3,499,746</u>	<u>633,643</u>	<u>(14,736)</u>	<u>414,428</u>	<u>3,434,602</u>	<u>7,967,683</u>



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CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2026

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Note	Share capital	Re- evaluation reserve	Group Revaluation reserve for financial assets at fair value measured through other comprehensive income	Other reserves	Retained earnings	Total attributable to the parent	Non- controlling interests	Total
Balance as at 1 January 2025 (reported)	<u>2,499,746</u>	<u>636,553</u>	<u>(388,578)</u>	<u>365,044</u>	<u>2,337,005</u>	<u>5,449,770</u>	<u>4</u>	<u>5,449,774</u>
Retained earnings from corrections	-	-	-	-	(41,397)	(41,397)	-	(41,397)
Balance as at 1 January 2025 (restated)	<u>2,499,746</u>	<u>636,553</u>	<u>(388,578)</u>	<u>365,044</u>	<u>2,295,608</u>	<u>5,408,373</u>	<u>4</u>	<u>5,408,377</u>
Comprehensive income:								
Net Profit for the period	-	-	-	-	306,244	306,244	1	306,245
Other comprehensive income:								
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax	-	-	96,388	-	-	96,388	-	96,388
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax	-	-	(14,970)	-	-	(14,970)	-	(14,970)
Net gain from equity investments	=	=	3,511	=	-	3,511	=	3,511
Other corrections	-	-	-	-	(2,363)	(2,363)	(2)	(2,365)
Total comprehensive income	=	=	84,929	=	303,881	388,810	(1)	388,809
Other contributions and distributions:								
Revaluation reserve representing realised surplus, net of deferred tax	-	-	-	-	(399)	(399)	-	(399)
Increased share capital by cash contribution	1,000,000	=	=	=	=	1,000,000	=	1,000,000
Total other contributions and distributions	1,000,000	=	=	=	(399)	999,601	=	999,601
Balance as at 30 June 2025	<u>3,499,746</u>	<u>636,553</u>	<u>(303,649)</u>	<u>365,044</u>	<u>2,599,090</u>	<u>6,796,784</u>	<u>3</u>	<u>6,796,787</u>

(*) The information has been restated as described in the Correction Note presented in the interim financial information published for June 30, 2025. (page 16), published on the Bank's website (<https://www.cec.ro/relatii-cu-investitorii-ro>).



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	Note	Share capital	Revaluation reserve	Bank Revaluation reserve for financial assets at fair value measured through other comprehensive income	Other reserves	Retained earnings	Total
Balance as at 1 January 2025 (reported)		<u>2,499,746</u>	<u>636,324</u>	<u>(388,578)</u>	<u>365,044</u>	<u>2,295,623</u>	<u>5,408,159</u>
Retained earnings from corrections		-	-	-	-	(41,397)	(41,397)
Balance as at 1 January 2025 (restated)		<u>2,499,746</u>	<u>636,324</u>	<u>(388,578)</u>	<u>365,044</u>	<u>2,254,226</u>	<u>5,366,762</u>
Comprehensive income:							
Net Profit for the period		-	-	-	-	304,086	304,086
Other comprehensive income:							
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax		-	-	96,388	-	-	96,388
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax		-	-	(14,970)	-	-	(14,970)
Net gain from equity investments		-	-	3,511	-	-	3,511
Other corrections		-	-	-	-	(2,363)	(2,363)
Total comprehensive income		<u>-</u>	<u>-</u>	<u>84,929</u>	<u>-</u>	<u>301,723</u>	<u>386,652</u>
Other contributions and distributions:							
Revaluation reserve representing realised surplus, net of deferred tax		-	-	-	-	-	-
Increased share capital by cash contribution		1,000,000	-	-	-	-	1,000,000
Total other contributions and distributions		<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Balance as at 30 June 2025		<u>3,499,746</u>	<u>636,324</u>	<u>(303,649)</u>	<u>365,044</u>	<u>2,555,949</u>	<u>6,753,414</u>

(*) The information has been restated as described in the Correction Note presented in the interim financial information published for June 30, 2025. (page 16), published on the Bank's website (<https://www.cec.ro/relatii-cu-investitorii-ro>).



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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2026

(All amounts in RON thousand, unless otherwise specified)

	<u>Notes</u>	<u>Group</u> Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>	<u>Bank</u> Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>
Profit before tax		551,407	380,693	552,982	375,720
Adjustments for non-monetary items:					
Expected losses on financial instruments,	8	180,283	355,300	180,447	353,279
provisions for loan commitments and financial guarantees given					
Depreciation and amortisation expense		103,678	88,749	103,263	88,297
Net gain / Net loss from financial derivatives		1,715	(5,300)	1,715	(5,300)
Gain on disposal of fixed assets		(352)	(128)	(352)	(128)
Net gain on financial assets measured at fair value through other comprehensive income		(73,596)	(17,816)	(73,596)	(17,821)
Net gain from financial assets mandatorily measured at fair value through profit or loss		(97,528)	(398)	(97,528)	(398)
Net gain from foreign exchange differences		(726,579)	(303,051)	(726,579)	(303,051)
Dividends income		(16,573)	(14,980)	(16,573)	(14,980)
Interest expense		1,642,019	1,628,027	1,642,749	1,628,632
Interest income		(2,873,205)	(2,846,860)	(2,871,251)	(2,844,359)
Other adjustments		210	(3,032)	211	(3,031)
		<u>(1,308,521)</u>	<u>(738,796)</u>	<u>(1,304,512)</u>	<u>(743,140)</u>
(Increase)/decrease in operating assets:					
(Increase) / Decrease in loans and advances to customers		(1,099,072)	396,491	(1,052,858)	397,815
Decrease in subordinated loans		-	152	-	152
(Decrease) / Increase in financial assets held for trading and measured at fair value through profit or loss		144,209	(1,150,991)	144,209	(1,150,991)
(Decrease) / Increase in other assets		76,178	(38,920)	76,049	(50,842)
Increase/decrease in operating liabilities:					
Increase / (Decrease) in deposits from banks		79,555	(373,940)	79,555	(373,940)

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(All amounts in RON thousand, unless otherwise specified)

	<u>Notes</u>	<u>Group</u>		<u>Bank</u>	
		Six months ended on 30 June 2026	Six months ended on 30 June 2025	Six months ended on 30 June 2026	Six months ended on 30 June 2025
Increase/(Decrease) in deposits from customers		27,995	(1,076,767)	18,473	(1,096,835)
Increase in other liabilities		217,999	77,847	215,460	64,039
Net cash used in operating activities before interest and tax		(1,861,657)	(2,904,924)	(1,823,624)	(2,953,742)
Interest received from loans and advances to customers		1,503,139	1,559,426	1,503,139	1,559,426
Interest paid for deposits from customers and banks		(1,362,734)	(1,414,670)	(1,362,734)	(1,414,670)
Payments for leases of low-value assets		(1,498)	(1,269)	(1,498)	(1,269)
Recoveries from sold loans and advances to customers and from previously written-off loans	8	122,549	81,716	122,515	81,679
Income tax paid		(72,886)	(90,441)	(70,744)	(87,412)
Net cash used in operating activities		(1,673,087)	(2,770,162)	(1,632,946)	(2,815,988)
Investment activities:					
Proceeds from financial assets measured at fair value through other comprehensive income		29,726,297	28,688,346	29,726,297	28,688,346
Payments for the acquisition of financial assets measured at fair value through other comprehensive income		(34,131,102)	(30,386,366)	(34,131,102)	(30,386,366)
Proceeds from debt securities measured at amortized cost		1,676,958	15,482	1,616,602	544
Payments for the purchase of debt securities measured at amortized cost		(1,145,076)	(1,644,411)	(1,143,862)	(1,578,234)
Proceeds / Payments for the purchase of equity instruments		(659)	834	(659)	834
Interest received from investing activities		1,036,477	752,750	1,035,283	751,193
Cash payments for acquisitions of tangible and intangible assets and investment properties		(77,754)	(65,442)	(77,453)	(65,347)
Proceeds from the sale of tangible and intangible assets and investment property		747	128	747	128
Additional payments for assets representing the right of use		21,640	3,514	21,640	3,514

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		<u>Group</u>		<u>Bank</u>	
	<u>Notes</u>	Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>
Dividends proceeds		16,573	14,980	16,573	14,980
Net cash in investing activities		(2,875,899)	(2,620,185)	(2,935,934)	(2,570,408)
Financing activities					
Proceeds from share capital increase		-	1,000,000	-	1,000,000
Proceeds from bonds issued	1	-	-	1	-
Interest payments on subordinated loans		(67,239)	(62,972)	(67,239)	(62,972)
Payment of lease liability		(37,671)	(18,289)	(37,671)	(18,289)
Repayments of loans from banks and other financial institutions		(4,025)	(3,728)	(4,025)	(3,728)
Interest paid for loans from banks and other financial institutions		(91,174)	(16)	(91,174)	(16)
Net cash from financing activities		(200,108)	914,995	(200,108)	914,995
		(4,749,094)	(4,475,352)	(4,768,988)	(4,471,401)
Net Increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period		19,816,016	15,918,760	19,783,618	15,886,362
Cash and cash equivalents at the end of the period		15,066,922	11,443,408	15,014,630	11,414,961



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1 REPORTING ENTITY

CEC Bank Group ("Group") consists of CEC Bank S.A. ("CEC", "CEC Bank" or "Bank") as parent company and its subsidiary Fondul de Garantare a Creditului Rural – IFN SA ("FGCR" or "Fund"). Condensed interim consolidated financial information as at June, 2026 comprise the Bank and its subsidiary (hereinafter referred to as the "Group").

CEC Bank SA is a joint stock company owned 100% by the Romanian State, represented by the Ministry of Finance.

The Bank operates through its head office in Bucharest, as well as through the 48 county branches and similar units in the City of Bucharest (31 December 2025: 48 county branches and similar units in Bucharest), 117 type A urban agencies (31 December 2025: 116), 387 type B urban agencies (31 December 2025: 387) and 459 type B rural agencies (31 December 2025: 460).

CEC Bank SA has 4,827 employees as at June 30, 2026, 66 employees less than on December 31, 2025.

The current registered office of CEC Bank SA is on Calea Victoriei no. 13, Sector 3, Bucharest, Romania.

As at 30 June 2026, the Bank's Board of Directors includes the following people:

- 1) Tiberiu Valentin Mavrodin – President;
- 2) Bogdan Constantin Neacșu - Member;
- 3) Cristian Florin Șaitariu – Member;
- 4) Mirela Iovu - Member;
- 5) Simona Andrei - Member;
- 6) Ciprian Sebastian Badea - Member;
- 7) Mirela Șitoiu - Member;
- 8) Nicoleta Mioara Cîrciumaru - Member.

As at 30 June 2026, the Bank's Executive Committee includes the following people:

- 1) Bogdan Constantin Neacșu, General Manager - President of the Executive Committee;
- 2) Cristian Florin Șaitariu - First Vice President of the Executive Committee;
- 3) Mirela Iovu, Director - Vice President of the Executive Committee;
- 4) Simona Andrei, Director - Vice President of the Executive Committee.



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Fondul de Garantare a Creditului Rural – IFN SA (“the Fund”, “FGCR”) was established in February 1994, according to Law no. 31/1990, as a joint stock company, following negotiations between the European Community Commission and the Government of Romania, represented by the Ministry of Agriculture and Rural Development, materializing the European Community program to support the privatization process of agriculture in Romania and registered as IFN in 2006, based on Government Ordinance no. 28/2006, amended by Law no. 93/2009. Starting on July 30, 2007, it received from the National Bank of Romania notification of registration in the NBR Special Register under no. RS-PJR-090029/2007 and in the NBR General Register under no. RG-PJR-41-090173/2007.

FGCR has as main activity the issuance of letters of guarantees granted from funds in administration received from Ministry of Agriculture and Rural Development (“MADR”) and issue of letters of guarantees granted in name and account of the Romanian State. The activity is done based on multiple laws depending on the financing needs in the agriculture sector. For each law a convention between FGCR and MADR is concluded in which there are stipulated the rights and obligations of each party. For its activity FGCR is remunerated with a commission from the financial institutions for the letters of guarantees issued from funds in administration and from the Romanian State for the agent operations carried out on its behalf.

The current registered office of the Rural Credit Guarantee Fund is located at 5, Occidentului Street, Sector 1, Bucharest, Romania.

On July 27, 2023, CEC Bank acquired 99.993% of FGCR’s shares and MADR owns 0.007% of the shares.

On June, 2026, FGCR has 60 employees.

As at 30 June 2026, the Fund’s Board of Directors includes the following people:

- 1) Toma Alina Mihaela - President;
- 2) Luchian Camelia – Member;
- 3) Chiorean Ioan Ciprian – Member.

As at 30 June 2026, the Fund's Executive Committee includes the following people:

- 1) Alina Toma - General Manager.



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2 BASIS OF PREPARATION

These condensed interim financial information for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", adopted by the European Union and should be read in conjunction with the Group's and the Bank's annual consolidated and separate financial statements as at and for the year ended on 31 December 2025.

These condensed interim financial information do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, certain explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the last consolidated and separate annual financial statements as of and for the financial year ended 31 December 2025.

This condensed interim financial information have been prepared based on the going concern principle.

a) Basis of measurement

The condensed interim financial information have been prepared on a fair value basis for derivative assets and liabilities at fair value through profit or loss, financial assets measured at fair value through other items of comprehensive income, financial assets held for trading and measured at fair value through profit or loss, financial assets mandatorily at fair value through profit or loss.

Other financial assets and liabilities, investment property and non-financial assets and liabilities are carried at amortized cost or revaluated amount (for land and buildings).

b) Functional and presentation currency

The condensed interim financial information are prepared and stated in Romanian lei ("RON"), the Group's and the Bank's functional and presentation currency, in accordance with Romanian accounting legislation, as well as banking regulations issued by the National Bank of Romania.

c) Use of estimates and judgments

The preparation of condensed interim financial information in accordance with IAS 34 "Interim financial reporting", adopted by the European Union, requires management to use estimates, judgments and assumptions that affect the amounts recognized in the financial statements, as well as the reported value of assets, liabilities, in the following financial year. The estimates and judgments associated therewith are based on historical data and other factors considered to be relevant in the given circumstances, and the result of these factors forms the basis of the judgments used in determining the carrying amount of assets and liabilities for which no other valuation sources are available. Actual results may differ from the estimated values.

Estimates and judgments are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods, if the revision affects both the current period and future periods.



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2 BASIS OF PREPARATION (CONTINUED)

Information related to these estimates used in the application of accounting policies that have a material effect on the financial statements, as well as estimates that involve a significant degree of uncertainty, are stated in Note 4.

The material accounting policies and methods presented below have been applied consistently to all periods stated in these financial statements.

3 MATERIAL ACCOUNTING POLICIES

In preparing this set of condensed interim financial information, the Group and the Bank used the same accounting policies stated in the Group's and the Bank's last set of annual financial statements for the year ended on 31 December 2025.

4 MATERIAL ACCOUNTING ESTIMATES

The Group and the Bank make estimates and assumptions that affect the reported value of assets and liabilities in the following reporting period. Estimates and judgments are continually reviewed and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In addition to experience and historical information, described in the last set of annual financial statements, the Group and the Bank also considered the effects of current conditions in the -Romanian economy, detailed in Note 10, in reviewing these estimates.



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy analysis of financial instruments recorded at fair value

Level 1 - includes instruments listed on active markets for identical assets or liabilities;

Level 2 - includes instruments whose fair value is determined using observable information for the asset or liability, either directly (such as prices) or indirectly (such as price derivatives); and

Level 3 - includes instruments whose fair value is determined using information that is not based on observable market data (unobservable inputs).

The tables below analyze the financial assets and liabilities measured at fair value at the end of the reporting period, by hierarchical levels:

Assets and liabilities measured at fair value as at 30 June 2026 for the Group and the Bank:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Other financial assets				
<i>Financial assets held for trading and measured at fair value through profit or loss, of which:</i>				
Debt securities	1,135,701	206,607	-	1,342,308
Derivatives – Swap on exchange rate	-	361	-	361
<i>Financial assets measured at fair value through other comprehensive income, of which:</i>				
Securities	31,721,317	11,423,278	46,779	43,191,374
Equity investments	-	-	46,779	46,779
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>				
Debt securities	-	-	19,018	19,018
Non-financial assets				
Land and buildings	-	-	620,772	620,772
Total assets carried at fair value	32,857,018	11,630,246	686,569	45,173,833
Financial liabilities				
Other financial liabilities				
Derivatives – Swap on exchange rate	-	2,742	-	2,742
Total financial liabilities carried at fair value	-	2,742	-	2,742



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Assets and liabilities measured at fair value as at 31 December 2025 for the Group and the Bank:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
<i>Other financial assets</i>				
<i>Financial assets held for trading and measured at fair value through profit or loss, of which:</i>				
Debt securities	<u>1,387,442</u>	<u>99,075</u>	<u>-</u>	<u>1,486,517</u>
Financial derivatives - Swap on exchange rate	-	2,717	-	2,717
<i>Financial assets measured at fair value through other comprehensive income, out of which:</i>				
- Securities	<u>30,557,570</u>	<u>7,284,769</u>	<u>45,548</u>	<u>37,887,887</u>
- Equity Investments	-	-	45,548	45,548
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>				
- Debt securities	-	-	<u>18,353</u>	<u>18,353</u>
Non-financial assets				
- Land and buildings	-	-	628,745	628,745
Total assets carried at fair value	<u>31,945,012</u>	<u>7,386,561</u>	<u>692,646</u>	<u>40,024,219</u>
Financial liabilities				
<i>Other financial liabilities</i>				
Financial derivatives - Swap on exchange rate	-	3,183	-	3,183
Total financial liabilities carried at fair value	<u>-</u>	<u>3,183</u>	<u>-</u>	<u>3,183</u>

Assets and liabilities not measured at fair value in the balance sheet

The following table summarizes the carrying amounts and fair values of those financial assets and liabilities that are not measured at fair value in the balance sheet of the Group and the Bank. Purchase prices are used to estimate the fair values of assets and sales prices are applied for liabilities.



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Assets and liabilities for which the fair value is disclosed as at 30 June 2026 for the Group:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial assets					
Cash and cash equivalents at central banks	-	10,087,520	-	10,087,520	10,087,520
Loans and advances to banks	-	5,475,627	-	5,475,627	5,475,627
Loans and advances to customers	-	-	34,130,738	34,130,738	33,855,327
Investments in debt instruments at amortized cost	9,774,583	3,310,816	-	13,085,399	13,036,587
Investment property	-	-	103,637	103,637	63,681
Other financial assets	-	-	56,711	56,711	56,711
Total financial assets	<u>9,774,583</u>	<u>18,873,963</u>	<u>34,291,086</u>	<u>62,939,632</u>	<u>62,575,453</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial liabilities					
Deposits from banks	-	2,488,956	-	2,488,956	2,488,956
Deposits from customers	-	93,669,141	-	93,669,141	92,448,444
Borrowings from banks and other financial institutions	-	39,188	-	39,188	39,188
Debt securities issued	-	3,192,231	-	3,192,231	3,134,533
Subordinated liabilities	-	1,432,042	-	1,432,042	1,432,042
Other financial liabilities	-	-	466,159	466,159	466,159
Total financial liabilities	<u>-</u>	<u>100,821,558</u>	<u>466,159</u>	<u>101,287,717</u>	<u>100,009,322</u>

Assets and liabilities for which the fair value is disclosed as at 30 June 2026 for the Bank:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial assets					
Cash and cash equivalents at central banks	-	10,087,516	-	10,087,516	10,087,516
Loans and advances to banks	-	5,423,472	-	5,423,472	5,423,472
Loans and advances to customers	-	-	34,130,738	34,130,738	33,855,327
Investments in debt instruments at amortized cost	9,774,583	3,297,097	-	13,071,680	13,022,868
Investment property	-	-	103,637	103,637	63,681
Other financial assets	-	-	57,280	57,280	57,280
Total financial assets	<u>9,774,583</u>	<u>18,808,085</u>	<u>34,291,655</u>	<u>62,874,323</u>	<u>62,510,144</u>

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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial liabilities					
Deposits from banks	-	2,488,956	-	2,488,956	2,488,956
Deposits from customers	-	93,681,802	-	93,681,802	92,461,105
Borrowings from banks and other financial institutions	-	39,188	-	39,188	39,188
Debt securities issued	-	3,192,231	-	3,192,231	3,134,533
Subordinated liabilities	-	1,432,042	-	1,432,042	1,432,042
Other financial liabilities	-	-	430,254	430,254	430,254
Total financial liabilities	<u>-</u>	<u>100,834,219</u>	<u>430,254</u>	<u>101,264,473</u>	<u>99,986,078</u>

Assets and liabilities for which the fair value is disclosed as at 31 December 2025 for the Group:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial assets					
Cash and cash equivalents at central banks	-	12,946,000	-	12,946,000	12,946,000
Loans and advances to banks	-	3,768,006	3,303,425	7,071,431	7,071,505
Loans and advances to customers	-	-	33,978,616	33,978,616	33,326,365
Investments in debt instruments at amortized cost	11,239,660	2,252,245	-	13,491,905	13,433,902
Investment property	-	-	98,976	98,976	65,337
Other financial assets	-	-	42,064	42,064	42,064
Total financial assets	<u>11,239,660</u>	<u>18,966,251</u>	<u>37,423,081</u>	<u>67,628,992</u>	<u>66,885,173</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial liabilities					
Deposits from banks	-	2,409,401	-	2,409,401	2,409,401
Deposits from customers	-	93,610,730	-	93,610,730	92,317,231
Borrowings from banks and other financial institutions	-	43,219	-	43,219	43,213
Debt securities issued	-	3,169,248	-	3,169,248	3,056,604
Subordinated liabilities	-	1,434,652	-	1,434,652	1,434,652
Other financial liabilities	-	-	339,961	339,961	339,961
Total financial liabilities	<u>-</u>	<u>100,667,250</u>	<u>339,961</u>	<u>101,007,211</u>	<u>99,601,062</u>



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)
Assets and liabilities for which the fair value is disclosed as at 31 December 2025 for the
Bank:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial assets					
Cash and cash equivalents at central banks	-	12,945,989	-	12,945,989	12,945,989
Loans and advances to banks	-	3,763,223	3,303,425	7,066,648	7,066,722
Loans and advances to customers	-	-	33,978,616	33,978,616	33,326,365
Investments in debt instruments at amortized cost	11,166,799	2,252,245	-	13,419,044	13,361,041
Investment property	-	-	98,976	98,976	65,337
Other financial assets	-	-	42,401	42,401	42,401
Total financial assets	<u>11,166,799</u>	<u>18,961,457</u>	<u>37,423,418</u>	<u>67,551,674</u>	<u>66,807,855</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>	<u>Total book value</u>
Financial liabilities					
Deposits from banks	-	2,409,401	-	2,409,401	2,409,401
Deposits from customers	-	93,612,425	-	93,612,425	92,318,926
Borrowings from banks and other financial institutions	-	43,219	-	43,219	43,213
Debt securities issued	-	3,169,248	-	3,169,248	3,056,604
Subordinated liabilities	-	1,434,652	-	1,434,652	1,434,652
Other financial liabilities	-	-	308,989	308,989	308,989
Total financial liabilities	<u>-</u>	<u>100,668,945</u>	<u>308,989</u>	<u>100,977,934</u>	<u>99,571,785</u>

a) Loans and advances to banks and cash at central banks

Loans and advances to banks include interbank placements and other items pending collection. Cash at central banks includes the mandatory minimum reserve and current accounts held with the National Bank of Romania.

The fair value of variable rate placements, fixed rate placements and overnight deposits is equal to their book value.

b) Loans and advances to customers

Loans and advances are net of adjustments for expected credit losses. The estimated fair value of loans and advances represents the present value of future cash flows to be received. Estimated cash flows are discounted at current market rates to determine their fair value. The estimated fair value of fixed rate loans is based on discounted cash flows using prevailing money market interest rates for debt with similar credit risk and remaining maturity.



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table presents the description of the unobservable inputs and the valuation techniques used for level 3 in accordance with IFRS 13 for the Group and the Bank.

