

# **Half-yearly directors' report**



**for the six-month period ended on  
30 June, 2025**

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

## Issuer identification data

<b>Report date</b>	June 30, 2025
<b>Issuer name</b>	CEC BANK S.A.
<b>Registered Office</b>	No. 13 Calea Victoriei, District 3, Bucharest
<b>Contact Information</b>	Phone: 021.311.11.19 Website: <a href="http://www.cec.ro">www.cec.ro</a>
<b>Sole Identification Number with the Trade Register</b>	RO 361897
<b>Order number with the Trade Register</b>	J1997000155405
<b>Regulated market where the issued securities are traded</b>	The Company's bonds are listed on the Bucharest Stock Exchange and Luxembourg Stock Exchange
<b>Subscribed and paid-up share capital</b>	RON 3,290,661,600

### Main features of the securities issued by the trade company:

#### - Bucharest Stock Exchange

- 3000 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>)

#### - Luxembourg 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>)

## CONTENTS

<b>I. I. Significant events for the period January - June 2025 .....</b>	<b>4</b>
Significant related party transactions .....	4
Issuer management .....	4
1. Presentation of the list of Issuer's directors and the following information for each director .....	4
2. Presentation of the list of members of the Issuer's executive management .....	9
3. For all the individuals mentioned in sections 1 and 2, the specification of any litigation or administrative proceedings they have been involved in over past 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 .....	10
<b>II. II. The detailed information .....</b>	<b>11</b>
1. Economic and financial position .....	11
1.1.a The Bank's financial position .....	11
1.1.b Profit or loss status .....	15
1.1.c Cash flow: Cash flow statement .....	16
2. Bank activity analysis .....	17
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 .....	18
2.2 Presentation and analysis of the effects on the Bank's financial situation of all capital expenditures, current or anticipated, compared to the same period of previous year .....	21
2.3 Presentation and analysis of events, transactions, economic changes that significantly affect revenues from core activity .....	23
3. Changes affecting the Bank's capital and management .....	25
3.1 Detailing the cases in which the Bank was unable to comply with its financial obligations .....	25
3.2 Changes regarding the rights of holders of securities issued by the Bank .....	25
4. Significant transactions .....	27
5. Events subsequent to the balance sheet date .....	27
<b>III. III. Appendices .....</b>	<b>27</b>
1. The management's statement regarding the accountability for the preparation of the financial statements as of 30 June 2025 .....	27
2. IFRS financial statements as of 30 June 2025 .....	27
3. Report of the independent auditor KPMG Audit S.R.L. regarding the financial statements .....	27

## **I. Significant events for the period January - June 2025**

### **Significant related party transactions**

There were no related party transactions that substantially affected the Bank's financial position or results between January and June 2025. Additional details can be found in Note 20 of the interim financial statements summarized as of June 2025 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, 2025 is the following:

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

**Valentin Tiberiu Mavrodin** (49 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 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** (46 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.

**Cristian Florin Șaitariu** (48 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, SMEs, 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.

**Ciprian Sebastian Badea** (48 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. Since January 2025, he has been working in the private sector. Between March 2012 and July 2014, he acted as General Secretary and Deputy General Secretary of the Ministry of Public Finance.

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** (53 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** (54 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.

In the fall of 2024, Mirela Iovu participated in the 'Board Practice and Directorship' program at Henley Business School – University of Reading, holding a "Postgraduate certificate" at the end of the internship.

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** (45 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.

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

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 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.

**Nicoleta Mioara Cîrciumaru** (50 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 July 2023 to July 2025, she held the position of president of the institution, with the rank of Secretary of State.

Since January 28, 2025, Ms. 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.



The structure of the Board of Directors of Fondului Roman de Garantare al Creditului Rural – IFN SA as of June 30, 2025 is the following:

- Mrs. Toma Alina Mihaela, Chairman;
- Mr. Lianu Ionut , Member;
- Mr. Pinteana Adrian, Member;
- Mrs. Luchian Camelia, Member;
- Mr. Popescu Radu, Member
- Mr. Chiorean Ioan Ciprian, Member

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

The structure of the Steering Committee as of June 30, 2025 was the following:

- Mr. Bogdan Constantin Neacșu, General Manager - Chairman;
- dl. Șaitariu Cristian Florin – First ViceChairman
- 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 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 mandate of Mr. Șaitariu Cristian Florin as Manager - First 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 30 June 2025 is the following:

- Mrs. Toma Alina Mihaela, Chairman;
- Mrs. Lazar Diana, Vice 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 2025.

