

CEC Bank SA

**CONDENSED INTERIM CONSOLIDATED AND
SEPARATE FINANCIAL INFORMATION
AS AT 30 JUNE 2025**

**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 2025

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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)

	Note	Group		Bank	
		Six months ended on	Six months ended on	Six months ended on	Six months ended on
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
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)
Net interest income	6	<u>1,218,833</u>	<u>991,425</u>	<u>1,215,727</u>	<u>989,751</u>
Commission income		264,787	219,765	238,026	201,909
Commission expenses		(88,808)	(63,075)	(88,769)	(63,032)
Net commission income	7	<u>175,979</u>	<u>156,690</u>	<u>149,257</u>	<u>138,877</u>
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
Operating income		<u>1,456,225</u>	<u>1,193,392</u>	<u>1,438,725</u>	<u>1,173,612</u>
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	8	(355,300)	(217,372)	(353,279)	(217,323)
Loss on modification of financial assets		<u>(8,331)</u>	<u>(22,865)</u>	<u>(8,331)</u>	<u>(22,865)</u>
Net loss from impairment of debt instruments	8	(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	9	(298,382)	(245,207)	(296,507)	(243,581)
Operating expenses		<u>(1,075,532)</u>	<u>(849,509)</u>	<u>(1,063,005)</u>	<u>(841,076)</u>
Profit before tax		<u>380,693</u>	<u>343,883</u>	<u>375,720</u>	<u>332,536</u>
Income tax expense	19	(74,448)	(64,072)	(71,634)	(62,993)
Net Profit for the period		<u>306,245</u>	<u>279,811</u>	<u>304,086</u>	<u>269,543</u>
Attributable to:					
The parent		<u>306,244</u>	<u>279,810</u>		



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

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2025**

(All amounts in RON thousand, unless otherwise specified)

**Non-controlling interests
Other comprehensive income**

*Items that may be reclassified
subsequently to profit
or loss:*

Net gain/loss from transactions
with financial assets measured
through other items of
comprehensive income, net of tax
Net gain from transactions with
financial assets measured through
other items of comprehensive
income, transferred to profit or
loss upon disposal, net of tax

96,388

15,588

96,388

15,588

(14,970)

(22,168)

(14,970)

(22,168)

*Items that will not be reclassified
to profit or loss:*

Net gain from equity investments
Reported result from corrections

3,511

371

3,511

371

(2,363)

-

(2,363)

-

**Other comprehensive income
for the period**

82,566

(6,209)

82,566

(6,209)

**Total comprehensive income
for the period**

388,811

273,602

386,652

263,334

Attributable to:

The parent

288,810

273,601

Non-controlling interests

1

1

Bogdan Constantin Neacsu
General Manager / President of Executive Committee



Ștefan Silviu Fota
Director, Accounting Department





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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025
(All amounts in RON thousand, unless otherwise specified)

		<u>Group</u>		<u>Bank</u>	
	<u>Notes</u>	<u>30 June 2025</u>	<u>31 December 2024</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
			<u>restated (*)</u>		<u>restated (*)</u>
Assets					
Cash and balances at Central Bank		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	10	36,471,953	37,186,061	36,471,953	37,186,061
Financial assets measured at fair value through other comprehensive income of which pledged securities (repo agreements)	11	34,857,875	32,456,558	34,857,875	32,456,558
Financial assets measured at amortized cost of which pledged securities (repo agreements)	12	238,750	552,335	238,750	552,335
Investment in subsidiary		13,515,617	11,758,962	13,429,813	11,724,392
Subordinated loans		1,173,715	1,317,701	1,173,715	1,317,701
Property and equipment		-	-	5,000	5,000
Intangible assets		210,308	210,460	210,308	210,460
Investment property		879,981	902,950	874,645	897,351
Right-of-use assets		244,637	225,520	243,666	224,455
Deferred tax assets	19	68,662	70,422	68,662	70,422
Other financial assets		109,634	105,726	109,634	105,726
Other assets		742	19,322	684	18,949
Total assets		166,492	155,923	180,163	145,343
		<u>41,232</u>	<u>31,255</u>	<u>41,101</u>	<u>31,152</u>
		<u>99,421,781</u>	<u>99,285,034</u>	<u>99,319,716</u>	<u>99,205,346</u>
Liabilities					
Derivative financial liabilities		8,788	1,922	8,788	1,922
Deposits from banks	13	2,994,163	3,233,240	2,994,163	3,233,240
Deposits from customers	14	84,296,583	85,359,302	84,298,573	85,380,755
Borrowings from banks and other financial institutions	15	96,759	100,463	96,759	100,463
Debt securities issued	16	3,029,876	2,976,978	3,029,876	2,976,978
Subordinated liabilities	17	1,432,112	1,431,144	1,432,112	1,431,144
Current income tax liability		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

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

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2025**
(All amounts in RON thousand, unless otherwise specified)

Other financial liabilities		415,875	409,746	358,439	355,057
Other liabilities		<u>146,714</u>	<u>143,436</u>	<u>145,228</u>	<u>140,541</u>
Total liabilities		<u>92,624,994</u>	<u>93,876,657</u>	<u>92,566,302</u>	<u>93,838,584</u>
Equity					
Share capital	18	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 asse 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		<u>2,599,090</u>	<u>2,295,608</u>	<u>2,555,949</u>	<u>2,254,226</u>
Total equity, excluding non-controlling interests		<u>6,796,784</u>	<u>5,408,373</u>	<u>6,753,414</u>	<u>5,366,762</u>
Non-controlling interests		3	4	=	=
Total equity		<u>6,796,787</u>	<u>5,408,377</u>	<u>6,753,414</u>	<u>5,366,762</u>
Total liabilities and equity		<u>99,421,781</u>	<u>99,285,034</u>	<u>99,319,716</u>	<u>99,205,346</u>

(*) The information has been restated as described in the Correction Note (page 16).

Bogdan Constantin Niacu
General Manager - President of Executive Committee



Ștefan Silviu Fota
Director, Accounting Department

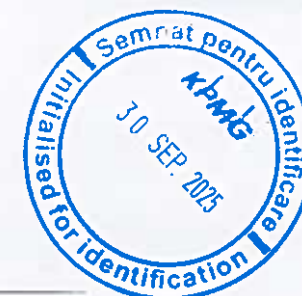


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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(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 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		-	-	<u>84,929</u>	-	<u>303,881</u>	<u>388,810</u>	<u>(1)</u>	<u>388,809</u>
Other contributions and distributions:									
Revaluation reserve representing realised surplus, net of deferred tax		-	-	-	-	(399)	(399)	-	(399)
Increased share capital by cash contribution		<u>1,000,000</u>	-	-	-	-	<u>1,000,000</u>	-	<u>1,000,000</u>
Total other contributions and distributions		<u>1,000,000</u>	-	-	-	<u>(399)</u>	<u>999,601</u>	-	<u>999,601</u>
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>

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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025
(All amounts in RON thousand, unless otherwise specified)



	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)		2,499,746	636,324	(388,578)	365,044	2,295,623	5,408,159
Retained earnings from corrections		-	-	-	-	(41,397)	(41,397)
Balance as at 1 January 2025 (restated)		2,499,746	636,324	(388,578)	365,044	2,254,226	5,366,762
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		-	-	84,929	-	301,723	386,652
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		1,000,000	-	-	-	-	1,000,000
Balance as at 30 June 2025		3,499,746	636,324	(303,649)	365,044	2,555,949	6,753,414

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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)



	Note	Share capital	Revaluation 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 2024 (reported)		2,499,746	558,675	(221,078)	325,088	1,690,577	4,853,008	2	4,853,010
Retained earnings from corrections		-	-	-	-	(26,449)	(26,449)	-	(26,449)
Balance as at 1 January 2024 (restated)		2,499,746	636,553	(388,578)	365,044	1,664,128	4,826,559	2	4,826,561
Comprehensive income:									
Net Profit for the period		-	-	-	-	279,810	279,810	1	279,811
Other comprehensive income:									
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax		-	-	15,588	-	-	15,588	-	15,588
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax		-	-	(22,168)	-	-	(22,168)	-	(22,168)
Net gain from equity investments		-	-	371	-	-	371	-	371
Total comprehensive income		-	-	(6,209)	-	-	(6,209)	-	(6,209)
Other contributions and distributions:									
Revaluation reserve representing realised surplus, net of deferred tax		-	(2)	-	-	2	-	-	-
Other changes		-	-	-	-	(7,518)	(7,518)	-	(7,518)
Total other contributions and distributions		-	(2)	-	-	(7,516)	(7,518)	-	(7,518)
Balance as at 30 June 2024		2,499,746	558,673	(227,287)	325,088	1,936,422	5,092,642	3	5,092,645

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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)



	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 2024 (reported)		<u>2,499,746</u>	<u>558,446</u>	<u>(221,078)</u>	<u>325,088</u>	<u>1,666,240</u>	<u>4,828,442</u>
Retained earnings from corrections		-	-	-	-	(26,449)	(26,449)
Balance as at 1 January 2024 (corrected)		<u>2,499,746</u>	<u>636,553</u>	<u>(388,578)</u>	<u>365,044</u>	<u>1,639,791</u>	<u>4,801,993</u>
Comprehensive income:							
Net Profit for the period		-	-	-	-	269,543	269,543
Other comprehensive income:							
Gain from change in the fair value of financial assets measured through other comprehensive income, net of deferred tax		-	-	15,588	-	-	15,588
Net gain from transactions with financial assets measured through other items of comprehensive income, transferred to profit or loss upon disposal, net of tax		-	-	(22,168)	-	-	(22,168)
Net gain from equity investments		-	-	371	-	-	371
Total comprehensive income		<u>-</u>	<u>-</u>	<u>(6,209)</u>	<u>-</u>	<u>269,543</u>	<u>263,334</u>
Other contributions and distributions:							
Revaluation reserve representing realised surplus, net of deferred tax		-	(2)	-	-	2	-
Total other contributions and distributions		<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
Balance as at 30 June 2024		<u>2,499,746</u>	<u>558,444</u>	<u>(227,287)</u>	<u>325,088</u>	<u>1,909,336</u>	<u>5,065,327</u>



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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)

	<u>Notes</u>	<u>Group</u>		<u>Bank</u>	
		<u>Six months ended on 30 June 2025</u>	<u>Six months ended on 30 June 2024</u>	<u>Six months ended on 30 June 2025</u>	<u>Six months ended on 30 June 2024</u>
Profit before tax		380,693	343,883	375,720	332,536
Adjustments for non-monetary items:					
Expected losses on financial instruments, provisions for loan commitments and financial guarantees given	8	355,459	217,274	353,279	217,225
Depreciation and amortisation expense		88,749	72,119	88,297	71,726
Net gain / Net loss from financial derivatives		(5,300)	9,851	(5,300)	9,851
Gain on disposal of fixed assets		(128)	(185)	(128)	(185)
Net gain on financial assets measured at fair value through other comprehensive income		(17,821)	(26,391)	(17,821)	(26,391)
Net gain from financial assets mandatorily measured at fair value through profit or loss		(398)	(843)	(398)	(843)
Gain from foreign exchange differences		(303,051)	(22,069)	(303,051)	(22,069)
Dividends income		(14,980)	(2,003)	(14,980)	(2,003)
Interest expense		1,628,027	1,589,894	1,628,632	1,589,894
Interest income		(2,846,860)	(2,581,319)	(2,844,359)	(2,579,645)
Other adjustments		(2,364)	(7,387)	(2,363)	304
		<u>(738,642)</u>	<u>(407,176)</u>	<u>(743,140)</u>	<u>(409,600)</u>
(Increase)/decrease in operating assets:					
Increase / (Decrease) in loans and advances to customers		396,506	(236,820)	397,815	(237,848)
Increase/ (Decrease) in subordinated loans		152	(200,493)	152	(200,493)
Increase in financial assets held for trading and measured at fair value through profit or loss		(1,150,991)	(94,964)	(1,150,991)	(94,964)
Increase in other assets		(39,089)	(148,960)	(39,089)	(135,620)
Increase/decrease in operating liabilities:					
Increase/(Decrease) in deposits from banks		(373,940)	3,486,874	(373,940)	3,486,874
Increase/(Decrease) in deposits from customers		(1,076,767)	5,700,556	(1,096,835)	5,709,729



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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)

	<u>Notes</u>	<u>Group</u>		<u>Bank</u>	
		Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2024</u>	Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2024</u>
Increase in other liabilities		24,949	127,383	11,141	91,584
Net cash used in operating activities before interest and tax		(2,957,822)	8,226,573	(3,006,640)	8,209,662
Interest received from loans and advances to customers		1,559,426	1,821,557	1,559,426	1,821,557
Interest paid for deposits from customers and banks		(1,414,670)	(1,416,710)	(1,414,670)	(1,416,710)
Payments for leases of low-value assets		(1,269)	(1,175)	(1,269)	(1,175)
Recoveries from sold loans and advances to customers and from previously written-off loans	8	81,716	40,625	81,679	40,606
Income tax paid		<u>(90,441)</u>	<u>(3,294)</u>	<u>(87,412)</u>	<u>(2,390)</u>
Net cash used in operating activities		(2,823,060)	8,667,576	(2,868,886)	8,651,550
Investment activities:					
Proceeds from financial assets measured at fair value through other comprehensive income		28,688,346	21,003,131	28,688,346	21,003,131
Payments for the acquisition of financial assets measured at fair value through other comprehensive income		(30,386,366)	(27,068,148)	(30,386,366)	(27,068,148)
Proceeds from debt securities measured at amortized cost		15,482	227,688	544	204,705
Payments for the purchase of debt securities measured at amortized cost		(1,644,411)	(882,823)	(1,578,234)	(848,724)
Proceeds / Payments for the purchase of equity instruments		834	(481)	834	(481)
Interest received from investing activities		752,750	351,165	751,193	350,588
Cash payments for acquisitions of tangible and intangible assets and investment properties		(65,442)	(59,581)	(65,347)	(59,504)
Proceeds from the sale of tangible and intangible assets and investment property		128	191	128	191
Additional payments for assets representing the right of use		3,514	1,176	3,514	1,176

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CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION AS AT 30 JUNE 2025

(All amounts in RON thousand, unless otherwise specified)

	<u>Notes</u>	<u>Group</u>		<u>Bank</u>	
		Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2024</u>	Six months ended on <u>30 June</u> <u>2025</u>	Six months ended on <u>30 June</u> <u>2024</u>
Dividends proceeds		<u>14,980</u>	<u>2,003</u>	<u>14,980</u>	<u>2,003</u>
Net cash in investing activities		(2,620,185)	(6,425,679)	(2,570,408)	(6,415,063)
Financing activities					
Proceeds from share capital increase		1,000,000	-	1,000,000	-
Dividends paid to the sole shareholder Ministry of Finance		-	-	-	-
Interest payments on debt securities issued		(52,898)	(24,719)	(52,898)	(24,719)
Interest payments on subordinated loans		(62,972)	(67,437)	(62,972)	(67,437)
Payment of lease liability		(18,289)	(17,895)	(18,289)	(17,895)
Repayments of loans from banks and other financial institutions		(3,728)	(13,367)	(3,728)	(13,367)
Interest paid for loans from banks and other financial institutions		<u>(16)</u>	<u>(43)</u>	<u>(16)</u>	<u>(43)</u>
Net cash from financing activities		967,893	(123,461)	967,893	(123,461)
		(4,475,352)	2,118,436	(4,471,401)	2,113,026
Net Increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period		15,918,760	19,983,433	15,886,362	19,949,439
Cash and cash equivalents at the end of the period (i)		11,443,408	22,101,869	11,414,961	22,062,465



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1 REPORTING ENTITY

CEC Bank Group ("Group") consist 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, 2025 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 2024: 48 county branches and similar units in the City of Bucharest), 116 type A urban agencies (31 December 2024: 116), 387 type B urban agencies (31 December 2024: 386) and 460 type B rural agencies (31 December 2024: 460).

CEC Bank SA has 4,953 employees as at June 30, 2025, 14 more employees than on December 31, 2024.

The current registered office of CEC Bank SA is on Calea Victoriei nr. 13, Sector 3, Bucharest, Romania.

As at 30 June 2025, the Bank's Board of Directors includes the following people:

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

As at 30 June 2025, the Bank's Executive Committee includes the following people:

- 1) Bogdan Constantin Neacșu, General Manager - President of the Executive Committee;
- 2) Șaitariu Cristian Florin - 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 issue 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 system. 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, Bucharest 1st district, Romania.

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

On June, 2025, FGCR has 57 employees.

As at 30 June 2025, the Fund's Board of Directors includes the following people:

- 1) Toma Alina Mihaela - President;
- 2) Lianu Ionuț – Member;
- 3) Pintea Adrian – Member;
- 4) Luchian Camelia – Member;
- 5) Popescu Radu – Member;
- 6) Chiorean Ioan Ciprian – Member.

As at 30 June 2025, the Fund's Executive Committee includes the following people:

- 1) Alina Toma - General Manager;
- 2) Diana Lazăr - Director.



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2 BASIS OF PREPARATION

These condensed interim financial information for the six months ended 30 June 2025 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 financial statements consolidated and separate as at and for the year ended on 31 December 2024.

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 2024.

Corrections of errors in the financial statements for the financial year ended 31 December 2024

During 2025, the Group identified an error that led to the non-recording of adjustments for the impairment of the receivables for outstanding commissions associated with current accounts, starting with 2022.

The cumulative amount of adjustments for impairment not recorded as of December 31, 2024 is RON 41,397 thousand, being considered significant in relation to the materiality thresholds in the Group's accounting policy manual. Therefore, the Group decided to correct this error by restating each of affected financial statements line item for prior periods. Where necessary, comparatives as of December 31, 2024 have been restated.

The cumulative amount of adjustments for impairment not recorded as of January 1, 2024 is RON 26,449 thousand and affects the position of "Retained earnings" and "Loans and advances to customers". This amount was considered immaterial in relation to the materiality thresholds in the Group's accounting policy manual and given the limited impact on the lines in the financial statements, the Group used the exception provided for in IAS 1 and elected not to disclose the restated statement of financial position as at 1 January 2024. The adjustment did not have material impact on profit/loss for the 6 month period ended 30 June 2024 therefore the comparative data in the statement of profit or loss and other comprehensive income and statement of cash flows has not been restated.