Group	Fair value	Valuation techniques	Significant unobservable inputs	Average interest	The sensitivity of the market value assessment in unobservable inputs
Corporate loans to customers in the agriculture industry, excluding loans granted on the basis of subsidies to be received	2,028,861	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	5.13 % for EUR 8.76 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Loans to local public institutions	1,134,974	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	3.53 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Public central administrations	7,226,129	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	6.46 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Corporate loans to customers in the retail industry	2,005,534	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	4.84 % for EUR 8.95 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Corporate loans to customers in the construction industry	1,542,362	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	5.53 % for EUR 8.92 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Corporate loans to customers in the industrial manufacturing industry	3,557,256	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	5.07 % for EUR 9.16 % for RON 6.11 % for USD	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Retail consumer loans	3,376,582	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	4.99 % for EUR 9.67 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Corporate loans to customers in the services industry	5,059,942	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	4.82 % for EUR 9.59 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Loans granted on the basis of subsidies to be received	327,312	Discounted future cash flows	The probability of default and the loss in case of default as elements that reflect the credit risk in the discount rate of future flows.	8.89 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Retail mortgage loans	6,930,392	Discounted future cash flows	The probability of default, as element that reflects the credit risk in the discount rate of future flows.	5.90 % for EUR 6.13 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Cards/ Overdraft	941,394	Discounted future cash flows	The probability of default, as element that reflects the credit risk in the discount rate of future flows.	17.90 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Total	34,430,738				

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FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

- c) Deposits from banks, deposits from customers, borrowings from banks and other financial institutions and subordinated debts

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits as detailed in the interest rate gap analysis, is the amount repayable on demand. The estimated fair value of fixed interest deposits, borrowings from banks and other financial institutions and subordinated debt without a quoted market price is based on discounted cash flows using interest rates for new debt with similar remaining maturities.

- d) Financial assets measured at fair value through other items of comprehensive income - Government securities

The fair value of investments in debt instruments such as government securities, corporate or municipal bonds is determined using BID quotations (expressed as price) from Bloomberg, the BVAL or BGN source, in cases where the BVAL source is not available or displays off-market values.

If neither source is available or both show off-market values, the prices from daily closing reports received from one of the Bank's cooperating brokers (in the order of Kyte, Conticap, Icap) will be used. Otherwise, the price of the last transaction conducted within the past 30 days on a regulated market will be used, if available.

If no such transaction exists, the yield used to determine the fair value will be based on the following formula: the (BID) yield of the government/corporate/municipal bond with the closest maturity plus the credit spread relevant to the risk category of the issuer of the evaluated bond, with the possibility to adjust the margin to reflect any material deterioration in the credit quality of the specific instrument, if applicable.

All securities owned by CEC Bank are periodically assessed in order to evaluate their liquidity as tradeable instruments. For this purpose, the Bank considers 3 main measures and data provided by Bloomberg, as made available via the function LQA.

The 3 main measures for each ISIN are:

- Amount outstanding. This is 100% identifiable and is considered to be directly correlated with liquidity;
- Bid-ask spread. This is generally observable and is inversely correlated with liquidity;
- Trade history. This measure becomes increasingly observable following MIFID requirements on APA publication. However full trading history is still largely unavailable, therefore not yet included in Bank's explicit assessment mechanism.

The additional data retrieved from Bloomberg (LQA function) is:

- Liquidity score of the instrument (ranging from 0 to 100)
- Liquidity assessment are per SEC classification criteria

The bank considers as Level 1 all ISINs that cumulatively meet the following criteria at the date of the assessment:

- Total issued amount at least 1 billion EUR;
- Bid-ask spread (as retrieved from Bloomberg LQA) of maximum 70 basis points;
- Liquidity score of at least 30 (as retrieved from Bloomberg LQA);
- SEC 22E4 classification HLI (Highly liquid).

- e) Financial assets measured at fair value through other elements of comprehensive income - Participation interests

Financial assets measured at fair value through other comprehensive income include shares that are

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not traded on an active market (Transfond SA - Funds Transfer and Settlement Company, Biroul de Credit S.A.) and shares that are valued on an active market (VISA Inc). In the case of shares that are not quoted on an active market, it is not possible to obtain the market value for these equity securities and, consequently, no recent values regarding their trading price are publicly accessible. Management does not intend to sell these shares in the near future. The Bank determined the fair value for them using the net asset method based on the published financial statements, in the case of SWIFT - Societatea de Telecomunicații Financiare Interbancare Globale and the dividend method, in the case of Transfond S.A. - Societatea de Transfer de Fonduri și Decontări și Biroul de Credit S.A.

In the case of VISA Inc. shares, for which there is an active market, they are valued monthly using the NYSE quoted price.

The following table presents the description of the unobservable inputs and the valuation techniques used for level 3 in accordance with IFRS 13.

Group	Market value	Valuation techniques	Significant unobservable inputs	The sensitivity of the market value assessment in unobservable inputs
Participation interests valued at fair value through other elements of comprehensive income	46,779	The market value for VISA shares is determined according to the conversion coefficient communicated by VISA and the NYSE stock market quote. For unlisted equity instruments, the market value is determined by using the net assets of the entities at the end of the last reporting period	Financial performance of the issuer	The increase or decrease in the financial performance of the issuer has an impact on the increase or decrease of the market value

f) Financial assets compulsorily measured at fair value through profit or loss - Debt securities
Debt instruments held by the Bank include shares that are traded on an active market (VISA Inc), which are valued monthly using the quoted price on the NYSE.

The following table presents the description of the unobservable inputs and the valuation techniques used for level 3 in accordance with IFRS 13.



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Group	Market value	Valuation techniques	Significant unobservable inputs	The sensitivity of the market value assessment in unobservable inputs
Debt securities must be measured at fair value through profit or loss	19,019	The market value is determined according to the conversion coefficient communicated by VISA and the stock exchange quote from the NYSE.	Financial performance of the issuer	The increase or decrease in the financial performance of the issuer has an impact on the increase or decrease of the market value

The following table presents a reconciliation from opening balances to closing balances for fair value measurement classified at level 3 in the fair value hierarchy:

	Participation interests	Debt securities
Balance as at 1 January 2026	45,548	18,353
Total gains or losses:		
- in the profit or loss account	-	666
- in other elements of comprehensive income	(609)	-
Acquisitions	38	-
Issues	-	-
Settlements	-	-
Transfers to Level 3	-	-
Transfers from level 3	-	-
Exchange rate differences	1,802	-
Balance as at 30 June 2026	46,779	19,019

g) Investments in debt instruments at amortized cost - Government/Corporate bonds/Municipal securities

The fair value of investments in debt instruments such as government securities, corporate/municipal bonds is determined using BID quotations (expressed as price) from Bloomberg, the BVAL source or BGN, if the BVAL source is not available or shows off-market values, the prices resulting from the daily closing reports received from one of the brokers with which the Bank collaborates will be used (in order Kyte, Conticap, Icap). Thus, the price of the last trade in the last 30 days on the regulated market, if any, will be used. Otherwise, the yield used to determine fair value will be based on the following formula: the yield (BID) of the government/corporate/municipal bond with the nearest maturity plus the relevant credit spread for the risk category to which the issuer of the bonds being evaluated belongs, with the possibility to adjust the spread taking into account any material deterioration in the quality of the credit specific to the instrument, if applicable.



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

h) Derivative financial assets and liabilities

The value of derivative financial instruments (FX swap/forward) is determined using the Forward points displayed by Bloomberg and the exchange rates published by the NBR. The forward rate for revaluation is constructed starting from the NBR spot, to which the swap points calculated at the time of revaluation are added based on the calculation formula.

i) Financial assets held for trading - Government securities

The fair value of government securities is determined on a daily basis using BID quotations (expressed as price) from Bloomberg, the BVAL source or BGN, if the BVAL source is not available or show off-market values. If none of the sources are available or show off-market values, the prices resulting from the daily closing reports received from one of the brokers with which the Bank collaborates (in the order Kyte, Conticap, Icap) will be used.

j) Financial assets and liabilities

Management considered that the fair value is the same as the book value considering that these financial assets and liabilities are estimated to be settled within one month or have no fixed maturity, respectively are short-term and the book value is not significantly different from their fair value.

k) Bonds issued

The fair value of bonds issued is determined using BID quotations (expressed as yield) from Bloomberg, the BVAL source or BGN, if the BVAL source is not available. If neither source is available, the price of the last trade in the last 30 days on the regulated market, if available, will be used. Otherwise, the yield used to determine the fair value will be based on the following formula: the yield (BID) of the government bond with the closest maturity plus the relevant credit spread for the risk category to which the issuer of the bond being valued belongs, with the possibility of adjusting the spread for any material deterioration in the quality of the credit specific to the instrument, if applicable.



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6 NET INTEREST INCOME

	Group		Bank	
	Six months ended on	Six months ended on	Six months ended on	Six months ended on
	<u>30 June 2026</u>	<u>30 June 2025</u>	<u>30 June 2026</u>	<u>30 June 2025</u>
Interest income calculated using the effective interest method from:				
Current accounts, deposits	236,752	213,528	235,992	212,584
loans and advances to banks				
Treasury bills, bonds and other	1,322,585	1,161,787	1,322,585	1,161,787
investment securities				
Loans and advances to	1,312,674	1,469,988	1,312,674	1,469,988
customers, out of which:				
<i>Interest income on</i>				
<i>impaired loans</i>	73,813	53,709	73,813	53,709
<i>Income from interest</i>				
<i>related to subordinated</i>	-	10,727	-	10,727
<i>loans</i>				
FGCR interest income -	1,194	1,557	-	-
Government programs				
Total interest income	<u>2,873,205</u>	<u>2,846,860</u>	<u>2,871,251</u>	<u>2,844,359</u>
Interest expense related to financial liabilities measured at amortized cost arising from:				
Current accounts and term	1,386,036	1,331,948	1,386,766	1,332,553
deposits from customers				
Loans and deposits from banks	91,168	134,863	91,168	134,863
Interest expense on lease	6	40	6	40
liabilities				
Other borrowed funds	487	436	487	436
Subordinated loan	64,629	63,940	64,629	63,940
Debt securities issued	<u>99,693</u>	<u>96,800</u>	<u>99,693</u>	<u>96,800</u>
Total interest expense	<u>1,642,019</u>	<u>1,628,027</u>	<u>1,642,749</u>	<u>1,628,632</u>
Net interest income	<u>1,231,186</u>	<u>1,218,833</u>	<u>1,228,502</u>	<u>1,215,727</u>

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NET COMMISSION INCOME

	Group		Bank	
	Six months	Six months	Six months	Six months
	ended on	ended on	ended on	ended on
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Commission income				
Commissions from operations with cards	98,875	84,148	98,875	84,148
Commissions from cash transactions	33,939	33,093	33,939	33,093
Commissions from current accounts opening	67,499	70,026	67,545	70,113
Other commissions	41,023	37,719	41,023	37,719
Total commissions from contracts with customers	<u>241,336</u>	<u>224,986</u>	<u>241,382</u>	<u>225,073</u>
Commissions from financial guarantees and loan commitments given	30,541	39,801	10,320	12,953
Total commissions income	<u>271,877</u>	<u>264,787</u>	<u>251,702</u>	<u>238,026</u>
Commission expense				
Commissions for inter-bank transactions	43,594	34,487	43,566	34,448
Commissions for financial risk insurance	3,371	2,257	3,371	2,257
Commissions for financial services	63,545	52,064	63,545	52,064
Total commission expense	<u>110,510</u>	<u>88,808</u>	<u>110,482</u>	<u>88,769</u>
Net commission income	<u>161,367</u>	<u>175,979</u>	<u>141,220</u>	<u>149,257</u>

Commission income from contracts with customers are measured on the basis of consideration specified in a contract with a customer.

The Bank recognizes revenue when transferring control of a service to a customer.

The following table provides information on the nature and timing of performance obligations in customer contracts, including significant payment terms, as well as related revenue recognition policies.

Types of services	The nature and timing of performance obligations, including significant payment deadlines	Income recognition policies in accordance with IFRS 15
Retail and corporate banking	The Bank provides banking services to retail and corporate customers, including current account management, interbank transactions, cash operations, card operations, cash collection services, tax collection services due to the authorities, Letter of guarantees issuance/modification, online transaction services, insurance intermediation, other financial services. Commissions for interbank transactions, cash operations, card transactions, Letter of guarantees issuance/modification, are charged to the customer's account when the transaction takes place.	Income from banking services is recognized over time as the services are provided. Transaction-related income is recognized when the transaction occurs.

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7 NET COMMISSION INCOME (CONTINUED)

Account management fees, cash collection services, tax collection services, insurance intermediation are levied on a monthly basis.

Assets management service	The Bank provides securities custody services for which it charges a custody commission. The custody commission is calculated monthly and retained from the client's current account.	Revenue from banking services is recognized over time as services are provided.
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8 NET IMPAIRMENT LOSS ON LOANS AND ADVANCES TO CUSTOMERS, PROVISIONS FOR LOAN COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

	<u>Group</u>		<u>Bank</u>	
	Six months ended on	Six months ended on	Six months ended on	Six months ended on
	<u>30 June 2026</u>	<u>30 June 2025</u>	<u>30 June 2026</u>	<u>30 June 2025</u>
Net charge with adjustments for expected credit loss related to loans and advances to customers and for expected credit loss adjustments due to current customer account fees	299,445	436,784	299,445	436,784
Net reversal with adjustments for expected loss on current account and deposits with the NBR	(395)	(340)	(395)	(340)
Net charge with adjustments for expected losses on correspondent accounts, deposits and loans with credit institutions	1,122	4,394	1,252	2,346
Net expenses with impairment losses on reverse repo operations	82	11	82	11
Losses from non-recoverable receivables not covered by adjustments for expected loss of credit	459	322	459	322
Provisions for loan commitments and financial guarantees given	2,578	(3,828)	2,578	(3,843)
Net expenses from impairment losses on debt instruments	4,128	4,511	4,128	4,511
Recoveries from loans sold	(89,492)	(21,416)	(89,492)	(21,416)
Recoveries from loans previously written off	(33,482)	(60,585)	(33,482)	(60,585)
Income from debt recovery (Euro sources) FGCR	(34)	(37)	=	=
Total net charge with adjustments for expected credit losses	<u>184,411</u>	<u>359,816</u>	<u>184,575</u>	<u>357,790</u>

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9 OTHER OPERATING EXPENSES

	<u>Group</u>		<u>Bank</u>	
	Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2026</u>	Six months ended on <u>30 June</u> <u>2025</u>
Third parties expenses	22,989	24,646	22,132	24,027
Advertising and publicity	3,158	3,925	3,013	3,668
Materials and inventories	3,608	4,901	3,395	4,709
Other taxes	47,328	40,184	47,216	40,149
Provision for litigations and for internal or external fraud	910	(88)	910	(88)
Other operating expenses	1,773	2,610	1,582	2,423
Rent expenses	1,594	1,346	1,553	1,317
Travel and transportation expenses	10,440	9,136	10,416	9,107
Expenses with contributions to the Deposit Guarantee Fund/Bank Resolution Fund	250	46,546	250	46,546
Repairs and maintenance of property and equipment	82,829	79,868	82,314	79,447
Expenses with post and telecommunications	20,006	19,937	19,916	19,841
Net charge for impairment of other financial and non-financial assets	360	(638)	360	(638)
Net expenses with impairment losses on investment property	-	164	-	164
Expenses with additional turnover tax (*)	<u>137,911</u>	<u>65,845</u>	<u>137,901</u>	<u>65,835</u>
Total	<u>333,156</u>	<u>298,382</u>	<u>330,958</u>	<u>296,507</u>

(*) According to law 296/2023, the Bank calculates, registers, declares and pays quarterly the minimum turnover tax.

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10 FINANCIAL RISK MANAGEMENT

a) Credit risk

Credit risk is the risk of a financial loss for the Group if a customer or counterparty of a financial instrument cannot meet the contractual terms.

Credit risk associated with placement and investment activities is managed through market risk management procedures. This risk is controlled both by selecting partners with good risk ratings, by monitoring their activities and ratings, and by monitoring exposure limits and, where appropriate, by obtaining collaterals.

The Group is exposed to credit risk mainly as a result of the lending activity as well as other transactions from which the Group recognizes financial assets. The value that represents the maximum exposure to this credit risk is given by the book value of the assets recognized in the balance sheet.

The Group is also exposed to credit risk from many other financial assets, including derivative instruments and securities, with the maximum risk exposure being equal to the book value of these instruments. In addition, the Group is exposed to off-balance sheet credit risk through lending commitments for which the maximum exposure is the value of the commitment.

To minimize this risk, the Group has established exposure limits and procedures for the careful evaluation of loan applicants and for monitoring the ability of customers to repay the loan and the related interest during the loan period.

The credit risk is reduced by the value of the collaterals received. The amount of the adjustment of impaired loans is based on the analyses carried out by the management as at the balance sheet date, after taking into account the potential cash flows from the enforcement of collaterals, net of the costs of obtaining and selling them.

Management closely monitors the evolution of the portfolio and forecasted cash flows to ensure that they reflect revised estimates of forecasted cash flows in impairment assessments.

Credit risk management

The Bank's Board of Directors has delegated, through the Steering Committee, the responsibility of credit risk management to the Credit Committee (including the Restructuring Committee). Separately, the Risk Management Department, which reports to the Management Committee, is responsible for overseeing the Bank's credit risk, including:

- *Formulating credit policies* in consultation with units, covering collateral requirements, credit assessment, risk classification and reporting, legal and documentation procedures, and compliance with statutory and regulatory requirements.

- *Establishment of the authorization structure* for the approval and renewal of credit facilities, approval of changes in the contractual terms (restructuring). Authorization limits are allocated by credit committee levels. Credit facilities of larger amounts require the approval of the highest level of the Credit Committee, the Steering Committee or the Board of Directors, as applicable.

- *Credit risk review and assessment.* The Credit Committee evaluates all credit exposures above the established limits, before the facilities are approved or submitted for approval to the Board of Directors and/or granted to customers. Renewal and revision of facilities are subject to the same evaluation process.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

- *Limiting the concentration of exposure* by third parties, geographic areas and industries (for loans and advances to customers) and by issuer, credit rating category, market liquidity and country (for securities).
- *Verification of facility compliance* with established exposure limits, including those for specific industries and products.
- *Providing periodic reports* on the quality of the portfolio to the Board of Directors and taking appropriate rectification measures.
- *Providing advice, recommendations and expertise* to units to promote best practice in the Group in terms of credit risk management.

The concentration of credit risk related to financial instruments exists for groups of customers or other third parties that have similar economic characteristics and whose ability to meet contractual obligations is similarly affected by changes in the economic environment or other conditions.

The concentration of credit risk in respect of loans and advances granted by the Group is shown below.

The presentation of exposures and adjustments for expected losses are grouped into portfolios with the following characteristics:

CAG	Legal entities Agriculture
CSA	Individuals – personal needs loans fully collateralised with real estate collaterals
CSN	Individuals – personal needs loans without real estate collaterals or not fully covered
CTS	Bridge loans for subsidies
IP	Individuals – Mortgage loans
OW	Cards/ Overdraft
CAP	Public local administrations
CCM	Legal entities Commerce
CCO	Legal entities Construction
CIN	Legal entities Industry
CSS	Legal entities Services
CBO	Public central administrations



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group/Bank monitors the concentration of credit risk by geographical region. An analysis of concentrations of credit risk exposures at the reporting date is presented below:

	Group/Bank	
	Gross exposure	Adjustments for expected credit losses
	30 June 2026	30 June 2026
Bucharest-Ilfov	17,136,974	951,732
Centre	2,055,469	180,725
North-East	2,789,547	169,241
North-West	4,269,848	259,676
South East	4,102,185	440,388
South-Muntenia	2,289,592	220,419
South-West Oltenia	2,227,433	136,942
West	1,489,862	146,460
Total loans	<u>36,360,910</u>	<u>2,505,583</u>
		<u>33,855,327</u>

	Group/Bank	
	Gross exposure	Adjustments for loan impairment
	31 December 2025	31 December 2025
Bucharest-Ilfov	15,806,803	952,337
Centre	2,156,776	149,241
North-East	2,865,056	210,729
North-West	4,332,791	257,710
South East	4,357,682	417,858
South-Muntenia	2,393,217	186,301
South-West Oltenia	2,308,466	122,378
West	1,545,582	143,454
Total loans	<u>35,766,373</u>	<u>2,440,008</u>
		<u>33,326,365</u>

The above analysis refers to the gross exposure of loans and advances to customers (balance sheet exposure only).



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The split of the Group/Bank's gross loans and advances to customers by class and category, as at 30 June 2026 (gross amounts):

	Group/Bank				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Individuals – personal needs loans fully collateralised with real estate collaterals	78,172	15,189	24,642	-	118,003
Individuals – personal needs loans without real estate collaterals or not fully covered	3,172,394	48,043	310,742	-	3,531,179
Individuals – Mortgage loans	6,444,453	258,481	98,388	-	6,801,322
Cards/ Overdraft	946,222	8,307	31,007	-	985,536
Total loans for individuals	<u>10,641,241</u>	<u>330,020</u>	<u>464,779</u>	<u>-</u>	<u>11,436,040</u>
Legal entities Agriculture	1,223,777	538,796	559,368	-	2,321,941
Public local administrations	1,069,051	72,404	5,567	-	1,147,022
Legal entities Industry	2,153,015	1,194,196	931,532	8,600	4,287,343
Legal entities Commerce	1,560,050	173,822	594,120	-	2,327,992
Legal entities Construction	1,205,133	283,043	256,462	-	1,744,638
Legal entities Services	4,102,220	765,909	662,631	-	5,530,760
Bridge loans for subsidies	203,533	100,664	50,136	-	354,333
Public central administrations	<u>7,210,841</u>	-	-	-	<u>7,210,841</u>
Total corporate loans and advances	<u>18,727,620</u>	<u>3,128,834</u>	<u>3,059,816</u>	<u>8,600</u>	<u>24,924,870</u>
Total gross loans and advances	<u>29,368,861</u>	<u>3,458,854</u>	<u>3,524,595</u>	<u>8,600</u>	<u>36,360,910</u>
Collaterals	<u>15,531,504</u>	<u>3,112,522</u>	<u>2,798,617</u>	<u>8,600</u>	<u>21,451,243</u>

The collaterals value, presented in the tables above includes the value of collaterals accepted to be taken into account as a risk mitigator for the purpose of determining adjustments for expected losses and are capped at the amount of the exposure; in the case of loans that have collaterals issued by the guarantee funds/Exim Banca Românească with clauses regarding the sharing of risk in the enforcement process of the other collaterals associated with the loan, the value of the collaterals is the one resulting from the application of the pari-passu principle.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The split of the Group/Bank's gross loans and advances to customers by class and category, as at 31 December 2025 (gross amounts):

	<u>Group/Bank</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Individuals – personal needs loans fully collateralised with real estate collaterals	111,391	20,379	26,829	-	158,599
Individuals – personal needs loans without real estate collaterals or not fully covered	2,758,017	53,876	212,523	-	3,024,416
Individuals – Mortgage loans	6,426,315	371,729	84,891	-	6,882,935
Cards/Overdraft	<u>844,617</u>	<u>6,822</u>	<u>26,802</u>	=	<u>878,241</u>
Total loans for individuals	<u>10,140,340</u>	<u>452,806</u>	<u>351,045</u>	=	<u>10,944,191</u>
Legal entities Agriculture	1,616,863	578,358	511,257	-	2,706,478
Public local administrations	1,323,959	94,651	3,627	-	1,422,237
Legal entities Industry	2,804,999	746,323	889,951	9,459	4,450,732
Legal entities Commerce	1,957,728	274,601	551,554	-	2,783,883
Legal entities Construction	1,413,670	123,687	384,631	-	1,921,988
Legal entities Services	3,935,776	671,678	670,438	-	5,277,892
Bridge loans for subsidies	384,935	112,129	60,144	-	557,209
Public central administrations	<u>5,701,763</u>	=	=	=	<u>5,701,763</u>
Total corporate loans and advances	<u>19,139,694</u>	<u>2,601,427</u>	<u>3,071,602</u>	<u>9,459</u>	<u>24,822,182</u>
Total gross loans and advances	<u>29,280,034</u>	<u>3,054,233</u>	<u>3,422,647</u>	<u>9,459</u>	<u>35,766,373</u>
Collaterals	<u>17,179,243</u>	<u>2,776,486</u>	<u>2,585,969</u>	<u>9,459</u>	<u>22,551,157</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The expected credit loss related to loans and advances provided to customers as at 30 June 2026:

Group/Bank					
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>POCI</u>	<u>Total</u>
Individuals – personal needs loans fully collateralised with real estate collaterals	486	201	16,001	-	16,688
Individuals – personal needs loans without real estate collaterals or not fully covered	43,771	1,138	224,465	-	269,374
Individuals – Mortgage loans	8,690	1,869	39,286	-	49,845
Cards/ Overdraft	6,481	166	25,300	-	31,947
Total adjustments for expected credit loss for individuals	<u>59,428</u>	<u>3,374</u>	<u>305,052</u>	<u>-</u>	<u>367,854</u>
Legal entities Agriculture	19,135	32,848	249,768	-	301,751
Public local administrations	10,688	724	636	-	12,048
Legal entities Industry	54,097	147,420	531,224	-	732,741
Legal entities Commerce	24,189	12,258	306,013	-	342,460
Legal entities Construction	32,240	23,620	151,603	-	207,463
Legal entities Services	86,330	64,598	362,279	-	513,207
Bridge loans for subsidies	915	682	25,499	-	27,096
Public central administrations	<u>963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963</u>
Total adjustments for expected credit loss for companies	<u>228,557</u>	<u>282,150</u>	<u>1,627,022</u>	<u>-</u>	<u>2,137,729</u>
Total adjustments for expected credit loss	<u>287,985</u>	<u>285,524</u>	<u>1,932,074</u>	<u>-</u>	<u>2,505,583</u>
Gross loans and advances to customers	<u>29,368,861</u>	<u>3,458,854</u>	<u>3,524,595</u>	<u>8,600</u>	<u>36,360,910</u>
Net loans and advances to customers	<u>29,080,876</u>	<u>3,173,330</u>	<u>1,592,521</u>	<u>8,600</u>	<u>33,855,327</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The expected credit loss related to loans and advances provided to customers as at 31 December 2025:

Group/Bank	Stage 1	Stage 2	Stage 3	POCI	Total
Individuals – personal needs loans fully collateralised with real estate collaterals	685	279	17,055	-	18,019
Individuals – personal needs loans without real estate collaterals or not fully covered	35,868	1,368	142,165	-	179,401
Individuals – Mortgage loans	8,536	2,739	34,502	-	45,777
Cards/Overdraft	5,667	136	21,603	-	27,406
Total adjustments for expected credit loss for individuals	<u>50,756</u>	<u>4,522</u>	<u>215,325</u>	-	<u>270,603</u>
Legal entities Agriculture	25,403	34,685	261,116	-	321,204
Public local administrations	13,239	947	562	-	14,748
Legal entities Industry	64,835	92,102	472,057	-	628,994
Legal entities Commerce	29,135	17,517	295,323	-	341,975
Legal entities Construction	37,317	10,465	271,209	-	318,991
Legal entities Services	78,843	65,784	363,254	-	507,881
Bridge loans for subsidies	1,702	538	32,611	-	34,851
Public central administrations	761	-	-	-	761
Total adjustments for expected credit loss for companies	<u>251,235</u>	<u>222,038</u>	<u>1,696,132</u>	-	<u>2,169,405</u>
Total adjustments for expected credit loss	<u>301,991</u>	<u>226,560</u>	<u>1,911,457</u>	-	<u>2,440,008</u>
Gross loans and advances to clients	<u>29,280,034</u>	<u>3,054,233</u>	<u>3,422,647</u>	<u>9,459</u>	<u>35,766,373</u>
Net loans and advances to clients	<u>28,978,043</u>	<u>2,827,673</u>	<u>1,511,190</u>	<u>9,459</u>	<u>33,326,365</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

- (i) The Group/Bank's loans and advances to customers for which credit risk has not increased significantly since initial recognition (Stage 1):

Internal rating

30 June 2026	Group/ Bank		Total	Of which within 1-30 days
	Low risk	Moderate risk		
Individuals – personal needs loans fully collateralised with real estate collaterals	73,432	4,740	78,172	6,670
Individuals – personal needs loans without real estate collaterals or not fully covered	2,766,125	406,269	3,172,394	138,007
Individuals – Mortgage loans	6,182,546	261,907	6,444,453	29,133
Cards/Overdraft	799,035	147,187	946,222	19,721
Total gross loans to individuals	9,821,138	820,103	10,641,241	193,531
Adjustment for expected credit loss for individuals	52,595	6,833	59,428	2,045
Total net loans to individuals	9,768,543	813,270	10,581,813	191,486
Legal entities Agriculture	900,501	323,276	1,223,777	116,781
Public local administrations	1,069,051	-	1,069,051	3,914
Legal entities Industry	1,922,333	230,682	2,153,015	119,772
Legal entities Commerce	1,497,414	62,636	1,560,050	94,112
Legal entities Construction	1,179,737	25,396	1,205,133	82,929
Legal entities Services	2,789,437	1,312,783	4,102,220	192,289
Bridge loans for subsidies	173,109	30,424	203,533	31,446
Public central administrations	7,210,841	-	7,210,841	-
Total loans to corporate	16,742,423	1,985,197	18,727,620	641,243
Adjustment for expected credit loss for companies	188,147	40,410	228,557	10,814
Total net loans to corporate	16,554,276	1,944,787	18,499,063	630,429
Total gross	26,563,561	2,805,300	29,368,861	834,774
Total adjustments for expected credit loss	240,742	47,243	287,985	12,859
Total net loans	26,322,819	2,758,057	29,080,876	821,915
Collaterals	13,427,378	2,104,126	15,531,504	546,860

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Group/Bank</u>			<u>Of which</u>
<u>Internal rating</u>	<u>Low risk</u>	<u>Moderate risk</u>	<u>Total</u>	<u>1-30 days</u>
<u>31 December 2025</u>				
Individuals – personal needs loans fully collateralised with real estate collaterals	106,615	4,776	111,391	4,030
Individuals – personal needs loans without real estate collaterals or not fully covered	2,408,998	349,019	2,758,017	115,272
Individuals – Mortgage loans	6,142,921	283,394	6,426,315	24,193
Cards/Overdraft	<u>724,011</u>	<u>120,606</u>	<u>844,617</u>	<u>15,184</u>
Total gross loans to individuals	<u>9,382,545</u>	<u>757,795</u>	<u>10,140,340</u>	<u>158,679</u>
Adjustment for expected credit loss for individuals	<u>45,118</u>	<u>5,638</u>	<u>50,756</u>	<u>1,395</u>
Total net loans to individuals	9,337,427	752,157	10,089,584	157,284
Legal entities Agriculture	1,279,058	337,805	1,616,863	88,016
Public local administrations	1,323,959	-	1,323,959	7,080
Legal entities Industry	2,524,063	280,936	2,804,999	144,565
Legal entities Commerce	1,814,137	143,591	1,957,728	52,105
Legal entities Construction	1,319,214	94,456	1,413,670	86,415
Legal entities Services	2,779,440	1,156,336	3,935,776	115,516
Bridge loans for subsidies	319,288	65,648	384,936	8,837
Public central administrations	<u>5,701,763</u>	=	<u>5,701,763</u>	=
Total loans to corporate	<u>17,060,922</u>	<u>2,078,772</u>	<u>19,139,694</u>	<u>502,534</u>
Adjustment for expected credit loss for companies	<u>213,097</u>	<u>38,138</u>	<u>251,235</u>	<u>8,665</u>
Total net loans to corporate	16,847,825	2,040,634	18,888,459	493,869
Total gross	<u>26,443,467</u>	<u>2,836,567</u>	<u>29,280,034</u>	<u>661,213</u>
Total adjustments for expected credit loss	<u>258,215</u>	<u>43,776</u>	<u>301,991</u>	<u>10,060</u>
Total net loans	26,185,252	2,792,791	28,978,043	651,153
Collaterals	<u>14,936,392</u>	<u>2,242,851</u>	<u>17,179,243</u>	<u>474,235</u>

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

In the analysis, both qualitative (shareholder quality, assessment of the qualification level and continuity within the company for the management team, customer focus, the borrower's experience in managing borrowed funds) and quantitative (current liquidity, solvency, profitability of the figure of business, the general indebtedness level, the level of currency risk coverage).

Taking into account the qualitative and quantitative factors considered for the assessment of the default risk, the clients are classified at the time of granting the loan in one of the five classes of financial performance marked from A to E, where A is the best class, E - the weakest class.

The financial performance of corporate customers is updated every 6 months based on up-to-date financial statements and qualitative factors.

In the case of individuals, the financial performance is established on the basis of the scoring from the granting of the loan and is re-valuated during the performance of the loan agreement, according to the information obtained regarding the fluctuation of incomes.

Loans classified in stage 1 granted to customers classified in the two best financial performance classes (A and B) are considered low-risk loans, other loans classified in stage I are considered moderate-risk loans.

- (ii) The Group/Bank's loans and advances for which credit risk has increased significantly since initial recognition but which are not impaired (Stage 2)

Based on past experience, outstanding loans with contractual debt service greater than 30 days, or for which the debt service according to the new definition of default has exceeded 30 days, loans placed on the watch list, performing restructured loans, exposure related to a customer for which changes have been identified in the credit/customer situation compared to the situation at loan origination (changes that are not events of default, i.e. leading to unlikely full recovery without collateral realization), are classified as loans for which the credit risk has increased significantly since initial recognition, if no impairment indicators have been identified leading to their classification in the category of impaired loans.

Based on the internal collective assessment methodology, the Bank determines adjustments for expected losses over the entire lifetime of loans for which the credit risk has increased significantly since initial recognition.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group/Bank's gross amounts of loans and advances classified in Stage 2 based on debt service are as follows:

30 June 2026	Group/Bank				Total
	0 days	1 – 30 days	31-60 days	61-90 days	
Individuals – personal needs loans fully collateralised with real estate collaterals	9,665	5,100	320	104	15,189
Individuals – personal needs loans without real estate collaterals or not fully covered	3,428	42,383	1,342	890	48,043
Individuals – Mortgage loans	209,757	39,959	4,961	3,804	258,481
Cards/ Overdraft	3,167	2,710	1,625	805	8,307
Total loans to individuals	226,017	90,152	8,248	5,603	330,020
Expected credit loss to individuals	2,110	1,112	91	61	3,374
Total net loans for individuals	223,907	89,040	8,157	5,542	326,646
Legal entities Agriculture	445,349	87,619	5,216	612	538,796
Public local administrations	72,404	-	-	-	72,404
Legal entities Industry	880,858	292,429	11,041	9,868	1,194,196
Legal entities Commerce	111,519	51,535	5,675	5,093	173,822
Legal entities Construction	208,708	61,836	4,054	8,445	283,043
Legal entities Services	616,870	135,259	8,232	5,548	765,909
Bridge loans for subsidies	31,154	68,847	271	392	100,664
Total corporate loans	2,366,862	697,525	34,489	29,958	3,128,834
Expected credit loss to corporate	218,255	58,090	3,111	2,694	282,150
Total net loans for corporate	2,148,607	639,435	31,378	27,264	2,846,684
Total gross	2,592,879	787,677	42,737	35,561	3,458,854
Total adjustments for expected credit loss	220,365	59,202	3,202	2,755	285,524
Total net loans	2,372,514	728,475	39,535	32,806	3,173,330
Collaterals	2,346,421	699,013	36,149	30,947	3,112,522

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2025	Group/Bank				Total
	0 days	1-30 days	31 - 60 days	61- 90 days	
Individuals – personal needs loans fully collateralised with real estate collaterals	14,408	4,889	797	285	20,379
Individuals – personal needs loans without real estate collaterals or not fully covered	7,158	8,963	23,090	14,665	53,876
Individuals – Mortgage loans	328,626	32,442	5,708	4,953	371,729
Cards/Overdraft	<u>2,474</u>	<u>1,897</u>	<u>1,665</u>	<u>786</u>	<u>6,822</u>
Total loans to individuals	<u>352,666</u>	<u>48,191</u>	<u>31,260</u>	<u>20,689</u>	<u>452,806</u>
Expected credit loss to individuals	<u>3,294</u>	<u>476</u>	<u>456</u>	<u>296</u>	<u>4,522</u>
Total net loans for individuals	349,372	47,715	30,804	20,393	448,284
Legal entities Agriculture	482,049	76,103	15,292	4,914	578,358
Public local administrations	12,285	65,989	14,211	2,166	94,651
Legal entities Industry	694,444	44,934	2,428	4,517	746,323
Legal entities Commerce	145,265	106,447	17,564	5,325	274,601
Legal entities Construction	104,347	8,388	8,782	2,170	123,687
Legal entities Services	574,802	53,768	33,189	9,919	671,678
Bridge loans for subsidies	<u>110,825</u>	<u>1,304</u>	<u>-</u>	<u>-</u>	<u>112,129</u>
Total corporate loans	<u>2,124,017</u>	<u>356,933</u>	<u>91,466</u>	<u>29,011</u>	<u>2,601,427</u>
Expected credit loss to corporate	<u>191,784</u>	<u>21,937</u>	<u>6,055</u>	<u>2,262</u>	<u>222,038</u>
Total net loans for corporate	1,932,233	334,996	85,411	26,749	2,379,389
 Total gross	<u>2,476,683</u>	<u>405,124</u>	<u>122,726</u>	<u>49,700</u>	<u>3,054,233</u>
Total expected credit loss	<u>195,078</u>	<u>22,413</u>	<u>6,511</u>	<u>2,558</u>	<u>226,560</u>
Total net loans	2,281,605	382,711	116,215	47,142	2,827,673
Collaterals	<u>2,370,798</u>	<u>294,569</u>	<u>79,415</u>	<u>31,703</u>	<u>2,776,486</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) The Group/Bank's depreciated loans and advances (Stage 3 and POCI), loans and advances to customers that present objective impairment indicators according to accounting policy 2.9 (vi) described in the latest annual financial statements:

30 June 2026	0 days	1-30 days	31-60 days	61-90 days	91-180 days	181-360 days	More than 360 days	Total
Individuals – personal needs loans fully collateralised with real estate collaterals	4,423	1,152	199	412	1,100	2,831	14,525	24,642
Individuals – personal needs loans without real estate collaterals or not fully covered	81,353	1,854	130	171	44,606	86,510	96,118	310,742
Individuals – Mortgage loans	24,836	1,402	193	462	15,460	17,277	38,758	98,388
Cards/ Overdraft	18,124	427	69	227	2,361	3,868	5,931	31,007
Total gross loans to individuals	128,736	4,835	591	1,272	63,527	110,486	155,332	464,779
Expected credit loss to individuals	87,984	2,261	213	658	21,031	73,810	119,095	305,052
Total net loans for individuals	40,752	2,574	378	614	42,496	36,676	36,237	159,727
Legal entities Agriculture	73,366	23,101	2,376	5,222	60,975	168,028	226,300	559,368
Public local administrations	2,018	-	-	-	-	1,942	1,607	5,567
Legal entities Industry	55,805	4,682	140	4,323	43,085	152,486	679,611	940,132
Legal entities Commerce	17,900	2,700	562	5,970	32,100	244,655	290,233	594,120
Legal entities Construction	9,952	3,377	-	2,889	16,723	69,238	154,283	256,462
Legal entities Services	87,970	6,047	1,454	21,295	20,928	53,889	471,048	662,631
Bridge loans for subsidies	4,563	9,035	335	1,307	1,303	801	32,792	50,136
Total gross loans to corporate entities	251,574	48,942	4,867	41,006	175,114	691,039	1,855,874	3,068,416
Expected credit loss to corporate	108,667	23,386	1,788	14,449	57,475	326,981	1,094,276	1,627,022
Total net loans for corporate	142,907	25,556	3,079	26,557	117,639	364,058	761,598	1,441,394
Total gross	380,310	53,777	5,458	42,278	238,641	801,525	2,011,206	3,533,195
Total adjustments for expected credit loss	196,651	25,647	2,001	15,107	78,506	400,791	1,213,371	1,932,074
Total net loans	183,659	28,130	3,457	27,171	160,135	400,734	797,835	1,601,121
Collaterals	218,777	44,093	4,569	39,591	178,531	626,304	1,695,352	2,807,217



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2025	0 day	1-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days	Total
Individuals – personal needs loans fully collateralised with real estate collaterals	7,030	2,098	289	-	1,557	2,719	13,136	26,829
Individuals – personal needs loans without real estate collaterals or not fully covered	69,231	731	480	384	40,782	64,596	36,319	212,523
Individuals – Mortgage loans	24,233	1,943	544	-	10,431	8,199	39,541	84,891
Cards/Overdraft	<u>17,658</u>	<u>489</u>	<u>256</u>	<u>90</u>	<u>2,111</u>	<u>3,856</u>	<u>2,342</u>	<u>26,802</u>
Total gross loans to individuals	<u>118,152</u>	<u>5,261</u>	<u>1,569</u>	<u>474</u>	<u>54,881</u>	<u>79,370</u>	<u>91,338</u>	<u>351,045</u>
Expected credit loss to individuals	<u>78,178</u>	<u>3,035</u>	<u>640</u>	<u>166</u>	<u>18,581</u>	<u>58,225</u>	<u>56,500</u>	<u>215,325</u>
Total net loans for individuals	39,974	2,226	929	308	36,300	21,145	34,838	135,720
Legal entities Agriculture	33,583	62,071	2,702	22,662	151,035	102,113	137,091	511,257
Public local administrations	1,343	-	-	-	-	-	2,284	3,627
Legal entities Industry	58,278	88,464	700	16,738	60,881	361,109	313,240	899,410
Legal entities Commerce	9,544	73,911	23,879	8,939	67,478	129,978	237,825	551,554
Legal entities Construction	17,871	2,096	1,884	481	27,143	202,911	132,245	384,631
Legal entities Services	95,581	6,014	782	6,146	34,015	237,714	290,186	670,438
Bridge loans for subsidies	<u>8,640</u>	<u>17</u>	<u>377</u>	<u>1,801</u>	<u>3,256</u>	<u>18,384</u>	<u>27,669</u>	<u>60,144</u>
Total gross loans to corporate entities	<u>224,840</u>	<u>232,573</u>	<u>30,324</u>	<u>56,767</u>	<u>343,808</u>	<u>1,052,209</u>	<u>1,140,540</u>	<u>3,081,061</u>
Expected credit loss to corporate	<u>99,097</u>	<u>120,668</u>	<u>8,456</u>	<u>20,910</u>	<u>144,702</u>	<u>605,044</u>	<u>697,255</u>	<u>1,696,132</u>
Total net loans for corporate	125,743	111,905	21,868	35,857	199,106	447,165	443,285	1,384,929
Total gross	<u>342,992</u>	<u>237,834</u>	<u>31,893</u>	<u>57,241</u>	<u>398,689</u>	<u>1,131,579</u>	<u>1,231,878</u>	<u>3,432,106</u>
Total expected credit loss	<u>177,275</u>	<u>123,703</u>	<u>9,096</u>	<u>21,076</u>	<u>163,283</u>	<u>663,269</u>	<u>753,755</u>	<u>1,911,457</u>
Total net loans	165,717	114,131	22,797	36,165	235,406	468,310	478,123	1,520,649
Collaterals	<u>196,995</u>	<u>167,803</u>	<u>28,270</u>	<u>50,298</u>	<u>318,127</u>	<u>829,773</u>	<u>1,004,164</u>	<u>2,595,429</u>

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to the market price or indexes of similar assets.

Fair value of real estate and other type (inventory or equipment) collaterals at the end of the reporting period was estimated by indexing the value determined by the Bank's evaluation department, by adjustment coefficients depending on the type of collateral, the date of the last evaluation of the collateral, the legal standing of the customers, the location of the collateral, the costs of enforcement, and the duration of capitalization.

The types of collaterals accepted by the Group/Bank as at 30.06.2026 are presented in the table below:

Type of collateral	Collateral value	(%)	Collaterals for balance sheet exposures	Collaterals for off balance sheet exposures
Guarantees received from public administration and related entities	4,056,873	16.83%	3,789,657	267,216
Guarantees received from other financial Institutions	518,699	2.15%	391,434	127,266
Real estate	15,138,130	62.81%	13,830,340	1,307,791
Pledge over (movable assets, inventory, cash collateral)	2,975,498	12.35%	2,674,383	301,114
Other (assignment of receivables)	1,412,514	5.86%	765,429	647,085
Total	24,101,714	100.00%	21,451,243	2,650,471

The types of collaterals accepted by the Bank as at 31.12.2025 are presented in the table below:

Type of collateral	Collateral value	(%)	Collaterals for balance sheet exposures	Collaterals for off balance sheet exposures
Guarantees received from public administration and related entities	5,334,995	21.00%	4,870,372	464,623
Guarantees received from other financial Institutions	496,593	1.96%	377,171	119,422
Real estate	15,026,861	59.16%	13,763,550	1,263,311
Pledge over (movable assets, inventory, cash collateral)	3,199,475	12.60%	2,866,668	332,807
Other (assignment of receivables)	1,340,814	5.28%	673,397	667,417
Total	25,398,738	100.00%	22,551,158	2,847,580

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The effect of changing expected loss for loans and advances to customers can be analyzed as at 30 June 2026 as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	301,991	226,560	1,911,457	2,440,008
Transfers to stage 1	20,046	(15,256)	(4,790)	-
Transfers to stage 2	(24,564)	34,544	(9,980)	-
Transfers to stage 3	(4,535)	(19,431)	23,966	-
Increases due to new loans granted during the year	35,430	4,850	13,555	53,835
Decreases due to closed loans in year	(27,196)	(15,643)	(41,166)	(84,005)
Net remeasurement during the year	(15,308)	66,794	278,129	329,615
Write off	-	-	(162,337)	(162,337)
Interest adjustments	-	-	44,263	44,263
Assignments of loans	-	-	135,229	135,229
Other adjustments	<u>2,121</u>	<u>3,106</u>	<u>14,206</u>	<u>19,433</u>
Closing balance at 30 June	<u>287,085</u>	<u>285,524</u>	<u>1,932,074</u>	<u>2,505,583</u>

Transfers between stages capture the net movement of financial assets that are in a different stage at the end of the period than at the beginning of the year. Transfers between each stage are based on opening balances and impairment adjustments at the beginning of the period.

During the first half of 2026, the Bank wrote off 106 loans granted to customers with an exposure of RON 162,337 thousand.

In the first half of 2026, the Bank concluded debt assignment contracts with third party entities. Assignments were made by selling individual receivables and portfolios.

From individual receivables assignments, an amount of RON 39,892 thousand was collected, while from portfolio assignments, an amount of RON 49,598 thousand was collected during the first half of 2026.

These amounts are presented in the note "Net impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given". The sale agreement is without recourse.

The effect of changing expected loss for loans and advances to RETAIL customers in the first six months of year 2026 was as follows:

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	50,756	4,522	215,325	270,603
Transfer to Stage 1	3,775	(964)	(2,811)	-
Transfer to Stage 2	(552)	2,502	(1,950)	-
Transfer to Stage 3	(725)	(822)	1,547	-
Increase due to new loans granted in the year	17,774	37	9,938	27,749
Decreases due to closed loans in year	(6,051)	(171)	(15,940)	(22,162)
Net remeasurement during the year	(5,549)	(1,730)	103,548	96,269
Write off	-	-	(4,605)	(4,605)
Interest adjustments	-	-	-	-
Other adjustments	-	-	-	-
Closing balance at 30 June	<u>59,428</u>	<u>3,374</u>	<u>305,052</u>	<u>367,854</u>

The effect of changing expected loss for loans and advances to legal entities customers in the first six months of year 2026 was as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	251,235	222,038	1,696,132	2,169,405
Transfer to Stage 1	16,271	(14,292)	(1,979)	-
Transfer to Stage 2	(24,012)	32,042	(8,030)	-
Transfer to Stage 3	(3,810)	(18,609)	22,419	-
Increase due to new loans granted in the year	17,656	4,813	3,617	26,086
Decreases due to closed loans in year	(21,145)	(15,472)	(25,226)	(61,843)
Net remeasurement during the year	(9,759)	68,524	174,581	233,346
Write off	-	-	(157,732)	(157,732)
Interest adjustments	-	-	44,263	44,263
Assignments of loans	-	-	135,229	135,229
Other adjustments	<u>2,121</u>	<u>3,106</u>	<u>14,206</u>	<u>19,433</u>
Closing balance at 30 June	<u>228,557</u>	<u>282,150</u>	<u>1,627,022</u>	<u>2,137,729</u>

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The effect of changing expected loss for loans and advances to customers can be analyzed as at 30 June 2025 as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	360,303	214,841	1,460,137	2,035,281
Transfers to stage 1	53,670	(44,617)	(9,053)	-
Transfers to stage 2	(11,922)	56,897	(44,975)	-
Transfers to stage 3	(4,539)	(42,897)	47,436	-
Increases due to new loans granted during the year	26,466	11,299	35,637	73,402
Decreases due to closed loans in year	(21,133)	(8,160)	(30,289)	(59,582)
Net remeasurement during the year	(19,797)	(14,539)	457,300	422,964
Assignment of receivables	-	-	(408,645)	(408,645)
Interest adjustments	-	-	33,831	33,831
Other adjustments	<u>(2,184)</u>	<u>(1,172)</u>	<u>(4,422)</u>	<u>(7,778)</u>
Closing balance at 30 June	<u>380,864</u>	<u>171,652</u>	<u>1,536,957</u>	<u>2,089,473</u>

Transfers between stages capture the net movement of financial assets that are in a different stage at the end of the period than at the beginning of the year. Transfers between each stage are based on opening balances and impairment adjustments at the beginning of the period.

During the first half of 2025, the Bank wrote off 2,719 loans granted to customers with an exposure of RON 408,645 thousand.

In the first half of 2025, the Bank concluded debt assignment contracts with third party entities. Assignments were made by selling individual receivables.

The amount of the receivables that was collected was RON 21,416 thousand (there were no assignments of portfolios in the first semester of 2025).