**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 restated	30 June	31 December restated
	2024	2023	2024	2023
Assets	RON thousand	RON thousand	RON thousand	RON thousand
Cash and balances in Central Banks	7,819,595	10,465,286	7,819,589	10,465,285
Financial assets at fair value through profit or loss	1,379,815	216,415	1,379,815	216,415
Loans and advances to banks and public institutions	3,655,238	5,480,174	3,626,808	5,447,777
Loans and advances to customers	36,471,953	37,186,061	36,471,953	37,186,061
Financial assets measured at fair value through other comprehensive income	34,857,875	32,456,558	34,857,875	32,456,558
Financial assets measured at amortized cost	13,515,617	11,758,962	13,429,813	11,724,392
Investment in subsidiary	-	-	5,000	5,000
Subordinated loans	210,308	210,460	210,308	210,460
Property and equipment	879,981	902,950	874,645	897,351
Intangible assets	244,637	225,520	243,666	224,455
Investment property	68,662	70,422	68,662	70,422
Right-of-use assets	109,634	105,726	109,634	105,726
Deferred tax asset	742	19,322	684	18,949
Other financial assets	166,492	155,923	180,163	145,343
Other assets	41,232	31,255	41,101	31,152
<b>Total assets</b>	<b>99,421,781</b>	<b>99,285,034</b>	<b>93,319,716</b>	<b>99,205,346</b>

Evolution of debts and equity	GROUP		BANK	
	30 June	31 December restated	30 June	31 December restated
	2025	2024	2025	2024
<b>Liabilities</b>	<b>RON thousand</b>	<b>RON thousand</b>	<b>RON thousand</b>	<b>RON thousand</b>
Derivative financial liabilities	8,788	1,922	8,788	1,922
Deposits from banks	2,994,163	3,233,240	2,994,163	3,233,240
Deposits from customers	84,296,583	85,359,302	84,298,573	85,380,755
Borrowings from banks and other financial institutions	96,759	100,463	96,759	100,463
Debt securities issued	3,029,876	2,976,978	3,029,876	2,976,978
Subordinated debts	1,432,112	1,431,144	1,432,112	1,431,144
Current income tax liabilities	34,446	52,964	33,329	51,650
Lease liabilities	114,017	108,022	114,017	108,022
Provisions	55,661	59,440	55,018	58,812
Other financial liabilities	415,875	409,746	358,439	355,057
Other liabilities	146,714	143,436	145,228	140,541
<b>Total liabilities</b>	<b>92,624,994</b>	<b>93,876,657</b>	<b>92,566,302</b>	<b>93,838,584</b>
<b>Equity</b>				
Share capital	3,499,746	2,499,746	3,499,746	2,499,746
Revaluation of reserve for property and equipment	636,553	636,553	636,324	636,324
Reserves for financial assets at fair value measured through other items of comprehensive income	(303,649)	(388,578)	(303,649)	-388,578
Other reserves	365,044	365,044	365,044	365,044
Retained earnings	2,599,090	2,295,608	2,555,949	2,254,226
<b>Total equity, excluding non-controlling interests</b>	<b>6,796,784</b>	<b>5,408,373</b>	<b>6,753,414</b>	<b>5,366,762</b>
Non-controlling interests	3	4	-	-
<b>Total equity</b>	<b>6,796,787</b>	<b>5,408,377</b>	<b>6,753,414</b>	<b>5,366,762</b>
<b>Total liabilities and equity</b>	<b>99,421,781</b>	<b>99,285,034</b>	<b>99,319,716</b>	<b>99,205,346</b>

Regarding the evolution of activity of the main CEC Group indicators, as of June 30, 2025 compared to those achieved in the similar period of the previous year, the situation is presented as follows:

### **Outstanding loans**

On June 30, 2025, the loan portfolio related to non-bank customers (mainly, gross value) is higher by 13% (4,451 million lei) compared to the same period of 2024.

From the total value of loans in the balance at the end of Semester I 2025, approx. 79% represent loans granted in lei.

The largest increase was recorded in the Legal Entities segment, by approx. 14% compared to June 30, 2024, respectively by 3,482 million lei, which indicates that the Bank continues to be actively involved in supporting the economy, focusing on SME and agricultural sectors.

The gross balance of Retail loans recorded a positive evolution during the first semester of 2025, increasing by approx. 10% compared to June 30, 2024, respectively by 968.6 million lei, this development was driven both by a 16% increase in mortgage loans and by a 33% increase in consumer loans.