The effect of the error correction on this interim condensed consolidated and separate financial information was as follows:



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Statement of financial position

Group

	31 December 2024		31 December 2024
	<u>Reported</u>	<u>Correction</u>	<u>Restated</u>
Loans and advances to customers	37,227,458	(41,397)	37,186,061
Total assets	99,326,431	(41,397)	99,285,034
Retained earnings	2,337,005	(41,397)	2,295,608
Total equity	5,449,774	(41,397)	5,408,377
Total liabilities and equity	99,326,431	(41,397)	99,285,034

Bank

	31 December 2024		31 December 2024
	<u>Reported</u>	<u>Correction</u>	<u>Restated</u>
Loans and advances to customers	37,227,458	(41,397)	37,186,061
Total assets	99,246,743	(41,397)	99,205,346
Retained earnings	2,295,623	(41,397)	2,254,226
Total equity	5,408,159	(41,397)	5,366,762
Total liabilities and equity	99,246,743	(41,397)	99,205,346

The impact on the result for the 6-month period ended June 30, 2024 is in the amount of RON 0.4 million and has not been corrected considering the materiality thresholds.





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4 MATERIAL ACCOUNTING ESTIMATES

The Group and the Bank makes 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.

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 2025 for the Group:

	<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>	<u>755,022</u>	<u>585,372</u>	<u>-</u>	<u>1,340,394</u>
Debt securities	755,022	585,372	-	1,340,394
Derivatives – Swap on exchange rate	-	18,114	-	18,114
<i>Financial assets measured at fair value through other comprehensive income, of which:</i>	<u>23,515,165</u>	<u>11,299,626</u>	<u>43,084</u>	<u>34,857,875</u>
Securities	23,515,165	11,299,626	-	34,814,791
Equity investments	-	-	43,084	43,084
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>	<u>-</u>	<u>-</u>	<u>21,307</u>	<u>21,307</u>
Debt securities	-	-	21,307	21,307
Non-financial assets				
Land and buildings	-	-	641,264	641,264
Total assets carried at fair value	<u>24,270,187</u>	<u>11,903,112</u>	<u>705,655</u>	<u>36,878,954</u>
Financial liabilities				
Other financial liabilities				
Derivatives – Swap on exchange rate	-	8,788	-	8,788
Total financial liabilities carried at fair value	<u>-</u>	<u>8,788</u>	<u>-</u>	<u>8,788</u>



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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Assets and liabilities measured at fair value as at 30 June 2025 for 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	755,022	585,372	-	1,340,394
Derivatives – Swap on exchange rate	-	18,114	-	18,114
<i>Financial assets measured at fair value through other comprehensive income, of which:</i>				
Securities	23,515,165	11,299,626	43,084	34,857,875
Equity investments	-	-	43,084	43,084
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>				
Debt securities	-	-	21,307	21,307
Non-financial assets				
Land and buildings	-	-	637,486	637,486
Total assets carried at fair value	<u>24,270,187</u>	<u>11,903,112</u>	<u>701,877</u>	<u>36,875,176</u>
Financial liabilities				
Other financial liabilities				
Derivatives – Swap on exchange rate	-	8,788	-	8,788
Total financial liabilities carried at fair value	<u>-</u>	<u>8,788</u>	<u>-</u>	<u>8,788</u>

Assets and liabilities measured at fair value as at 31 December 2024 for the Group:

	<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	107,760	81,643	-	189,403
Derivatives – Swap on exchange rate	-	6,103	-	6,103
<i>Financial assets measured at fair value through other comprehensive income, of which:</i>				
Securities	27,503,976	4,910,084	42,498	32,456,558
Equity investments	-	-	42,498	42,498
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>				
Debt securities	-	-	20,909	20,909
Non-financial assets				
Land and buildings	-	-	641,414	641,414
Total assets carried at fair value	<u>27,611,736</u>	<u>4,997,830</u>	<u>704,824</u>	<u>33,314,390</u>

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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Financial liabilities

Other financial liabilities

Derivatives – Swap on exchange rate	-	1,922	-	1,922
Total financial liabilities carried at fair value	-	1,922	-	1,922

Assets and liabilities measured at fair value as at 31 December 2024 for 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>	<u>107,760</u>	<u>81,643</u>	<u>-</u>	<u>189,403</u>
Debt securities	107,760	81,643	-	189,403
Derivatives – Swap on exchange rate	-	6,103	-	6,103
<i>Financial assets measured at fair value through other comprehensive income, of which:</i>	<u>27,503,976</u>	<u>4,910,084</u>	<u>42,498</u>	<u>32,456,558</u>
Securities	27,503,976	4,910,084	-	32,414,060
Equity investments	-	-	42,498	42,498
<i>Financial assets mandatorily at fair value through profit or loss, out of which:</i>	<u>-</u>	<u>-</u>	<u>20,909</u>	<u>20,909</u>
Debt securities	-	-	20,909	20,909
Non-financial assets				
Land and buildings	-	-	637,476	637,476
Total assets carried at fair value	27,611,736	4,910,084	700,883	33,310,449
Financial liabilities				
Other financial liabilities				
Derivatives – Swap on exchange rate	-	1,922	-	1,922
Total financial liabilities carried at fair value	-	1,922	-	1,922

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 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	-	7,819,595	-	7,819,595	7,819,595
Loans and advances to banks	-	3,655,238	-	3,655,238	3,655,238
Loans and advances to customers	-	-	36,992,217	36,992,217	36,471,953
Subordinated loans	-	210,308	-	210,308	210,308
Investments in debt instruments at amortized cost	10,327,411	3,379,051	-	13,706,462	13,515,617
Investment property	-	-	103,937	103,937	68,662
Other financial assets	-	-	166,492	166,492	166,492
Total financial assets	<u>10,327,411</u>	<u>15,064,192</u>	<u>37,262,646</u>	<u>62,654,249</u>	<u>61,907,865</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	-	2,994,163	-	2,994,163	2,994,163
Deposits from customers	-	85,498,518	-	85,498,518	84,296,583
Borrowings from banks and other financial institutions	-	96,790	-	96,790	96,759
Debt securities issued	-	3,103,375	-	3,103,375	3,029,876
Subordinated liabilities	-	1,432,112	-	1,432,112	1,432,112
Other financial liabilities	-	-	415,875	415,875	415,875
Total financial liabilities	-	<u>93,124,958</u>	<u>415,875</u>	<u>93,540,833</u>	<u>92,265,368</u>

Assets and liabilities for which the fair value is disclosed as at 30 June 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	-	7,819,589	-	7,819,589	7,819,589
Loans and advances to banks	-	3,626,808	-	3,626,808	3,626,808
Loans and advances to customers	-	-	36,992,217	36,992,217	36,471,953
Subordinated loans	-	210,308	-	210,308	210,308
Investments in debt instruments at amortized cost	10,241,607	3,379,051	-	13,620,658	13,429,813
Investment property	-	-	103,937	103,937	68,662
Other financial assets	-	-	180,163	180,163	180,163
Total financial assets	<u>10,241,607</u>	<u>15,035,756</u>	<u>37,276,317</u>	<u>62,553,680</u>	<u>61,807,296</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	-	2,994,163	-	2,994,163	2,994,163
Deposits from customers	-	85,500,508	-	85,500,508	84,298,573
Borrowings from banks and other financial institutions	-	96,790	-	96,790	96,759
Debt securities issued	-	3,103,375	-	3,103,375	3,029,876
Subordinated liabilities	-	1,432,112	-	1,432,112	1,432,112
Other financial liabilities	-	-	358,439	358,439	358,439
Total financial liabilities	-	<u>93,126,948</u>	<u>358,439</u>	<u>93,485,387</u>	<u>92,209,922</u>

Assets and liabilities for which the fair value is disclosed as at 31 December 2024 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	-	10,465,286	-	10,465,286	10,465,286
Loans and advances to banks	-	2,321,288	3,167,281	5,488,569	5,480,174
Loans and advances to customers	-	-	37,792,338	37,792,338	37,186,061
Subordinated loans	-	210,460	-	210,460	210,460
Investments in debt instruments at amortized cost	8,357,876	3,129,591	-	11,487,467	11,758,962
Investment property	-	-	103,937	103,937	70,422
Other financial assets	-	-	155,923	155,923	155,923
Total financial assets	<u>8,357,876</u>	<u>16,126,625</u>	<u>41,219,479</u>	<u>65,703,980</u>	<u>65,327,288</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	-	3,233,240	-	3,233,240	3,233,240
Deposits from customers	-	86,512,478	-	86,512,478	85,359,302
Borrowings from banks and other financial institutions	-	100,505	-	100,505	100,463
Debt securities issued	-	3,031,953	-	3,031,953	2,976,978
Subordinated liabilities	-	1,431,144	-	1,431,144	1,431,144
Other financial liabilities	-	-	409,746	409,746	409,746
Total financial liabilities	-	<u>94,309,320</u>	<u>409,746</u>	<u>94,719,066</u>	<u>93,510,873</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 2024 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	-	10,465,285	-	10,465,285	10,465,285
Loans and advances to banks	-	2,288,891	3,167,281	5,456,172	5,447,777
Loans and advances to customers	-	-	37,792,338	37,792,338	37,186,061
Subordinated loans	-	210,460	-	210,460	210,460
Investments in debt instruments at amortized cost	8,323,306	3,129,591	-	11,452,897	11,724,392
Investment property	-	-	103,937	103,937	70,422
Other financial assets	-	-	155,923	155,923	155,923
Total financial assets	<u>8,323,306</u>	<u>16,094,227</u>	<u>41,208,899</u>	<u>65,626,432</u>	<u>65,249,740</u>
Financial liabilities					
Deposits from banks	-	3,233,240	-	3,233,240	3,233,240
Deposits from customers	-	86,533,931	-	86,533,931	85,380,755
Borrowings from banks and other financial institutions	-	100,505	-	100,505	100,463
Debt securities issued	-	3,031,953	-	3,031,953	2,976,978
Subordinated liabilities	-	1,431,144	-	1,431,144	1,431,144
Other financial liabilities	-	-	355,057	355,057	355,057
Total financial liabilities	<u>-</u>	<u>94,330,773</u>	<u>355,057</u>	<u>94,685,830</u>	<u>93,477,637</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 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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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 Bank.

Group	Market 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	3,119,229	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.	5.49 % for EUR 8.54 % 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	1,654,578	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.	9.23 % 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	5,654,641	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.	6.53 % 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	2,850,269	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.	5.18 % for EUR 8.87 % 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	2,157,073	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.	6.19 % for EUR 8.75 % 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	4,430,432	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.	5.29 % for EUR 8.70 % for RON 7.63 % 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	2,939,540	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.	5.68 % for EUR 9.61 % 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	5,531,112	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.	5.35 % for EUR 8.94 % 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	612,800	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.	7.81 % 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	7,370,232	Discounted future cash flows	The probability of default, as element that reflects the credit risk in the discount rate of future flows.	6.06 % for EUR 6.74 % for RON 4.10 % for USD	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Cards/ Overdraft	672,311	Discounted future cash flows	The probability of default, as element that reflects the credit risk in the discount rate of future flows.	16.92 % for RON	Individually increasing any unobservable input (probability of default, loss in case of default, discount rate) would generate a lower market value.
Total	36,992,217				



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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 from (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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5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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	43,084	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 13 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	21,307	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 1 in the fair value hierarchy:

	Participation interests	Debt securities
Balance as at 1 January 2025	42,498	20,909
Total gains or losses:		
- in the profit or loss account	-	398
- in other elements of comprehensive income	3,738	-
Acquisitions	-	-
Issues	-	-
Settlements	-	-
Transfers to Level 3	-	-
Transfers from level 3	-	-
Exchange rate differences	(3,152)	-
Balance as at 30 June 2025	43,084	21,307

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 (Quantum brings this value already calculated).

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

	<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 2025</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2024</u>
Interest income calculated using the effective interest method from:				
Current accounts, deposits loans and advances to banks	213,528	348,272	212,584	347,175
Treasury bills, bonds and other investment securities	1,161,787	841,169	1,161,787	841,169
Loans and advances to customers, out of which:	1,469,988	1,391,301	1,469,988	1,391,301
<i>Interest income on impaired loans</i>	53,709	64,086	53,709	64,086
<i>Income from interest related to subordinated loans</i>	10,727	591	10,727	591
FGCR interest income - Government programs	1,557	577	-	-
Total interest income	<u>2,846,860</u>	<u>2,581,319</u>	<u>2,844,359</u>	<u>2,579,645</u>
Interest expense related to financial liabilities measured at amortized cost arising from:				
Current accounts and term deposits from customers	1,331,948	1,347,920	1,332,553	1,347,920
Loans and deposits from banks	134,863	96,197	134,863	96,197
Interest expense on lease liabilities	40	419	40	419
Other borrowed funds	436	113	436	113
Subordinated loan	63,940	65,754	63,940	65,754
Debt securities issued	<u>96,800</u>	<u>79,491</u>	<u>96,800</u>	<u>79,491</u>
Total interest expense	<u>1,628,027</u>	<u>1,589,894</u>	<u>1,628,632</u>	<u>1,589,894</u>
Net interest income	<u>1,218,833</u>	<u>991,425</u>	<u>1,215,727</u>	<u>989,751</u>



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7 NET COMMISSION INCOME

	Group		Bank	
	Six months ended on 30 June 2025	Six months ended on 30 June 2024	Six months ended on 30 June 2025	Six months ended on 30 June 2024
Commission income				
Commissions from operations with cards	84,148	66,575	84,148	66,575
Commissions from cash transactions	33,093	28,179	33,093	28,179
Commissions from current accounts opening	70,026	62,538	70,113	62,570
Other commissions	37,719	29,867	37,719	29,867
Total commissions from contracts with customers	<u>224,986</u>	<u>187,159</u>	<u>225,073</u>	<u>187,191</u>
Commissions from financial guarantees and loan commitments given	39,801	32,606	12,953	14,718
Total commissions income	<u>264,787</u>	<u>219,765</u>	<u>238,026</u>	<u>201,909</u>
Commission expense				
Commissions for inter-bank transactions	34,487	28,864	34,448	28,821
Commissions for financial risk insurance	2,257	2,727	2,257	2,727
Commissions for financial services	52,064	31,484	52,064	31,484
Total commission expense	<u>88,808</u>	<u>63,075</u>	<u>88,769</u>	<u>63,032</u>
Net commission income	<u>175,979</u>	<u>156,690</u>	<u>149,257</u>	<u>138,877</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	<p>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.</p> <p>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.</p>	<p>Income from banking services is recognized over time as the services are provided.</p> <p>Transaction-related income is recognized when the transaction occurs.</p>



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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.

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 2025</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2024</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	436,784	246,997	436,784	246,997
Net charge with adjustments for expected loss on current account and deposits with the NBR	(340)	1,152	(340)	1,152
Net charge with adjustments for expected losses on correspondent accounts, deposits and loans with credit institutions	4,394	(2,535)	2,346	(2,604)
Net expenses with impairment losses on reverse repo operations	11	-	11	-
Net charge with adjustments for expected losses on subordinated loans	-	98	-	98
Losses from non-recoverable receivables not covered by adjustments for expected loss of credit	322	342	322	342
Provisions for loan commitments and financial guarantees given	(3,828)	12,286	(3,843)	12,286
Net expenses from impairment losses on debt instruments	4,511	3,483	4,511	3,483
Recoveries from loans sold	(21,416)	(15,329)	(21,416)	(15,329)
Recoveries from loans previously written off	(60,585)	(25,619)	(60,585)	(25,619)
Income from debt recovery (Euro sources)	(37)	(19)	-	-
FGCR				
Total net charge with adjustments for expected credit losses	<u>359,816</u>	<u>220,856</u>	<u>357,790</u>	<u>220,806</u>

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9 OTHER OPERATING EXPENSES

	Group		Bank	
	Six months ended on	Six months ended on	Six months ended on	Six months ended on
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
Third parties expenses	24,646	19,222	24,027	18,724
Advertising and publicity	3,925	3,047	3,668	2,933
Materials and inventories	4,901	5,347	4,709	5,048
Other taxes	40,184	31,464	40,149	31,429
Provision for litigations and for internal or external fraud	(88)	(1,366)	(88)	(1,366)
Other operating expenses	2,610	1,796	2,423	1,674
Rent expenses	1,346	1,249	1,317	1,223
Travel and transportation expenses	9,136	8,587	9,107	8,587
Expenses with deposits' guarantee fund	46,546	34,168	46,546	34,168
Repairs and maintenance of property and equipment	79,868	67,951	79,447	67,550
Expenses with post and telecommunications	19,937	16,930	19,841	16,808
(Gain) on sale of fixed assets and investment property	-	(185)	-	(185)
Net charge for impairment of other financial and non-financial assets	(638)	311	(638)	311
Net expenses with impairment losses on investment property	164	-	164	-
Expenses with additional turnover tax (*)	65,845	56,686	65,835	56,677
Total	298,382	245,207	296,507	243,581

(*) According to law 296/2023, the Bank calculates, registers, declares and pays quarterly the minimum turnover tax.
The balance of the account "Expenses with the additional turnover tax" on 30.06.2025 represents the amount of the minimum turnover tax related to the 1st half.