These amounts are presented in the note "Net impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given". The sale agreement is without recourse.

The effect of changing expected loss for loans and advances to RETAIL customers in the first six months of year 2025 was as follows:

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	41,386	4,020	134,196	179,602
Transfer to Stage 1	1,714	(270)	(1,444)	-
Transfer to Stage 2	(372)	2,756	(2,384)	-
Transfer to Stage 3	(496)	(329)	825	-
Increase due to new loans granted in the year	16,758	6	227	16,991
Decreases due to closed loans in year	(4,964)	(246)	(3,342)	(8,552)
Net remeasurement during the year	(704)	(2,091)	72,162	69,367
Write-off	-	-	(62,673)	(62,673)
Interest adjustments	-	-	-	-
Other adjustments	-	-	-	-
Closing balance at 30 June	<u>53,322</u>	<u>3,846</u>	<u>137,567</u>	<u>194,735</u>

The effect of changing expected loss for loans and advances to legal entities customers in the first six months of year 2025 was as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	318,917	210,821	1,325,941	1,855,679
Transfer to Stage 1	51,956	(44,347)	(7,609)	-
Transfer to Stage 2	(11,550)	54,141	(42,591)	-
Transfer to Stage 3	(4,043)	(42,568)	46,611	-
Increase due to new loans granted in the year	9,708	11,293	35,410	56,411
Decreases due to closed loans in year	(16,169)	(7,914)	(26,947)	(51,030)
Net remeasurement during the year	(19,093)	(12,448)	385,138	353,597
Write-off	-	-	(345,972)	(345,972)
Interest adjustments	-	-	33,831	33,831
Other adjustments	(2,184)	(1,172)	(4,422)	(7,778)
Closing balance at 30 June	<u>327,542</u>	<u>167,806</u>	<u>1,399,390</u>	<u>1,894,738</u>

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Analysis of the impact of the economic turbulences on the loan portfolio and on the evolution of the financial market

The Group/Bank continuously monitors developments in the economic and financial environment and analyses their potential impact on the loan portfolio, the level of credit risk and future business prospects. In this context, a number of trends, uncertainties and events have been identified that may influence future economic developments and, consequently, customers' ability to meet their contractual obligations.

- The continuation of the Russia-Ukraine conflict continues to generate uncertainty at both regional and European levels, affecting the investment climate, operating costs and economic growth prospects. In addition, the ongoing adaptation of energy and security policies at the European level continues to influence economic dynamics and investment decisions over the medium and long term. Consequently, certain categories of customers may be affected by increases in operating costs and a slowdown in economic activity, which may adversely impact their ability to service existing debt obligations.
- Geopolitical shocks, including increasing international trade tensions, the introduction of tariffs, the fragmentation of trade flows and the expansion of sanctions regimes, may lead to disruptions in supply chains and increased production costs. These developments may adversely affect the profitability of certain companies and their debt servicing capacity. At the same time, global economic growth prospects remain moderate over the medium and long term, while the level of uncertainty continues to remain elevated.
- Fiscal measures adopted by the Government starting in 2025, including the introduction or increase of certain taxes and duties, as well as limitations applied to selected categories of public expenditure, may affect economic activity through their impact on consumption, investments and the business environment. The Bank continues to monitor these developments from the perspective of their potential impact on household income, corporate performance and, consequently, on credit risk.
- The financial services sector continues to be influenced by the elevated level of economic and geopolitical uncertainty, as well as by financial market volatility. At the same time, the persistence of risks related to inflation, financing conditions, developments in the European economy and the occurrence of extreme climate events, including pedological drought in certain regions, may adversely affect economic sectors relevant to the Bank's portfolio. These developments may contribute to increased volatility of risk indicators and changes in economic growth expectations.

Assumptions and techniques used in estimating adjustments for expected credit losses:

The average probability of default over 12 months estimated for the loan portfolio and used for determining adjustments for expected credit loss (before applying the post model adjustment coefficients presented below) is:

	Group	12-month average at 30.06. 2026	12-month average at 31.12.2025
CAG (Legal entities Agriculture)	CAG	4.89%	4.69%
CAP (Public local administrations)	CAP	1.58%	1.50%
CCM (Legal entities Commerce)	CCM	6.46%	6.21%
CCO (Legal entities Construction)	CCO	9.21%	8.89%

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

CIN (Legal entities Industry)	CIN	6.46%	6.21%
CSA (Individuals – fully collateralized personal needs loans)	CSA	2.74%	2.71%
CSN (Individuals – without collateralized personal needs loans)	CSN	3.81%	3.76%
CSS (Legal entities Services)	CSS	6.82%	6.56%
CTS (Bridge loans for subsidiaries)	CTS	1.23%	1.16%
IP (Individuals – Mortgage loans)	IP	0.46%	0.45%
OW (Cards/Overdraft)	OW	2.53%	2.49%

The macroeconomic indicators used to adjust the observed PD curves are:

1. Models for loans to private individuals
 - change in GDP, 6 months lag (for unsecured loans) and 9 months (for secured loans) ;
 - net average salary growth, adjusted with the inflation rate, 9 months lag.
2. Models for loans to legal entities
 - change in GDP, 9 months lag;
 - ROBOR 3M rate, 6 months lag.

To compute the cumulative probability of default curve (cPD) by incorporating the current forecasts for the macroeconomic indicators, the following scenarios have been used:

- base scenario with a probability of 50% taking into account the GDP, average net salary and ROBOR 3M rate as follows:

- for GDP: estimates as per WORLD BANK Global Economic Prospects June 2026, for 2026 economic growth of 0% and economic growth of 1.7 % in 2027;

- an increase in the average net salary adjusted with inflation, in 2026 equal to the average growth in the last 13 years and in 2027 equal to 75% of the average growth in the last 13 years, respectively increase of 2.34% in 2026 and increase of 4.06% in 2027;

- ROBOR 3M rate – internal forecast provided by the Strategy and Macroeconomic Analysis Department.

- downside scenario with a probability of 40% taking into account the GDP, average net salary and ROBOR 3M rate as follows:

- for GDP, the base scenario shifted downwards by 0.5 standard deviations (based on GDP evolution between 2005- 2025, for 2026 economic contraction of 1.98% and of 0.28 % in 2027;

- an increase in the average net salary adjusted with inflation, annual growth in 2026 and 2027 equal to the minimum growth in the last 13 years, respectively decrease of 3.41% in 2026 and decrease of 0.87% in 2027;

- ROBOR 3M rate – the base scenario shifted upwards by the uncertainty interval of the inflation forecast.

- upside scenario with a probability of 10% taking into account the GDP, average net salary and ROBOR 3M rate as follows:



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- for GDP, the base scenario shifted upwards by 0.25 standard deviations (based on GDP evolution between 2005- 2025), for 2026 economic growth of 0.99% and economic growth of 2.69% in 2027;

- an increase in the average net salary adjusted with inflation - annual growth equal to the average growth in the last 13 years, respectively increase of 3.01% in 2026 and increase of 8.88% in 2027;

- ROBOR 3M rate – the base scenario shifted downwards by the uncertainty interval of the inflation forecast.

Expected evolution of GDP

Scenario	Probability	2025	2026	2027
Scenario 1	40%	0.70%	-1.98%	-0.28%
Scenario 2	50%	0.70%	0.00%	1.70%
Scenario 3	10%	0.70%	0.99%	2.69%

Expected evolution of ROBOR 3M

Scenario	31.12.2025	31.03.2026	30.06.2026	30.09.2026	31.12.2026	31.03.2027	30.06.2027	30.09.2027	31.12.2027
Scenariu 1	6.14%	5.62%	5.93%	6.33%	6.58%	6.88%	6.88%	6.88%	7.18%
Scenariu 2	6.14%	5.62%	5.43%	5.43%	5.18%	4.88%	4.68%	4.48%	4.68%
Scenariu 3	6.14%	5.62%	4.93%	4.53%	3.78%	2.88%	2.48%	2.08%	2.18%

Expected evolution of inflation

Scenariu	31.12.2025	31.03.2026	30.06.2026	30.09.2026	31.12.2026	31.03.2027	30.06.2027	30.09.2027	31.12.2027
Scenariu 1	9.70%	9.88%	10.80%	6.60%	6.90%	6.20%	5.70%	5.40%	5.40%
Scenariu 2	9.70%	9.88%	10.30%	5.70%	5.50%	4.20%	3.50%	3.00%	2.90%
Scenariu 3	9.70%	9.88%	9.80%	4.80%	4.10%	2.20%	1.30%	0.60%	0.40%

Expected evolution of the average net salary

Scenario	2025	2026	2027
Scenario 1	6.53%	4.85%	4.85%
Scenario 2	6.53%	10.37%	7.78%
Scenario 3	6.53%	10.37%	10.37%

Expected evolution of the average net salary adjusted with inflation

Scenario	2025	2026	2027
Scenario 1	-0.93%	-3.41%	-0.87%
Scenario 2	-0.93%	2.34%	4.06%
Scenario 3	-0.93%	3.01%	8.88%

In addition to the inherent uncertainty associated with the estimation process, geopolitical and economic developments in recent years, including the persistent effects of the Russian-Ukrainian conflict, financial market volatility, changes in international trade conditions and shifts in fiscal and monetary policies, have increased uncertainty regarding macroeconomic forecasts and the probabilities assigned to the scenarios used in estimating expected credit losses. As a result, actual outcomes may differ materially from those estimated.



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Bank/Group considers that the macroeconomic scenarios and their associated probability weightings represent the best estimate available at the reporting date. The sensitivity analysis of expected credit loss allowances, calculated by assigning a 100% probability to each macroeconomic scenario, as at 30 June 2026, is presented below (RON thousand):

	Balance sheet exposure	Adjustments for expected credit losses			
		Actual	Base scenario 100%	Upside scenario 100%	Downside scenario 100%
Individuals	11,436,040	367,854	365,907	363,349	371,414
Corporate entities	24,924,870	2,137,729	2,128,843	2,115,396	2,154,524
Total	36,360,910	2,505,583	2,494,750	2,478,745	2,525,938

The variables incorporated into the parameter estimation models, namely the 3M ROBOR interest rate and the growth in the average net salary adjusted for inflation, allow for an adequate capture of the effects of changes in macroeconomic conditions on borrowers' repayment capacity, including the impact of inflation developments, interest rate dynamics and changes in real purchasing power.

Considering the persistence of economic and geopolitical uncertainties arising from the continuation of the Russian-Ukrainian conflict, international trade tensions, residual inflationary pressures, adverse climate-related events, including pedological drought conditions in certain regions, as well as the impact of fiscal measures adopted in the recent period, the Bank considered it appropriate to continue applying post-model adjustments for certain exposures classified in Stage 2, as well as for certain segments of exposures classified in Stage 1.

These post-model adjustments, applied through overlay coefficients, are intended to capture emerging risks or risks not fully reflected by the statistical models in use. The coefficients have been established and validated taking into account the observed economic developments, portfolio segment performance and the macroeconomic outlook available as at the reporting date.

As at the reporting date, the level of the overlay coefficients was maintained at the values established as of 31 December 2025, when the most recent review of these coefficients was performed.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The bank used the following post model adjustment coefficients of expected credit losses for exposures classified as S1 and S2:

<u>Homogenous portfolio</u>	ECL adjustment coefficient S1	ECL adjustment coefficient S2
CSS (Legal entities Services)		2.25
CIN (Legal entities Industry)		2.25
CCO (Legal entities Construction)	1.5	2.25
CCM (Legal entities Commerce)	1.2	2.25
CAG (Legal entities Agriculture)	1.5	2.25
CAP (Public local administrations)		2.25
CTS (loans granted based on subsidies receivable)	1.5	2.25
CSN (credite PF consum fara garantii reale)	1.2	
IP (credite PF ipotecare)	1.2	

The quantitative effect of the post model adjustment coefficients was an increase in expected loss adjustments by approx. RON 186.26 million (RON 154.21 million as at 31.12. 2025).

For individuals, the expectations of interest rate increases were taken into account in the classification of performing exposures. The impact of a 3 pp increase in benchmark rates was reflected in the increase in the level of indebtedness. A significant increase in credit risk is expected when:

- for unsecured loans, the monthly payment instalment increases by more than RON 150;
- for secured loans granted as of the beginning of 2019, the monthly payment instalment increases by more than RON 500 and the level of indebtedness exceeds 60%.

Based on these criteria, a total exposure of RON 544.69 million was classified in Stage 2 during 2022, with an increase in adjustments for expected losses of approx. RON 3.72 million.

As at 30.06.2026 the total exposure decreased to RON 255.58 million, of which RON 7.02 million migrated to Stage 3.

Sensitivity analysis of adjustments for expected losses determined by changes in macroeconomic factors as at 31.12.2025 (RON thousand):

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Balance sheet exposure	Adjustments for expected credit losses			
		Actual	Base scenario 100%	Upside scenario 100%	Downside scenario 100%
Individuals	10,944,191	270,603	268,931	267,390	273,610
Corporate entities	24,822,181	2,169,405	2,160,879	2,146,606	2,186,822
Total	35,766,372	2,440,008	2,429,810	2,413,996	2,460,432

Variables added to the parameter estimation models – ROBOR 3M interest rate and the increase of the average net salary adjusted with inflation – allow a more accurate evaluation of the impact on borrowers caused by the rising inflation and interest rates.

Residential mortgages

In the tables below, exposures from mortgage/real estate loans and advances to retail customers are divided according to the weight of the exposure in the corresponding eligible collaterals (loan to value -LTV). LTV is calculated as the ratio between the gross value of the exposure, or the amount committed in the case of lending commitments, and the value of the related collateral. The value of the exposures does not take into account the calculated expected loss adjustments. The market value of the collateral does not take into account any adjustment for enforcement costs. The market value of the real estate/mortgage collateral taken into account is reviewed at least once every three years on the basis of valuation reports.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The ratio between loans and related real estate collaterals (LTV) as at 30.06.2026:

LTV	Balance sheet exposure	Off balance sheet exposure
< 60%	3,400,433	2,867
61-80%	2,457,979	1,333
81-100%	857,231	1,583
101-120%	14,136	-
121-140%	4,242	-
>140%	16,396	645
Total	6,750,416	6,429

The ratio between loans and related real estate collaterals (LTV) as at 31.12.2025:

LTV	Balance sheet exposure	Off balance sheet exposure
< 60%	3,340,539	1,254
61-80%	2,529,815	1,962
81-100%	948,598	814
101-120%	16,993	-
121-140%	3,610	-
>140%	17,301	553
Total	6,856,856	4,583

The Group holds collateral for loans and advances to customers in the form of deposits, mortgages on property, guarantees and other pledges on equipment or future cashflows. Fair value estimates take into account the value of collateral valued at the origination date and are reviewed in accordance with the Group's internal policy. In the case of assessing the collective adjustment for expected losses, the model justifies recovery rates, which are estimated based on historical recovery information. Unlike loans granted to in general, loans and advances granted to banks are typically not secured by collateral, as they are subject to the counterparty limits allocated to the respective counterparties.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Loans with renegotiated terms

Restructuring activities include payment deferral arrangements based on business plans approved by management. The decision regarding the restructuring of credit facilities is based on the economic-financial analysis of corporate clients (based on the latest financial information held) and on the estimation of future payments or on the analysis of the repayment capacity of individuals (based on documents reflecting the actual net income).

Restructuring policies and practices are based on indicators or criteria that, in the opinion of the Bank's management, indicate the likelihood that payments will continue in the future. These policies are continually reviewed. The specialized departments analyze and approve, according to internal regulations, the restructuring proposals submitted by the Bank's units and forward them for approval to the Credit Restructuring Committee / Central Credit Committee depending on the Bank's exposure to the client/group of related clients. After restructuring, the Bank regularly monitors the restructured loans on a case-by-case basis.

As at 30 June 2026, the gross accounting value of exposures with restructuring measures is RON 1,531,566 thousand (31 December 2025: RON 1,194,164 thousand), of which RON 603,724 thousand are performing exposures with restructuring measures (31 December 2025: RON 312,188 thousand).

Reposessed collaterals

In the first half of 2026, the Bank did not take over assets based on Law no. 77/2016 on the *datio in solutum* of real estate property in order to settle the obligations assumed through loans. To date, the Bank has taken over in payment as a result of the provisions of Law 77/2016: 9 buildings and 12 plots of land (9 of the land plots belong to the properties, while the remaining 3 are independent parcels).

Investment securities

The investment securities included in the Bank's portfolio are financial assets valued at fair value through other comprehensive income and financial assets valued at amortized cost (government bonds and treasury bills), as well as financial assets valued through the profit and loss account (government bonds and treasury certificates issued by the Ministry of Finance) and these have a low credit risk. Romania's rating for the year 2024 confirmed by Fitch for long term debt in foreign and local currency is 'BBB -', with a negative outlook, also confirming the F3 qualification for short term debt, as well as the country ceiling 'BBB+'.

Romania's rating for the year 2026 confirmed by Fitch on July 31, 2026 for long term debt in foreign and local currency is 'BBB -', with a negative outlook, also confirming the F3 qualification for short term debt, as well as the country ceiling 'BBB+'.

Each of the rating firms uses distinct rating scales; the 'BBB -' rating with a negative outlook is assigned by Fitch, the 'BBB -' rating with a stable outlook is assigned by S&P and the 'Baa3' rating with a stable outlook is assigned by Moody's. In accordance with the provisions of the internal regulations, the short-term and long-term ratings assigned by the 3 mentioned rating firms are used in the sense that based on them, the analyzed foreign credit institutions are placed in their own risk classes assigned by the Bank.

Loans and advances to banks

The exposure related to loans and advances to banks is neither past due, nor impaired. The Bank is making short term deposits with banks in the course of day-to-day business to manage surplus cash.



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The quality of counterparties is continuously evaluated to reduce credit risk and the Bank's management approves exposure limits for each individual credit institution.

In order to determine the exposure limits to credit institutions, their financial information is used (in the case of Romanian legal entity banks) and ratings granted by international rating agencies, combined with financial information (in the case of foreign legal entity credit institutions and in the case of Romanian legal entities where the parent bank is a foreign entity), resulting in the inclusion in risk classes. Credit institutions (with related ratings) with which the Group has current accounts, deposits accounts and loans and advances accounts are the following:

		30 June 2026	31 December 2025	Rating 30 June 2026	Rating 31 December 2025
		Total balance	Total balance	Short/Long term	Short/Long term
Loans and advances to banks and public institutions	- neither past due nor impaired				
	Commerzbank	12,035	12,984	P-1/Aa3	P-1/Aa3
	ING Belgium SA/NV Brussels	5,092	7,980	F1+/AA	F1+/AA-
	ING Bank NV Amsterdam Suc Bucuresti	1,358	6,274	F1+/AA	F1+/AA-
	Otp Bank Budapesta	1,594	1,098	P-2/Baa1	P-2/Baa1
	Trezoreria Statului	1,743	6,158	BBB-/A-3	BBB-/A-3
Current account due from other banks	Altele	17,788	15,784	without rating	without rating
	Barclays Bank	8,022	933	F1+/AA-	F1/A+
	Societe Generale. Paris	68,538	79,418	P-1/A1	P-1/A1
	Citibank NY	6,558	8,098	F1+/AA-	F1/A+
	PKO Bank Polski-Varsovia	1,270	1,003	P-1/A2	P-1/A2
	JP Morgan Frankfurt	24,961	202,841	F1+/AA	F1+/AA
	JP Morgan Chase Bank.n.a.NY	11,665	20,974	F1+/AA	F1+/AA
	Euroclear Bank SA NV	696	-	F1+/AA	-
	Citibank Europe PLC Dublin	6,338	1,821	F1+/AA-	F1/A+
	Barclays bank	51,888	49,740	F1+/AA-	F1/A+
	Citibank Europe PLC Sucursala Romania	1,049,792	-	F1+/AA-	-
	Trezoreria Statului	-	3,303,060	-	BBB-/A-3
	Patria Bank	44,917	94,825	without rating	without rating
	Garanti Bank	271,117	-	B/BB	B/BB
	Intesa Sanpaolo Bank Romania	164,886	-	without rating	without rating
	Exim Banca Romaneasca	-	341,022	without rating	without rating
Deposits due from other banks	Nationale Nederlanden Bank NV Haga	78,963	-	A-1/A-	-
	Glarner Kantonalbank	630,743	383,225	A-1+/AA	A-1+/AA
Collateral deposits due from other banks	Hamburg Commercial Bank AG	-	102,078	-	P-2/A3
	Procredit Bank	26,214	-	F3/BBB-	-
	Nexent Bank NV Amsterdam Suc Buc	99,605	33,402	B/BB	B/BB
	Aargauische Kantonalbank	316,790	587,593	A-1+/AA+	A-1+/AA+
	Nexent Bank (Suisse) SA	-	243,851	-	fără rating
	Basler Kantonalbank	210,381	638,691	F1+/AAA	F1+/AAA
	Valiant Bank AG	813,903	305,608	P-1/A1	P-1/A1
	BRD	5,163	1,513	F2/BBB+	F2/BBB+
	Banca Transilvania	25,519	2,956	BBB-	BBB-
	Raiffeisen	21,008	-	Baa1	-
	HSBC Bank London	652	620	F1+/AA	F1+/AA-
	Citibank Europe PLC Dublin	2,832	1,428	F1+/AA-	F1/A+
	JP Morgan Securities	30,063	26,498	F1+/AA	F1+/AA
	Deutsche Bank AG	105	-	F1/A+	-
Reverse repo operations	JP Morgan Securities	-	130,413	-	F1+/AA
	Citibank Europe PLC Dublin	-	258,964	-	F1/A+
	BCR	1,000,712	-	F2/BBB+	-
Loans and advances to banks	Exim Banca Romaneasca	462,716	200,652	without rating	without rating
Total loans and advances to banks and public institutions		5,475,627	7,071,505		

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit institutions (with related ratings) with which the Bank has current accounts, deposits accounts and loans and advances accounts are the following:

		30 June 2026	31 December 2025	Rating 30 June 2026	Rating 31 December 2025
		<u>Total balance</u>	<u>Total balance</u>	<u>Short/Long term</u>	<u>Short/Long term</u>
Loans and advances to banks and public institutions – neither past due nor impaired	Commerzbank	12,035	12,984	P-1/Aa3	P-1/Aa3
	ING Belgium SA/NV Brussels	5,092	7,980	F1+/AA	F1+/AA-
	ING Bank NV Amsterdam Suc Bucuresti	1,358	6,274	F1+/AA	F1+/AA-
	Otp Bank Budapesta	1,594	1,098	P-2/Baa1	P-2/Baa1
	Trezoreria Statului	1,743	6,158	BBB-/A-3	BBB-/A-3
	Other	17,323	15,470	without rating	without rating
Current account due from other banks	Barclays Bank	8,022	933	F1+/AA-	F1/A+
	Societe Generale, Paris	68,538	79,418	P-1/A1	P-1/A1
	Citibank NY	6,558	8,098	F1+/AA-	F1/A+
	PKO Bank Polski-Varsovia	1,270	1,003	P-1/A2	P-1/A2
	JP Morgan Frankfurt	24,961	202,841	F1+/AA	F1+/AA
	JP Morgan Chase Bank,n.a.NY	11,665	20,974	F1+/AA	F1+/AA
	Euroclear Bank SA NV	696	-	F1+/AA	-
	Citibank Europe PLC Dublin	6,338	1,821	F1+/AA-	F1/A+
	Barclays bank	51,888	49,740	F1+/AA-	F1/A+
	Citibank Europe PLC Sucursala Romania	1,049,792	-	F1+/AA-	-
	Trezoreria Statului	-	3,303,060	-	BBB-/A-3
	Patria Bank	44,917	94,825	without rating	without rating
	Garanti Bank	271,117	-	B/BB	B/BB
	Intesa Sanpaolo Bank Romania	164,886	-	without rating	without rating
	Exim Banca Romaneasca	-	341,022	without rating	without rating
	Nationale Nederlanden Bank NV Haga	78,963	-	A-1/A-	-
	Glarner Kantonalbank	630,743	383,225	A-1+/AA	A-1+/AA
	Hamburg Commercial Bank AG	-	102,078	-	P-2/A3
	Procredit Bank	26,214	-	F3/BBB-	-
	Nexent Bank NV Amsterdam Suc Buc	99,605	33,402	B/BB	B/BB
	Aargauische Kantonalbank	316,790	587,593	A-1+/AA+	A-1+/AA+
	Nexent Bank (Suisse) SA	-	243,851	-	fără rating
	Basler Kantonalbank	210,381	638,691	F1+/AAA	F1+/AAA
	Valiant Bank AG	813,903	305,608	P-1/A1	P-1/A1
Collateral deposits due from other banks	HSBC Bank London	652	620	F1+/AA	F1+/AA-
	Citibank Europe PLC Dublin	2,832	1,428	F1+/AA-	F1/A+
	JP Morgan Securities	30,063	26,498	F1+/AA	F1+/AA
	Deutsche Bank AG	105	-	F1/A+	-
Reverse repo operations	JP Morgan Securities	-	130,413	-	F1+/AA
	Citibank Europe PLC Dublin	-	258,964	-	F1/A+
Loans and advances to banks	BCR	1,000,712	-	F2/BBB+	-
	Exim Banca Romaneasca	462,716	200.652	without rating	without rating
Total loans and advances to banks and public institutions		<u>5,423,472</u>	<u>7,066,722</u>		

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Market risk

Market risk is the current or future risk of incurring losses in on - and off-balance sheet positions due to adverse market fluctuations in prices (such as equity prices), interest rates and foreign exchange rates.