### **New loans contracted**

In the first semester of 2025, new loans were granted to private and legal clients in the total amount of 5,501 million lei (including bank guarantee letters issued).

The Bank's total assets reached RON 99.422 billion as of June 30, 2025, up 7% compared to the similar period of last year.

Customer deposits reached RON 84,296 million as of June 30, 2025, up 7% compared to the similar period of last year, the increase being mainly generated by deposits attracted from legal entity clients.

The currency structure of the deposits registered at the end of the first semester of 2025 is roughly similar to that of the previous periods, approx. 67% of the total attracted sources being in local currency.

The Group's own funds as at 30.06.2025 totals RON 6,797 million, increasing by 33% compared to the similar period of the last year, when they amounted to RON 5,119 million, evolution determined by the increase in retained earnings and also by the capital infusion in amount of RON 1.0 billion in April this year.

### 1.1.b Profit or loss status

Evolution of profit and loss	GROUP		BANK	
	30 June 2025	30 June 2024 restated	30 June 2025	30 June 2024 restated
	RON thousand	RON thousand	RON thousand	RON thousand
Interest income calculated using the effective interest method	2,846,860	2,581,319	2,844,359	2,579,645
Interest expenses	(1,628,027)	(1,589,894)	(1,628,632)	(1,589,894)
<b>Net interest income</b>	<b>1,218,833</b>	<b>991,425</b>	<b>1,215,727</b>	<b>989,751</b>
Commission income	264,787	219,765	238,026	201,909
Commission expenses	(88,808)	(63,075)	(88,769)	(63,032)
<b>Net commission income</b>	<b>175,979</b>	<b>156,690</b>	<b>149,257</b>	<b>138,877</b>
Net gain from trading	76,825	40,841	76,825	40,841
Net gain/Net loss from financial derivatives	8,285	(19,780)	8,285	(19,780)
Net loss /Net gain from financial assets mandatorily measured at fair value through profit or loss	(101)	1,015	(101)	1,015
Net gain from the sale of financial assets measured at fair value through other comprehensive income	17,821	26,391	17,821	26,391
Net loss from foreign exchange differences	(48,466)	(9,785)	(48,462)	(9,784)
Other operating income	7,049	6,595	19,373	6,301
<b>Operating income</b>	<b>1,456,225</b>	<b>1,193,392</b>	<b>1,438,725</b>	<b>1,173,612</b>
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	(355,300)	(217,372)	(353,279)	(217,323)
Loss on modification of financial assets	(8,331)	(22,865)	(8,331)	(22,865)
Net loss from impairment of debt instruments	(4,516)	(3,484)	(4,511)	(3,483)
Staff costs	(320,254)	(288,462)	(312,080)	(282,098)
Depreciation and amortisation expenses	(88,749)	(72,119)	(88,297)	(71,726)
Other operating expenses	(298,382)	(245,207)	(296,507)	(243,581)
<b>Operating expenses</b>	<b>(1,075,532)</b>	<b>(849,509)</b>	<b>(1,063,005)</b>	<b>(841,076)</b>
<b>Profit before tax</b>	<b>380,693</b>	<b>343,883</b>	<b>375,720</b>	<b>332,536</b>
Income tax expense	(74,448)	(64,072)	(71,634)	(62,993)
<b>Net Profit for the period</b>	<b>306,245</b>	<b>279,811</b>	<b>304,086</b>	<b>269,543</b>
Net profit attributable to:				
<b>The parent</b>	306,244	279,810		
<b>Non-controlling interests</b>	1	1		

The net profit obtained by the Group on 30.06.2025, amounting to RON 306.2 million (RON 304,1 million attributed to the Bank), is 9.4% higher compared to the same period of 2024 (+12.8% pertaining to the Bank ).

Net interest income recorded an increase of approximately 22.9% in the first half of 2025 compared to the first half of 2024 (equivalent to around RON 227.4 million), driven by higher interest income generated by the monthly growth in the loan and placement portfolio. Accordingly, interest income rose by approximately RON 265.5 million, while interest expenses followed an upward trend, increasing by around RON 38.1 million.

In total, operating revenues reached RON 1,456 million at the Group level at the end of the first half of 2025, 22% higher than in the same period last year.

Operating expenses (which also include expenses with provisions related to loans granted to clients) have registered a increase of approx. 27% compared to those reported in the similar period of 2024, mainly due to administrative expenses, which recorded an increase of approximately 16.8%, as well as to risk cost expenses, which rose by RON 137.9 million compared to the same period in 2024.