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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 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

The table below presents the Group's/Bank's loans commitments and financial guarantees net of provision outstanding as at 30 June 2025, split by stages:

	Stage 1	Stage 2	Stage 3	Total
Crediting commitments				
Exposure	3,437,975	145,951	49,744	3,633,670
Provision	20,929	3,109	5,565	29,603
Net crediting commitments	3,417,046	142,842	44,179	3,604,067
Guarantee commitments				
Exposure	1,323,044	126,806	54,131	1,503,981
Provision	9,579	1,567	11,007	22,153
Net guarantee commitments	1,313,465	125,239	43,124	1,481,828

The table below presents the loans commitments and financial guarantees net of provision outstanding as at 31 December 2024, split by stages:

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Stage 1	Stage 2	Stage 3	Total
Crediting commitments				
Exposure	3,838,113	230,965	19,601	4,088,679
Provision	20,334	5,135	2,052	27,521
Net crediting commitments	3,817,779	225,830	17,549	4,061,158
Guarantee commitments				
Exposure	1,566,321	252,084	81,261	1,899,666
Provision	9,435	2,631	15,873	27,939
Net guarantee commitments	1,556,886	249,453	65,388	1,871,727

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 2025	30 June 2025
Bucharest-Ilfov	16,792,128	877,047
Center	2,212,741	136,512
North-East	3,350,380	137,563
North-West	4,811,629	193,143
South East	4,567,038	379,252
South-Muntenia	2,713,240	153,203
South-West Oltenia	2,473,088	110,640
West	1,641,182	102,113
Total loans	38,561,426	2,089,473
		36,471,953

	Group/Bank	
	Gross exposure	Adjustments for loan impairment
	31 December 2024	31 December 2024 restated
Bucharest-Ilfov	16,423,450	925,376
Center	2,311,536	140,587
North-East	3,575,233	157,109
North-West	4,968,662	203,781
South East	4,758,174	249,283
South-Muntenia	2,850,072	146,256
South-West Oltenia	2,620,675	112,758
West	1,713,540	100,131
Total loans	39,221,342	2,035,281
		37,186,061

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 2025 (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	122,311	20,689	29,068	-	172,068
Individuals – personal needs loans without real estate collaterals or not fully covered	2,643,569	46,099	136,560	-	2,826,228
Individuals – Mortgage loans	6,426,169	396,633	84,897	-	6,907,699
Cards/ Overdraft	674,445	6,389	21,048	-	701,882
Total loans for individuals	<u>9,866,494</u>	<u>469,810</u>	<u>271,573</u>	-	<u>10,607,877</u>
Legal entities Agriculture	2,268,621	726,996	345,531	-	3,341,148
Public local administrations	1,589,942	76,947	4,456	-	1,671,345
Legal entities Industry	3,613,342	581,455	710,618	10,361	4,915,776
Legal entities Commerce	2,403,774	308,276	460,616	-	3,172,666
Legal entities Construction	1,968,080	131,289	372,622	-	2,471,991
Legal entities Services	5,034,287	424,809	613,123	-	6,072,219
Bridge loans for subsidies	560,446	29,600	41,734	-	631,780
Public central administrations	<u>5,676,624</u>	-	-	-	<u>5,676,624</u>
Total corporate loans and advances	<u>23,115,116</u>	<u>2,279,372</u>	<u>2,548,700</u>	<u>10,361</u>	<u>27,953,549</u>
Total gross loans and advances	<u>32,981,610</u>	<u>2,749,182</u>	<u>2,820,273</u>	<u>10,361</u>	<u>38,561,426</u>
Collaterals	<u>20,379,358</u>	<u>2,440,919</u>	<u>2,238,066</u>	<u>10,361</u>	<u>25,068,703</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 2024 (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	133,911	21,097	32,465	-	187,473
Individuals – personal needs loans without real estate collaterals or not fully covered	2,184,138	46,194	122,288	-	2,352,620
Individuals – Mortgage loans Cards/Overdraft	6,461,196 <u>606,133</u>	438,095 <u>4,934</u>	82,358 <u>18,040</u>	- =	6,981,649 <u>629,107</u>
Total loans for individuals	<u>9,385,378</u>	<u>510,320</u>	<u>255,151</u>	=	<u>10,150,849</u>
Legal entities Agriculture	2,561,469	714,143	260,608	-	3,536,220
Public local administrations	1,841,583	145,420	3,865	-	1,990,868
Legal entities Industry	3,786,007	975,570	510,578	26,107	5,298,262
Legal entities Commerce	2,898,154	353,886	492,274	-	3,744,314
Legal entities Construction	2,116,101	158,673	321,521	-	2,596,295
Legal entities Services	5,033,594	516,111	660,329	-	6,210,034
Bridge loans for subsidies	558,605	77,235	17,534	-	653,374
Public central administrations	<u>5,041,126</u>	=	=	=	<u>5,041,126</u>
Total corporate loans and advances	<u>23,836,639</u>	<u>2,941,038</u>	<u>2,266,709</u>	<u>26,107</u>	<u>29,070,493</u>
Total gross loans and advances	<u>33,222,017</u>	<u>3,451,358</u>	<u>2,521,860</u>	<u>26,107</u>	<u>39,221,342</u>
Collaterals	<u>21,999,920</u>	<u>2,968,659</u>	<u>2,089,358</u>	<u>26,107</u>	<u>27,084,044</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 2025:

	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	729	267	18,135	-	19,131
Individuals – personal needs loans without real estate collaterals or not fully covered	38,131	998	73,832	-	112,961
Individuals – Mortgage loans	9,598	2,452	33,369	-	45,419
Cards/ Overdraft	4,864	129	12,231	-	17,224
Total adjustments for expected credit loss for individuals	<u>53,322</u>	<u>3,846</u>	<u>137,567</u>	-	<u>194,735</u>
Legal entities Agriculture	34,528	36,855	152,806	-	224,189
Public local administrations	15,900	769	98	-	16,767
Legal entities Industry	79,953	59,005	347,446	-	486,404
Legal entities Commerce	44,340	16,843	265,092	-	326,275
Legal entities Construction	49,486	9,955	260,091	-	319,532
Legal entities Services	101,730	44,292	353,478	-	499,500
Bridge loans for subsidies	847	87	20,379	-	21,313
Public central administrations	758	-	-	-	758
Total adjustments for expected credit loss for companies	<u>327,542</u>	<u>167,806</u>	<u>1,399,390</u>	-	<u>1,894,738</u>
Total adjustments for expected credit loss	<u>380,864</u>	<u>171,652</u>	<u>1,536,957</u>	-	<u>2,089,473</u>
Gross loans and advances to customers	<u>32,981,610</u>	<u>2,749,182</u>	<u>2,820,273</u>	<u>10,361</u>	<u>38,561,426</u>
Net loans and advances to customers	<u>32,600,746</u>	<u>2,577,530</u>	<u>1,283,316</u>	<u>10,361</u>	<u>36,471,953</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 2024 restated:

	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	761	276	19,939	-	20,976
Individuals – personal needs loans without real estate collaterals or not fully covered	27,684	903	69,824	-	98,411
Individuals – Mortgage loans	9,040	2,748	33,054	-	44,842
Cards/Overdraft	3,901	93	11,379	-	15,373
Total adjustments for expected credit loss for individuals	<u>41,386</u>	<u>4,020</u>	<u>134,196</u>	=	<u>179,602</u>
Legal entities Agriculture	36,136	34,602	132,618	-	203,356
Public local administrations	18,416	1,454	301	-	20,171
Legal entities Industry	73,602	93,577	301,865	-	469,044
Legal entities Commerce	47,850	18,435	294,152	-	360,437
Legal entities Construction	49,618	9,773	197,677	-	257,068
Legal entities Services	91,896	52,820	393,787	-	538,503
Bridge loans for subsidies	726	160	5,541	-	6,427
Public central administrations	673	-	-	-	673
Total adjustments for expected credit loss for companies	<u>318,917</u>	<u>210,821</u>	<u>1,325,941</u>	=	<u>1,855,679</u>
Total adjustments for expected credit loss	<u>360,303</u>	<u>214,841</u>	<u>1,460,137</u>	=	<u>2,035,281</u>
Gross loans and advances to clients	<u>33,222,017</u>	<u>3,451,358</u>	<u>2,521,860</u>	<u>26,107</u>	<u>39,221,342</u>
Net loans and advances to clients	<u>32,861,714</u>	<u>3,236,517</u>	<u>1,061,723</u>	<u>26,107</u>	<u>37,186,061</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Presentation of loan commitments given as at 30 June 2025:

	Group/Bank		
30 June 2025	<u>Low risk</u>	<u>Moderate risk</u>	<u>Total</u>
Individuals – personal needs loans without real estate collaterals or not fully covered	29,501	69	29,570
Individuals – Mortgage loans	53,733	2	53,735
Cards/ Overdraft	808,372	9,730	818,102
Gross total for individuals	891,606	9,801	901,407
Provision	932	157	1,089
Net total individuals	890,674	9,644	900,318
Legal entities Agriculture	587,214	122,663	709,877
Public local administrations	39,749	-	39,749
Legal entities Industry	497,254	11,334	508,588
Legal entities Commerce	268,807	4,075	272,882
Legal entities Construction	352,476	2,198	354,674
Legal entities Services	755,746	45,433	801,179
Bridge loans for subsidies	45,123	191	45,314
Gross total corporate	2,546,369	185,894	2,732,263
Provision	19,997	8,517	28,514
Net total corporate	<u>2,526,372</u>	<u>177,377</u>	<u>2,703,749</u>
Gross total	<u>3,437,975</u>	<u>195,695</u>	<u>3,633,670</u>
Provision	20,929	8,674	29,603
Net total	<u>3,417,046</u>	<u>187,021</u>	<u>3,604,067</u>

Presentation of financial guarantees given as at 30 June 2025:

	Group/Bank		
30 June 2025	<u>Low risk</u>	<u>Moderate risk</u>	<u>Total</u>
Financial guarantees given	1,323,044	180,937	1,503,981
Provision	9,579	12,573	22,152
Net total	<u>1,313,465</u>	<u>168,364</u>	<u>1,481,829</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Presentation of loan commitments given as at 31 December 2024:

<u>31 December 2024</u>	<u>Low risk</u>	<u>Moderate risk</u>	<u>Total</u>
Individuals – personal needs loans without real estate collaterals or not fully covered	66,030	51	66,081
Individuals – personal needs loans fully collateralised with real estate collaterals	-	-	-
Individuals – Mortgage loans	47,281	2	47,283
Cards/Overdraft	694,748	9,765	704,513
Gross total for individuals	808,059	9,818	817,877
Provision	807	176	983
Net total individuals	807,252	9,642	816,894
Legal entities Agriculture	925,347	121,844	1,047,191
Public local administrations	49,540	7,471	57,011
Legal entities Industry	501,803	20,330	522,133
Legal entities Commerce	387,691	10,738	398,429
Legal entities Construction	411,963	24,404	436,367
Legal entities Services	744,529	55,842	800,371
Bridge loans for subsidies	9,181	119	9,300
Gross total corporate	3,030,054	240,748	3,270,802
Provision	19,527	7,011	26,538
Net total corporate	<u>3,010,527</u>	<u>233,737</u>	<u>3,244,264</u>
Gross total	<u>3,838,113</u>	<u>250,566</u>	<u>4,088,679</u>
Provision	20,334	7,187	27,521
Net total	<u>3,817,779</u>	<u>243,379</u>	<u>4,061,158</u>

Presentation of financial guarantees given as at 31 December 2024:

<u>31 December 2024</u>	<u>Low risk</u>	<u>Moderate risk</u>	<u>Total</u>
Financial guarantees given	1,566,321	333,345	1,899,666
Provision	9,435	18,504	27,939
Net total	<u>1,556,886</u>	<u>314,841</u>	<u>1,871,727</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	Group/ Bank		Total	Of which within 1-30 days
	Low risk	Moderate risk		
30 June 2025				
Individuals – personal needs loans fully collateralised with real estate collaterals	116,858	5,453	122,311	8,945
Individuals – personal needs loans without real estate collaterals or not fully covered	2,286,831	356,738	2,643,569	90,555
Individuals – Mortgage loans	6,108,002	318,167	6,426,169	23,251
Cards/Overdraft	579,083	95,362	674,445	14,900
Total gross loans to individuals	<u>9,090,774</u>	<u>775,720</u>	<u>9,866,494</u>	<u>137,651</u>
Adjustment for expected credit loss for individuals	<u>47,105</u>	<u>6,217</u>	<u>53,322</u>	<u>1,049</u>
Total net loans to individuals	9,043,669	769,503	9,813,172	136,602
Legal entities Agriculture	1,880,362	388,259	2,268,621	146,121
Public local administrations	1,589,942	-	1,589,942	30,117
Legal entities Industry	3,392,669	220,673	3,613,342	268,532
Legal entities Commerce	2,307,081	96,693	2,403,774	138,241
Legal entities Construction	1,865,170	102,910	1,968,080	196,303
Legal entities Services	3,575,685	1,458,602	5,034,287	204,675
Bridge loans for subsidies	462,615	97,831	560,446	52,853
Public central administrations	5,676,624	-	5,676,624	-
Total loans to corporate	20,750,148	2,364,968	23,115,116	1,036,842
Adjustment for expected credit loss for companies	<u>282,370</u>	<u>45,171</u>	<u>327,542</u>	<u>16,543</u>
Total net loans to corporate	20,467,778	2,319,797	22,787,574	1,020,299
Total gross	<u>29,840,922</u>	<u>3,140,688</u>	<u>32,981,610</u>	<u>1,174,493</u>
Total adjustments for expected credit loss	<u>329,475</u>	<u>51,388</u>	<u>380,864</u>	<u>17,592</u>
Total net loans	29,511,447	3,089,300	32,600,746	1,156,901
Collaterals	<u>18,053,642</u>	<u>2,325,716</u>	<u>20,379,358</u>	<u>948,580</u>



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Group/Bank			
Internal rating	Low risk	Moderate risk	Total	Of which 1-30 days
31 December 2024 restated				
Individuals – personal needs loans fully collateralised with real estate collaterals	127,126	6,785	133,911	6,356
Individuals – personal needs loans without real estate collaterals or not fully covered	1,873,451	310,687	2,184,138	75,947
Individuals – Mortgage loans	6,114,023	347,173	6,461,196	23,407
Cards/Overdraft	521,391	84,742	606,133	13,320
Total gross loans to individuals	8,635,991	749,387	9,385,378	119,030
Adjustment for expected credit loss for individuals	36,419	4,967	41,386	790
Total net loans to individuals	8,599,572	744,420	9,343,992	118,240
Legal entities Agriculture	2,034,331	527,138	2,561,469	130,378
Public local administrations	1,841,583	-	1,841,583	25,043
Legal entities Industry	3,260,940	525,067	3,786,007	138,604
Legal entities Commerce	2,622,113	276,041	2,898,154	78,170
Legal entities Construction	2,001,057	115,044	2,116,101	77,215
Legal entities Services	3,579,895	1,453,699	5,033,594	139,219
Bridge loans for subsidies	487,670	70,935	558,605	18,224
Public central administrations	5,041,126	-	5,041,126	-
Total loans to corporate	20,868,715	2,967,924	23,836,639	606,853
Adjustment for expected credit loss for companies	267,024	51,893	318,917	8,318
Total net loans to corporate	20,601,691	2,916,031	23,517,722	598,535
Total gross	29,504,706	3,717,311	33,222,017	725,883
Total adjustments for expected credit loss	303,443	56,860	360,303	9,108
Total net loans	29,201,263	3,660,451	32,861,714	716,775
Collaterals	19,103,146	2,896,774	21,999,920	566,291

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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 2025	Group/Bank		31-	61-	Total
	0 days	- 30 days	60 days	90 days	
Individuals – personal needs loans fully collateralised with real estate collaterals	13,889	6,285	250	265	20,689
Individuals – personal needs loans without real estate collaterals or not fully covered	7,150	7,707	16,853	14,389	46,099
Individuals – Mortgage loans	357,859	28,574	8,616	1,584	396,633
Cards/ Overdraft	2,345	1,894	1,449	701	6,389
Total loans to individuals	381,243	44,460	27,168	16,939	469,810
Expected credit loss to individuals	2,881	403	325	237	3,846
Total net loans for individuals	378,362	44,057	26,843	16,702	465,964
Legal entities Agriculture	493,173	138,972	1,914	92,937	726,996
Public local administrations	76,947	-	-	-	76,947
Legal entities Industry	410,640	65,410	82,329	23,076	581,455
Legal entities Commerce	132,545	157,635	15,240	2,856	308,276
Legal entities Construction	78,569	9,088	32,459	11,173	131,289
Legal entities Services	325,777	43,031	32,166	23,835	424,809
Bridge loans for subsidies	16,436	7,895	-	5,269	29,600
Total corporate loans	1,534,087	422,031	164,108	159,146	2,279,372
Expected credit loss to corporate	116,272	26,276	15,789	9,469	167,806
Total net loans for corporate	1,417,815	395,755	148,319	149,677	2,111,566
Total gross	1,915,330	466,491	191,276	176,085	2,749,182
Total adjustments for expected credit loss	119,153	26,679	16,114	9,706	171,652
Total net loans	1,796,177	439,812	175,162	166,379	2,577,530
Collaterals	1,730,562	405,956	162,138	142,263	2,440,919



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024 restated	Group/Bank				Total
	0 days	1-30 days	31-60 days	61-90 days	
Individuals – personal needs loans fully collateralised with real estate collaterals	15,336	4,943	765	53	21,097
Individuals – personal needs loans without real estate collaterals or not fully covered	12,983	6,983	15,527	10,701	46,194
Individuals – Mortgage loans	399,869	29,027	6,469	2,730	438,095
Cards/Overdraft	1,996	1,553	1,042	343	4,934
Total loans to individuals	<u>430,184</u>	<u>42,506</u>	<u>23,803</u>	<u>13,827</u>	<u>510,320</u>
Expected credit loss to individuals	3,199	381	270	170	4,020
Total net loans for individuals	426,985	42,125	23,533	13,657	506,300
Legal entities Agriculture	596,769	105,065	4,185	8,124	714,143
Public local administrations	126,643	3,262	15,515	-	145,420
Legal entities Industry	878,268	79,905	15,885	1,512	975,570
Legal entities Commerce	271,130	29,854	15,269	37,633	353,886
Legal entities Construction	131,800	6,764	3,873	16,236	158,673
Legal entities Services	350,355	81,848	81,192	2,716	516,111
Bridge loans for subsidies	50,799	25,882	268	286	77,235
Total corporate loans	<u>2,405,764</u>	<u>332,580</u>	<u>136,187</u>	<u>66,507</u>	<u>2,941,038</u>
Expected credit loss to corporate	176,779	19,123	11,184	3,735	210,821
Total net loans for corporate	2,228,985	313,457	125,003	62,772	2,730,217
Total gross	2,835,948	375,086	159,990	80,334	3,451,358
Total expected credit loss	179,978	19,504	11,454	3,905	214,841
Total net loans	2,655,970	355,582	148,536	76,429	3,236,517
Collaterals	<u>2,496,438</u>	<u>298,859</u>	<u>122,502</u>	<u>50,860</u>	<u>2,968,659</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 2025	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	7,679	2,038	173	470	2,616	1,724	14,368	29,068
Individuals – personal needs loans without real estate collaterals or not fully covered	63,372	916	377	287	30,741	23,405	17,462	136,560
Individuals – Mortgage loans	30,339	1,655	289	475	5,403	7,764	38,972	84,897
Cards/ Overdraft	15,529	292	229	90	1,791	1,244	1,873	21,048
Total gross loans to individuals	116,919	4,901	1,068	1,322	40,551	34,137	72,675	271,573
Expected credit loss to individuals	69,796	2,503	409	536	13,017	15,032	36,274	137,567
Total net loans for individuals	47,123	2,398	659	786	27,534	19,105	36,401	134,006
Legal entities Agriculture	61,042	7,012	6,400	54,826	44,088	85,699	86,464	345,531
Public local administrations	3,355	-	-	-	-	577	524	4,456
Legal entities Industry	59,378	248,020	825	4,353	84,626	47,361	276,416	720,979
Legal entities Commerce	25,665	15,280	5,501	29,718	74,020	142,785	167,647	460,616
Legal entities Construction	38,880	6,891	913	8,928	147,018	88,055	81,937	372,622
Legal entities Services	81,337	5,747	3,874	4,620	165,613	106,445	245,487	613,123
Bridge loans for subsidies	2,294	3,119	68	-	4,820	26,657	4,776	41,734
Total gross loans to corporate entities	271,951	286,069	17,581	102,445	520,185	497,579	863,251	2,559,061
Expected credit loss to corporate	141,802	105,496	7,337	34,469	334,752	256,875	518,659	1,399,390
Total net loans for corporate	130,149	180,573	10,244	67,976	185,433	240,704	344,592	1,159,671
Total gross	388,870	290,970	18,649	103,767	560,736	531,716	935,926	2,830,634
Total adjustments for expected credit loss	211,598	107,999	7,746	35,005	347,769	271,907	554,933	1,536,957
Total net loans	177,272	182,971	10,903	68,762	212,967	259,809	380,993	1,293,677
Collaterals	271,935	271,058	15,300	91,331	361,468	410,704	826,630	2,248,426