Market risk has two major components namely price risk and currency risk.

Price risk represents the risk of recording significant losses from the sale of the government bonds portfolio (Fair Value Through Other Comprehensive Income and government bonds classified as FVTPL - Fair Value Through Profit and Loss, , and currency risk is represented by the risk of recording losses because of changes in exchange rates.

The Group evaluates the market risk through elements that define it, respectively: the share in total assets of government bonds, the volume of loans granted to non-bank customers, the volume of operations in foreign currencies, the important position that the Bank holds on the market of attracting cash from the population, corroborated with the analysis of exogenous and endogenous factors.

For the assessment of market risk, starting with April 2022, the Bank held and monitored on a daily basis domestic government securities within a small trading book portfolio (the maximum limit is RON 200 million equivalent).

Positions held with the intention of trading are short-term resale positions and/or with the intention of benefiting from actual or expected short-term differences between buying and selling prices, or from other price or rate movements interest.

In April 2025, the Bank resized the trading portfolio, from RON 200 million available for Romanian government securities denominated in RON to RON 2 billion equivalent (Romanian Government securities denominated in RON, EUR and USD and EU/US Government Securities for which the bank has approved limits in place), divided by time bands, according with the internal regulations in force.

The market risk management policy aims to achieve a portfolio with low sensitivity to the variation in the prices of government securities, the variation in VaR and the exchange rate and the achievement of the objectives established by the risk profile. These are mainly achieved by monitoring the price of government bonds on the market as an indicator for price risk, as well as by determining and monitoring the VaR indicator and the Bank's currency position, as indicators of currency risk.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Bank assesses monthly the observance of the market risk profile in compliance with the assumed market risk appetite. The level of risk is quantified based on a scoring system of the key indicators related to the market risk according to the levels recorded by them and the weights assigned according to the importance of the indicators.

The implementation of the policy and the achievement of the market risk management objectives shall be achieved by constantly monitoring:

- The key indicators underlying the determination of the risk profile, respectively "The level of the hypothetical loss that would result from the immediate sale of the portfolio of government bonds included in the category of financial assets valued at Fair Value Through Other Comprehensive Income - FVTOCI", the VaR indicator for the government securities within trading book portfolio for the price risk and the "Total net foreign exchange position" indicator, for foreign exchange risk.
- Level II indicators, monitored daily, respectively the trading book position of government bonds for price risk and the indicators of currency risk represented by the net foreign exchange position at individual currency level and the indicator for measuring the risk related to the currency portfolio - the Value at Risk (VaR) indicator.

The level of risk limits accepted by the Group for the key indicators, as well as the ranges considered for their evaluation, were established taking into account the Bank's policy regarding market risk, assessed as significant risk, correlated with the limits regulated by the NBR/EBA regulations, with the historical evolution of the values of these indicators, the size and structure of the assets and liabilities taken into account when determining them, the results obtained following the various forecasts made, budget provisions, etc.

By monitoring the price risk, the Group aims to reduce the loss that it would record in the event of a hypothetical immediate sale of the portfolio of government securities included in the category "financial assets valued at fair value through other elements of comprehensive income", so that the impact the loss should be minimal in what regards performance of other obligations.

By monitoring the foreign exchange risk, the Group seeks to achieve an optimal portfolio correlated between the value of assets and liabilities expressed in foreign currency, as well as the setting off of trading operations on the foreign exchange market, and, respectively, maintaining a balance between long and short net open positions so that both the impact exchange rate volatility, as well as the maximum loss likely to be recorded to be minimal.

Also, for the risk measurement of currency portfolio, the Group uses the methodology for determining VaR (Value-at-Risk), through which the Bank wishes the classification in the maximum loss likely to be recorded in total, within a certain period of time and with a certain probability of confidence. Starting from April 2025, for the assessment of the market risk related to the resized trading portfolio, the Bank calculates the VaR indicator for the government securities portfolio in the trading book and monitors compliance with the established risk limits. Additionally, the Bank sets stop-loss limits for the daily management of market risk within the trading portfolio through dedicated management systems.

Internal regulations regarding market risk are submitted for approval to the Risk Management Committee.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's financial assets and liabilities in lei and currencies as of June 30, 2026 can be analysed as follows:

	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial assets				
Cash and cash equivalents at central bank	7,836,089	2,005,943	245,488	10,087,520
Financial assets at fair value through profit or loss	1,295,629	14,653	51,406	1,361,688
Loans and advances to banks	3,130,016	2,215,271	130,340	5,475,627
Financial assets measured at fair value through other comprehensive income	19,139,641	23,148,974	902,759	43,191,374
Investments in debt instruments at amortized cost	10,469,440	2,468,216	98,930	13,036,587
Loans and advances to customers	26,936,781	6,790,080	128,466	33,855,327
Other financial assets	<u>35,710</u>	<u>19,711</u>	<u>1,290</u>	<u>56,711</u>
Total financial assets	<u>68,843,306</u>	<u>36,662,848</u>	<u>1,558,679</u>	<u>107,064,833</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial assets				
Notional amount of derivatives				
— SWAP per exchange rate	367,335	798,106	41,862	1,207,304
Total derivative assets	<u>367,335</u>	<u>798,106</u>	<u>41,862</u>	<u>1,207,304</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	2,671	-	71	2,742
Deposits from banks	1,897,242	590,140	1,574	2,488,956
Deposits from customers	57,233,395	33,744,395	1,470,654	92,448,444
Other borrowed funds	39,188	-	-	39,188
Debt securities issued	-	3,134,533	-	3,134,533
Subordinated liabilities	1,432,042	-	-	1,432,042
Other financial liabilities	<u>432,854</u>	<u>18,722</u>	<u>14,583</u>	<u>466,158</u>
Total financial liabilities	<u>61,037,391</u>	<u>37,487,790</u>	<u>1,486,882</u>	<u>100,012,064</u>

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial liabilities				
Notional amount of derivatives				
— SWAP per exchange rate	796,210	409,016	6,287	1,211,513
Total derivative liabilities	<u>796,210</u>	<u>409,016</u>	<u>6,287</u>	<u>1,211,513</u>
On balance sheet net financial assets/(liabilities)	<u>7,805,915</u>	<u>(824,942)</u>	<u>71,797</u>	<u>7,052,770</u>
Derivative financial assets/(liabilities)	<u>(428,875)</u>	<u>389,090</u>	<u>35,575</u>	<u>(4,210)</u>

The Bank's financial assets and liabilities in RON and foreign currencies as at 30 June 2026 can be analyzed as follows:

	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial assets				
Cash and cash equivalents at central bank	7,836,085	2,005,943	245,488	10,087,516
Financial assets at fair value through profit or loss	1,295,628	14,653	51,406	1,361,687
Loans and advances to banks	3,077,861	2,215,271	130,340	5,423,472
Financial assets held at historical cost	19,139,641	23,148,974	902,759	43,191,374
Financial assets measured at fair value through other comprehensive income	10,455,722	2,468,216	98,930	13,022,868
Investments in debt instruments at amortized cost	5,000	-	-	5,000
Loans and advances to customers	26,936,781	6,790,080	128,466	33,855,327
Other financial assets	<u>36,279</u>	<u>19,711</u>	<u>1,290</u>	<u>57,280</u>
Total financial assets	<u>68,782,997</u>	<u>36,662,848</u>	<u>1,558,679</u>	<u>107,004,524</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial assets				
Notional amount of derivatives				
— SWAP per exchange rate	367,335	798,106	41,862	1,207,304
Total derivative assets	<u>367,335</u>	<u>798,106</u>	<u>41,862</u>	<u>1,207,304</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	2,671	-	71	2,742
Deposits from banks	1,897,242	590,140	1,574	2,488,956
Deposits from customers	57,245,761	33,744,690	1,470,654	92,461,105
Other borrowed funds	39,188	-	-	39,188
Debt securities issued	-	3,134,533	-	3,134,533
Subordinated liabilities	1,432,042	-	-	1,432,042
Other financial liabilities	<u>396,948</u>	<u>18,722</u>	<u>14,584</u>	<u>430,254</u>
Total financial liabilities	<u>61,013,852</u>	<u>37,488,085</u>	<u>1,486,883</u>	<u>99,988,820</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial liabilities				
Notional amount of derivatives				
— SWAP per exchange rate	796,210	409,016	6,287	1,211,513
Total derivative liabilities	<u>796,210</u>	<u>409,016</u>	<u>6,287</u>	<u>1,211,513</u>
On balance sheet net financial assets/(liabilities)	<u>7,769,145</u>	<u>(825,237)</u>	<u>71,797</u>	<u>7,015,704</u>
Derivative financial assets/(liabilities)	<u>(428,874)</u>	<u>389,090</u>	<u>35,575</u>	<u>(4,209)</u>

The Group's and Bank's financial assets and liabilities in RON and foreign currencies as at 31 December 2025 can be analyzed as follows:



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Group</u>			
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Balance sheet financial assets				
Cash and balance at Central Bank	9.600.426	2.965.591	379.983	12.946.000
Financial assets at fair value through profit or loss	1.451.231	9.869	46.487	1.507.587
Loans and advances to banks and public institutions	4.362.643	2.584.256	124.606	7.071.505
Financial assets measured at fair value through other comprehensive income	17.927.941	19.084.755	875.191	37.887.887
Investments in debt instruments at amortized cost	10.287.099	3.089.843	56.960	13.433.902
Loans and advances to customers	26.586.855	6.608.830	130.680	33.326.365
Other financial assets	16.849	24.787	428	42.064
Total financial assets	70.233.044	34.367.931	1.614.335	106.215.310
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial assets				
Notional amount of derivatives — SWAP per exchange rate	205.270	2.586.979	-	2.792.249
Total derivative assets	205.270	2.586.979	-	2.792.249
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	3.175	-	8	3.183
Deposits from banks	2.048.546	317.375	43.480	2.409.401
Deposits from customers	57.380.142	33.612.887	1.324.202	92.317.231
Other borrowed funds	39.188	4.025	-	43.213
Debt securities issued	-	3.056.604	-	3.056.604
Subordinated liabilities	1.434.652	-	-	1.434.652
Other financial liabilities	317.587	15.375	6.999	339.961
Total financial liabilities	61.223.290	37.006.266	1.374.689	99.604.245
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial liabilities				
Notional amount of derivatives — SWAP per exchange rate	2.359.130	203.940	235.978	2.799.048
Total derivative liabilities	2.359.130	203.940	235.978	2.799.048
On balance sheet net financial assets/ (liabilities)	9.009.753	(2.638.335)	239.646	6.611.065
Derivative financial assets/ (liabilities)	(2.153.860)	2.383.039	(235.978)	(6.799)



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Bank</u>				
		<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Balance sheet financial assets					
Cash and balance at Central Bank		9,600,415	2,965,591	379,983	12,945,989
Financial assets at fair value through profit or loss		1,451,231	9,869	46,487	1,507,587
Loans and advances to banks and public institutions		4,357,860	2,584,256	124,606	7,066,722
Financial assets held at historical cost		5,000	-	-	5,000
Financial assets measured at fair value through other comprehensive income		17,927,941	19,084,755	875,191	37,887,887
Investments in debt instruments at amortized cost		10,214,238	3,089,843	56,960	13,361,041
Loans and advances to customers		26,586,855	6,608,830	130,713	33,326,365
Other financial assets		<u>17,186</u>	<u>24,787</u>	<u>428</u>	<u>42,401</u>
Total financial assets		<u>70,160,726</u>	<u>34,367,931</u>	<u>1,614,368</u>	<u>106,142,992</u>
		<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial assets					
Notional amount of derivatives					
— SWAP per exchange rate	205,270	2,586,979		-	2,792,249
Total derivative assets	<u>205,270</u>	<u>2,586,979</u>		<u>-</u>	<u>2,792,249</u>
		<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Balance sheet financial liabilities					
Derivatives		3,175	-	8	3,183
Deposits from banks		2,048,546	317,375	43,480	2,409,401
Deposits from customers		57,381,767	33,612,957	1,324,202	92,318,926
Other borrowed funds		39,188	4,025	-	43,213
Debt securities issued		-	3,056,604	-	3,056,604
Subordinated liabilities		1,434,652	-	-	1,434,652
Other financial liabilities		<u>286,615</u>	<u>15,375</u>	<u>6,999</u>	<u>308,989</u>
Total financial liabilities		<u>61,193,943</u>	<u>37,006,336</u>	<u>1,374,689</u>	<u>99,574,968</u>
		<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial liabilities					
Notional amount of derivatives — SWAP per exchange rate	2,359,130	203,940	235,978		2,799,048
Total derivative liabilities	<u>2,359,130</u>	<u>203,940</u>	<u>235,978</u>		<u>2,799,048</u>
On balance sheet net financial assets/ (liabilities)	<u>8,966,783</u>	<u>(2,638,405)</u>	<u>239,646</u>		<u>6,568,024</u>
Derivative financial assets/ (liabilities)	<u>(2,153,860)</u>	<u>2,383,039</u>	<u>(235,978)</u>		<u>(6,799)</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The main currency held by the Bank is EURO. Open foreign exchange positions are a source of foreign exchange risk.

c) Interest rate risk outside the trading portfolio and within the trading portfolio

Interest rate risk is the current or future risk that profit and equity are negatively affected by adverse changes in interest rates.

The interest rate risk is identified, assessed, monitored, managed, diminished and reported in all the bank's activities that involve potential variations in interest rates at banking book level and also trading book.

In order to assess the interest rate risk, it is considered to carry out specific activities for a trading portfolio, resized starting from April 7, 2025, to a maximum of 2 billion lei equivalent, (Romanian Government Securities denominated in RON, EUR and USD and EU/US Government Securities for which the bank has approved limits in place), divided by maturity bands, according to internal regulations, meaning that the Bank holds positions with the intention of trading or with the aim of covering positions held with the intention of trading, with a positive expected effect on profitability.

The monitoring of the interest rate risk for the trading book portfolio is carried out within the total maximum limit of 2 billion RON equivalent, divided by maturity bands, according to internal regulations, as well as within the DVo1 limits, detailed at currency level.

The main source of interest rate risk is the correlation between the structure of the Bank's asset portfolio and the type of interest rate (taking into account the maturity date - in the case of fixed interest rates instruments - and the bullet maturity and/or principal and interest flows for fixed rate current loans) and the date of price updating - in the case of variable interest rates).

The interest rate risk management policy is to optimize the gap between sensitive assets and liabilities regarding interest rate movements, both overall and per various time frames, so that the impact of interest rate changes on net interest income is minimal.

The Bank aims to properly manage assets and liabilities bearing interest as well as to promote its products, in order to achieve a portfolio with low sensitivity to changes in interest rates and achieve the targets set through the risk profile.

The risk profile assumed for interest rate risk is managed by the limitations set for the key indicators based on the risk appetite that the Bank assumes for business continuity purposes.

The key indicators established by the Bank, permanently monitored and which are the basis for determining the interest rate risk profile are:

- **EVE (Economic Value of Equity)** according to 6 standardized shock scenarios for detecting extreme values – under worst scenario (quarterly calculation);



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FINANCIAL RISK MANAGEMENT (CONTINUED)

- NII (Net Interest Income) according to 2 standardized shock scenarios – under worst scenario (quarterly calculation);
- The relative GAP on interest rate, (calculated in RON equivalent by maturity bands, as a percentage between the absolute GAP on interest rate and total interest-bearing assets - principal accounts);
- "The difference between the average assets interest rate on foreign currency loans granted to individuals and legal entities and the cost of raised sources in foreign currency to which the risk margin on foreign currency loans is added".

The level of risk limits accepted by the Group for the key indicators, as well as the ranges considered for their evaluation, were established taking into account the Group's strategy regarding interest rate risk, assessed as significant risk, correlated with the limits regulated by the NBR/EBA regulations, with the historical evolution of the values of these indicators, the size and structure of the assets and liabilities taken into account when determining them, the results obtained following the various forecasts made, budget provisions and so on.

The Group assesses monthly the observance of the assumed interest rate risk profile according to interest rate risk appetite. The level of risk is quantified based on a scoring system of the key indicators related to the interest rate risk (specified above) according to the levels recorded by them and the weights assigned according to the importance of the indicators based on historical analysis and professional expertise.

To prevent cases of non-compliance with internal limits, the Group monitors the dynamic evolution of assets and liabilities sensitive to interest rate variations and performs simulations, forecasts, "stress testing" scenarios and so on.

Through the risk management policy, to carry out a prudential activity, characterized by the permanent monitoring and control of the level of key indicators for interest rate risk in relation to risk appetite, the Group seeks to comply with a medium interest rate risk profile as the maximum level allowed, the profile observed during the first semester of the current year.

For interest rate risk management, in addition to the key indicators that determine the interest rate risk profile, to control this risk, the Group monitors on a monthly/quarterly basis, as appropriate, the following level II indicators, both for the banking book and for the trading book, namely:

- The negative result obtained from the forecasts in order to capture the effect of the potential change in interest rates on net interest income;
- the DVo1 indicator, at currency level, which measures the interest rate risk associated with the trading book, namely the change in the market value of the portfolio resulting from a 1 basis point (0.01%) variation in the yield of a bond.

Internal regulations related to interest rate risk outside the trading book portfolio and in the trading book portfolio are submitted for approval to the Risk Management Committee. The following table illustrates the annual interest rates obtained or offered by the Group and the Bank for interest-bearing assets and liabilities during the first half of 2026:



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	RON Range		EUR Range	
<u>Assets</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>
Cash and cash equivalents at central bank	0.76	0.91	0.17	0.22
Investments with National Bank of Romania	5.50	5.50	-	-
Investments with other banks	5.55	6.00	1.89	2.49
Treasury certificates	5.70	6.15	2.40	2.502
Loans and advances to customers (*)	3.25	35.00	4.16	11.93
Investment securities	5.575	7.47	1.99	2.484
<u>Liabilities</u>				
Deposits from banks	5.45	5.90	1.70	2.20
Deposits from customers	-	8.30	-	2.80
Borrowings from banks and other financial institutions	7.37	7.43	0.099	0.282
Debt securities issued	-	-	5.625	7.50
Subordinated liabilities	9.82	9.44	-	-

(*) During 2026, the Bank granted a grace period of up to 59 calendar days on credit cards, exclusively for the amounts paid to merchants using the credit card, from credit (non installment transactions and/or due installments posted on the account), provided that the Credit Limit used for the specific transaction cycle is paid in full.

The following table illustrates the annual interest rates obtained or offered by the Group and the Bank for interest-bearing assets and liabilities during 2025:

	RON Range		EUR Range	
	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>
<u>Assets</u>				
Cash and balance at Central Bank	0.74	0.86	0.13	0.20
Investments with National Bank of Romania	5.50	5.50	-	-
Investments with other banks	5.50	9.00	1.80	2.90
Subordinated loan	5.65	8.35	3.51	3.54
Treasury certificates	4.49	20.94	3.18	6.02
Loans and advances to customers (*)	5.64	8.78	1.96	6.68
Investment securities				
<u>Liabilities</u>	5.40	7.25	1.60	2.92
Deposits from banks	-	8.80	-	2.75
Deposits from customers	7.43	7.58	0.09	0.28
Borrowings from banks and other financial institutions	-	-	5.63	7.50
Debt securities issued	8.85	10.39	-	-
Subordinated liabilities	0.74	0.86	0.13	0.20

(*) During 2025, the Bank granted a grace period of up to 59 calendar days on credit cards, exclusively for the amounts paid to merchants using the credit card, from credit (non installment transactions and/or due installments posted on the account), provided that the Credit Limit used for the specific transaction cycle is paid in full.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table presents the Group's and the Bank's analysis of the interest rate change as at 30 June 2026, with financial assets and liabilities classified by the earlier of the interest rate change date or the contractual maturity date.

	<u>Group</u>					<u>Non</u>	<u>Total</u>
	<u>< 1 month</u>	<u>1 month</u> <u>3 months</u>	<u>3 months</u> <u>- 1 year</u>	<u>1 year-</u> <u>5 years</u>	<u>> 5 years</u>	<u>interest</u> <u>bearing</u>	
Financial assets							
Cash and balances with central bank	10,087,520	-	-	-	-	-	10,087,520
Financial derivatives	-	-	-	-	-	361	361
Loans and advances to banks and public institutions	3,094,861	1,481,358	645,420	-	-	253,988(*)	5,475,627
Loans and advances to customers	11,566,131	1,468,233	10,790,650	5,934,350	2,923,598	1,172,365(**)	33,855,327
Financial assets held for trading and measured at fair value through profit and loss	22,082	-	470,016	672,157	178,023	-	1,342,308
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	19,018	19,018
Financial assets measured at fair value through other comprehensive income	3,779,825	5,310,428	11,583,164	18,400,188	4,070,990	46,779	43,191,374
Investments in debt instruments at amortized cost	301,889	12	2,435,749	7,642,289	2,656,648	-	13,036,587
Other financial assets	-	-	-	-	-	56,711	56,711
Total financial assets	28,852,308	8,260,031	25,924,999	32,648,984	9,829,289	1,549,222	107,064,833
Financial liabilities							
Financial derivatives	-	-	-	-	-	2,742	2,742
Deposits from banks	2,282,030	-	30,748	87,133	89,039	6	2,488,956
Deposits from customers	24,073,569	16,039,801	30,037,579	5,065,360	143,721	17,088,414 (***)	92,448,444
Subordinated liabilities	1,432,042	-	-	-	-	-	1,432,042
Borrowings from banks and other financial institutions	36,438	1,160	1,590	-	-	-	39,188
Debt securities issued	-	-	-	3,134,533	-	-	3,134,533
Lease liabilities	3,279	6,288	28,235	54,636	17,933	-	110,371
Other financial liabilities	-	-	-	-	-	466,159	466,159
Total financial liabilities	27,827,358	16,047,249	30,098,152	8,341,662	250,693	17,557,321	100,122,435
Interest rate gap	1,024,950	(7,787,218)	(4,173,153)	24,307,322	9,578,596	(16,008,099)	6,942,398



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	<u>Bank</u>					<u>Non interest bearing</u>	<u>Total</u>
	<u>< 1 month</u>	<u>1 month 3 months</u>	<u>3 months - 1 year</u>	<u>1 year- 5 years</u>	<u>> 5 years</u>		
Financial assets							
Cash and balances with central bank	10,087,516	-	-	-	-	-	10,087,516
Financial derivatives	-	-	-	-	-	361	361
Loans and advances to banks and public institutions	3,087,525	1,461,782	620,177	-	-	253,988(*)	5,423,472
Loans and advances to customers	11,566,131	1,468,233	10,790,650	5,934,350	2,923,598	1,172,365(**)	33,855,327
Financial assets held for trading and measured at fair value through profit and loss	22,082	-	470,016	672,157	178,023	-	1,342,308
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	19,018	19,018
Financial assets measured at fair value through other comprehensive income	3,779,825	5,310,428	11,583,164	18,400,188	4,070,990	46,779	43,191,374
Investments in debt instruments at amortized cost	288,201	-	2,435,730	7,642,289	2,656,648	-	13,022,868
Financial assets held at historical cost	-	-	-	-	-	5,000	5,000
Other financial assets	-	-	-	-	-	57,280	57,280
Total financial assets	28,831,280	8,240,443	25,899,737	32,648,984	9,829,289	1,554,791	107,004,524
Financial liabilities							
Financial derivatives	-	-	-	-	-	2,742	2,742
Deposits from banks	2,282,030	-	30,748	87,133	89,039	6	2,488,956
Deposits from customers	24,074,503	16,040,181	30,048,926	5,065,360	143,721	17,088,414 (***)	92,461,105
Subordinated liabilities	1,432,042	-	-	-	-	-	1,432,042
Borrowings from banks and other financial institutions	36,438	1,160	1,590	-	-	-	39,188
Debt securities issued	-	-	-	3,134,533	-	-	3,134,533
Lease liabilities	3,279	6,288	28,235	54,636	17,933	-	110,371
Other financial liabilities	-	-	-	-	-	430,254	430,254
Total financial liabilities	27,828,292	16,047,629	30,109,499	8,341,662	250,693	17,521,416	100,099,191
Interest rate gap	1,002,988	(7,807,186)	(4,209,762)	24,307,322	9,578,596	(15,966,625)	6,905,333

(*) the amount comprises current accounts at other banks.