### 1.1.c Cash flow: Cash flow statement

	GROUP		BANK	
	30 June, 2025	30 June, 2024	30 June, 2025	30 June, 2024
	RON thousand	RON thousand	RON thousand	RON thousand
Cash and cash equivalents at the beginning of the period	15,918,760	19,983,433	15,886,362	19,949,439
Cash flow from operating activities (net)	(2,823,060)	8,667,576	(2,868,886)	8,651,550
Cash flow used in investing activities (net)	(2,620,185)	(6,425,679)	(2,570,408)	(6,415,063)
Cash flow from financing activities (net)	967,893	(123,461)	967,893	(123,461)
<b>Cash and cash equivalents at the end of the period</b>	<b>11,443,408</b>	<b>22,101,869</b>	<b>11,414,961</b>	<b>22,062,465</b>



## **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, 2025, 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 statements provide a true and fair view of the Bank's financial position as of June 30, 2025, 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 2025 was marked by a transition from liquidity excess to a deficit in the banking system. In the first five months of the year, liquidity remained in positive territory; however, in June 2025, a deficit was recorded, with the National Bank of Romania being in a net creditor position against the banking system.

After reaching a record level of excess in January 2024, liquidity entered a downward trend throughout 2024. Nevertheless, in the first part of 2025, a temporary recovery was observed, with the excess rising to a peak of 33.8 billion RON in March, when banks placed this amount in the deposit facility. Subsequently, the liquidity surplus significantly decreased, reaching only 0.5 billion RON in May, and in June, a deficit estimated at 4.5 billion RON was recorded. In the same month, the amount placed in the deposit facility was only 3.9 billion RON – 13 times less than in June 2024, signaling a radical change in liquidity conditions.

The National Bank of Romania did not conduct operations to absorb excess liquidity as long as the banking system operated with a surplus, preferring to guide the level of interbank interest rates in RON based on the deposit facility rate; however, it intervened through repo operations, injecting liquidity into the banking system in several weekly rounds in May and June 2025. The maximum allocated in a multilateral auction was RON 13.5 billion in May and gradually decreased to RON 1.5 billion in June, to completely halt multilateral auctions in July 2025.

The evolution of the main Basel III liquidity indicator, namely the liquidity coverage ratio (LCR), fluctuated between 235%-261% at banking level during January - May 2025, down from the value of 270% recorded in May 2024. However, LCR values recorded in H1 2025 remained significantly above the regulated requirement set by NBR/EBA for the aggregate indicator of 100%, indicating a substantial stock of high-quality liquid assets for a 30-day stress scenario.

### **Developments of the financial position at the consolidated level**

The CEC Bank Group closed the first part of 2025 with a net balance sheet value of 99,422 million lei, up 7% compared to June 2024, primarily driven by lending activity, as well as by the expansion of the Bank's holdings of government securities. This increase was driven by deposits attracted from non-bank clients, as well as by the capital injection.

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

To achieve these objectives, the Group, particularly CEC Bank, will emphasize 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, as well as, generally, on Romanian-owned companies of small and large sizes, whose development plans will continue to be supported through tailored financing for investment, modernization, and energy efficiency projects, as well as for their operational activities.

### **Evolution of the Profit or Loss Account, at group level (consisting in 2024 of the Bank and the Rural Credit Guarantee Fund)**

In the first semester of 2025, the group recorded a gross profit of RON 381 million (RON 376 million at the Bank's level), which generated a total profit tax of RON 74.4 million (RON 71.6 million at Bank level), thus resulting in a net profit of RON 306.2 million (RON 304.1 million related to the Bank) being 9.4% higher compared to the same period of 2024 (+12.8% pertaining to the Bank ).

Net interest income increased by approx. 22.9% in the first semester of 2025 compared to June 2024 (at the Bank level, respectively by approx. RON 227.4 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 265.5 million, while interest expenses also registered an upward trend, up by approx. RON 38.1 million.

Net income from commissions increased by approx. 12.3% (at the Bank level, respectively by approx. RON 7.5 million), mainly due to the increase in fee income by 20.5% (approximately RON 45.0 million).

Operational expenses registered an increase of approx 16.8% compared to those reported in the similar period of 2024, mainly due to depreciation and amortization expenses, which increased by 23% as a result of investments, salary expenses, which rose by 11% in line with the strategy of gradually aligning salaries at the banking market level, and other administrative expenses, which grew by 21.7%. Significant increases were recorded in support and IT maintenance services (within the Transformation Program), local taxes and levies, energy and water, as well as marketing and advertising.