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024 restated	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	9,295	1,730	531	181	1,949	1,783	16,996	32,465
Individuals – personal needs loans without real estate collaterals or not fully covered	50,645	812	327	277	24,290	26,299	19,638	122,288
Individuals – Mortgage loans	23,001	1,537	297	271	4,737	10,745	41,770	82,358
Cards/Overdraft	12,817	280	78	96	1,258	1,336	2,175	18,040
Total gross loans to individuals	95,758	4,359	1,233	825	32,234	40,163	80,579	255,151
Expected credit loss to individuals	56,181	2,149	731	367	10,564	22,322	41,882	134,196
Total net loans for individuals	39,577	2,210	502	458	21,670	17,841	38,697	120,955
Legal entities Agriculture	57,234	3,518	1,973	15,530	68,305	32,218	81,830	260,608
Public local administrations	495	-	-	-	743	-	2,627	3,865
Legal entities Industry	62,214	32,371	1,769	13,034	33,582	127,944	265,771	536,685
Legal entities Commerce	30,925	118,455	411	17,655	28,079	178,513	118,236	492,274
Legal entities Construction	59,547	33,980	3,491	21,873	58,122	45,045	99,463	321,521
Legal entities Services	200,981	7,079	2,749	4,048	94,059	114,622	236,791	660,329
Bridge loans for subsidies	8,944	254	29	-	1,151	6,652	504	17,534
Total gross loans to corporate entities	420,340	195,657	10,422	72,140	284,041	504,994	805,222	2,292,816
Expected credit loss to corporate	243,678	110,004	3,593	42,030	112,174	312,657	501,805	1,325,941
Total net loans for corporate	176,662	85,653	6,829	30,110	171,867	192,337	303,417	966,875
Total gross	516,098	200,016	11,655	72,965	316,275	545,157	885,801	2,547,967
Total expected credit loss	299,859	112,153	4,324	42,397	122,738	334,979	543,687	1,460,137
Total net loans	216,239	87,863	7,331	30,568	193,537	210,178	342,114	1,087,830
Collaterals	424,190	129,952	10,313	83,059	263,220	431,323	773,407	2,115,465



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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 30.06.2025 are presented in the table below:

<u>Type of collateral</u>	<u>Collateral value</u>	<u>(%)</u>	<u>Collaterals for balance sheet exposures</u>	<u>Collaterals for off balance sheet exposures</u>
Guarantees received from public administration and related entities	6,954,963	26.10%	6,954,963	-
Guarantees received from other financial Institutions	487,392	1.83%	428,334	59,057
Real estate	<u>15,202,005</u>	<u>57.04%</u>	<u>14,332,184</u>	<u>869,820</u>
Pledge over (movable assets, inventory, cash collateral)	3,255,731	12.22%	2,892,541	363,190
Other (assignment of receivables)	751,235	2.82%	460,680	290,555
Total	<u>26,651,325</u>	<u>100.00%</u>	<u>25,068,703</u>	<u>1,582,623</u>

The types of collaterals accepted by the Bank as at 31.12.2024 are presented in the table below:

<u>Type of collateral</u>	<u>Collateral value</u>	<u>(%)</u>	<u>Collaterals for balance sheet exposures</u>	<u>Collaterals for off balance sheet exposures</u>
Guarantees received from public administration and related entities	8,376,241	29.15%	8,376,241	-
Guarantees received from other financial Institutions	422,047	1.47%	418,555	3,492
Real estate	<u>15,704,171</u>	<u>54.65%</u>	<u>14,612,796</u>	<u>1,091,375</u>
Pledge over (movable assets, inventory, cash collateral)	3,525,427	12.27%	3,157,481	367,946
Other (assignment of receivables)	707,549	2.46%	518,972	188,578
Total	<u>28,735,435</u>	<u>100.00%</u>	<u>27,084,044</u>	<u>1,651,391</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
Write off	-	-	(408,645)	(408,645)
Interest adjustments	-	-	33,831	33,831
Other adjustments	(2,184)	(1,172)	(4,422)	(7,778)
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).

This amount are presented in detail in the note "Impairment losses on financial instruments". 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)

The effect of changing expected loss for loans and advances to customers can be analyzed as at 30 June 2024 restated as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	334,489	299,661	1,279,606	1,913,756
Transfers to stage 1	70,136	(67,016)	(3,120)	-
Transfers to stage 2	(17,252)	70,709	(53,457)	-
Transfers to stage 3	(6,687)	(30,658)	37,345	-
Increases due to new loans granted during the year	30,855	22,507	4,378	57,740
Decreases due to closed loans in year	(14,875)	(26,675)	(102,273)	(143,823)
Net remeasurement during the year	(36,061)	5,414	363,727	333,080
Assignment of receivables	-	-	(910)	(910)
Interest adjustments	-	-	26,300	26,300
Other adjustments	(65)	(317)	(2,418)	(2,800)
Closing balance at 30 June	<u>360,540</u>	<u>273,625</u>	<u>1,549,178</u>	<u>2,183,343</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 2024, the Bank did not write off any loans granted to customers.

During the first half of 2024, 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 15,328.63 thousand (there were no assignments of portfolios in the first semester of 2024).

This amount are presented in detail in the note "Impairment losses on financial instruments". 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 2024 restated 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	29,705	4,495	123,188	157,388
Transfer to Stage 1	1,623	(259)	(1,364)	-
Transfer to Stage 2	(264)	3,948	(3,684)	-
Transfer to Stage 3	(214)	(272)	486	-
Increase due to new loans granted in the year	8,636	1	101	8,738
Decreases due to closed loans in year	(2,606)	(301)	(2,152)	(5,059)
Net remeasurement during the year	(2,344)	(3,450)	43,421	37,627
Write-off	-	-	(33)	(33)
Interest adjustments	-	-	-	-
Other adjustments	-	-	-	-
Closing balance at 30 June	34,536	4,162	159,963	198,661

The effect of changing expected loss for loans and advances to legal entities customers in the first six months of year 2024 restated was as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Opening balance at 1 January	304,784	295,166	1,156,418	1,756,368
Transfer to Stage 1	68,513	(66,757)	(1,756)	-
Transfer to Stage 2	(16,988)	66,761	(49,773)	-
Transfer to Stage 3	(6,473)	(30,386)	36,859	-
Increase due to new loans granted in the year	22,219	22,506	4,277	49,002
Decreases due to closed loans in year	(12,269)	(26,374)	(100,121)	(138,764)
Net remeasurement during the year	(33,715)	8,864	320,304	295,453
Write-off	-	-	(877)	(877)
Interest adjustments	-	-	26,300	26,300
Other adjustments	(65)	(317)	(2,418)	(2,800)
Closing balance at 30 June	326,006	269,463	1,394,624	1,990,091



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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 Bank/Group has identified trends, uncertainties, demands, commitments or events that are reasonably likely to have a negative impact on the loan portfolio, like: The Bank has identified trends, uncertainties, demands, commitments or events that are reasonably likely to have a negative impact on the loan portfolio, like:

- The ongoing Russian-Ukrainian war has a lasting impact on the future economic growth in the region and has prompted the European Union institutions to actively change the strategic development plans in the energy sector with consequences on the EU funds size which have been complemented by the new EU funds package (Next Generation EU). However, the new strategy comes with new rules that are still currently under discussion, but which are expected to affect in the short term the economic growth dynamics in the region, mainly because of the conditioning to reduce the energy consumption in EU in the very short term. Considering pre-existing supply chain problems and high inflation which drives up costs, the macroeconomic context is expected to translate into reduced credit demand, savings' pace and altogether slower business activity of the banking sector. Therefore, the ability of some customers to repay their loans is also being affected and the current trend of lower non-performing loans ("NPL") rate in the Romanian banking sector could be reversed.
- Faster-than-expected global interest rate cuts amid slower economic growth and subdued inflation may lead to lower costs of mortgages, auto loans and other debt, with potential risk upside of credit, but with negative effects on the profitability of bank investments. Also, lower interest rates can make savings/deposit accounts less attractive with a negative impact on bank liquidity.
- In terms of general trends regarding the financial services industry, the sector is mainly impacted by the uncertainty of the future macroeconomic environment development, in the context of the ongoing war and adverse effects brought by the geopolitical context – the continuation of inflationary pressures and the pedological drought phenomenon recorded at national level on extensive agricultural areas with impact on ensuring the necessary human consumption and animal feed. The activity in the financial services sector is affected by the instability and volatility on the financial markets, and by the potential general economic downturn, for which the probability has risen in the past months, based on the high frequency indicators in the Eurozone.

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 on page 47) is:

	Group	12-month average at 30.06. 2025	12-month average at 31.12.2024
CAG (Legal entities Agriculture)	CAG	4.28%	3.77%
CAP (Public local administrations)	CAP	1.64%	1.41%
CCM (Legal entities Commerce)	CCM	6.04%	5.37%
CCO (Legal entities Construction)	CCO	8.31%	7.46%
CIN (Legal entities Industry)	CIN	6.17%	5.49%
CSA (Individuals – fully collateralized personal needs loans)	CSA	2.62%	2.49%



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

CSN (Individuals – personal needs loans without collateral or not fully covered)	CSN	3.85%	3.46%
CSS (Legal entities Services)	CSS	6.72%	5.99%
CTS (Bridge loans for subsidies)	CTS	1.06%	0.91%
IP (Individuals – Mortgage loans)	IP	0.41%	0.38%
OW (Cards/Overdraft)	OW	2.68%	2.40%

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

1. Models for loans to private individuals
 - change in GDP, 6 months lag;
 - net average salary growth, adjusted with the inflation rate, 6 months lag.
2. Models for loans to legal entities
 - change in GDP, 6 months lag;
 - ROBOR 3M rate, 12 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 60% 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 2025, for 2025 economic growth of 1.30% and economic growth of 1.90% in 2026;

- an increase in the average net salary adjusted with inflation, in 2025 equal to the average growth in the last 12 years and in 2026 equal to 75% of the average growth in the last 12 years, respectively increase of 5.42% in 2025 and increase of 4.13% in 2026;

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

- downside scenario with a probability of 30% 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- 2023), for 2025 economic contraction of 0.54% and economic growth of 0.06% in 2026;

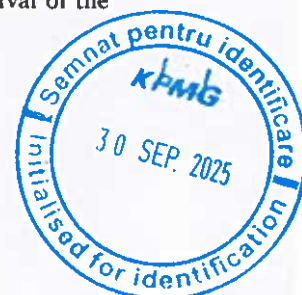
- an increase in the average net salary adjusted with inflation, annual growth in 2025 and 2026 equal to the minimum growth in the last 12 years, respectively decrease of 0.74% in 2025 and decrease of 1.04% in 2026; - ROBOR 3M rate – the base scenario shifted upwards by the uncertainty interval of the inflation forecast.

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

- for GDP, the base scenario shifted upwards by 0.25 standard deviations (based on GDP evolution between 2005-2023), for 2025 economic growth of 2.22% and economic growth of 2.82% in 2026;

- an increase in the average net salary adjusted with inflation - annual growth equal to the average growth in the last 12 years, respectively increase of 6.13% in 2025 and increase of 9.08% in 2026;

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



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Expected evolution of GDP

Scenario	Probability	2024	2025	2026
Scenario 1	30%	0.80%	-0.54%	0.06%
Scenario 2	60%	0.80%	1.30%	1.90%
Scenario 3	10%	0.80%	2.22%	2.82%

Expected evolution of ROBOR 3M

Scenario	31.12.2024	31.03.2025	30.06.2025	30.09.2025	31.12.2025	31.03.2026	30.06.2026	30.09.2026	31.12.2026
Scenariu 1	5.92%	5.90%	7.83%	8.23%	8.73%	8.18%	7.88%	7.83%	7.93%
Scenariu 2	5.92%	5.90%	7.33%	7.33%	7.33%	6.18%	5.68%	5.43%	5.43%
Scenariu 3	5.92%	5.90%	6.83%	6.43%	5.93%	4.18%	3.48%	3.03%	2.93%

Expected evolution of inflation

Scenariu	31.12.2024	31.03.2025	30.06.2025	30.09.2025	31.12.2025	31.03.2026	30.06.2026	30.09.2026	31.12.2026
Scenariu 1	6.60%	4.90%	4.60%	5.10%	4.90%	5.60%	6.00%	6.00%	5.70%
Scenariu 2	6.60%	4.90%	4.60%	5.10%	4.90%	5.10%	5.10%	4.60%	3.70%
Scenariu 3	6.60%	4.90%	4.60%	5.10%	4.90%	4.60%	4.20%	3.20%	1.70%

Expected evolution of the average net salary

Scenario	2024	2025	2026
Scenario 1	14.62%	7.78%	4.85%
Scenario 2	14.62%	10.38%	7.78%
Scenario 3	14.62%	10.38%	10.38%

Expected evolution of the average net salary adjusted with inflation

Scenario	2024	2025	2026
Scenario 1	6.80%	-0.74%	-1.04%
Scenario 2	6.80%	5.42%	4.13%
Scenario 3	6.80%	6.13%	9.08%

In addition to the inherent estimation uncertainty, the economic effects of the Russian-Ukrainian war have caused increased uncertainties, in particular regarding macroeconomic forecasts and their probabilities of occurrence, and therefore actual results may differ materially from the estimated ones. The Bank believes that these forecasts represent the best estimate of possible results. Sensitivity analysis of adjustments for expected losses determined by considering base scenario 100% and by changes in macroeconomic factors as at 30.06.2025 (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	10,607,877	194,735	194,735	192,041	197,438
Corporate entities	27,953,549	1,894,737	1,894,738	1,880,855	1,908,098
Total	38,561,426	2,089,472	2,089,473	2,072,896	2,105,536

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.

Considering the perspective of the economic situation in the context of the increase in energy/ gas prices, difficulties in the supply/ distribution chain, the Russian-Ukrainian war, the increase in inflation and the pedological drought phenomenon recorded at national level, on extensive agricultural, areas with impact on ensuring the necessary human consumption and animal feed, as well as recent fiscal measures, the Bank made some adjustments to the post-model expected credit loss ratios for loans classified in S1 and S2.

The overlay coefficients for S1 and S2 loans have been validated based on updated information as of June 2025, including data based on statistics published by the National Bank of Romania.

The level of the coefficients has been similar to the one estimated for 31.12.2024

To reduce the temporary deviation of the models from the long-term correlation, starting from December 2024, overlay coefficients have been applied to exposures classified in Stage 1 for portfolios showing underestimations.



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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>	Coefficient ajustare ECL S1	ECL adjustment coefficient S2
CSS (Legal entities Services)		2.52
CIN (Legal entities Industry)		2.25
CCO (Legal entities Construction)	1.5	2.25
CCM (Legal entities Commerce)	1.5	2.25
CAG (Legal entities Agriculture)	1.65	2.25
CAP (Public local administrations)		2.25
CTS (loans granted based on subsidies receivable)	1.65	2.25
CSN (credite PF consum fara garantii reale)	1.5	
IP (credite PF ipotecare)	1.5	

The quantitative effect of the post model adjustment coefficients was an increase in expected loss adjustments by approx. RON 155.68 million (RON 177.96 million as at 31.12.2024).

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 30.06.2025 the total exposure decreased to RON 314.94 million, of which RON 3.72 million migrated to Stage 3.

Sensitivity analysis of adjustments for expected losses determined by changes in macroeconomic factors as at 31.12.2024(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	10,150,849	154,898	179,602	150,346	155,910
Corporate entities	29,070,493	1,838,986	1,855,679	1,811,554	1,871,877
Total	39,221,342	1,993,884	2,035,281	1,961,899	2,027,787

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 30.06.2025:

LTV	Balance sheet exposure	Off balance sheet exposure
< 60%	3,163,244	4,057
61-80%	2,611,457	1,667
81-100%	1,079,792	2,552
101-120%	19,360	0
121-140%	5,803	63
>140%	17,252	929
Total	6,896,907	9,269

The ratio between loans and related real estate collaterals (LTV) as at 31.12.2024:

LTV	Balance sheet exposure	Off balance sheet exposure
< 60%	2,986,978	5,303
61-80%	2,741,112	3,808
81-100%	1,204,328	2,157
101-120%	24,305	22
121-140%	5,101	63
>140%	20,314	1,546
Total	6,982,137	12,899

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 2025, the gross accounting value of exposures with restructuring measures is RON 1,184,609 thousand (31 December 2024: RON 1,433,727 thousand), of which RON 347,988 thousand are performing exposures with restructuring measures (31 December 2024: RON 617,351 thousand).

Reposessed collaterals

In the first half of 2025, 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 10 plots of land (total value – RON 1,941 thousand).