(**) the amount comprises exposures for corporate clients who entered insolvency or bankruptcy for which according to law nominal interest cannot be charged any longer.

(***) the amount comprises current accounts, deposits and other discontinued savings products for which nominal interest is not applied.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following table presents the Group's and the Bank's analysis of the interest rate change as at 31 December 2025, with financial assets and liabilities classified by the earlier of the interest rate change date or the contractual maturity date.

	Group					Non interest bearing	Total
	< 1 month	1 month 3 months	3 months - 1 year	1 year- 5 years	> 5 years		
Financial assets							
Cash and balances with Central Bank	12,946,000	-	-	-	-	-	12,946,000
Financial derivatives	-	-	-	-	-	2,717	2,717
Loans and advances to banks and public institutions	4,896,671	820,563	523,220	-	-	831,051 (*)	7,071,505
Loans and advances to customers	7,601,884	535,671	14,244,941	7,219,427	2,761,989	962,453 (**)	33,326,365
Financial assets held for trading and measured at fair value through profit and loss	21,696	-	626,020	520,938	317,863	-	1,486,517
Financial assets mandatorily : fair value through profit or loss	-	-	-	-	-	18,353	18,353
Financial assets at fair value through other comprehensive income	2,355,970	5,229,781	13,147,700	13,640,078	3,468,810	45,548	37,887,887
Investments in debt instruments at amortized cost	658,027	56,740	2,239,985	7,832,332	2,646,818	-	13,433,902
Other financial assets	-	-	-	-	-	42,064	42,064
Total financial assets	28,480,248	6,642,755	30,781,866	29,212,775	9,195,480	1,902,186	106,215,310
Financial liabilities							
Financial derivatives	-	-	-	-	-	3,183	3,183
Deposits from banks	2,353,889	35,414	20,085	-	-	13	2,409,401
Deposits from customers	28,971,943	10,767,756	33,156,099	1,627,117	164,406	7,629,910 (***)	92,317,231
Subordinated borrowing	1,434,652	-	-	-	-	-	1,434,652
Borrowings from banks and other financial institutions	34,728	3,732	4,676	77	-	-	43,213
Debt securities issued	-	-	-	3,056,604	-	-	3,056,604
Lease liabilities	3,254	6,345	27,626	62,895	20,444	-	120,564
Other financial liabilities	-	-	-	-	-	339,961	339,961
Total financial liabilities	32,798,466	10,813,247	33,208,486	4,746,693	184,850	17,973,067	99,724,809
Interest rate gap	(4,318,218)	(4,170,492)	(2,426,620)	24,466,082	9,010,630	(16,070,881)	6,490,501

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	<u>Bank</u>					<u>Non</u>	
	<u>< 1 month</u>	<u>1 month</u> <u>3 months</u>	<u>3 months</u> <u>- 1 year</u>	<u>1 year-</u> <u>5 years</u>	<u>> 5 years</u>	<u>interest</u> <u>bearing</u>	<u>Total</u>
Financial assets							
Cash and balances with Central Bank	12,945,989	-	-	-	-	-	12,945,989
Financial derivatives	-	-	-	-	-	2,717	2,717
Loans and advances to banks and public institutions	4,891,283	817,904	526,484	-	-	831,051 (*)	7,066,722
Loans and advances to customers	7,601,884	535,671	14,244,941	7,219,427	2,761,989	962,453 (**)	33,326,365
Financial assets held for trading and measured at fair value through profit and loss	21,696	-	626,020	520,938	317,863	-	1,486,517
Financial assets mandatorily : fair value through profit or loss	-	-	-	-	-	18,353	18,353
Financial assets at fair value through other comprehensive income	2,355,970	5,229,781	13,147,700	13,640,078	3,468,810	45,548	37,887,887
Investments in debt instruments at amortized cost	649,989	5,229	2,226,673	7,832,332	2,646,818	-	13,361,041
Financial assets held at historical cost	-	-	-	-	-	5,000	5,000
Other financial assets	-	-	-	-	-	42,401	42,401
Total financial assets	28,466,811	6,588,585	30,771,818	29,212,775	9,195,480	1,907,523	106,142,992
Financial liabilities							
Financial derivatives	-	-	-	-	-	3,183	3,183
Deposits from banks	2,353,889	35,414	20,085	-	-	13	2,409,401
Deposits from customers	28,972,177	10,768,410	33,156,906	1,627,117	164,406	7,629,910 (***)	92,318,926
Subordinated borrowing	1,434,652	-	-	-	-	-	1,434,652
Borrowings from banks and other financial institutions	34,728	3,732	4,676	77	-	-	43,213
Debt securities issued	-	-	-	3,056,604	-	-	3,056,604
Lease liabilities	3,254	6,345	27,626	62,895	20,444	-	120,564
Other financial liabilities	-	-	-	-	-	308,989	308,989
Total financial liabilities	32,798,700	10,813,901	33,209,293	4,746,693	184,850	17,942,095	99,695,532
Interest rate gap	(4,331,889)	(4,225,316)	(2,437,475)	24,466,082	9,010,630	(16,034,572)	6,447,460

(*) the amount comprises current accounts at other banks.

(**) the amount comprises exposures for corporate clients who entered insolvency or bankruptcy for which according to law nominal interest cannot be charged any longer.

(***) the amount comprises current accounts, deposits and other discontinued savings products for which interest is not applied.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

Interest rate sensitivity the following table summarizes the impact on the Bank's profit or loss account and comprehensive income statement of a reasonable change in the yield curve calculated on the basis of the interest rate gap model. Based on the interest rate fluctuation in the previous year and other analyses carried out by the Bank the potentially reasonable change is shown below.

Exchange rate sensitivity: the following table summarizes the impact of a potentially reasonable change in the value in lei compared to the foreign currency in the profit or loss account and the comprehensive income statement of the Bank calculated by applying the change in monetary financial instruments denominated in foreign currencies held by the Bank as at 30 June 2026 and as at 30 June 2025.

30 June 2026	Total sensitivity	Sensitivity profit or loss account	Sensitivity of other comprehensive income
Interest rate +/- 0.5%	-49,225 / +49,225	-/+ 258,331	+/- 209,106
Exchange rate, appreciation/ depreciation by 5% of the functional currency	-/+61,557	-/+61,557	-
30 June 2025	Total sensitivity	Sensitivity profit or loss account	Sensitivity of other comprehensive income
Interest rate +/- 0.5%	-20,496 / +20,496	-/+ 193,771	+/- 173,275
Exchange rate, appreciation/ depreciation by 5% of the functional currency	-/+99,244	-/+99,244	-

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 30 June 2026 if market interest rates had been 50 basis points higher/lower for RON, 50 basis points higher/lower for EUR and 50 basis points higher/lower for USD in the reporting period, all other variables being kept constant, the profit for the period (which includes other comprehensive income) would have been higher/lower with RON 49,225 thousand (30 June 2025: RON +20,496 / - 20,496 thousand). The impact was calculated based on average monthly balances bearing variable interest.

The impact in the Other Comprehensive Income would have been lower/higher by RON 209,106 thousand. The calculation was based on the market value as at 30 June 2026 of debt instruments measured at fair value through other comprehensive income.

As at 30 June 2026, if RON had appreciated/depreciated by 500 basis points compared to the relevant currencies (all other variables being kept constant), the profit for the period would have been higher/lower RON 61,557 thousand (30 June 2025: RON 99,244 thousand) higher/lower. The impact was calculated by applying a +/-5% higher/lower rate than the closing rate to the net position in EUR and USD.

d) Liquidity risk

Liquidity risk is a significant risk, along with the other significant risks of the financial risk management system under the conditions in which the Group operates on developed financial markets.

Liquidity risk expresses the current or future risk of negative impact on profits and capital, determined by the Group's inability to fulfill its obligations when they are due, having as potential causes: insufficient liquid assets, the Bank's inability to liquidate assets, the inability to obtain adequate financing.

The Bank has an adequate liquidity when, in the hypothetical unforeseen/critical situation, it is able to obtain the necessary funds immediately and at a reasonable cost, which does not affect the Group's profitability by attracting additional sources, selling available assets, participating to the Open Market Operations organized by the NBR and so on.

The liquidity risk management policy represents the implementation within the internal regulations of the ILAAP (Internal Liquidity Adequacy Assessment Process) requirements and considers all internal liquidity adequacy assessment processes, as an EBA requirement. The policy and profile are an integral part of the regulations related to liquidity risk management, being developed to show the solidity, effectiveness, and comprehensiveness of the ILAAP, respectively the treatment of liquidity risk depending on the scale and complexity of the Group's activities.

The policy in the field of liquidity risk management includes a decision-making structure for risk management, a model for approaching financing and liquidity assurance operations, the accepted risk profile for exposure to liquidity risk, as well as planning procedures according to alternative scenarios of action, including for unforeseen situations.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The policy regarding the internal process of assessing the adequacy of liquidity to risks seeks to integrate into the general practice of liquidity management at least the following: the liquidity planning process, maintaining an adequate level of liquidity to cover certain risks to which the Bank is likely to be subject, monitoring specific liquidity risk indicators, identifying vulnerabilities and evaluating potential dangers in a timely manner, in conjunction with permanent actions to prevent to such situations, the process of obtaining conclusions and making decisions, including in crisis conditions.

Through the liquidity risk management policy, part of a solid and specific framework for liquidity risk management, including the process of identification, assessment, monitoring, mitigation and control, the Bank aims to achieve a balanced portfolio of the Bank's assets and liabilities, which ensure both optimal/sufficient liquidity, on maturity bands, adequate management of assets and liabilities, leading to the maintenance of sufficient liquidity, including the liquidity reserve, and ensuring compliance with the risk profile accepted by the Bank.

Internal regulations related to liquidity risk are submitted for approval to the Risk Management Committee.

The table below presents financial liabilities as at 30 June 2026 based on their remaining contractual maturity. The amounts presented in the table represent undiscounted contractual cash flows, gross lending commitments and financial guarantees. Undiscounted cash flows differ from balance sheet amounts because the balance sheet amount represents discounted flows. Derivatives are included at the contractual amount payable or receivable, unless the Bank expects to close the position before the contractual maturity, in which case the instruments are presented based on estimated flows.

The table below presents the maturity analysis of non-derivative financial assets based on contractual maturities. Impaired loans are presented at book value net of adjustments for expected credit losses and based on the repayment estimate. Derivatives are presented based on contractual maturity.

When the payment amount is not fixed, the amount presented is determined based on the conditions existing at the end of the reporting period. Foreign currency payments are revalued using the closing exchange rate at the end of the reporting period.

The Bank's liquidity position is solid, given the level of the Basel IV indicator - LCR - which records a robust value as of June 30, 2026, respectively a level of 240.74%, above the local average on the system - 237.92% as of June 30, 2026 and significantly above the European average of 158.4% (as of March 31, 2026), based on a solid portfolio of unsecured government securities, HQLA, with significant residual maturities starting with the band of over 1 month.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2026	Group							No fixed maturity
	Carrying amount	Gross Amount Inflow/ outflow	< 1 month	1- 3 months	3 months -1 year	1 year -5 years	> 5 years	
Assets								
Cash and balances with central bank	10,087,520	10,087,520	10,087,520	-	-	-	-	-
Loans and advances to banks and public institutions	5,475,627	5,575,137	3,210,330	1,524,942	259,239	326,638	-	253,988
Loans and advances to customers	33,855,327	43,765,027	2,526,390	1,964,557	7,066,707	15,720,162	16,487,211	-
Financial assets held for trading and measured at fair value through profit or loss	1,342,308	1,572,550	22,200	-	493,136	752,282	304,932	-
Financial assets mandatory at fair value through profit or loss	19,018	19,018	-	-	-	-	-	19,018
Financial assets measured at fair value through other comprehensive income	43,191,374	47,441,236	3,780,288	5,310,790	11,863,837	20,755,915	5,683,627	46,779
Financial assets measured at amortized cost	13,036,587	15,715,697	303,348	12	2,532,782	9,015,665	3,863,890	-
Financial derivatives, out of which:								
- receivable	361	508,039	85,003	264,378	158,658	-	-	-
- payable	-	507,678	84,905	264,208	158,565	-	-	-
Other financial assets	56,711	56,711	56,711	-	-	-	-	-
Total financial assets	107,064,833	124,233,257	19,986,885	8,800,471	22,215,794	46,570,662	26,339,660	319,785
Liabilities								
Deposits from banks	2,488,956	2,490,969	2,282,991	-	31,806	87,133	89,039	-
Deposits from customers	92,448,444	93,680,038	15,038,414	16,264,398	38,648,758	4,950,972	433,449	18,344,047
Subordinated liabilities	1,432,042	2,166,988	64,084	-	192,466	510,438	1,400,00	-
Borrowings from other banks and other financial institutions	39,188	39,188	36,438	1,160	1,590	-	-	-
Debt securities issued	3,134,533	6,269,066	83,166	-	-	6,185,900	-	-
Financial derivatives, out of which:								
- receivable	2,742	703,508	230,953	366,875	105,680	-	-	-
- payable	-	706,250	231,097	369,391	105,762	-	-	-
Lease liabilities	110,371	124,775	3,281	6,299	28,356	55,956	30,883	-
Other financial liabilities	466,159	466,159	466,159	-	-	-	-	-
Total financial liabilities	100,122,435	105,239,925	17,974,677	16,274,373	38,903,058	11,790,399	1,953,371	18,344,047
Net liquidity gap	6,942,398	18,993,332	2,012,208	(7,173,902)	(16,687,264)	34,780,263	24,386,289	(18,024,262)

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30 June 2026	Carrying amount	Bank						
		Gross Amount Inflow/ outflow	< 1 month	1- 3 months	3 months -1 year	1 year -5 years	> 5 years	No fixed maturity
Assets								
Cash and balances with central bank	10,087,516	10,087,516	10,087,516	-	-	-	-	-
Loans and advances to banks and public institutions	5,423,472	5,522,118	3,202,979	1,505,178	233,335	326,638	-	253,988
Loans and advances to customers	33,855,327	43,765,027	2,526,390	1,964,557	7,066,707	15,720,162	16,487,211	-
Financial assets held for trading and measured at fair value through profit or loss	1,342,308	1,572,550	22,200	-	493,136	752,282	304,932	-
Financial assets mandatory at fair value through profit or loss	19,018	19,018	-	-	-	-	-	19,018
Financial assets measured at fair value through other comprehensive income	43,191,374	47,441,236	3,780,288	5,310,790	11,863,837	20,755,915	5,683,627	46,779
Financial assets held at historical cost	5,000	5,000	-	-	-	-	-	5,000
Financial assets measured at amortized cost	13,022,868	15,701,978	289,660	-	2,532,763	9,015,665	3,863,890	-
Financial derivatives, out of which:								
- receivable	361	508,039	85,003	264,378	158,658	-	-	-
- payable	-	507,678	84,905	264,208	158,565	-	-	-
Other financial assets	57,280	57,280	57,280	-	-	-	-	-
Total financial assets	107,004,524	124,172,084	19,966,411	8,780,695	22,189,871	46,570,662	26,339,660	324,785
Liabilities								
Deposits from banks	2,488,956	2,490,969	2,282,991	-	31,806	87,133	89,039	-
Deposits from customers	92,461,105	93,692,870	15,039,348	16,264,778	38,660,276	4,950,972	433,449	18,344,047
Subordinated liabilities	1,432,042	2,166,988	64,084	-	192,466	510,438	1,400,000	-
Borrowings from other banks and other financial institutions	39,188	39,188	36,438	1,160	1,590	-	-	-
Debt securities issued	3,134,533	6,269,066	83,166	-	-	6,185,900	-	-
Financial derivatives, out of which:								
- receivable	2,742	703,508	230,953	366,875	105,680	-	-	-
- payable	-	706,250	231,097	369,391	105,762	-	-	-
Lease liabilities	110,371	124,775	3,281	6,299	28,356	55,956	30,883	-
Other financial liabilities	430,254	430,254	430,254	-	-	-	-	-
Total financial liabilities	100,099,191	105,216,852	17,939,706	16,274,753	38,914,576	11,790,399	1,953,371	18,344,047
Net liquidity gap	6,905,333	18,955,232	2,026,705	(7,494,058)	(16,724,705)	34,780,263	24,386,289	(18,024,262)

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2025	Carrying amount	Group						
		Gross Amount Inflow/ outflow	< 1 month	1 - 3 months	3 months - 1 year	1 year- 5 years	> 5 years	No fixed maturity
Assets								
Cash and balances with central bank	12,946,000	12,946,000	12,946,000	-	-	-	-	
Loans and advances to banks and public institutions	7,071,505	7,072,182	4,086,713	1,020,986	401,894	-	-	1,562,589
Loans and advances to customers	33,326,365	45,348,410	2,497,475	889,948	8,706,177	15,928,649	17,317,758	8,403
Financial assets held for trading and measured at fair value through profit or loss	1,486,517	1,794,068	21,802	-	651,655	609,965	510,646	-
Financial assets mandatory at fair value through profit or loss	18,353	18,353	-	-	-	-	-	18,353
Financial assets measured at fair value through other comprehensive income	37,887,887	41,408,353	2,362,580	3,707,481	14,879,443	15,599,235	4,814,066	45,548
Financial assets measured at amortized cost	13,433,902	16,110,298	661,036	56,762	2,320,710	9,162,179	3,909,611	-
Financial derivatives, out of which:								
- receivable	2,717	1,542,229	1,542,229	-	-	-	-	-
- payable	-	1,539,512	1,539,512	-	-	-	-	-
Other financial assets	42,064	42,064	42,064	-	-	-	-	-
Total financial assets	106,215,310	124,742,445	22,620,387	5,675,177	26,959,879	41,300,028	26,552,081	1,634,893
Liabilities								
Deposits from banks	2,409,401	2,410,030	2,353,491	35,598	20,941	-	-	-
Deposits from customers	92,317,231	93,623,103	16,319,930	12,464,388	45,455,634	499,576	470,408	18,413,167
Subordinated liabilities	1,434,652	2,260,816	69,304	-	197,697	593,815	1,400,000	-
Borrowings from other banks and other financial institutions	43,213	43,219	34,728	3,732	4,682	77	-	-
Debt securities issued	3,056,604	6,113,208	89,787	-	-	6,023,421	-	-
Financial derivatives, out of which:								
- receivable	3,183	1,256,356	864,763	184,276	207,317	-	-	-
- payable	-	1,259,539	865,513	186,468	207,558	-	-	-
Lease liabilities	120,564	130,893	3,242	6,329	27,609	63,555	30,158	-
Other financial liabilities	339,961	339,961	339,961	-	-	-	-	-
Total financial liabilities	99,724,809	104,924,413	19,211,193	12,512,239	45,706,804	7,180,444	1,900,566	18,413,167
Net liquidity gap	6,490,501	19,818,032	3,409,194	(6,837,062)	(18,746,925)	34,119,584	24,651,515	(16,778,274)

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Bank

	Carrying amount	Gross Amount Inflow/ outflow	< 1 month	1 - 3 months	3 months – 1 year	1 year- 5 years	> 5 years	No fixed maturity
31 December 2025								
Assets								
Cash and balances with central bank	12,945,989	12,945,989	12,945,989	-	-	-	-	-
Loans and advances to banks and public institutions	7,066,722	7,067,361	4,081,315	1,018,299	405,158	-	-	1,562,589
Loans and advances to customers	33,326,365	45,348,410	2,497,475	889,948	8,706,177	15,928,649	17,317,758	8,403
Financial assets held for trading and measured at fair value through profit or loss	1,486,517	1,794,068	21,802	-	651,655	609,965	510,646	-
Financial assets mandatory at fair value through profit or loss	18,353	18,353	-	-	-	-	-	18,353
Financial assets measured at fair value through other comprehensive income	37,887,887	41,408,353	2,362,580	3,707,481	14,879,443	15,599,235	4,814,066	45,548
Financial assets held at historical cost	5,000	5,000	-	-	-	-	-	5,000
Financial assets measured at amortized cost	13,361,041	16,037,437	652,998	5,251	2,307,398	9,162,179	3,909,611	-
Financial derivatives, out of which:								
- receivable	2,717	1,542,229	1,542,229	-	-	-	-	-
- payable	-	1,539,512	1,539,512	-	-	-	-	-
Other financial assets	42,401	42,401	42,401	-	-	-	-	-
Total financial assets	106,142,992	124,670,089	22,607,277	5,620,979	26,949,831	41,300,456	26,552,081	1,639,893
Liabilities								
Deposits from banks	2,409,401	2,410,030	2,353,491	35,598	20,941	-	-	-
Deposits from customers	92,318,926	93,624,798	16,320,164	12,465,042	45,456,441	499,576	470,408	18,413,167
Subordinated liabilities	1,434,652	2,260,816	69,304	-	197,697	593,815	1,400,000	-
Borrowings from other banks and other financial institutions	43,213	43,219	34,728	3,732	4,682	77	-	-
Debt securities issued	3,056,604	6,113,208	89,787	-	-	6,023,421	-	-
Financial derivatives, out of which:								
- receivable	3,183	1,256,356	864,763	184,276	207,317	-	-	-
- payable	-	1,259,539	865,513	186,468	207,558	-	-	-
Lease liabilities	120,564	130,893	3,242	6,329	27,609	63,555	30,158	-
Other financial liabilities	308,989	308,989	308,989	-	-	-	-	-
Total financial liabilities	99,695,532	104,895,136	19,180,455	12,512,893	45,707,611	7,180,444	1,900,566	18,413,167
Net liquidity gap	6,447,460	19,774,953	3,426,822	(6,891,914)	(18,757,780)	34,119,584	24,651,515	(16,773,274)

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Lending commitments are not presented based on their contractual maturity as they can be used at any time.

The Bank's management believes that, although a substantial part of the deposits have a maturity of less than three months, the diversification of these deposits in number and types of deposits, as well as the Bank's previous experience, indicate that these deposits provide a stable long-term funding source.

To manage liquidity risk, the Bank holds liquid assets comprising cash and cash equivalents and financial assets for which there is an active and liquid market. These assets can be sold at short notice to meet liquidity requirements.

The implementation of the policy and the achievement of the liquidity risk objectives are achieved, mainly and without limitation, through the monitoring and permanent follow-up of the risk limits of key indicators (liquidity and funding indicators) and level II indicators – Early Warning Indicators – EWI.

The observance in the liquidity risk profile is managed through the assessment of key risk indicators based on the risk appetite that the Bank assumes, in order to continue the activity on prudential and sound principles, respectively: LCR – Liquidity Coverage Ratio (on all reporting currencies); NSFR – Net Stable Funding Ratio (RON equivalent); the quick liquidity indicator (RON equivalent); Asset encumbrance to total assets indicator (RON equivalent), total Liabilities/Total equity indicator (Ron equivalent) and the % of the unencumbered securities portfolio in total unadjusted balance sheet liabilities (Ron equivalent).

Through the risk management policy and the Bank's risk profile, to carry out a prudential activity characterized by the permanent monitoring and control of the level of risk limitations for the key indicators for liquidity risk in relation to risk appetite, the Bank aims to be placed in a moderate liquidity risk profile as the maximum level allowed.