Based on these developments, the cost-income ratio at the Bank level improved, reaching 49.89% on S1 2025 compared to 51.65% on S1 2024.

The expense with the cost of risk increased to RON 355.3 million, in line with the sustained growth of the loan portfolio, and aims to ensure an optimal level of coverage for non-performing loans with provisions.

## Capitalization, profitability and financing

The Return on Equity (ROE) at Group level was 10.00% (10.00% for the Bank, as well), comparing to 11.22% the rate of return recorded at Group level as of the end of 2024 (10.87% at Bank level of ).

The increase in share capital in April 2025 led to a decrease in return of equity indicator, and an improvement in solvency indicators.

The Bank's total own funds ratio stands at 29.03%, showing an increase compared to the level recorded by the Bank in June 2024 (22.38%), remaining at a comfortable level above 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 2025, CEC Bank recorded a 10% 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.

RON Thousands	June 30, 2025	June 30, 2024	Variation (2025/2024-1)
<b>A. IT investments, of which:</b>	<b>60,999</b>	<b>42,935</b>	<b>42%</b>
CURRENT IT - RELATED INVESTMENTS	46,676	30,317	54%
IT STRATEGIC INVESTMENTS	14,323	12,618	14%
<b>B. Logistics - relates investments, of which:</b>	<b>5,574</b>	<b>17,726</b>	<b>-69%</b>
BANKING SECURITY - RELATED INVESTMENTS	1,209	749	61%
LOGISTICS - RELATED INVESTMENTS - HEADQUARTERS WORKS AND EQUIPMENT	2,693	10,989	-75%
INVESTMENTS REGARDING IMAGE CHANGE	1,671	5,987	-72%
<b>Total Investments</b>	<b>66,573</b>	<b>60,661</b>	<b>10%</b>

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

- CRM: which aims to: improve business relations with customers, optimize processes, improve performance by increasing sales and customer loyalty;
- FIS: modern treasury platform for treasury activities and balance sheet management, with new functionalities for the Bank's clients;
- ERP (SAP platform): updated financial-accounting platform;
- Acquisition of the new Core Banking System, which will replace the current Core Banking with a modern and robust system, able to meet the Bank's development requirements;

The net interest income of CEC Bank Group increased by 22.9%, reaching RON 1.218,8 million in S1 2025, up from RON 991 million recorded during the same period in S1 2024, due to higher activity volumes , as detailed in the table below:

Elements Millions of RON	Group CEC Bank		CEC Bank		Variation, of which:		Group CEC Bank		CEC Bank	
	June 2024	June 2025	June 2024	June 2025	Group	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	2,581	2,847	2,580	2,844	266	265	311	(46)	311	(46)
Interest expense	1,590	1,628	1,590	1,629	38	39	171	(132)	171	(132)
<b>Net interest income</b>	<b>991</b>	<b>1,219</b>	<b>990</b>	<b>1,216</b>	<b>227</b>	<b>226</b>	<b>482</b>	<b>(178)</b>	<b>482</b>	<b>(178)</b>
Interest-bearing assets - average volume	85,717	96,310	85,717	96,238	10,593	10,521				
Interest-bearing liabilities - average volume	82,794	92,481	82,794	92,492	9,687	9,699				
Average annual interest rate on assets	6.02%	5.91%	6.02%	5.91%	-0.11%	-0.11%				
Average annual interest rate on liabilities	3.84%	3.52%	3.84%	3.52%	-0.32%	-0.32%				

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 influences due to the macroeconomic environment result from changes in RON interest rates, ROBOR, and IRCC, and of the stock of loans and deposits, changes in the yields of the government securities, and changes in the evolution of the leu against major currencies. Thus:

- In the first half of 2025, the 3-month and 6-month ROBOR rates recorded increases of 117 and 119 basis points, respectively, whereas in the first half of 2024, these rates had registered decreases of 21 and 23 basis points.

Change in ROBOR, bps	robor 3 months	robor 6 months
Semester 1, 2024	-21	-23
Semester 1, 2025	117	119

- In H1 2025, the IRCC index, used in calculating interest rates on loans granted to households, recorded a cumulative decrease of 44 basis points, while in H1 2024, it declined by 6 basis points.