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 2025 confirmed by Fitch on August 15, 2025 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 2025	31 December 2024	Rating 30 June 2025	Rating 31 December 2024
		Total balance	Total balance	Short/Long term	Short/Long term
Loans and advances to banks and public institutions – neither past due nor impaired	Commerzbank	13,425	11,098	P-1/Aa3	P-1/A1
	ING Belgium SA/NV Brussels	10,746	4,782	F1+/AA-	A-1/A+
Current account due from other banks	ING Bank NV Amsterdam Suc Bucuresti	8,716	15,044	F1+/AA-	F1+/AA-
	Otp Bank Budapesta	1,118	1,177	P-2/Baa1	P-2/Baa1
	Trezoreria Statului	4,536	12,494	BBB-/A-3	BBB-/A-3
	Other	13,975	21,321	without rating	without rating
	Barclays Bank	24,118	12,535	F1/A+	F1/A+
	Societe Generale, Paris	68,133	63,036	P-1/A1	P-1/A1
	Citibank NY	9,139	12,136	F1/A+	F1/A+
	PKO Bank Polski-Varsovia	2,297	1,662	P-1/A2	P-1/A2
	JP Morgan Frankfurt	117,562	11,352	F1+/AA	F1+/AA
	JP Morgan Chase Bank,n.a.NY	38,521	5,970	F1+/AA	F1+/AA
	Exim Banca Romaneasca	-	140,000	without rating	without rating
	Citibank Europe PLC Dublin	3,279	202,498	F1/A+	F1/A+
	Deutsche Bank AG	-	51,155	F1/A+	F1/A+
	Barclays bank	50,586	-	F1/A+	F1/A+
	BCR	408,323	6,700	F2/BBB+	F2/BBB+
	Citibank Europe PLC Sucursala Romania	499,697	224,261	F1/A+	F1/A+
	Trezoreria Statului	-	3,158,464	BBB-/A-3	BBB-/A-3
	Patria Bank	27,929	-	without rating	without rating
	Garanti Bank	268,865	14,922	B/BB	B/BB
	Intesa Sanpaolo Bank Romania	-	10,054	without rating	without rating
	Citibank Europe Dublin Romania	-	7	F1/A+	F1/A+
	Exim Banca Romaneasca	-	149,121	without rating	without rating
Deposits due from other banks	SMBC Bank EU AG	76,191	746,504	F1/A-	F1/A-
	Glarner Kantonalbank	633,272	349,049	A-1+/AA	A-1+/AA
	Hamburg Commercial Bank AG	470,791	149,435	P-2/A3	P-2/A3
	Procredit Bank	25,307	50,106	F3/BBB-	F3/BBB-
	Alpha Bank Romania	150,348	-	P-2/Baa1	P-2/Baa1
	Banca Centrala Cooperatista Creditcoop	35,006	-	without rating	without rating
	JP Morgan Frankfurt	8	-	F1+/AA	F1+/AA
	Nexent Bank NV Amsterdam Suc Buc	151,640	-	B/BB	-
	BC Intesa Sanpaolo Romania SA	100,018	-	without rating	without rating
	Aargauische Kantonalbank	127,245	-	A-1+/AA+	A-1+/AA+
	Nexent Bank (Suisse) SA	80,607	-	without rating	without rating
	ING Bank NV Amsterdam Suc Bucuresti	5,972	-	F1+/AA-	F1+/AA-
	BRD	7,674	14,807	F2/BBB+	F2/BBB+
	Banca Transilvania	7,963	10,674	F3/BBB-	F3/BBB-
	Unicredit Bank SA	100,018	-	F2/BBB+	F2/BBB+
	HSBC Bank London	612	667	F1+/AA-	F1+/AA-
Collateral deposits due from other banks	Citibank Europe PLC Dublin	3,097	-	F1/A+	F1/A+
	JP Morgan Securities	28,059	29,136	F1+/AA	F1+/AA
Reverse repo operations	JP Morgan FRANKFURT	11	8	F1+/AA	F1+/AA
	JP Morgan Securities	80,434	-	F1+/AA	F1+/AA
Total loans and advances to banks and public institutions		3,655,238	5,480,174		



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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 2025	31 December 2024	Rating 30 June 2025	Rating 31 December 2024
		Total balance	Total balance	Short/Long term	Short/Long term
Loans and advances to banks and public institutions – neither past due nor impaired	Commerzbank	13,425	11,098	P-1/AA3	P-1/A1
	ING Belgium SA/NV Brussels	10,746	4,782	F1+/AA-	A-1/A+
Current account due from other banks	ING Bank NV Amsterdam Suc Bucuresti	8,716	15,044	F1+/AA-	F1+/AA-
	Otp Bank Budapesta	1,118	1,177	P-2/Baa1	P-2/Baa1
	Trezoreria Statului	4,536	12,494	BBB-/A-3	BBB-/A-3
	Other	13,626	21,104	without rating	without rating
	Barclays Bank	24,118	12,535	F1/A+	F1/A+
	Societe Generale, Paris	68,133	63,036	P-1/A1	P-1/A1
	Citibank NY	9,139	12,136	F1/A+	F1/A+
	PKO Bank Polski-Varsovia	2,297	1,662	P-1/A2	P-1/A2
	JP Morgan Frankfurt	117,562	11,352	F1+/AA	F1+/AA
	JP Morgan Chase Bank,n.a.NY	38,521	5,970	F1+/AA	F1+/AA
	Exim Banca Romaneasca	-	140,000	without rating	without rating
	Citibank Europe PLC Dublin	3,279	202,498	F1/A+	F1/A+
	Deutsche Bank AG	-	51,155	F1/A-	F1/A+
	Barclays bank	50,586	-	F1/A+	F1/A+
	BCR	395,879	-	F2/BBB+	F2/BBB+
	Citibank Europe PLC Sucursala Romania	499,697	224,261	F1/A+	F1/A+
Deposits due from other banks	Trezoreria Statului	-	3,158,464	BBB-/A-3	BBB-/A-3
	Patria Bank	27,929	-	without rating	without rating
	Garanti Bank	268,865	14,922	B/BB	B/BB
	Intesa Sanpaolo Bank Romania	-	10,054	without rating	without rating
	Citibank Europe Dublin Romania	-	7	F1/A+	F1/A+
	Exim Banca Romaneasca	-	149,121	without rating	without rating
	SMBC Bank EU AG	76,191	746,504	F1/A-	F1/A-
	Glarner Kantonalbank	633,272	349,049	A-1+/AA	A-1+/AA
	Hamburg Commercial Bank AG	470,791	149,435	P-2/A3	P-2/A3
	Procredit Bank	25,307	50,106	F3/BBB-	F3/BBB-
	Alpha Bank Romania	150,348	-	P-2/Baa1	P-2/Baa1
	Banca Centrala Cooperatista Creditecoop	35,006	-	without rating	without rating
	JP Morgan Frankfurt	8	-	F1+/AA	F1+/AA
	Nexent Bank NV Amsterdam Suc Buc	151,640	-	B/BB	-
	BC Intesa Sanpaolo Romania SA	100,018	-	without rating	without rating
	Aargauische Kantonalbank	127,245	-	A-1+/AA+	A-1+/AA+
Collateral deposits due from other banks	Nexent Bank (Suisse) SA	80,607	-	without rating	without rating
	ING Bank NV Amsterdam Suc Bucuresti	5,972	-	F1+/AA-	F1+/AA-
	UniCredit Bank SA	100,018	-	F2/BBB+	F2/BBB+
	HSBC Bank London	612	667	F1+/AA-	F1+/AA-
Reverse repo operations	Citibank Europe PLC Dublin	3,097	-	F1/A+	F1/A+
	JP Morgan Securities	28,059	29,136	F1+/AA	F1+/AA
	JP Morgan FRANKFURT	11	8	F1+/AA	F1+/AA
Total loans and advances to banks and public institutions	JP Morgan Securities	80,434	-	F1+/AA	F1+/AA
		3,626,808	5,447,777		

As at June 30, 2025, the amounts presented in the financial position loans and advances to banks net of provisions amount to RON 3,626,808 thousand (31.12.2024: RON 5,447,777 thousand).

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

During June 2024, the Bank granted financing in the form of a subordinated loan to Exim Banca Românească SA in the amount of 200 million lei, with a maturity of 6 years and variable interest, ROBOR 6M +4.75%.

The Subordinated Loan Agreement includes specific clauses, in accordance with the legal regulatory framework (Regulation (EU) no. 575/2013 of the European Parliament and of the Council of June 26, 2013, revised).

	Group/Bank		
	Gross exposure	Adjustments for	Net exposure
	30 June 2025	expected credit losses	30 June 2025
	30 June 2025	30 June 2025	30 June 2025
Subordinated loans	200,411	103	200,308

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 (FVTOCI), and currency risk is represented by the risk of recording losses because of changes in exchange rates.

The Bank 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.

The Bank resized the trading portfolio, starting with April 2025, in the sense of increasing the maximum nominal value capacity from RON 200 million available for Romanian government securities denominated in RON to RON 2 billion equivalent, available for Romanian government securities denominated in RON, EUR and USD currencies, divided by maturity, according to the internal regulations in force.

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.

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 objectives regarding the management of market risk is achieved through the permanent monitoring and follow-up of:

- 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 Bank 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/UE 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.

Further that, to measure the risk related to the foreign currency portfolio, the Bank has the methodology for measuring the VaR (Value at Risk) indicator, by which it follows the observance of the maximum probable loss to be recorded on the total foreign currency portfolio, over a certain period and with a certain confidence level.

By resizing the trading portfolio, starting with April 2025, the Bank calculates the VaR indicator for the trading book government securities and sets up stop loss limits for the daily/real-time management of market risk in the Bank's trading portfolio through dedicated management systems. Internal regulations regarding market risk are submitted for approval to the Risk Management Committee.

The Group's financial assets and liabilities in lei and currencies as of June 30, 2025 can be analyzed as follows:





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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

The Group's financial assets and liabilities in RON and foreign currencies as at 30 June 2025 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	5,949,154	1,754,358	116,083	7,819,595
Financial assets at fair value through profit or loss	1,353,148	5,304	21,363	1,379,815
Loans and advances to banks	1,292,363	2,010,067	352,808	3,655,238
Financial assets measured at fair value through other comprehensive income	19,762,248	14,687,749	407,878	34,857,875
Investments in debt instruments at amortized cost	9,935,769	3,523,118	56,730	13,515,617
Loans and advances to customers	29,255,165	7,109,042	107,746	36,471,953
Subordinated loans	210,308	-	-	210,308
Other financial assets	<u>130,800</u>	<u>27,389</u>	<u>8,303</u>	<u>166,492</u>
Total financial assets	<u>67,888,955</u>	<u>29,117,027</u>	<u>1,070,911</u>	<u>98,076,893</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial assets				
Notional amount of derivatives				
— SWAP per exchange rate	576,316	2,818,124	291,856	3,686,295
Total derivative assets	<u>576,316</u>	<u>2,818,124</u>	<u>291,856</u>	<u>3,686,295</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	8,720	-	68	8,788
Deposits from banks	1,716,660	1,264,069	13,434	2,994,163
Deposits from customers	56,570,112	26,401,311	1,325,160	84,296,583
Other borrowed funds	39,938	56,821	-	96,759
Debt securities issued	-	3,029,876	-	3,029,876
Subordinated liabilities	1,432,112	-	-	1,432,112
Other financial liabilities	<u>405,103</u>	<u>3,568</u>	<u>7,204</u>	<u>415,875</u>
Total financial liabilities	<u>60,172,645</u>	<u>30,755,645</u>	<u>1,345,866</u>	<u>92,274,156</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	2,808,420	874,380	-	3,682,800
Total derivative liabilities	<u>2,808,420</u>	<u>874,380</u>	<u>-</u>	<u>3,682,800</u>
 On balance sheet net financial assets/(liabilities)	 <u>7,716,309</u>	 <u>(1,638,618)</u>	 <u>(274,955)</u>	 <u>5,802,736</u>
 Derivative financial assets/ (liabilities)	 <u>(2,232,105)</u>	 <u>1,943,744</u>	 <u>291,856</u>	 <u>3,495</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Letters of guarantee issued for customers	1,283,775	219,068	1,138	1,503,981
Undrawn loan commitments	3,031,315	543,375	58,980	3,633,670

The Bank's financial assets and liabilities in RON and foreign currencies as at 30 June 2025 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	5,949,148	1,754,358	116,083	7,819,589
Financial assets at fair value through profit or loss	1,353,148	5,304	21,363	1,379,815
Loans and advances to banks	1,263,933	2,010,067	352,808	3,626,808
Financial assets held at historical cost	5,000	-	-	5,000
Financial assets measured at fair value through other comprehensive income	19,762,248	14,687,749	407,878	34,857,875
Investments in debt instruments at amortized cost	9,849,965	3,523,118	56,730	13,429,813
Loans and advances to customers	29,255,165	7,109,042	107,746	36,471,953
Subordinated loans	210,308	-	-	210,308
Other financial assets	144,471	27,389	8,303	180,163
Total financial assets	<u>67,793,386</u>	<u>29,117,027</u>	<u>1,070,911</u>	<u>97,981,324</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	576,316	2,818,124	291,856	3,686,295
Total derivative assets	<u>576,316</u>	<u>2,818,124</u>	<u>291,856</u>	<u>3,686,295</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	8,720	-	68	8,788
Deposits from banks	1,716,660	1,264,069	13,434	2,994,163
Deposits from customers	56,572,102	26,401,311	1,325,160	84,298,573
Other borrowed funds	39,938	56,821	-	96,759
Debt securities issued	-	3,029,876	-	3,029,876
Subordinated liabilities	1,432,112	-	-	1,432,112
Other financial liabilities	<u>347,668</u>	<u>3,568</u>	<u>7,203</u>	<u>358,439</u>
Total financial liabilities	<u>60,117,200</u>	<u>30,755,645</u>	<u>1,345,865</u>	<u>92,218,710</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Derivative financial liabilities				
Notional amount of derivatives				
— SWAP per exchange rate	2,808,420	874,380	-	3,682,800
Total derivative liabilities	<u>2,808,420</u>	<u>874,380</u>	<u>-</u>	<u>3,682,800</u>
On balance sheet net financial assets/(liabilities)	<u>7,716,186</u>	<u>(1,638,618)</u>	<u>(274,954)</u>	<u>5,762,614</u>
Derivative financial assets/(liabilities)	<u>(2,232,105)</u>	<u>1,943,744</u>	<u>291,856</u>	<u>3,495</u>
	<u>RON</u>	<u>EUR</u>	<u>Other</u>	<u>Total</u>
Letters of guarantee issued for customers	1,283,775	219,068	1,138	1,503,981
Undrawn loan commitments	3,031,315	543,375	58,980	3,633,670

The Group's and Bank's financial assets and liabilities in RON and foreign currencies as at 31 December 2024 restated 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	8,206,050	2,084,188	175,048	10,465,286
Financial assets at fair value through profit or loss	195,362	-	21,053	216,415
Loans and advances to banks and public institutions	3,803,155	1,548,618	128,401	5,480,174
Financial assets measured at fair value through other comprehensive income	16,667,980	15,363,562	425,016	32,456,558
Investments in debt instruments at amortized cost	8,707,619	2,988,923	62,420	11,758,962
Loans and advances to customers	29,686,089	7,368,513	131,459	37,186,061
Subordinated loan	210,460	-	-	210,460
Other financial assets	<u>124,019</u>	<u>29,744</u>	<u>2,160</u>	<u>155,923</u>
Total financial assets	<u>67,600,734</u>	<u>29,383,548</u>	<u>945,557</u>	<u>97,929,839</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial assets				
Notional amount of derivatives — SWAP per exchange rate	876,837	1,278,344	370,625	2,525,805
Total derivative assets	<u>876,837</u>	<u>1,278,344</u>	<u>370,625</u>	<u>2,525,805</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Balance sheet financial liabilities				
Derivatives	1,922	-	-	1,922
Deposits from banks	2,153,739	1,069,946	9,555	3,233,240
Deposits from customers	58,317,120	25,755,395	1,286,787	85,359,302
Other borrowed funds	40,898	59,565	-	100,463
Debt securities issued	-	2,976,978	-	2,976,978
Subordinated liabilities	1,431,144	-	-	1,431,144
Other financial liabilities	<u>381,777</u>	<u>21,309</u>	<u>6,660</u>	<u>409,746</u>
Total financial liabilities	<u>62,326,601</u>	<u>29,883,193</u>	<u>1,303,002</u>	<u>93,512,795</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Derivative financial liabilities				
Notional amount of derivatives — SWAP per exchange rate	<u>1,280,664</u>	<u>1,238,551</u>	<u>-</u>	<u>2,519,215</u>
Total derivative liabilities	<u>1,280,664</u>	<u>1,238,551</u>	<u>-</u>	<u>2,519,215</u>
On balance sheet net financial assets/ (liabilities)	<u>5,314,503</u>	<u>(498,705)</u>	<u>(357,357)</u>	<u>4,458,441</u>
Derivative financial assets/ (liabilities)	<u>(403,827)</u>	<u>39,793</u>	<u>370,357</u>	<u>6,591</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Letters of guarantee issued for customers	<u>1,646,578</u>	<u>249,423</u>	<u>3,665</u>	<u>1,899,666</u>
Undrawn loan commitments	<u>3,625,711</u>	<u>427,277</u>	<u>35,691</u>	<u>4,088,679</u>



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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		8,206,049	2,084,188	175,048	10,465,285
Financial assets at fair value through profit or loss		195,362	-	21,053	216,415
Loans and advances to banks and public institutions		3,770,758	1,548,618	128,401	5,447,777
Financial assets held at historical cost		5,000	-	-	5,000
Financial assets measured at fair value through other comprehensive income		16,667,980	15,363,562	425,016	32,456,558
Investments in debt instruments at amortized cost		8,673,049	2,988,923	62,420	11,724,392
Loans and advances to customers		29,686,089	7,368,513	131,459	37,186,061
Subordinated loan		210,460	-	-	210,460
Other financial assets		<u>113,439</u>	<u>29,744</u>	<u>2,160</u>	<u>145,343</u>
Total financial assets		<u>67,528,186</u>	<u>29,383,548</u>	<u>945,557</u>	<u>97,857,291</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>	
Derivative financial assets					
Notional amount of derivatives					
— SWAP per exchange rate	876,836	1,278,344	370,625	2,525,805	
Total derivative assets	<u>876,836</u>	<u>1,278,344</u>	<u>370,625</u>	<u>2,525,805</u>	
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>	
Balance sheet financial liabilities					
Derivatives		1,922	-	-	1,922
Deposits from banks		2,153,739	1,069,946	9,555	3,233,240
Deposits from customers		58,337,680	25,756,288	1,286,787	85,380,755
Other borrowed funds		40,898	59,565	-	100,463
Debt securities issued		-	2,976,978	-	2,976,978
Subordinated liabilities		1,431,144	-	-	1,431,144
Other financial liabilities		<u>327,088</u>	<u>21,309</u>	<u>6,660</u>	<u>355,057</u>
Total financial liabilities		<u>62,292,471</u>	<u>29,884,086</u>	<u>1,303,002</u>	<u>93,479,559</u>
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>	
Derivative financial liabilities					
Notional amount of derivatives — SWAP per exchange rate					
	1,280,664	1,238,551	-	2,519,215	
Total derivative liabilities	<u>1,280,664</u>	<u>1,238,551</u>	<u>-</u>	<u>2,519,215</u>	
On balance sheet net financial assets/ (liabilities)					
	<u>5,276,084</u>	<u>(499,598)</u>	<u>(357,357)</u>	<u>4,419,129</u>	
Derivative financial assets/ (liabilities)					
	<u>(403,828)</u>	<u>39,793</u>	<u>370,625</u>	<u>6,590</u>	
	<u>RON</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>	
Letters of guarantee issued for customers		1,646,578	249,423	3,665	1,899,666
Undrawn loan commitments		3,625,711	427,277	35,691	4,088,679



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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 arising from non-trading book activities is the current and prospective risk of a negative impact to the institution's economic value of equity, or to the institution's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including gap risk, basis risk, option risk and credit spread risk arising from non-trading book activities except for the assets deducted from core Tier 1 own funds, such as real estate, intangible assets or equity exposures outside the trading book.