The level of risk limits accepted by the Bank for the key indicators, as well as the intervals taken into account when evaluating the values recorded by them, were established taking into account the Bank's policy regarding liquidity risk management, assessed as a significant risk, correlated with the limits regulated by the NBR/EBA, with the historical evolution of the values of these indicators, the size and structure of the assets and liabilities taken into account when determining them, the results obtained following the various forecasts made, budget provisions and so on.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The main level II indicators (EWI- Early Warning Indicators), quantified/assessed/monitored/analyzed, considering the Bank's strategy and based on the size of the Bank's assets and liabilities, their structure and maturities, are presented as follows:

- Liquid assets - by monitoring liquid assets, classified into the following categories: most liquid assets, less liquid assets and the least liquid assets, depending on their relative level of liquidity, respectively their gradual ability to generate liquidity
- Total Government Securities divided by total Balance Sheet Assets ratio - for the purpose of monitoring the portfolio of government securities held by the Bank, significant component of the high-quality liquid assets (HQLA);
- Indicators: loans granted to non-banking customers/ deposits from non-banking customers; sight liquid assets/sight total deposits; the rate of monthly decrease of the sources from non-banking customers, loans with day past due of more than 31 days (including)/total balance sheet assets; the goal of their monitorization is to identify the emergency cases of the increase in vulnerability in terms of the liquidity position or of the financing requirement
- Forecasts of hypothetical evolution of the LCR ratio - the dynamic LCR on different time horizons in order to prevent crisis or unexpected cases;
- The weight of unpledged government securities in the total Government Securities portfolio, in order to monitor the evolution of government securities portfolio structure;
- Internal liquidity buffer/counterbalancing capacity and its share within total liabilities;
- The coverage by liquid assets and other interbank assets/placements of the financing received from the first 5 counterparties/groups of connected clients, in order to proper management of the liquidity and financing risk and to monitor any concentrations of resources;
- Warning indicators outlined in the Principles of Sound Liquidity and Risk Management and Supervision issued by the Basel Committee:
 - Downgrade in the Bank's rating: an indicator of a bank's financial stability and reputation;
 - Increase in outflows related to retail deposits;
 - Decreasing or cancellation by banking counterparties of the risk exposure limits to the Bank.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below provides a reconciliation of financial assets and financial liabilities in the statement of financial position by category of financial instruments:

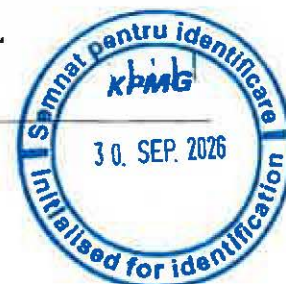
30 June 2026	Note	Group	Mandatorily at FVTPL	FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	At amortized cost	At historical cost	Total carrying amount
Cash and balance at central banks			-	-	-	-	10,087,520	-	10,087,520
Derivatives financial assets			-	361	-	-	-	-	361
Loans and advances to banks and public institutions			-	-	-	-	5,475,627	-	5,475,627
Loans and advances to customers:	10		-	-	-	-	33,855,327	-	33,855,327
- at amortized cost			-	-	-	-	33,855,327	-	33,855,327
Debt instruments:			19,018	1,342,308	43,144,595	-	13,022,868	-	57,528,789
- measured at fair value through profit or loss			-	1,342,308	-	-	-	-	1,342,308
- mandatorily at fair value through profit or loss			19,018	-	-	-	-	-	19,018
- at fair value through other comprehensive income	11		-	-	43,144,595	-	-	-	43,144,595
- at amortized cost			-	-	-	-	13,036,587	-	13,036,587
Equity instruments	12		-	-	-	46,779	-	-	46,779
Other financial assets			-	-	-	-	56,711	-	56,711
Total financial assets			19,018	1,342,669	43,144,595	46,779	62,498,053	=	107,051,114
Derivatives financial liabilities			-	2,742	-	-	-	-	2,742
Deposits from banks	13		-	-	-	-	2,488,956	-	2,488,956
Deposits from customers	14		-	-	-	-	92,448,444	-	92,448,444
Borrowings from banks and other financial institutions	15		-	-	-	-	39,188	-	39,188
Debt securities issued	16		-	-	-	-	3,134,533	-	3,134,533
Subordinated liabilities	17		-	-	-	-	1,432,042	-	1,432,042
Lease liabilities			-	-	-	-	110,371	-	110,371
Other financial liabilities			-	-	-	-	466,159	-	466,159
Total financial liabilities			-	2,742	-	-	100,119,693	-	100,122,435

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30 June 2026	Note	Mandatori ly at FVTPL	Bank		FVOCI – equity instrument s	At amortized cost	At histo rical cost	Total carrying amount
			FVTPL	FVOCI – debt instruments				
Cash and cash equivalents at central banks		-	-	-	-	10,087,516	-	10,087,516
Derivatives financial assets		-	361	-	-	-	-	361
Loans and advances to banks		-	-	-	-	5,423,472	-	5,423,472
Loans and advances to customers:	10	-	-	-	-	33,855,327	-	33,855,327
- at amortized cost		-	-	-	-	33,855,327	-	33,855,327
Debt instruments:		19,018	1,342,308	43,144,595	-	13,022,868	-	57,528,789
- measured at fair value through profit or loss		-	1,342,308	-	-	-	-	1,342,308
- mandatorily at fair value through profit or loss		19,018	-	-	-	-	-	19,018
- at fair value through other comprehensive income	11	-	-	43,144,595	-	-	-	43,144,595
- at amortized cost	12	-	-	-	-	13,022,868	-	13,022,868
Financial assets at historical cost		-	-	-	-	-	5,000	5,000
Equity instruments		-	-	-	46,779	-	-	46,779
Other financial assets		-	-	-	-	57,280	-	57,280
Total financial assets		19,018	1,342,669	43,144,595	46,779	62,446,463	5,000	107,004,524
Derivatives financial liabilities		-	2,742	-	-	-	-	2,742
Deposits from banks	13	-	-	-	-	2,488,956	-	2,488,956
Deposits from customers	14	-	-	-	-	92,461,105	-	92,461,105
Borrowings from banks and other financial institutions	15	-	-	-	-	39,188	-	39,188
Debt securities issued	16	-	-	-	-	3,134,533	-	3,134,533
Subordinated liabilities	17	-	-	-	-	1,432,042	-	1,432,042
Lease liabilities		-	-	-	-	110,371	-	110,371
Other financial liabilities		-	-	-	-	430,254	-	430,254
Total financial liabilities		-	2,742	-	-	100,096,449	-	100,099,191

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

		Group						
31 December 2025		Mandatorily at FVTPL		FVOCI – debt instru- ments	FVOCI – equity instru- ments	At amortized cost	At histo- ric al cost	Total carrying amount
	Note		FVTPL					
Cash and balance at central banks		-	-	-	-	12,946,000	-	12,946,000
Derivatives financial assets		-	2,717	-	-	-	-	2,717
Loans and advances to banks and public institutions		-	-	-	-	7,071,505	-	7,071,505
Loans and advances to customers:	10	-	-	-	-	33,326,365	-	33,326,365
- at amortized cost		-	-	-	-	33,326,365	-	33,326,365
Debt instruments:		18,353	1,486,517	37,842,339	-	13,361,041	-	52,708,250
- measured at fair value through profit or loss		-	1,486,517	-	-	-	-	1,486,517
- mandatorily at fair value through profit or loss		18,353	-	-	-	-	-	18,353
- at fair value through other comprehensive income	11	-	-	37,842,339	-	-	-	37,842,339
- at amortized cost	12	-	-	-	-	13,433,902	-	13,433,902
Equity instruments		-	-	-	45,548	-	-	45,548
Other financial assets		-	-	-	-	42,064	-	42,064
Total financial assets		18,353	1,489,234	37,842,339	45,548	66,746,975	-	106,142,449
Derivatives financial liabilities		-	1,922	-	-	-	-	1,922
Deposits from banks	13	-	-	-	-	2,409,401	-	2,409,401
Deposits from customers	14	-	-	-	-	92,317,231	-	92,317,231
Borrowings from banks and other financial institutions	15	-	-	-	-	43,213	-	43,213
Debt securities issued	16	-	-	-	-	3,056,604	-	3,056,604
Subordinated liabilities	17	-	-	-	-	1,434,652	-	1,434,652
Lease liabilities		-	-	-	-	120,564	-	120,564
Other financial liabilities		-	-	-	-	339,961	-	339,961
Total financial liabilities		-	1,922	-	-	99,721,626	-	99,723,548

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2025	Note	Manda torily at FVTPL	FVTPL	Bank FVOCI – debt instrum ents	FVOCI – equity instrum ents	At amortized cost	At historical cost	Total carrying amount
Cash and balance at central banks		-	-	-	-	12,945,989	-	12,945,989
Derivatives financial assets		-	2,717	-	-	-	-	2,717
Loans and advances to banks and public institutions		-	-	-	-	7,066,722	-	7,066,722
Loans and advances to customers:	10	-	-	-	-	33,326,365	-	33,326,365
- at amortized cost		-	-	-	-	33,326,365	-	33,326,365
Debt instruments:		18,353	1,486,517	37,842,339	-	13,361,041	-	52,708,250
- measured at fair value through profit or loss		-	1,486,517	-	-	-	-	1,486,517
- mandatorily at fair value through profit or loss		18,353	-	-	-	-	-	18,353
- at fair value through other comprehensive income	11	-	-	37,842,339	-	-	-	37,842,339
- at amortized cost	12	-	-	-	-	13,361,041	-	13,361,041
Financial assets at historical cost		-	-	-	-	-	5,000	5,000
Equity instruments		-	-	-	45,548	-	-	45,548
Other financial assets		-	-	-	-	42,401	-	42,401
Total financial assets		18,353	1,489,234	37,842,339	45,548	66,742,518	5,000	106,142,992
Derivatives financial liabilities		-	3,183	-	-	-	-	3,183
Deposits from banks	13	-	-	-	-	2,409,401	-	2,409,401
Deposits from customers	14	-	-	-	-	92,318,926	-	92,318,926
Borrowings from banks and other financial institutions	15	-	-	-	-	43,213	-	43,213
Debt securities issued	16	-	-	-	-	3,056,604	-	3,056,604
Subordinated liabilities	17	-	-	-	-	1,434,652	-	1,434,652
Lease liabilities		-	-	-	-	120,564	-	120,564
Other financial liabilities		-	-	-	-	308,989	-	308,989
Total financial liabilities		=	3,183	=	=	99,692,349	=	99,695,532

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Capital management

The Bank's capital management objectives are a "broader" concept than the term "capital" found in the balance sheet and are represented by:

- the Bank's capital must comply with the requirements provided by national rules and those imposed by the EBA (European Banking Authority);
- the Bank's capital must ensure the Bank's activity in the following period as well, in order to ensure income for the shareholder and benefits for other affiliated parties of the Bank;
- the Bank's capital must ensure a strong base to enable the Bank's development.

As part of the internal risk capital adequacy process, for 30 June 2026, the Bank considered maintaining a ratio of total equity that cumulatively meets the following:

a) maintaining the global capital requirement (OCR) of 19.52%, consisting of:

- the target rates of equity due to the adjustments provided for by pillar II (Basel III), representing the SREP (TSCR) capital requirements that must be met at all times:
 - core Tier 1 equity ratio: 7.89%;
 - Tier 1 equity ratio: 10.52%;
 - total equity ratio: 14.02%.
- the combined capital buffer requirement equal to 5.5% of the total risk exposure amount, as a result of the cumulation of the capital conservation buffer requirement (2.5%), the O-SII buffer requirement (1%), the requirement regarding the systemic risk buffer of (1%) and the requirement regarding the Countercyclical capital buffer (1%).

b) maintaining an additional capital reserve of 0.5% from the total value of the risk exposure to support possible future adjustments of the capital requirements.

With regard to capital management, the Bank evaluates the adequacy of capital to risks in accordance with the "Policy regarding the internal process of assessing the adequacy of capital to risks", the NBR regulations, the package of CRD V regulations respectively.

Thus, the Bank aims for the level of internal capital to cover both the risks for which capital requirements are regulated (credit risk, operational risk, currency risk, settlement risk, credit assessment adjustment risk and position risk related to debt instruments in the trading portfolio) as well as for the significant risks identified by the Bank for which the regulated capital requirements are not fully covering.

From a strategic point of view, exposures are undertaken with third parties with a good financial performance rating and subject to consistent collateral coverage so that the capital required for such exposures is as low as possible.

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

The degree of capital adequacy is monitored monthly, any substantial deterioration generating the need to review the portfolio of exposures and, if necessary, increase the related capital.

The Bank's equity and the Bank's equity ratio are calculated in accordance with the regulations in force of the National Bank of Romania, respectively in accordance with the provisions of Regulation (EU) 575/2013.

For the entire first half of 2026, the Bank complied with the regulatory capital requirements indicators.

The total equity ratio was above the total capital requirements of the National Bank of Romania within the SREP (Supervisory, Review and Evaluation Process) and above the global capital requirement-OCR, which also includes capital buffers. An adequate level of capital and general financial indicators was maintained, in accordance with the principles of banking prudence.

Capital management considers the evolution of capital in the medium and long term and is the basis for the foundation of the Bank's general business strategy and policy.

The Bank's targets regarding the level of equity are established in the context of certain internal factors (for example: risk and expected profit) and external factors (for example: expectations regarding the market and the macroeconomic climate, the crisis caused by the Russian-Ukrainian war and the change in the macroeconomic context) and have in mind the annual achievement of a positive financial result and its capitalization.

The internal capital requirement represents the internal capital needed to cover banking risks in order to ensure the Bank's sustainability.

As at 30 June 2026, the Bank has recorded a level of the total own funds ratio of 28.90%.

At the same time, the Bank fulfilled the MREL transitional requirement on 30.06.2026, the MREL rate level (including the applicable combined buffer amount) recorded by the Bank on 30.06.2026 being 39.06%, standing 11.19 percentage points above the MREL requirement of 27.87%.

In order to comply with the MREL requirement, minimum requirement for own funds and eligible liabilities established by the resolution authority, in accordance with the provisions of Law no. 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as for the modification and completion of some normative acts in the financial field, as subsequently amended and supplemented, Transposing the provisions of Directive 2019/879 of the European Parliament and of the council – BRRD2, starting with December 2022, several MREL bonds have been issued totalling 3,051.37 million.

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11 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) Financial assets measured at fair value through other comprehensive income

	<u>Group</u>		<u>Bank</u>	
	<u>30 June 2026</u>	<u>31 December 2025</u>	<u>30 June 2026</u>	<u>31 December 2025</u>
Government bonds	42,909,591	37,613,323	42,909,591	37,613,323
- of which issued by foreign governments	13,964,820	10,887,191	13,964,820	10,887,191
Bonds issued by local public administrations	81,467	81,389	81,467	81,389
Bonds issued by credit institutions	153,537	147,627	153,537	147,627
Equity instruments (Note 11 b)	<u>46,779</u>	<u>45,548</u>	<u>46,779</u>	<u>45,548</u>
Total	<u>43,191,374</u>	<u>37,887,887</u>	<u>43,191,374</u>	<u>37,887,887</u>

As at June 30, 2026, the Bank entered into repo transactions with other banks, supported by financial assets measured at fair value through other elements of the comprehensive income, in the amount of RON 324,136 thousand (31.12.2025: RON 219,513 thousand). Securities pledged under repo contracts can be sold or repurchased by the counterparty.

The ratings for the debt securities included in the portfolio of financial assets measured at fair value through other comprehensive income are detailed in Note 10.

The evolution of the securities included in the category "Financial assets measured at fair value through other comprehensive income" is presented in the following table:

	<u>Group</u>		<u>Bank</u>	
	<u>30 June 2026</u>	<u>31 December 2025</u>	<u>30 June 2026</u>	<u>31 December 2025</u>
Opening balance at 1 January	37,842,339	32,414,060	37,842,339	32,414,060
Acquisitions	34,131,102	53,598,888	34,131,102	53,598,888
Sales and Redemptions	(29,652,698)	(49,536,449)	(29,652,698)	(49,536,449)
Accrued interest income	922,980	1,664,884	922,980	1,664,884
Interest income receivable	(686,867)	(1,130,098)	(686,867)	(1,130,098)
Foreign exchange differences	643,200	334,533	643,200	334,533
Gain/(loss) from changes in fair value, out of which:	(55,461)	496,521	(55,461)	496,521
Loss from changes in fair value from sales	(73,596)	(58,154)	(73,596)	(58,154)
Gain from changes in fair value from mark-to-market	18,135	554,675	18,135	554,675
Balance at the end of the period	43,144,595	37,842,339	43,144,595	37,842,339

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11 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

b) The Group and the Bank held the following financial assets measured (equity investments) at fair value through other comprehensive income at 30 June 2026:

<u>Name</u>	<u>Nature of business</u>	<u>Country</u>	<u>Percentage held</u>	<u>Carrying amount</u>
Biroul de credit SA	Credit risk monitoring	Romania	4.74	2,743
TransFonD SA	Interbank transfers	Romania	2.69	9,038
SWIFT	Transfer of funds	Belgium	0.023	1,059
VISA Inc.	Processing card transactions	United States of America	<0.01	33,939
Total				<u>46,779</u>

The Group and the Bank had the following holdings available for sale as at 31 December 2025:

<u>Name</u>	<u>Nature of business</u>	<u>Country</u>	<u>Percentage held</u>	<u>Carrying Amount</u>
Biroul de credit SA	Credit risk monitoring	Romania	4.74	2,743
TransFonD SA	Interbank transfers	Romania	2.69	9,038
SWIFT	Transfer of funds	Belgium	<0.023	1,030
VISA Inc.	Processing card transactions	United States of America	<0.01	32,737
Total				<u>45,548</u>

As at 30 June 2026 and 31 December 2025, the equity investments held by the Group and the Bank were not pledged.



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12 FINANCIAL ASSETS AT AMORTIZED COST - DEBT INSTRUMENTS

	<u>Group</u>		<u>Bank</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Government bonds	11,876,437	12,047,261	11,862,641	11,974,323
- of which issued by foreign governments	1,110,205	1,076,561	1,110,205	1,076,561
Bonds issued by credit institutions	735,210	967,600	735,210	967,600
Bonds issued by non-financial corporations	123,930	118,276	123,930	118,276
Bonds issued by local public administration	307,186	307,113	307,186	307,113
Expected credit losses	(6,176)	(6,348)	(6,099)	(6,348)
Total	13,036,587	13,433,902	13,022,868	13,361,041

Investments' classification as debt instruments at amortized cost depends on the conditions and characteristics of the financial assets and the Bank's ability and intention to hold these instruments to maturity.

As at 30 June 2026, investments in debt instruments at amortized cost include pledged securities in the amount of RON 97,500 thousand (31 December 2025: RON 97,500 thousand) for operations with Visa, Mastercard and Sent (electronic settlement system for small values in local currency). The counterparty cannot resell or pledge these investments.

As at 30 June 2026, investments in debt instruments at amortized cost include also pledged securities to secure the EIB loan whose fair value is RON 7,341 thousand (31 December 2025: RON 18,864 thousand). The counterparty cannot resell or pledge these investments.

In addition, as at 30 June 2026, the Bank entered into repo transactions with other banks, based on as at 30 June 2026, investments in debt instruments at amortized cost with a carrying amounts to RON 1,080,079 thousand (31 December 2025: RON 1,513,500 thousand). The securities pledged under repo agreements may be sold or repledged by the counterparty.

During the first half of the financial year 2026, the Bank did not sell government bonds classified as debt instruments at amortized cost.

The ratings for the debt securities included in the portfolio of financial assets at amortized cost are detailed in Note 10.

The movement of securities in the category financial assets measured at amortized cost – debt instruments is reflected in the table below:

	<u>Group</u>		<u>Bank</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Opening balance at 1 January	13,433,902	11,758,962	13,361,041	11,724,392
Acquisitions	1,145,076	3,163,794	1,143,862	3,037,124
Maturities	(1,677,129)	(1,637,975)	(1,616,129)	(1,549,606)
Accrued interest income	400,799	759,014	400,773	754,653
Interest income receivable	(349,610)	(668,477)	(399,605)	(664,116)
Foreign exchange differences	83,379	59,643	83,378	59,643
Expected credit losses	(171)	(1,059)	(171)	(1,049)
Balance at the end of the period	13,036,587	13,433,902	13,022,868	13,361,041

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13	DEPOSITS FROM BANKS	Group		Bank	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
	Sight deposits	152,085	94,422	152,085	94,422
	Out of which,				
	current accounts to				
	other banks	6	13	6	13
	(LORO)				
	Term deposits	994,920	593,925	994,920	593,925
	Repo transactions	<u>1,341,951</u>	<u>1,721,054</u>	<u>1,341,951</u>	<u>1,721,054</u>
	Total	<u>2,488,956</u>	<u>2,409,401</u>	<u>2,488,956</u>	<u>2,409,401</u>
14	DEPOSITS FROM CUSTOMERS	Group		Bank	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
	Current accounts and sight deposits				
	Savings passbooks – sight	547	547	547	547
	Current accounts - individuals	4,380,836	4,299,909	4,380,836	4,299,909
	Current accounts - legal entities and other clients	4,236,283	4,817,231	4,236,580	4,817,231
	Cards – individuals, legal entities and other clients	5,525,461	5,518,414	5,525,461	5,518,414
	Sight deposits – legal entities	<u>3,477,898</u>	<u>5,602,220</u>	<u>3,477,898</u>	<u>5,602,220</u>
	Total current accounts and sight deposits	<u>17,621,025</u>	<u>20,238,321</u>	<u>17,621,322</u>	<u>20,238,321</u>
	Term deposits and savings				
	Term saving passbooks (i)	16,900	14,259	16,900	14,259
	Term deposits - individuals	32,769,152	32,733,348	32,769,152	32,733,348
	Term deposits - legal entities and other clients	37,280,766	34,940,262	37,293,130	34,940,262
	Collateral deposits (ii)	4,760,560	4,392,695	4,760,560	4,392,695
	Other term deposits	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>
	Total term deposits and savings	<u>74,827,419</u>	<u>72,080,605</u>	<u>74,839,783</u>	<u>72,080,605</u>
	Total	<u>92,448,444</u>	<u>92,318,926</u>	<u>92,461,105</u>	<u>92,318,926</u>

(i) Saving passbooks are savings products in materialized form, whereby the Bank certifies the receipt from the customer of amounts of money for a fixed/indefinite period of time, with a certain interest, in which customer cash availability, the operations ordered by them, separately, in a chronological and systematic manner are recorded.



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(ii) Collateral deposits are provided for:

	Group / Bank	
	<u>30 June 2026</u>	<u>31 December 2025</u>
Administration guarantees	158,065	159,759
Consignment	3,811,165	3,358,496
Guarantee loans	692,689	816,097
Good performance guarantees for commercial contracts	46,142	39,740
Other collateral deposits	<u>52,499</u>	<u>18,603</u>
Total	<u>4,760,560</u>	<u>4,392,695</u>

15 BORROWINGS FROM BANKS AND OTHER FINANCIAL INSTITUTION

	Group / Bank	
	<u>30 June 2026</u>	<u>31 December 2025</u>
European Bank for Investments (EIB)	-	4,025
Romanian-Swiss program	<u>39,188</u>	<u>39,188</u>
Total	<u>39,188</u>	<u>43,213</u>

Details of the contracts are presented in the financial statements as at 31 December 2025.



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DEBT SECURITIES ISSUED

	Group / Bank	
	<u>30 June 2026</u>	<u>31 December 2025</u>
Debt securities issued	<u>3,134,533</u>	<u>3,056,604</u>
Total	<u>3,134,533</u>	<u>3,056,604</u>



The balance of debt securities issued as at June 30th, 2026, including accrued interest, is in amount of RON 3,134,533 thousand (as at December 31st, 2025: RON 3,029,876 thousand).

During 2023 – 2024 the Bank has accomplished three drawdowns of MREL eligible Senior Non-Preferred bonds (SNPs), subscribed by professional investors through international placements: two fungible tranches in 2023 with maturity February 07th, 2028, denominated in EUR and one tranche in 2024, with maturity November 28th, 2029, denominated in EUR.

Bonds maturing on February 07th, 2028 are denominated in EUR and were first issued on February 07th, 2023 (EUR 119,300 thousand) and supplemented on November 16th, 2023 (EUR 162,600 thousand), under the ISIN XS2574275280 and BSE trading symbol CECRO28E. According to the terms and conditions of the notes, the first tranche was listed on the regulated markets of Luxembourg Stock Exchange (LuxSE) on February 07th, 2023 and of Bucharest Stock Exchange (BSE) on February 24th, 2023; the total amount of EUR 281,900 thousand was listed after the two fungible tranches were cumulated.

The instruments have an early redemption clause for tax reasons, regulatory reasons or at the option of the issuer (as of February 07th, 2027) and are bearing fixed coupon rate until the February 07th, 2027, that becomes a variable coupon rate payable quarterly during their last year.

Bonds maturing on November 28th, 2029, are denominated in EUR and have a total nominal value of EUR 300,000 thousand EUR; their ISIN is XS2948748012 and the BSE trading symbol is CECRO29E. According to the terms and conditions of the notes, they were listed on the regulated markets of Luxembourg Stock Exchange (LuxSE) on November 28th, 2024 and of Bucharest Stock Exchange (BSE) on December 20th, 2024.

The instruments have an early redemption clause for tax reasons, regulatory reasons or at the option of the issuer (as of November 28th, 2028) and are bearing fixed coupon until November 28th, 2028, that becomes a variable coupon payable quarterly during their last year.

The CEC Bank issued bonds are eligible for MREL purposes (Minimum Requirement for Own Funds and Eligible Liabilities - MREL).

The notes are issued under the base prospectus of the Bank's EMTN (Medium term Notes) Program approved on November 7th, 2025 by CSSF Luxembourg (Commission de Surveillance du Secteur Financier Luxembourg) for a total ceiling of EUR 2,000 million (or equivalent in other currencies).

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17 SUBORDINATED LIABILITIES

As at 30 June 2026 and 31 December 2025:

	Group / Bank	
	30 June 2026	31 December 2025
Shareholder loan	1,432,042	1,434,652
Total	<u>1,432,042</u>	<u>1,434,652</u>

18 SHARE CAPITAL

As at 30 June 2026, the share capital of CEC Bank SA is RON 3,499,746 thousand. The Bank is 100% owned by the Romanian State through the Ministry of Public Finance. The issued share capital is comprised of RON 2,290,661 thousand consisting of 22,906,616 registered shares with a value of RON 100/share.