Change of IRCC, bps	IRCC
Semester 1, 2024	-6
Semester 1, 2025	-44

- **The pace of non-governmental lending** increased significantly in H1 2025 (Jun 25 vs. Dec 24): thus, in H1 2025, mortgage loans rose by 3.0%, compared to a modest 0.9% increase in H1 2024. Consumer loans grew at a slower pace, advancing by 7.5% in H1 2025, versus 9.0% in H1 2024. Loans granted to companies also recorded a lower growth rate of 2.8% in H1 2025, compared to 3.0% in H1 2024.
- **The growth rate of non-governmental deposits** slowed for both households and companies in H1 2025, compared to H1 2024: household deposits increased by 2.5% in H1 2025, down from a 4.5% growth rate in H1 2024, while deposits of non-financial companies (excluding deposits from public administration entities) declined by 5.1% in H1 2025, compared to a 1.1% drop in H1 2024.

	Household loans		Non-financial companies' loans	Household deposits	Non-financial companies' deposits
	Mortgage	Consumer			
Semester 1, 2024	0.9%	9.0%	3.0%	4.5%	-1.1%
Semester 1, 2025	3.0%	7.5%	2.8%	2.5%	-5.1%

- **The RON** exhibited significantly higher volatility against the US dollar in H1 2025 compared to H1 2024: the RON appreciated by 8.8% against the dollar in H1 2025, after depreciating by 3.4% in H1 2024. The exchange rate fluctuation against the euro was also notable: in H1 2025, the RON depreciated by 1.6% against the euro, compared to a slight 0.1% depreciation in H1 2024.

"+" depreciation/"-" appreciation	EURRON	USDRON
Semester 1, 2024	0.1%	3.4%
Semester 1, 2025	1.6%	-8.8%

- **The evolution of government bond yields in RON** led to a decline in their prices in H1 2025, whereas in H1 2024, prices showed a mixed performance. In H1 2025, RON-denominated sovereign bond yields increased by between 1 and 37 basis points, as follows: by 37 and 30 basis points for the 6-month and 12-month maturities, respectively; by 12 and 15 basis points for the 3-year and 5-year maturities; and by 1 basis point for the 10-year maturity. In H1 2024, yields slightly declined for 6-month and 12-month treasury bills, by 4 and 5 basis points respectively, while yields increased for bonds with maturities of 3 years (by 6 basis points), 5 years (by 31 basis points), and 10 years (by 64 basis points), according to the NBR fixing.

Change, bps	Tbills 6 months	Tbills 12 months	3-year bonds	5-year bonds	10-year bonds
Semester 1, 2024	-4	-5	6	31	64
Semester 1, 2025	37	30	12	15	1



### **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 issued as at June 30<sup>th</sup>, 2025, including accrued interest, is in amount of RON 3,029,876 thousand (as at December 31<sup>st</sup>, 2024: RON 2,976,978 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 07<sup>th</sup>, 2028 and one tranche in 2024, with maturity November 28<sup>th</sup>, 2029.

The bonds maturing February 07<sup>th</sup>, 2028 are denominated in EUR and were first issued on February 07<sup>th</sup>, 2023 (EUR 119,300 thousand) and supplemented on November 16<sup>th</sup>, 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 07<sup>th</sup>, 2023 and of Bucharest Stock Exchange (BSE) on February 24<sup>th</sup>, 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 07<sup>th</sup>, 2027) and are bearing fixed coupon rate until February 07<sup>th</sup>, 2027, that becomes a variable coupon rate payable quarterly during their last year.

The bonds maturing November 28<sup>th</sup>, 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 28<sup>th</sup>, 2024 and of Bucharest Stock Exchange (BSE) on December 20<sup>th</sup>, 2024.

The instruments have an early redemption clause for tax reasons, regulatory reasons or at the option of the issuer (as of November 28<sup>th</sup>, 2028) and are bearing fixed coupon until November 28<sup>th</sup>, 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 1,500 million (or equivalent in other currencies). The base prospectus of the EMTN Programme, currently in force, was updated in 2024 with the approval of the financial markets regulatory and supervisory authority CSSF Luxembourg (Commission de Surveillance du Secteur Financier Luxembourg) on 18 November 2024.

### **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**

During the reporting period, the share capital of CEC Bank S.A. was increased by RON 1 billion, based on the approval obtained from the European Commission. The capital increase aims to strengthen the bank's capital base in order to support lending activities and the expansion of banking operations.

**5 Events subsequent to the balance sheet date**

Not applicable.

**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 2025;**
- 2 IFRS financial statements as of 30 June 2025;**
- 3 Report of the independent auditor KPMG Audit S.R.L. regarding the IFRS financial statements.**

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



Ștefan Silviu Fota  
Director, Accounting Division