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.

Also, starting from May 2022, the Bank regained the quality of primary dealer of government bonds and follows the strategy of actively participating in the Primary Market auctions of government securities issues of the Ministry of Finance, which contain a wide spectrum of maturities, for maintaining a minimum duration of the securities portfolio and a balanced contribution to the Bank's income.

The main source of interest rate risk is represented by the correlation between the structure of the Bank's portfolio of assets and liabilities and the type of interest rate related to this portfolio, taking into account the maturity date - in the case of fixed interest financial instruments, the bullet maturity and/or the principal and interest cash flows, according to the due date, related to performance loans with a fixed interest rate (within the appropriate ranges) and the repricing date - in the case of financial instruments with floating interest.

Through the interest rate risk management policy, the Bank aims to optimize the gap between assets and liabilities sensitive to interest rate variations, both in total and over time horizons, so that the impact of interest rate variations on net interest income to be the minimum possible. The bank proposes an adequate management of combined interest on assets and liabilities with actions to promote asset and liability products to create a portfolio with low sensitivity to interest rate variations and to achieve the targets set by the risk profile.

Compliance with the assumed risk profile for the interest rate risk is managed through the limits established for the key indicators based on the risk appetite that the Bank assumed.

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 the 6 supervisory shock scenarios for detecting the extreme values – the most adverse value (quarterly)
- NII (Net Interest Income) according to the 2 supervisory shock scenarios – the most adverse value (quarterly)
- Potential change in economic value as a result of changes in interest rate levels - IRRBB, based on the standardized method;

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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

- The relative GAP on the interest rate (calculated in RON equivalent on maturity bands as a percentage – between the absolute interest rate GAP and total interest-bearing assets – principal amounts);
- The difference between the average interest on assets related to foreign currency retail and corporate loans and the cost of sources attracted in foreign currency plus the cost of risk related to foreign currency loans.

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/UE 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 level of the profitability threshold corroborated with that of the average interest spread;
- The negative result obtained from forecasts 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 2025:



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	RON		EUR	
	Range		Range	
<u>Assets</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>
Cash and cash equivalents at central bank	0.74	0.81	0.13	0.18
Investments with National Bank of Romania	5.50	5.50	-	-
Investments with other banks	5.50	9.00	1.90	2.90
Treasury certificates	5.55	8.34	3.51	3.542
Loans and advances to customers (*)	2.16	35.00	4.16	12.41
Subordinated loans	10.73	10.73	-	-
Investment securities	5.50	9.00	2.07	6.678
<u>Liabilities</u>				
Deposits from banks	5.40	7.25	1.75	2.92
Deposits from customers	-	12.80	-	4.75
Borrowings from banks and other financial institutions	7.64	7.68	0.099	0.349
Debt securities issued	-	-	5.63	7.50
Subordinated liabilities	9.22	9.70	-	-

(*) 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. The following table illustrates the annual interest rates obtained or offered by the Group and the Bank for interest-bearing assets and liabilities during 2024:

	RON		EUR	
	Range		Range	
	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>
<u>Assets</u>				
Cash and balance at Central Bank	0.74	0.83	0.08	0.19
Investments with National Bank of Romania	5.50	6.00	-	-
Investments with other banks	5.50	6.75	2.60	4.15
Subordinated loan	10.79	10.79	-	-
Treasury certificates	5.55	6.50	2.84	3.76
Loans and advances to customers (*)	5.35	20.41	4.83	8.18
Investment securities	5.65	7.85	3.11	5.73
<u>Liabilities</u>				
Deposits from banks	5.25	6.01	2.60	4.00
Deposits from customers	-	10.40	-	3.60
Borrowings from banks and other financial institutions	7.15	7.68	0.09	0.28
Debt securities issued	-	-	5.63	7.50
Subordinated liabilities	9.31	9.70	-	-

(*) During 2024, 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 2025, with financial assets and liabilities classified by the earlier of the interest rate change date or the contractual maturity date.

	Group					Non	
	< 1 month	1 month 3 months	3 months - 1 year	1 year- 5 years	> 5 years	interest bearing	Total
Financial assets							
Cash and balances with central bank	7,819,595	-	-	-	-	-	7,819,595
Financial derivatives	-	-	-	-	-	18,114	18,114
Loans and advances to banks and public institutions	1,774,839	781,875	701,292	-	-	397,232(*)	3,655,238
Loans and advances to customers	8,425,959	873,891	15,172,182	8,920,667	2,384,386	694,868(**)	36,471,953
Financial assets held for trading and measured at fair value through profit and loss	3,538	-	189,191	840,727	306,938	-	1,340,394
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	21,307	21,307
Financial assets measured at fair value through other comprehensive income	757,283	3,201,058	12,174,226	15,086,249	3,595,975	43,084	34,857,875
Investments in debt instruments at amortized cost	441,953	22,825	2,035,871	8,596,911	2,418,057	-	13,515,617
Subordinated loans	-	-	-	-	210,308	-	210,308
Other financial assets	-	-	-	-	-	166,492	166,492
Total financial assets	19,223,167	4,879,649	30,272,762	33,444,554	8,915,664	1,341,097	98,076,893
Financial liabilities							
Financial derivatives	-	-	-	-	-	8,788	8,788
Deposits from banks	2,958,144	36,016	-	-	-	3	2,994,163
Deposits from customers	28,164,590	16,388,887	21,834,276	1,166,192	307,176	16,435,462 (***)	84,296,583
Subordinated liabilities	1,432,112	-	-	-	-	-	1,432,112
Borrowings from banks and other financial institutions	35,518	1,528	58,670	1,043	-	-	96,759
Debt securities issued	-	-	-	3,029,876	-	-	3,029,876
Lease liabilities	3,036	5,939	25,732	64,246	15,064	-	114,017
Other financial liabilities	-	-	-	-	-	415,875	415,875
Total financial liabilities	32,593,400	16,432,370	21,918,678	4,261,357	322,240	16,860,128	92,388,173
Interest rate gap	(13,370,233)	(11,552,721)	8,354,084	29,183,197	8,593,424	(15,519,031)	5,688,720



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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	7,819,589	-	-	-	-	-	7,819,589
Financial derivatives	-	-	-	-	-	18,114	18,114
Loans and advances to banks and public institutions	1,770,316	753,999	705,261	-	-	397,232(*)	3,626,808
Loans and advances to customers	8,425,959	873,891	15,172,182	8,920,667	2,384,386	694,868(**)	36,471,953
Financial assets held for trading and measured at fair value through profit and loss	3,538	-	189,191	840,727	306,938	-	1,340,394
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	21,307	21,307
Financial assets measured at fair value through other comprehensive income	757,283	3,201,058	12,174,226	15,086,249	3,595,975	43,084	34,857,875
Investments in debt instruments at amortized cost	434,152	10,027	1,970,666	8,596,911	2,418,057	-	13,429,813
Financial assets held at historical cost	-	-	-	-	-	5,000	5,000
Subordinated loans	-	-	-	-	210,308	-	210,308
Other financial assets	-	-	-	-	-	180,163	180,163
Total financial assets	19,210,837	4,838,975	30,211,526	33,444,554	8,915,664	1,359,768	97,981,324
Financial liabilities							
Financial derivatives	-	-	-	-	-	8,788	8,788
Deposits from banks	2,958,144	36,016	-	-	-	3	2,994,163
Deposits from customers	28,164,926	16,389,226	21,835,591	1,166,192	307,176	16,435,462 (***)	84,298,573
Subordinated liabilities	1,432,112	-	-	-	-	-	1,432,112
Borrowings from banks and other financial institutions	35,518	1,528	58,670	1,043	-	-	96,759
Debt securities issued	-	-	-	3,029,876	-	-	3,029,876
Lease liabilities	3,036	5,939	25,732	64,246	15,064	-	114,017
Other financial liabilities	-	-	-	-	-	358,439	358,439
Total financial liabilities	32,593,736	16,432,709	21,919,993	4,261,357	322,240	16,802,692	92,332,727
Interest rate gap	(13,382,899)	(11,593,734)	8,291,533	29,183,197	8,593,424	(15,442,924)	5,648,597

(*) 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 2024 restated, 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>< 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	10,465,286	-	-	-	-	-	10,465,286
Financial derivatives	-	-	-	-	-	6,103	6,103
Loans and advances to banks and public institutions	3,721,724	1,372,542	130,749	-	-	255,159 (*)	5,480,174
Loans and advances to customers	9,073,987	586,123	17,078,425	7,876,352	1,959,467	611,707 (**)	37,186,061
Financial assets held for trading and measured at fair value through profit and loss	-	384	1,373	93,902	93,744	-	189,403
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	20,909	20,909
Financial assets at fair value through other comprehensive income	800,170	11,731,184	4,166,450	12,818,014	2,898,242	42,498	32,456,558
Investments in debt instruments at amortized cost	-	144,432	1,444,640	7,228,082	2,941,808	-	11,758,962
Subordinated loan	-	-	-	-	210,460	-	210,460
Other financial assets	-	-	-	-	-	155,923	155,923
Total financial assets	24,061,167	13,834,665	22,821,637	28,016,350	8,103,721	1,092,299	97,929,839
Financial liabilities							
Financial derivatives	-	-	-	-	-	1,922	1,922
Deposits from banks	3,202,665	10,213	20,330	-	-	32	3,233,240
Deposits from customers	35,932,231	13,243,846	18,270,692	3,961,598	6,411,130	7,539,805 (***)	85,359,302
Subordinated borrowing	1,431,144	-	-	-	-	-	1,431,144
Borrowings from banks and other financial institutions	36,928	1,441	58,672	3,422	-	-	100,463
Debt securities issued	-	-	-	2,976,978	-	-	2,976,978
Lease liabilities	2,934	5,674	23,900	63,861	11,653	-	108,022
Other financial liabilities	-	-	-	-	-	409,746	409,746
Total financial liabilities	40,605,902	13,261,174	18,373,594	7,005,859	6,422,783	7,951,505	93,620,817
Interest rate gap	(16,544,735)	573,491	4,448,043	21,010,491	1,680,938	(6,859,206)	4,309,022





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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Bank					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	10,465,285	-	-	-	-	-	10,465,285
Financial derivatives	-	-	-	-	-	6,103	6,103
Loans and advances to banks and public institutions	3,713,432	1,354,693	124,493	-	-	255,159 (*)	5,447,777
Loans and advances to customers	9,073,987	586,123	17,078,425	7,876,352	1,959,467	611,707 (**)	37,186,061
Financial assets held for tradin and measured at fair value through profit and loss	-	384	1,373	93,902	93,744	-	189,403
Financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	20,909	20,909
Financial assets at fair value through other comprehensive income	800,170	11,731,184	4,166,450	12,818,014	2,898,242	42,498	32,456,558
Investments in debt instruments at amortized cost	-	144,426	1,410,076	7,228,082	2,941,808	-	11,724,392
Financial assets held at historical cost	-	-	-	-	-	5,000	5,000
Subordinated loan	-	-	-	-	210,460	-	210,460
Other financial assets	-	-	-	-	-	145,343	145,343
Total financial assets	24,052,874	13,816,810	22,780,817	28,016,350	8,103,721	1,086,719	97,857,291
Financial liabilities							
Financial derivatives	-	-	-	-	-	1,922	1,922
Deposits from banks	3,202,665	10,213	20,330	-	-	32	3,233,240
Deposits from customers	35,941,018	13,247,772	18,279,432	3,961,598	6,411,130	7,539,805 (***)	85,380,755
Subordinated borrowing	1,431,144	-	-	-	-	-	1,431,144
Borrowings from banks and other financial institutions	36,928	1,441	58,672	3,422	-	-	100,463
Debt securities issued	-	-	-	2,976,978	-	-	2,976,978
Lease liabilities	2,934	5,674	23,900	63,861	11,653	-	108,022
Other financial liabilities	-	-	-	-	-	355,057	355,057
Total financial liabilities	40,614,689	13,265,100	18,382,334	7,005,859	6,422,783	7,896,816	93,587,581
Interest rate gap	(16,561,815)	551,710	4,398,483	21,010,491	1,680,938	(6,810,4097)	4,269,710

(*) 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 2025 and as at 30 June 2024.

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	
30 June 2024			
	Total sensitivity	Sensitivity profit or loss account	Sensitivity of other comprehensive income
Interest rate +/- 0.5%	-554,939 / +536,968	+/-166,700	-388,239 / +370,268
Exchange rate, appreciation/ depreciation by 5% of the functional currency	-/+212,824	-/+212,824	



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 30 June 2025 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 20,496 thousand (30 June 2024: RON +554,939 / -536,968 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 173,275 thousand. The calculation was based on the market value as at 30 June 2025 of debt instruments measured at fair value through other comprehensive income.

As at June 30, 2025, 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 99,244 thousand (30 June 2024: RON 212,824 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 2025 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, 2025, respectively a level of 256.01%, above the local average on the system - 234.63% as of June 30, 2025 and significantly above the European average of 159.5% (as of March 31, 2025), based on a solid portfolio of unsecured government securities, HQLA, with significant residual maturities starting with the band of over 3 months.



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2025	Group							
	Carrying amount	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	7,819,595	7,819,595	7,819,595	-	-	-	-	-
Loans and advances to banks and public institutions	3,655,238	3,655,472	1,559,705	959,293	149,247	-	-	987,227
Loans and advances to customers	36,471,953	48,423,200	1,284,947	1,379,394	7,687,920	19,656,001	18,397,473	17,465
Financial assets held for trading and measured at fair value through profit loss	1,340,394	1,638,267	3,548	-	194,755	990,538	449,426	-
Financial assets mandatory at fair value through profit or loss	21,307	21,307	-	-	-	-	-	21,307
Financial assets measured at fair value through other comprehensive income	34,857,875	38,680,212	759,363	3,201,131	12,333,143	17,241,211	5,102,280	43,084
Financial assets measured at amortized cost	13,515,617	16,208,008	443,146	22,848	2,077,859	10,103,706	3,560,449	-
Financial derivatives, out of which:								
- receivable	18,144	2,903,995	2,903,995	-	-	-	-	-
- payable	-	2,885,881	2,885,881	-	-	-	-	-
Subordinated loans	210,308	210,308	-	-	-	210,308	-	-
Other financial assets	166,492	166,492	166,492	-	-	-	-	-
Total financial assets	98,076,893	116,840,975	12,054,910	5,562,666	22,442,924	48,201,764	27,509,628	1,074,083
Liabilities								
Deposits from banks	2,994,163	2,994,556	2,958,243	36,313	-	-	-	-
Deposits from customers	84,296,583	85,510,103	15,004,772	9,676,884	39,592,047	4,261,741	354,762	16,619,897
Subordinated liabilities	1,432,112	2,263,458	64,224	-	73,328	725,906	1,400,00	-
Borrowings from other banks and other financial institutions	96,789	96,789	35,518	1,528	58,700	1,043	-	-
Debt securities issued	3,029,876	6,059,752	75,162	-	-	5,984,590	-	-
Financial derivatives, out of which:								
- receivable	8,788	789,460	789,460	-	-	-	-	-
- payable	-	798,248	798,248	-	-	-	-	-
Lease liabilities	114,017	126,460	3,038	5,951	25,842	65,305	26,324	-
Other financial liabilities	415,875	415,875	415,875	-	-	-	-	-
Total financial liabilities	92,388,173	97,475,781	18,565,620	9,720,676	39,749,917	11,038,585	1,781,086	16,619,897
Net liquidity gap	5,688,720	19,365,194	(6,510,710)	(4,158,010)	(17,306,993)	37,163,179	25,728,542	(15,550,814)
Loan commitments	3,633,670	3,633,670	3,633,670	-	-	-	-	-
Guarantee letters issued by the Bank	1,503,981	1,503,981	1,503,981	-	-	-	-	-