	Group / Bank	
	30 June 2026	31 December 2025
Share capital as per		
Trade Registry	<u>3,290,661</u>	<u>3,290,661</u>
IAS 29 inflation		
adjustment	<u>209,085</u>	<u>209,085</u>
Total share capital	<u>3,499,746</u>	<u>3,499,746</u>



19 INCOME TAX EXPENSE

Income tax of the interim reporting period comprises current and deferred tax.

	Group		Bank	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Current tax expense	138,382	71,989	136,716	69,091
Deferred				
expense/income tax	<u>(1,814)</u>	<u>2,459</u>	<u>(2,140)</u>	<u>2,543</u>
Income tax expense for				
the period (*)	<u>136,568</u>	<u>74,448</u>	<u>134,576</u>	<u>71,634</u>

(*) The increase in corporate income tax as of June 30, 2026, was driven by income-like items arising from the tax provision of Art. 25 para. 10 and the doubling of the turnover-based tax rate.

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19 INCOME TAX EXPENSE (CONTINUED)

Movements in deferred tax assets are as follows:

	Group			
	1 January	Recognized in	Recognized	
	2026	profit or	in other	30 June 2026
		loss	comprehensive	
		account	income	
Financial assets measured at fair value through other comprehensive income - debt instruments	(1,593)	-	8,680	7,087
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(3,844)	-	(93)	(3,937)
Revaluation reserve for land and buildings	(69,833)	1,504	-	(68,329)
Tangible and intangible assets - changes in accounting useful life	(7,899)	(3,245)	-	(11,144)
Right-of-use assets	814	166	-	980
Provisions and other liabilities	17,925	3,407	-	21,123
PPA's adjustments	(443)	277	-	(329)
Total	(64,873)	2,109	8,587	(54,340)
	1 January	Recognized in	Recognized	
	2025	profit or	in other	30 June 2025
		loss	comprehensive	
		account	income	
Financial assets measured at fair value through other comprehensive income - debt instruments	77,646	-	(15,494)	62,152
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(3,631)	-	(228)	(3,859)
Revaluation reserve for land and buildings	(72,820)	1,505	-	(71,315)
Tangible and intangible assets - changes in accounting useful life	(2,723)	(1,891)	-	(4,614)
Right-of-use assets	690	141	-	831
Provisions and other liabilities	19,787	(2,026)	-	17,761
PPA's adjustments	214	(428)	-	(214)
Total	19,163	2,699	(15,722)	742

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	Bank	Recognized in	Recognized	
	1 January	profit or	in other	
	<u>2026</u>	loss	comprehensive	<u>30 June 2026</u>
		<u>account</u>	<u>income</u>	
Financial assets measured at fair value through other comprehensive income - debt instruments	(1,593)	-	8,680	7,087
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(3,844)	-	(93)	(3,937)
Revaluation reserve for land and buildings	(69,833)	1,504	-	(68,329)
Tangible and intangible assets - changes in accounting useful life	(7,899)	(3,245)	-	(11,144)
Right-of-use assets	814	166	-	980
Provisions and other liabilities	<u>16,971</u>	<u>3,715</u>	-	<u>20,686</u>
Total	<u>(65,384)</u>	<u>2,140</u>	<u>8,587</u>	<u>(54,657)</u>

	Recognized in	Recognized	
	1 January	profit or	in other
	<u>2025</u>	loss	comprehensive
		<u>account</u>	<u>income</u>
Financial assets measured at fair value through other comprehensive income - debt instruments	77,646	-	(15,494)
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(3,631)	-	(228)
Revaluation reserve for land and buildings	(72,820)	1,505	-
Tangible and intangible assets - changes in accounting useful life	(2,723)	(1,891)	-
Right-of-use assets	690	141	-
Provisions and other liabilities	<u>19,787</u>	<u>(2,298)</u>	-
Total	<u>18,949</u>	<u>(2,543)</u>	<u>(15,722)</u>

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SEGMENT REPORTING

The reporting segments are presented in a manner which is consistent with the internal reporting documentation submitted to the Executive Committee.

The reporting format is based on the internal management reporting format. The items of assets and liabilities, incomes and expenses are allocated to the reporting segments either directly or based on reasonable criteria established by the management.

The reporting segment of the Bank as described below:

Corporate – are legal entities which are not SMEs according to Commission Recommendation 2003/361/EC, respectively Law nr. 346/2004.

The companies in this category usually have specific and sophisticated needs. Through its centralized and customized approach, the Bank seeks to ensure high operational efficiency, a prompt assessment of the specific needs of this type of clients in order to offer the appropriate customized solutions, but also an in-depth perspective of the risk profile in order to maintain a high quality loan portfolio.

The Corporate clients have access to an all-inclusive package of banking products and services. The incomes generated by this segment resulting from lending operations, current business operations (transaction banking, treasury, trade finance and retail products).

SME'S – the segment is represented by the economic entities defined by the Commission Recommendation 2003/361/EC, as well as Law nr. 346/2004 regarding the stimulation of SME's set up and development, with further modification and amendments. SME are defined as those enterprises which cumulatively meet the following conditions:

a) the annual average of employees is below 250;

b) an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million, according to the latest approved financial statements.

The SME segment comprises the largest set of companies having the most diverse types of entities, such as limited liability companies, freelancers, sole proprietorships and others.

Lending products accessed by the SME are: loans for working capital or investments, letters of guarantee, EU project co-financing, credit cards, invoice discounting or factoring.

Another important category of products refers to general operations, incoming and outgoing payments, cheques, promissory notes, FX operations, salary payment agreements or bancassurance services. Increased attention is given to the digitalization of our products and services, our clients showing more and more interest in internet & mobile banking, e-commerce, last generation POSs.



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20 SEGMENT REPORTING (CONTINUED)

Authorities of Public Administration - the authorities through which central and local autonomy is carried out in communes, cities and municipalities are: local, communal city and municipal councils, as deliberative authorities, and mayors as executive authorities. Local councils and mayors are elected under the conditions provided by the law for the election of local public administration authorities. Local councils and mayors function as authorities of the local public administration and solve public affairs in communes, cities and municipalities, under the conditions of the law. The classification is based on the NACE code of the main activity.

Lending products accessed by Public Administration clients are investment loans, for financing the objectives of local and central interest.

Private Individuals

The Bank provide individuals with a wide range of banking products and services, including loans (consumer loans, car purchase loans, personal need loans and mortgage loans), savings and deposit accounts, payment services and securities trading.

Treasury Division

The Bank comprise in this category the treasury services which provides income streams from treasury activities, namely trading revenues, net income from financial assets held at fair value through profit or loss, as well as from interest contribution.

"Others" segment incorporates amounts that are not tracked by management at segment level (including capital).

In terms of geographical distribution, the Bank operates entirely in the Romanian territory.

As at 30 June 2026 and 30 June 2025, the Bank did not record income exceeding 10% of total incomes in relation to a single customer.



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20 SEGMENT REPORTING (CONTINUED)

The table below presents financial information per segments regarding the statement of financial position and the operating profit as at 30 June 2026, and comparative data for 2025:

30 June 2026	Corporate Customers	SME	Bank Public administration	Private Individuals	Treasury Division	Others	Total
Gross loans and advances to customers	3,162,142	13,404,865	8,357,863	11,436,040	-	-	36,360,910
Expected credit losses	(181,140)	(1,943,578)	(13,011)	(367,854)	-	-	(2,505,583)
Loans and advances to customers net of provisions	2,981,002	11,461,287	8,344,852	11,068,186	-	-	33,855,327
Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions	-	-	-	-	57,575,929	-	57,575,929
Treasury and inter-bank operations	-	-	-	-	15,510,988	-	15,510,988
Property and equipment, investment property and Intangible assets	-	-	-	-	-	1,288,695	1,288,695
Right-of-use assets	-	-	-	-	-	103,373	103,373
Financial assets at historical cost	-	-	5,000	-	-	-	5,000
Other assets	-	-	-	-	-	104,085	104,085
Total assets	2,981,002	11,461,287	8,349,852	11,068,186	73,086,917	1,496,153	108,443,397
Deposits from customers and current accounts	7,594,256	7,772,577	36,639,665	42,943,563	-	-	94,950,061
Loans from banks and other financial institutions	-	-	39,188	-	-	-	39,188
Debt securities issued	-	-	-	-	3,134,533	-	3,134,533
Subordinated liabilities	-	-	-	-	1,432,042	-	1,432,042
Lease liabilities	-	-	-	-	-	110,371	110,371
Other liabilities	-	-	-	-	2,742	806,777	809,519
Total liabilities	7,594,256	7,772,577	36,678,853	42,943,563	4,569,317	917,148	100,475,714
Equity and related items	-	-	-	-	-	7,967,683	7,967,683
Total liabilities and equity	7,594,256	7,772,577	36,678,853	42,943,563	4,569,317	1,884,831	108,443,397



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20 SEGMENT REPORTING (CONTINUED)

31 December 2025	Corporate Customers	SME	Bank Public administrations	Private Individuals	Treasury Division	Others	Total
Gross loans and advances to customers	3,110,080	14,588,102	7,124,000	10,944,191	-	-	35,766,373
Expected credit losses	(680,244)	(1,473,652)	(15,509)	(270,603)	-	-	(2,440,008)
Loans and advances to customers net of provisions	2,429,836	13,114,450	7,108,491	10,673,588	-	-	33,326,365
Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions	-	-	-	-	52,756,515	-	52,756,515
Treasury and inter-bank operations	-	-	-	-	20,012,711	-	20,012,711
Property and equipment, investment property and Intangible assets	-	-	-	-	-	1,295,358	1,295,358
Right-of-use assets	-	-	-	-	-	116,068	116,068
Financial assets at historical cost	-	-	5,000	-	-	-	5,000
Other assets	-	-	-	-	-	82,860	82,860
Total assets	2,429,836	13,114,450	7,113,491	10,673,588	72,769,226	1,494,286	107,594,877
Deposits from customers and current accounts	8,151,355	8,805,076	34,862,684	42,909,212	-	-	94,728,327
Loans from banks and other financial institutions	-	-	39,188	-	4,025	-	43,213
Debt securities issued	-	-	-	-	3,056,604	-	3,056,604
Subordinated liabilities	-	-	-	-	1,434,652	-	1,434,652
Lease liabilities	-	-	-	-	-	120,564	120,564
Other liabilities	-	-	-	-	3,183	613,559	616,742
Total liabilities	8,151,355	8,805,076	34,901,872	42,909,212	4,498,464	734,123	100,000,102
Equity and related items	-	-	-	-	-	7,594,775	7,594,775
Total liabilities and equity	8,151,355	8,805,076	34,901,872	42,909,212	4,498,464	8,328,898	107,594,877

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20 SEGMENT REPORTING (CONTINUED)

30 June 2026	Corporate Customers	SME	Bank Public administration	Private Individuals	Treasury Division	Others	Total
Net interest income	(527,535)	599,554	54,157	(197,323)	1,299,649	-	1,228,502
Net commission income	6,818	84,543	1,060	87,045	(38,246)	-	141,220
Net gain from trading	-	-	-	-	97,528	-	97,528
Net loss from financial derivatives	-	-	-	-	(14,966)	-	(14,966)
Net gain/(loss) from financial assets mandatorily measured at fair value through profit or loss	-	-	-	-	957	-	957
Net gain from the sale of financial assets measured at fair value through other comprehensive income	-	-	-	-	73,596	-	73,596
Net gain from foreign exchange differences	-	-	-	-	(34,544)	-	(34,544)
Other operating income	-	-	-	-	-	22,639	22,639
Operating income	(520,717)	684,097	55,217	(110,278)	1,383,974	22,639	1,514,932
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	(60,033)	(41,149)	3,034	(80,362)	(937)	-	(180,447)
Net loss from impairment of debt instruments	-	-	-	-	(4,128)	-	(4,128)
Losses from changes in financial assets	-	(74)	(2,109)	(1,599)	-	-	(3,782)
Staff costs	-	-	-	-	-	(339,372)	(339,372)
Depreciation and amortisation expenses	-	-	-	-	-	(103,263)	(103,263)
Other operating expenses	-	-	-	-	-	(330,958)	(330,958)
Operating expenses	(61,033)	(41,223)	925	(81,961)	(5,065)	(773,593)	(961,950)
Profit before tax	(581,750)	642,874	56,142	(192,239)	1,378,909	(750,954)	552,982
Income tax expense	-	-	-	-	-	(134,576)	(134,576)
Net Profit for the period	(581,750)	642,874	56,142	(192,239)	1,378,909	(885,530)	418,406

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20 SEGMENT REPORTING (CONTINUED)

30 June 2025	Corporate Customers	SME	Bank Public administration	Private Individuals	Treasury Division	Others	Total
Net interest income	60,202	540,855	(237,494)	(235,712)	1,087,876	-	1,215,727
Net commission income	11,637	48,943	1,562	112,922	(25,807)	-	149,257
Net gain from trading	-	-	-	-	76,825	-	76,825
Net loss from financial derivatives	-	-	-	-	8,285	-	8,285
Net gain/(loss) from financial assets mandatorily measured at fair value through profit or loss	-	-	-	-	(101)	-	(101)
Net gain from the sale of financial assets measured at fair value through other comprehensive income	-	-	-	-	17,821	-	17,821
Net gain from foreign exchange differences	-	-	-	-	(48,462)	-	(48,462)
Other operating income	-	-	-	-	-	19,373	19,373
Operating income	71,839	589,798	(235,932)	(122,790)	1,116,437	19,373	1,438,725
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	47,582	(333,138)	3,216	(68,919)	(2,020)	-	(353,279)
Net loss from impairment of debt instruments	-	-	-	-	(4,511)	-	(4,511)
Losses from changes in financial assets	-	(3,323)	-	(5,008)	-	-	(8,331)
Staff costs	-	-	-	-	-	(312,080)	(312,080)
Depreciation and amortisation expenses	-	-	-	-	-	(88,297)	(88,297)
Other operating expenses	-	-	-	-	-	(296,507)	(296,507)
Operating expenses	47,582	(336,461)	3,216	(73,927)	(6,531)	(696,884)	(1,063,005)
Profit before tax	119,421	253,337	(232,716)	(196,717)	1,109,906	(677,511)	375,720
Income tax expense	-	-	-	-	-	(71,634)	(71,634)
Net Profit for the period	119,421	253,337	(232,716)	(196,717)	1,109,906	(749,145)	304,086

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21 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Bank entered into significant transactions or had significant balances outstanding at 30 June 2026 is presented below. Transactions were entered into with related parties during the normal course of business at market rates.

Transactions with shareholders

The sole shareholder of the Bank is the Romanian State, represented by the Ministry of Public Finance. A number of banking transactions were initiated with the state, represented by the purchase of coupon certificates denominated in the local currency, issued by the Romanian Ministry of Public Finance and other significant transactions representing deposits and loans. Transactions with the Ministry of Public Finance are presented in the relevant notes within these financial information (Notes 11, 12 and 17).

Transactions with management of the Group and the Bank

The Bank carried out a number of banking transactions with the Bank's management in the normal course of business.

The Group's key management compensation is presented below:

	Expenses	Accrued	Expenses	Accrued
	30 June 2026	liability at	30 June 2025	liability at
		30 June 2026		30 June 2025
<i>Short-term benefits:</i>				
- Salaries	<u>37,317</u>	916	<u>30,958</u>	1,288
- Short-term bonuses	3,156	-	3,825	-
<i>Bonuses upon the termination of the employment contract</i>	<u>518</u>	=	<u>116</u>	=
Total	<u>40,991</u>	<u>916</u>	<u>34,898</u>	<u>1,288</u>

The Bank's key management compensation is presented below:

	Expenses	Accrued	Expenses	Accrued
	30 June	liability at	30 June 2025	liability at
	2026	30 June		30 June 2025
		2026		
<i>Short-term benefits:</i>				
- Salaries	26,961	85	24,939	89
- Short-term bonuses	-	-	15	-
<i>Bonuses upon the termination of the employment contract</i>	<u>518</u>	=	<u>116</u>	=
Total	<u>27,479</u>	<u>85</u>	<u>25,070</u>	<u>89</u>

Accrued liabilities represent contributions payable until the 25th of the next month.

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21 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with State-controlled entities

The Bank carried out a number of banking transactions with organizations or companies under the control of the Romanian State in the normal course of business. The transactions with organizations or companies controlled by the Romanian State took place in the ordinary course of business. The Bank applied the simplified treatment related to the presentation of related party transactions according to IAS 24.

At 30 June 2026, the outstanding balances with related parties were as follows:

<u>Closing balances</u>	<u>Shareholder – Ministry of Finance</u>	<u>Bank's Key management personnel</u>	<u>FGCR</u>	<u>Other related parties</u>
Total Assets	<u>48,248,769</u>	<u>5,470</u>	=	<u>1,535,464</u>
Out of which:				
Financial assets held for trading and measured at fair value through profit and loss (interest rate: 0%-8.75%)	1,342,308	-	-	-
Financial assets measured at fair value through other comprehensive income (contractual interest rate: 0%-8.75%)	28,944,772	-	-	94,307
Investments in debt instruments at amortized cost (contractual interest rate: 0%-9.57%)	10,750,849	-	-	307,145
Loans and advances – gross exposure (contractual interest rate: 3.62%-20.00%)	7,210,841	5,489	-	1,147,022
Adjustments for expected credit loss	(1)	(19)	-	(13,010)
Total liabilities	<u>1,615,613</u>	<u>10,729</u>	<u>12,661</u>	<u>39,369,023</u>
Out of which:				
Deposits (contractual interest rate: 0%-13%)	183,571	10,729	12,661	38,883,581
Debt securities issued (contractual interest rate: 5.63%-7.5%)	-	-	-	485,442
Subordinated liabilities (contractual interest rate: 9.14%-9.18%)	1,432,042	-	-	-

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21 RELATED PARTY TRANSACTIONS (CONTINUED)

At 31 December 2025, the outstanding balances with related parties were as follows:

<u>Closing balances</u>	<u>Shareholder – Ministry of Finance</u>	<u>Bank's Key management personnel</u>	<u>FGCR</u>	<u>Other related parties</u>
Total Assets	<u>48,114,070</u>	<u>4,311</u>	=	<u>1,808,001</u>
Out of which:				
Loans and advances to banks and public institutions (interest rate: 5.1%-5.5%)	3,303,499	-	-	-
Financial assets held for trading and measured at fair value through profit and loss (interest rate: 2.50%-7.90%)	1,486,517	-	-	-
Financial assets measured at fair value through other comprehensive income (contractual interest rate: 0%-8.75%)	26,726,132	-	-	94,200
Investments in debt instruments at amortized cost (contractual interest rate: 0%-9.57%)	10,896,160	-	-	307,072
Loans and advances – gross exposure (contractual interest rate: 5.18%-20.41%)	5,701,763	4,533	-	1,422,237
Adjustments for expected credit loss	(1)	(222)	-	(15,508)
Total liabilities	<u>1,657,328</u>	<u>9,976</u>	<u>1,695</u>	<u>39,479,885</u>
Out of which:				
Deposits (contractual interest rate: 0%-13%)	222,676	9,976	1,695	39,005,086
Debt securities issued (contractual interest rate: 7.5%)	-	-	-	474,799
Subordinated liabilities (contractual interest rate: 8.85%-10.39%)	1,434,652	-	-	-

The key personnel of the Bank's management includes the following functions: Chief Balance ALM Officer (CBO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), Director (Large customers Division, SME Division, Agri Division, Legal Division, Compliance Division, Contentious Division, Internal Audit Division, Antifraud and Control Division, Cards Division, Operations Division, Remote Operations Division, Arrears and Asset Recovery Division, Credit Monitoring Division, Analysis of Individual Loans Division), Head of Independent Department (Evaluation (Independent) Department). The composition of other related parties includes organizations or companies under the control of the Romanian State. The balance of the securities issued by the Ministry of Public Finance is presented in Note 11 and 12.

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21 RELATED PARTY TRANSACTIONS (CONTINUED)

The income and expense items with related parties for the period January - June 2026 were as follows:

	Shareholder - Ministry of Finance	Bank's Key management personnel	FGCR	Other related parties
Interest income	1,329,186	297	-	111,680
Interest expenses	(64,629)	(118)	-	(456,218)
Net impairment loss on loans and advances to customers	-	207	-	797
Commission income	-	-	46	12
Commission expenses	-	-	(46)	-

The income and expense items with related parties for the period January - June 2025 were as follows:

	Shareholder - Ministry of Finance	Bank's Key management personnel	FGCR	Other related parties
Interest income	990,614	294	-	134,018
Interest expenses	(63,940)	(108)	-	(470,086)
Net impairment loss on loans and advances to customers	-	(2)	-	(13,722)
Commission income	-	-	87	48
Commission expenses	-	-	(87)	-

In respect of the transactions with the National Bank of Romania, the Bank had the following balances:

	<u>30 June 2026</u>	<u>31 December 2025</u>
Current accounts held at National Bank of Romania	8,181,174	10,877,249

The income and expense items with NBR for the period were as follows:

	<u>30 June 2026</u>	<u>30 June 2025</u>
Interest income from current accounts held at National Bank of Romania	48,653	21,285

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22 CONTINGENT COMMITMENTS, ASSETS AND LIABILITIES

On April 6, 2026, the Competition Council concluded the fact-finding stage of the investigation into an alleged agreement and/or concerted practice regarding the coordinated fixing of the ROBOR rate by the 10 banks participating in the "fixing" procedure, by transmitting a copy of the report prepared by the investigation team. CEC Bank, as part of the panel of 10 banks involved in the fixing procedure, presented its position during hearings held before the Plenary of the Competition Council and submitted observations on the Competition Council's report to substantiate the reasons why the Bank disagrees with the investigation team's conclusions.

In June 2026, the Competition Council published information regarding a fine of RON 332,983 thousand imposed on CEC Bank, without publishing the reasoning behind the decision at that time. In accordance with IAS 37, CEC Bank assessed the situation and concluded that an outflow of economic resources is possible but not probable, taking into account all information available at the time these financial statements were prepared. Consequently, no provision was recognized as of June 30, 2026, and the case is presented as a contingent liability. The exposure communicated by the Competition Council represents the maximum level indicated at the current stage and does not reflect management's estimate regarding the final obligation. The outcome and related financial impact depend on the decision of the competent authorities and the course of subsequent proceedings (Note 23).

23 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On September 28, 2026, the reasoning behind the Competition Council's decision regarding the ROBOR investigation and the imposed sanction (the "Decision") was communicated. The Bank has reviewed the aspects presented in the Decision and considers that it contains no new information compared to what was previously communicated by the Competition Council in the Investigation Report or during the review of the case file evidence. As stated in the written observations and submissions filed during the hearings, the Bank believes it possesses sufficient legal and technical arguments to support its position of non-liability and to challenge the Decision.

Within the statutory 30-day period following the communication of the Decision, the Bank will file a court action seeking the annulment of the Decision and a request to suspend its effects.

Furthermore, should a decision suspending the fine payment not be obtained, the Bank will submit a bank guarantee letter to administratively suspend any potential enforcement action by the tax authorities until the contested administrative act becomes final within the judicial appeal process.


Bogdan Constantin Neacșu
General Manager - President of Executive Committee


Ștefan Silviu Fota
Director, Accounting Department



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Independent Auditors Report on the Review of the Condensed Interim Consolidated and Separate Financial Information

To the sole Shareholder of CEC Bank S.A.

13, Calea Victoriei, sector 3, Bucharest
Unique registration code: 361897

Introduction

We have reviewed the accompanying:

- Condensed interim consolidated financial information of CEC Bank S.A. ("the Bank") and its subsidiary (together "the Group") which comprise the condensed interim consolidated statement of financial position as at 30 June 2026, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the period of six-month then ended, and notes to the condensed interim consolidated financial information ("condensed interim consolidated financial information"), and
- Condensed interim separate financial information of CEC Bank S.A. ("the Bank") which comprise the condensed interim separate statement of financial position as at 30 June 2026, the condensed interim separate statements of comprehensive income, changes in equity and cash flows for the period of six-month then ended, and notes to the condensed interim separate financial information ("condensed interim separate financial information").

The Management is responsible for the preparation and presentation of these condensed interim consolidated and separate financial information in accordance with the International Accounting Standard 34 "Interim Financial Reporting" adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated and separate financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated and separate 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.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated and separate financial information as at and for the six-month period ended 30 June 2026 are not prepared, in all material respects, in accordance with the International Accounting Standard 34 "Interim financial reporting" adopted by the European Union.

For and on behalf of KPMG Audit S.R.L:

Irina Rubeli

Registered in the electronic public register of financial auditors and audit firms under no AF 4092

Registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 30 September 2026

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)

Auditor financiar: RUBELI IRINA

Registru Public Electronic: AF4092

Autoritatea Pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)

Auditor financiar: KPMG AUDIT S.R.L.

Registru Public Electronic: FA9