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30 June 2025	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	7,819,589	7,819,589	7,819,589	-	-	-	-	-
Loans and advances to banks and public institutions	3,626,808	3,626,808	1,555,173	931,192	153,216	-	-	987,227
Loans and advances to customers	36,471,953	48,423,200	1,284,947	1,379,394	7,687,920	19,656,001	18,397,473	17,465
Financial assets held for trading and measured at fair value through profit or loss	1,340,394	1,638,267	3,548	-	194,755	990,538	449,426	-
Financial assets mandatory at fair value through profit or loss	21,307	21,307	-	-	-	-	-	21,307
Financial assets measured at fair value through other comprehensive income	34,857,875	38,680,212	759,363	3,201,131	12,333,143	17,241,211	5,102,280	43,084
Financial assets held at historical cost	5,000	5,000	-	-	-	-	-	5,000
Financial assets measured at amortized cost	13,429,813	16,122,204	435,345	10,050	2,012,654	10,103,706	3,560,449	-
Financial derivatives, out of which:								
- receivable	18,144	2,903,995	2,903,995	-	-	-	-	-
- payable	-	2,885,881	2,885,881	-	-	-	-	-
Subordinated loans	210,308	210,308	-	-	-	210,308	-	-
Other financial assets	180,163	180,163	180,163	-	-	-	-	-
Total financial assets	97,981,324	116,745,172	12,056,242	5,521,767	22,381,688	48,201,764	27,509,628	1,074,083
Liabilities								
Deposits from banks	2,994,163	2,994,556	2,958,243	36,313	-	-	-	-
Deposits from customers	84,298,573	85,512,093	15,005,408	9,677,223	39,593,362	4,261,741	354,762	16,619,897
Subordinated liabilities	1,432,112	2,263,458	64,224	-	73,328	725,906	1,400,00	-
Borrowings from other banks and other financial institutions	96,789	96,789	35,518	1,528	58,700	1,043	-	-
Debt securities issued	3,029,876	6,059,752	75,162	-	-	5,984,590	-	-
Financial derivatives, out of which:								
- receivable	8,788	789,460	789,460	-	-	-	-	-
- payable	-	798,248	798,248	-	-	-	-	-
Lease liabilities	114,017	126,460	3,038	5,951	25,842	65,305	26,324	-
Other financial liabilities	358,439	358,439	358,439	-	-	-	-	-
Total financial liabilities	92,332,727	97,420,335	18,508,520	9,721,015	39,751,232	11,038,585	1,781,086	16,619,897
Net liquidity gap	5,648,597	19,324,837	6,452,278	(4,199,248)	(17,369,544)	37,163,179	25,728,542	(15,545,814)
Loan commitments	3,633,670	3,633,670	3,633,670	-	-	-	-	-
Guarantee letters issued by the Bank	1,503,981	1,503,981	1,503,981	-	-	-	-	-



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024	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	10,465,286	10,465,286	10,465,286	-	-	-	-	-
Loans and advances to banks and public institutions	5,480,174	5,482,293	3,522,173	626,123	107,941	-	-	1,226,056
Loans and advances to customers	37,186,061	49,753,351	909,305	941,894	8,859,911	19,428,922	19,590,383	22,936
Financial assets held for trading and measured at fair value through profit or loss	189,403	276,297	-	387	110,816	-	165,094	-
Financial assets mandatory at fair value through profit or loss	20,909	20,909	-	-	-	-	-	20,909
Financial assets measured at fair value through other comprehensive income	32,456,558	35,765,073	800,170	10,743,143	5,176,910	14,801,207	4,201,145	42,498
Financial assets measured at amortized cost	11,758,962	14,535,800	-	145,361	1,474,774	7,683,713	5,231,952	-
Financial derivatives, out of which:								
- receivable	6,103	1,223,037	1,223,037	-	-	-	-	-
- payable	-	1,216,934	1,216,934	-	-	-	-	-
Subordinated loans	210,460	210,460	-	-	-	210,460	-	-
Other financial assets	155,923	155,923	155,923	-	-	-	-	-
Total financial assets	97,929,839	116,671,495	15,858,960	12,456,908	15,730,352	42,124,302	29,188,574	1,312,399
Liabilities								
Deposits from banks	3,233,240	3,232,338	3,200,969	10,272	21,097	-	-	-
Deposits from customers	85,359,302	86,522,777	18,535,265	19,203,302	30,341,921	962,538	319,549	17,160,202
Subordinated liabilities	1,431,144	2,364,434	62,288	-	193,090	709,056	1,400,000	-
Borrowings from other banks and other financial institutions	100,463	100,533	36,928	1,441	58,725	3,439	-	-
Debt securities issued	2,976,978	5,953,956	82,549	-	-	5,871,407	-	-
Financial derivatives, out of which:								
- receivable	1,922	1,303,611	1,253,237	50,374	-	-	-	-
- payable	-	1,305,533	1,255,106	50,427	-	-	-	-
Lease liabilities	108,022	118,947	2,935	5,684	23,993	64,895	21,440	-
Other financial liabilities	409,746	409,746	409,746	-	-	-	-	-
Total financial liabilities	93,620,817	98,704,653	22,332,549	19,220,752	30,638,826	7,611,335	1,740,989	17,160,202
Net liquidity gap	4,309,022	17,966,842	(6,473,589)	(6,763,844)	(14,908,474)	35,512,967	27,447,585	(15,847,803)
Loan commitments	4,088,679	4,088,679	4,088,679	-	-	-	-	-
Guarantee letters issued by the Bank	1,899,666	1,899,666	1,899,666	-	-	-	-	-





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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	No fixed maturity
31 December 2024							
Assets							
Cash and balances with central bank	10,465,285	10,465,285	10,465,285	-	-	-	-
Loans and advances to banks and public institutions	5,447,777	5,449,575	3,513,864	608,130	101,525	-	1,226,056
Loans and advances to customers	37,186,061	49,753,351	909,305	941,894	8,859,911	19,428,922	22,936
Financial assets held for trading and measured at fair value through profit or loss	189,403	276,297	-	387	110,816	-	165,094
Financial assets mandatory at fair value through profit or loss	20,909	20,909	-	-	-	-	20,909
Financial assets measured at fair value through other comprehensive income	32,456,558	35,765,073	800,170	10,743,143	5,176,910	14,801,207	42,498
Financial assets held at historical cost	5,000	5,000	-	-	-	-	5,000
Financial assets measured at amortized cost	11,724,392	14,501,230	-	145,355	1,440,210	7,683,713	5,231,952
Financial derivatives, out of which:							
- receivable	6,103	1,223,037	1,223,037	-	-	-	-
- payable	-	1,216,934	1,216,934	-	-	-	-
Subordinated loans	210,460	210,460	-	-	-	210,460	-
Other financial assets	145,343	145,343	145,343	-	-	-	-
Total financial assets	97,857,291	116,598,626	15,840,070	12,438,909	15,689,372	42,124,302	29,188,574
Liabilities							
Deposits from banks	3,233,240	3,232,338	3,200,969	10,272	21,097	-	-
Deposits from customers	85,380,755	86,544,451	18,544,078	19,207,273	30,350,811	962,538	319,549
Subordinated liabilities	1,431,144	2,364,434	62,288	-	193,090	709,056	1,400,000
Borrowings from other banks and other financial institutions	100,463	100,533	36,928	1,441	58,725	3,439	-
Debt securities issued	2,976,978	5,953,956	82,549	-	-	5,871,407	-
Financial derivatives, out of which:							
- receivable	1,922	1,303,611	1,253,237	50,374	-	-	-
- payable	-	1,305,533	1,255,106	50,427	-	-	-
Lease liabilities	108,022	118,947	2,935	5,684	23,993	64,895	21,440
Other financial liabilities	355,057	355,057	355,057	-	-	-	-
Total financial liabilities	93,587,581	98,671,638	22,286,673	19,224,723	30,647,716	7,611,335	1,740,989
Net liquidity gap	4,269,710	17,926,988	(6,446,603)	(6,785,814)	(14,958,344)	34,512,967	27,447,585
Loan commitments	4,088,679	4,088,679	4,088,679	-	-	-	-
Guarantee letters issued by the Bank	1,899,666	1,899,666	1,899,666	-	-	-	-

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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 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 2025	Note	Group						
		Mandatorily at FVTPL	FVTPL	FVOCI – debt instru- ments	FVOCI – equity instru- ments	At amortized cost	At histo- ric al cost	Total carrying amount
Cash and balance at central banks		-	-	-	-	7,819,595	-	7,819,595
Derivatives financial assets		-	18,114	-	-	-	-	18,114
Loans and advances to banks and public institutions		-	-	-	-	3,655,238	-	3,655,238
Loans and advances to customers:	10	-	-	-	-	36,471,953	-	36,471,953
- at amortized cost		-	-	-	-	36,471,953	-	36,471,953
Subordinated loans		-	-	-	-	210,308	-	210,308
Debt instruments:		21,307	1,340,394	34,814,791	-	13,429,813	-	49,606,305
- measured at fair value through profit or loss		-	1,340,394	-	-	-	-	1,340,394
- mandatorily at fair value through profit or loss		21,307	-	-	-	-	-	21,307
- at fair value through other comprehensive income	11	-	-	34,814,791	-	-	-	34,814,791
- at amortized cost		-	-	-	-	13,429,813	-	13,429,813
Equity instruments	12	-	-	-	43,084	-	-	43,084
Other financial assets		-	-	-	-	166,492	-	166,492
Total financial assets		21,307	1,358,508	34,814,791	43,084	61,753,399	-	97,991,089
Derivatives financial liabilities		-	8,788	-	-	-	-	8,788
Deposits from banks	13	-	-	-	-	2,994,163	-	2,994,163
Deposits from customers	14	-	-	-	-	84,296,583	-	84,296,583
Borrowings from banks and other financial institutions	15	-	-	-	-	96,759	-	96,759
Debt securities issued	16	-	-	-	-	3,029,876	-	3,029,876
Subordinated liabilities	17	-	-	-	-	1,432,112	-	1,432,112
Lease liabilities		-	-	-	-	114,017	-	114,017
Other financial liabilities		-	-	-	-	415,875	-	415,875
Total financial liabilities		-	8,788	-	-	92,379,385	-	92,388,173



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30 June 2025	Note	Mandatoril y at FVTPL	Bank					Total carrying amount
			FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	At amortized cost	At histori cal cost	
Cash and cash equivalents at central banks		-	-	-	-	7,819,589	-	7,819,589
Derivatives financial assets		-	18,114	-	-	-	-	18,114
Loans and advances to banks		-	-	-	-	3,626,808	-	3,626,808
Loans and advances to customers:	10	-	-	-	-	36,471,953	-	36,471,953
- at amortized cost		-	-	-	-	36,471,953	-	36,471,953
Subordinated loans		-	-	-	-	210,308	-	210,308
Debt instruments:		21,307	1,340,394	34,814,791	-	13,429,813	-	49,606,305
- measured at fair value through profit or loss		-	1,340,394	-	-	-	-	1,340,394
- mandatorily at fair value through profit or loss		21,307	-	-	-	-	-	21,307
- at fair value through other comprehensive income	11	-	-	34,814,791	-	-	-	34,814,791
- at amortized cost	12	-	-	-	-	13,429,813	-	13,429,813
Financial assets at historical cost		-	-	-	-	-	5,000	5,000
Equity instruments		-	-	-	43,084	-	-	43,084
Other financial assets		-	-	-	-	180,163	-	180,163
Total financial assets		21,307	1,358,508	34,814,791	43,084	61,738,634	5,000	97,981,324
Derivatives financial liabilities		-	8,788	-	-	-	-	8,788
Deposits from banks	13	-	-	-	-	2,994,163	-	2,994,163
Deposits from customers	14	-	-	-	-	84,298,573	-	84,298,573
Borrowings from banks and other financial institutions	15	-	-	-	-	96,759	-	96,759
Debt securities issued	16	-	-	-	-	3,029,876	-	3,029,876
Subordinated liabilities	17	-	-	-	-	1,432,112	-	1,432,112
Lease liabilities		-	-	-	-	114,017	-	114,017
Other financial liabilities		-	-	-	-	358,439	-	358,439
Total financial liabilities		-	8,788	-	-	92,323,939	-	92,332,727



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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024 restated	Note	Group		FVOCI – debt instru- ments	FVOCI – equity instru- ments	At amortized cost	At historical cost	Total carrying amount
		Mandatorily at FVTPL	FVTPL					
Cash and balance at central banks		-	-	-	-	10,465,286	-	10,465,286
Derivatives financial assets		-	6,103	-	-	-	-	6,103
Loans and advances to banks and public institutions		-	-	-	-	5,480,174	-	5,480,174
Loans and advances to customers:	10	-	-	-	-	37,186,061	-	37,186,061
- at amortized cost		-	-	-	-	37,186,061	-	37,186,061
Subordinated loans		-	-	-	-	210,460	-	210,460
Debt instruments:		20,909	189,403	32,414,060	-	11,724,392	-	44,348,764
- measured at fair value through profit or loss		-	189,403	-	-	-	-	189,403
- mandatorily at fair value through profit or loss		20,909	-	-	-	-	-	20,909
- at fair value through other comprehensive income	11	-	-	32,414,060	-	-	-	32,414,060
- at amortized cost	12	-	-	-	-	11,758,962	-	11,758,962
Equity instruments		-	-	-	42,498	-	-	42,498
Other financial assets		-	-	-	-	155,923	-	155,923
Total financial assets		<u>20,909</u>	<u>195,506</u>	<u>32,414,060</u>	<u>42,498</u>	<u>65,222,296</u>	-	<u>97,895,260</u>
Derivatives financial liabilities		-	1,922	-	-	-	-	1,922
Deposits from banks	13	-	-	-	-	3,233,240	-	3,233,240
Deposits from customers	14	-	-	-	-	85,359,302	-	85,359,302
Borrowings from banks and other financial institutions	15	-	-	-	-	100,463	-	100,463
Debt securities issued	16	-	-	-	-	2,976,978	-	2,976,978
Subordinated liabilities	17	-	-	-	-	1,431,144	-	1,431,144
Lease liabilities		-	-	-	-	108,022	-	108,022
Other financial liabilities		-	-	-	-	409,746	-	409,746
Total financial liabilities		-	<u>1,922</u>	-	-	<u>93,618,895</u>	-	<u>93,620,817</u>





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10 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024 restated	Note	Manda torily at FVTPL	Bank		At amortized cost	At historical cost	Total carrying amount
			FVTPL	FVOCI – debt instrum ents			
Cash and balance at central banks		-	-	-	10,465,285	-	10,465,285
Derivatives financial assets		-	6,103	-	-	-	6,103
Loans and advances to banks and public institutions		-	-	-	5,447,777	-	5,447,777
Loans and advances to customers:	10	-	-	-	37,186,061	-	37,186,061
- at amortized cost		-	-	-	37,186,061	-	37,186,061
Subordinated loans		-	-	-	210,460	-	210,460
Debt instruments:		20,909	189,403	32,414,060	11,724,392	-	44,348,764
- measured at fair value through profit or loss		-	189,403	-	-	-	189,403
- mandatorily at fair value through profit or loss		20,909	-	-	-	-	20,909
- at fair value through other comprehensive income	11	-	-	32,414,060	-	-	32,414,060
- at amortized cost	12	-	-	-	11,724,392	-	11,724,392
Financial assets at historical cost		-	-	-	-	5,000	5,000
Equity instruments		-	-	-	42,498	-	42,498
Other financial assets		-	-	-	145,343	-	145,343
Total financial assets		20,909	195,506	32,414,060	65,179,318	5,000	97,857,291
Derivatives financial liabilities		-	1,922	-	-	-	1,922
Deposits from banks	13	-	-	-	3,233,240	-	3,233,240
Deposits from customers	14	-	-	-	85,380,755	-	85,380,755
Borrowings from banks and other financial institutions	15	-	-	-	100,463	-	100,463
Debt securities issued	16	-	-	-	2,976,978	-	2,976,978
Subordinated liabilities	17	-	-	-	1,431,144	-	1,431,144
Lease liabilities		-	-	-	108,022	-	108,022
Other financial liabilities		-	-	-	355,057	-	355,057
Total financial liabilities		-	1,922	-	93,585,659	-	93,587,581

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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 2025, the Bank considered maintaining a ratio of total equity that cumulatively meets the following:

a) maintaining the global capital requirement (OCR) of 18.18%, 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: 7.13%;
 - Tier 1 equity ratio: 9.51%;
 - total equity ratio: 12.68%.
- 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 and credit assessment adjustment risk) 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 2025, 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 2025, the Bank has recorded a level of the total own funds ratio of 29.03%.

At the same time, the Bank fulfilled the MREL transitional requirement on 30.06.2025, the MREL rate level (including the applicable combined buffer amount) recorded by the Bank on 30.06.2025 being 39.75%, standing 12.61percentage points above the MREL requirement of 27.14%.

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 2,954.71 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 2025</u>	<u>31 December 2024</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
Government bonds	34,735,873	32,414,060	34,735,873	32,414,060
Bonds issued by local public administrations	78,918	-	78,918	-
Equity instruments (Note 11 b)	43,084	42,498	43,084	42,498
Total	<u>34,857,875</u>	<u>32,456,558</u>	<u>34,857,875</u>	<u>32,456,558</u>

As at June 30, 2025, 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 238,750 thousand (31.12.2024: RON 552,335 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 2025</u>	<u>31 December 2024</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
Opening balance at 1 January	32,414,060	20,747,742	32,414,060	20,747,742
Acquisitions	30,386,366	59,520,794	30,386,366	59,520,794
Sales and Redemptions	(28,670,524)	(48,590,157)	(28,670,524)	(48,590,157)
Accrued interest income	800,790	1,299,058	800,790	1,299,058
Interest income receivable	(471,791)	(370,842)	(471,791)	(370,842)
Foreign exchange differences	256,915	14,385	256,915	14,385
Gain/(loss) from changes in fair value, out of which:	98,975	(206,919)	98,975	(206,919)
Loss from changes in fair value from sales	(17,821)	(42,944)	(17,821)	(42,944)
Gain from changes in fair value from mark-to-market	116,796	163,975	116,796	163,975
Balance at the end of the period	34,814,791	32,414,060	34,814,791	32,414,060



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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 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	843
VISA Inc.	Processing card transactions	United States of America	<0.01	30,460
Total				43,084

The Group and the Bank had the following holdings available for sale as at 31 December 2024:

<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	826
VISA Inc.	Processing card transactions	United States of America	<0.01	29,891
Total				42,498

As at 30 June 2025 and 31 December 2024, 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

	Group		Bank	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
Government bonds	12,345,804	10,671,836	12,259,928	10,637,199
- of which issued by foreign governments	1,069,394	1,044,937	1,069,394	1,044,937
Bonds issued by credit institutions	764,431	748,417	764,431	748,417
Bonds issued by non-financial corporations	109,732	90,948	109,732	90,948
Bonds issued by local public administration	301,489	253,050	301,489	253,050
Expected credit losses	<u>(5,839)</u>	<u>(5,289)</u>	<u>(5,767)</u>	<u>(5,222)</u>
Total	<u>13,515,617</u>	<u>11,758,962</u>	<u>13,429,813</u>	<u>11,724,392</u>

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 2025, investments in debt instruments at amortized cost include pledged securities in the amount of RON 97,500 thousand (31 December 2024: RON 82,500 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 2025, investments in debt instruments at amortized cost include also pledged securities to secure the EIB loan whose fair value is RON 18,787 thousand (31 December 2024: RON 35,814 thousand). The counterparty cannot resell or pledge these investments.

In addition, as at 30 June 2025, the Bank entered into repo transactions with other banks, based on as at 30 June 2025, investments in debt instruments at amortized cost with a carrying amounts to RON 1,173,715 thousand (31 December 2024: RON 1,869,797 thousand). The securities pledged under repo agreements may be sold or repledged by the counterparty.

During the first half of the financial year 2025, 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:

	Group		Bank	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
Opening balance at 1 January	11,758,962	9,589,849	11,724,392	9,576,147
Acquisitions	1,644,416	2,541,808	1,578,234	2,487,079
Maturities	(14,943)	(429,878)	-	(396,028)
Accrued interest income	362,554	610,375	360,997	608,848
Interest income receivable	(280,959)	(555,336)	(279,402)	(553,809)
Foreign exchange differences	46,136	3,009	46,136	3,009
Expected credit losses	(549)	(865)	(549)	(854)
Balance at the end of the period	13,515,617	11,758,962	13,429,813	11,724,392



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13 DEPOSITS FROM BANKS

	Group		Bank	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Sight deposits	539,012	59,333	539,012	59,333
Out of which, current accounts to other banks (LORO)	3	32	3	32
Term deposits	566,187	1,350,948	566,187	1,350,948
Repo transactions	<u>1,888,964</u>	<u>1,822,959</u>	<u>1,888,964</u>	<u>1,822,959</u>
Total	<u>2,994,163</u>	<u>3,233,240</u>	<u>2,994,163</u>	<u>3,233,240</u>

14 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Current accounts and sight deposits				
Savings passbooks – sight	548	548	548	548
Current accounts - individuals	4,199,097	4,152,831	4,199,097	4,152,831
Current accounts - legal entities and other clients	3,571,711	4,297,558	3,571,711	4,297,558
Cards – individuals, legal entities and other clients	5,372,266	5,353,708	5,372,266	5,353,708
Sight deposits – legal entities	<u>2,973,897</u>	<u>1,591,648</u>	<u>2,973,897</u>	<u>1,591,648</u>
Total current accounts and sight deposits	<u>16,117,519</u>	<u>15,396,293</u>	<u>16,117,519</u>	<u>15,396,293</u>
Term deposits and savings				
Term saving passbooks (i)	4,284	14,229	4,284	14,229
Term deposits - individuals	32,197,203	31,771,251	32,197,203	31,771,251
Term deposits - legal entities and other clients	31,977,571	34,296,101	31,979,561	34,317,554
Collateral deposits (ii)	3,989,796	3,881,137	3,989,796	3,881,137
Other term deposits	<u>10,210</u>	<u>291</u>	<u>10,210</u>	<u>291</u>
Total term deposits and savings	<u>68,179,064</u>	<u>69,963,009</u>	<u>68,181,054</u>	<u>69,984,462</u>
Total	<u>84,296,583</u>	<u>85,359,302</u>	<u>84,298,573</u>	<u>85,380,755</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:

	<u>Group / Bank</u>	
	<u>30 June 2025</u>	<u>31 December 2024</u>
Letters of credit	4,451	1,118
Administration guarantees	153,269	155,359
Consignment	2,980,254	2,839,763
Guarantee loans	754,458	814,307
Good performance guarantees for commercial contracts	44,502	43,703
Other collateral deposits	<u>52,862</u>	<u>26,887</u>
Total	<u>3,989,796</u>	<u>3,881,137</u>

15 BORROWINGS FROM BANKS AND OTHER FINANCIAL INSTITUTION

	<u>Group / Bank</u>	
	<u>30 June 2025</u>	<u>31 December 2024</u>
European Investment Fund for the JEREMIE Initiative	750	1,710
European Bank for Investments (EIB)	56,821	59,565
Romanian-Swiss program	<u>39,188</u>	<u>39,188</u>
Total	<u>96,759</u>	<u>100,463</u>

Details of the contracts are presented in the financial statements as at 31 December 2024.



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16 DEBT SECURITIES ISSUED

	Group / Bank	
	<u>30 June 2025</u>	<u>31 December 2024</u>
Debt securities issued	<u>3,029,876</u>	<u>2,976,978</u>
Total	<u>3,029,876</u>	<u>2,976,978</u>

The balance of debt securities issued as at June 30th, 2025, including accrued interest, is in amount of RON 3,029,876 thousand (as at December 31st, 2024: RON 2,976,978 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 18th, 2024 by CSSF Luxembourg (Commission de Surveillance du Secteur Financier Luxembourg) for a total ceiling of EUR 1,500 million (or equivalent in other currencies).



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17 SUBORDINATED LIABILITIES

As at 30 June 2025 and 31 December 2024:

	<u>Group / Bank</u>	
	<u>30 June 2025</u>	<u>31 December 2024</u>
Shareholder loan	1,432,112	1,431,144
Total	<u>1,432,112</u>	<u>1,431,144</u>

18 SHARE CAPITAL

As at 31 December 2024, the share capital of CEC Bank SA was RON 2,499,746 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.

During 2025, the completion of an important step in the Bank's transformation process is the European Commission's agreement for a recapitalization worth RON 1 billion, which led to an increase in the share capital.

	<u>Group / Bank</u>	
	<u>30 June 2025</u>	<u>31 December 2024</u>
Share capital as per Trade Registry	<u>3,290,661</u>	<u>2,290,661</u>
IAS 29 inflation adjustment	<u>209,085</u>	<u>209,085</u>
Total share capital	<u>3,499,746</u>	<u>2,499,746</u>

19 INCOME TAX EXPENSE

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

	<u>Group</u>		<u>Bank</u>	
	<u>30 June 2025</u>	<u>30 June 2024</u>	<u>30 June 2025</u>	<u>30 June 2024</u>
Current tax expense	71,989	65,710	69,091	64,133
Deferred expense/income tax	<u>2,459</u>	<u>(1,638)</u>	<u>2,543</u>	<u>(1,140)</u>
Income tax expense for the period	<u>74,448</u>	<u>64,072</u>	<u>71,634</u>	<u>62,993</u>





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19 INCOME TAX EXPENSE (CONTINUED)

Movements in deferred tax assets are as follows:

	Group	Recognized in profit or loss	Recognized in other comprehensive income	
	1 January 2025	account	income	30 June 2025
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
	1 January 2024	Recognized in profit or loss account	Recognized in other comprehensive income	30 June 2024
Financial assets measured at fair value through other comprehensive income - debt instruments	45,241	-	825	46,066
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(2,604)	-	(170)	(2,774)
Revaluation reserve for land and buildings	(59,307)	976	-	(58,331)
Tangible and intangible assets - changes in accounting useful life	(1,878)	(462)	-	(2,340)
Right-of-use assets	781	(75)	-	706
Provisions and other liabilities	15,668	701	-	16,369
Deferred income tax receivables attributable to provisions	-	480	-	480
PPA's adjustments	(189)	18	-	(171)
Total	(2,288)	1,638	655	5



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	Bank	Recognized in	Recognized	
	1 January	profit or	in other	
	2025	loss	comprehensive	30 June 2025
	<u>account</u>	<u>income</u>	<u>30 June 2025</u>	
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	<u>19,787</u>	<u>(2,298)</u>	-	<u>17,489</u>
Total	<u>18,949</u>	<u>(2,543)</u>	<u>(15,722)</u>	<u>684</u>

	<u>1 January</u> <u>2024</u>	<u>Recognized in</u> <u>profit or</u> <u>loss</u> <u>account</u>	<u>Recognized</u> <u>in other</u> <u>comprehensive</u> <u>income</u>	<u>30 June 2024</u>
Financial assets measured at fair value through other comprehensive income - debt instruments	45,241	-	825	46,066
Financial assets measured at fair value through other comprehensive income - investments in equity instruments	(2,604)	-	(170)	(2,774)
Revaluation reserve for land and buildings	(59,307)	976	-	(58,331)
Tangible and intangible assets - changes in accounting useful life	(1,878)	(462)	-	(2,340)
Right-of-use assets	781	(75)	-	706
Provisions and other liabilities	<u>15,668</u>	<u>701</u>	-	<u>16,369</u>
Total	<u>(2,099)</u>	<u>1,140</u>	<u>655</u>	<u>(304)</u>

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20 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 2025 and 30 June 2024, 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 2025, and comparative data for 2024:

30 June 2025	Corporate Customers	SME	Bank Public administration	Private Individuals	Treasury Division	Others	Total
Gross loans and advances to customers	3,154,579	17,451,001	7,347,969	10,607,877	-	-	38,561,426
Expected credit losses	(169,736)	(1,707,477)	(17,525)	(194,735)	-	-	(2,089,473)
Loans and advances to customers net of provisions	2,984,843	15,743,524	7,330,444	10,413,142	-	-	36,471,953
Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions	-	-	-	-	49,667,503	-	49,667,503
Treasury and inter-bank operations	-	-	-	-	11,446,397	-	11,446,397
Property and equipment, investment property and Intangible assets	-	-	-	-	-	1,186,973	1,186,973
Right-of-use assets	-	-	-	-	-	109,634	109,634
Financial assets at historical cost	-	-	-	-	-	5,000	5,000
Subordinated loans	-	-	-	-	210,308	-	210,308
Other assets	-	-	-	-	-	221,948	221,948
Total assets	2,984,843	15,743,524	7,335,444	10,413,142	61,324,208	1,518,555	99,319,716
Deposits from customers and current accounts	6,438,073	9,049,585	29,663,115	42,141,963	-	-	87,292,736
Loans from banks and other financial institutions	-	-	39,188	-	57,571	-	96,759
Debt securities issued	-	-	-	-	3,029,876	-	3,029,876
Subordinated liabilities	-	-	-	-	1,432,112	-	1,432,112
Lease liabilities	-	-	-	-	-	114,017	114,017
Other liabilities	-	-	-	-	8,788	592,014	600,802
Total liabilities	6,438,073	9,049,585	29,702,303	42,141,963	4,528,347	706,031	92,566,302
Equity and related items	-	-	-	-	-	6,753,414	6,753,414
Total liabilities and equity	6,438,073	9,049,585	29,702,303	42,141,963	4,528,347	7,459,445	99,319,716



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FINANCIAL INFORMATION**

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
INFORMATION AS AT 30 JUNE 2025**

(All amounts in RON thousand, unless otherwise specified)

20 SEGMENT REPORTING (CONTINUED)

31 December 2024 restated	Corporate Customers	SME	Bank Public administration	Private Individuals	Treasury Division	Others	Total
Gross loans and advances to customers	3,326,668	18,770,831	7,031,994	10,150,849	-	-	39,221,342
Expected credit losses	(286,974)	(1,547,861)	(20,844)	(179,602)	-	-	(2,035,281)
Loans and advances to customers net of provisions	2,980,694	17,222,970	7,011,150	9,971,247	-	-	37,186,061
Portfolio of Debt instruments, Equity instruments and Derivative instruments, net of provisions	-	-	-	-	44,397,365	-	44,397,365
Treasury and inter-bank operations	-	-	-	-	15,913,062	-	15,913,062
Property and equipment, investment property and Intangible assets	-	-	-	-	-	1,192,228	1,192,228
Right-of-use assets	-	-	-	-	-	105,726	105,726
Financial assets at historical cost	-	-	5,000	-	-	-	5,000
Subordinated loans	-	-	-	-	210,460	-	210,460
Other assets	-	-	-	-	-	195,444	195,444
Total assets	2,980,694	17,222,970	7,016,150	9,971,247	60,520,887	1,493,398	99,205,346
Deposits from customers and current accounts	7,805,303	9,314,287	29,826,283	41,668,122	-	-	88,613,995
Loans from banks and other financial institutions	-	-	39,188	-	61,275	-	100,463
Debt securities issued	-	-	-	-	2,976,978	-	2,976,978
Subordinated liabilities	-	-	-	-	1,431,144	-	1,431,144
Lease liabilities	-	-	-	-	-	108,022	108,022
Other liabilities	-	-	-	-	1,922	606,060	607,982
Total liabilities	7,805,303	9,314,287	29,865,471	41,668,122	4,471,319	714,082	93,838,584
Equity and related items	-	-	-	-	-	5,366,762	5,366,762
Total liabilities and equity	7,805,303	9,314,287	29,865,471	41,668,122	4,471,319	6,080,844	99,205,346



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(All amounts in RON thousand, unless otherwise specified)

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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20 SEGMENT REPORTING (CONTINUED)

30 June 2024	Corporate Customers	SME	Bank administration	Public Individuals	Private Individuals	Treasury Division	Others	Total
Net interest income	5,563	259,973	101,456	(323,634)	946,393	-	-	989,751
Net commission income	31,734	54,236	902	74,396	(22,391)	-	-	138,877
Net gain from trading	-	-	-	-	40,841	-	-	40,841
Net loss from financial derivatives	-	-	-	-	(19,780)	-	-	(19,780)
Net gain/(loss) from financial assets mandatorily measured at fair value through profit or loss	-	-	-	-	1,015	-	-	1,015
Net gain from the sale of financial assets measured at fair value through other comprehensive income	-	-	-	-	26,391	-	-	26,391
Net gain from foreign exchange differences	-	-	-	-	(9,784)	-	-	(9,784)
Other operating income	-	-	-	-	-	6,301	-	6,301
Operating income	37,297	314,209	102,358	(249,238)	962,685	6,301	1,173,612	
Impairment loss on loans and advances to customers, provisions for loan commitments and financial guarantees given	(36,585)	(191,142)	11,164	(2,119)	1,359	-	-	(217,323)
Net loss from impairment of debt instruments	-	-	-	-	(3,483)	-	-	(3,483)
Losses from changes in financial assets	-	(131)	-	(22,734)	-	-	-	(22,865)
Staff costs	-	-	-	-	-	(282,098)	-	(282,098)
Depreciation and amortisation expenses	-	-	-	-	-	(71,726)	-	(71,726)
Other operating expenses	-	-	-	-	-	(243,581)	-	(243,581)
Operating expenses	(36,585)	(191,273)	11,164	(24,853)	(2,124)	(597,405)	(841,076)	
Profit before tax	712	122,936	113,522	(274,091)	960,561	(591,104)	332,536	
Income tax expense	-	-	-	-	-	(62,993)	-	(62,993)
Net Profit for the period	712	122,936	113,522	(274,091)	960,561	(654,097)	269,543	



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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 2025 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 2025	liability at	30 June 2024	liability at
	30 June 2025	30 June 2025	30 June 2024	30 June 2024
<i>Short-term benefits:</i>				
- Salaries	<u>30,958</u>	1,288	<u>29,669</u>	1,159
- Short-term bonuses	3,825	-	3,241	-
<i>Bonuses upon the termination of the employment contract</i>	<u>116</u>	=	<u>200</u>	=
Total	<u>34,898</u>	<u>1,288</u>	<u>33,110</u>	<u>1,159</u>

The Bank's key management compensation is presented below:

	Expenses	Accrued	Expenses	Accrued
	30 June	liability at	30 June	liability at
	2025	30 June	30 June 2024	30 June 2024
	2025	2025	30 June 2024	30 June 2024
<i>Short-term benefits:</i>				
- Salaries	24,939	89	24,339	84
- Short-term bonuses	15	-	-	-
<i>Bonuses upon the termination of the employment contract</i>	<u>116</u>	=	<u>200</u>	=
Total	<u>24,539</u>	<u>89</u>	<u>24,539</u>	<u>84</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 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	47,751,449	4,439	=	2,046,812
Out of which:				
Financial assets held for trading and measured at fair value through profit and loss (interest rate: 0%-8.75%)	1,340,394	-	-	-
Financial assets measured at fair value through other comprehensive income (contractual interest rate: 0%-8.75%)	29,545,395	-	-	91,542
Investments in debt instruments at amortized cost (contractual interest rate: 0%-9.57%)	11,189,037	-	-	301,449
Loans and advances – gross exposure (contractual interest rate: 4.06%-19.97%)	5,676,624	4,455	-	1,671,345
Adjustments for expected credit loss	(1)	(16)	-	(17,524)
Total liabilities	1,674,901	10,939	1,990	32,800,111
Out of which:				
Deposits (contractual interest rate: 0%-13%)	242,789	10,939	1,990	32,331,120
Debt securities issued (contractual interest rate: 5.63%-7.5%)	-	-	-	468,991
Subordinated liabilities (contractual interest rate: 8.85%-9.22%)	1,432,112	-	-	-
Contractual commitments, financial guarantees and other commitments,	824,828	739	=	906
out of which:				
Issued	89,965	699	-	343
Received	734,863	40	-	563

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(All amounts in RON thousand, unless otherwise specified)

21 RELATED PARTY TRANSACTIONS (CONTINUED)

At 31 December 2024, the outstanding balances with related parties were as follows:

Closing balances	Shareholder – Ministry of Finance	Bank's Key management personnel	FGCR	Other related parties
Total Assets	37,192,717	5,734	-	2,224,387
Out of which:				
Loans and advances to banks and public institutions (interest rate: 5.1%-5.5%)	3,158,886	-	-	-
Financial assets held for trading and measured at fair value through profit and loss (interest rate: 2.50%-7.90%)	189,403	-	-	-
Financial assets measured at fair value through other comprehensive income (contractual interest rate: 0%-8.75%)	19,212,323	-	-	-
Investments in debt instruments at amortized cost (contractual interest rate: 0%-9.57%)	9,590,979	-	-	253,017
Loans and advances – gross exposure (contractual interest rate: 5.18%-20.41%)	5,041,126	5,754	-	1,990,868
Adjustments for expected credit loss	-	(20)	-	(19,498)
Total liabilities	1,704,459	10,347	21,453	33,843,264
Out of which:				
Deposits (contractual interest rate: 0%-13%)	271,913	10,347	21,453	33,381,057
Debt securities issued (contractual interest rate: 7.5%)	-	-	-	462,207
Subordinated liabilities (contractual interest rate: 9.31%-9.70%)	1,432,546	-	-	-
Contractual commitments, financial guarantees and other commitments, out of which:	3,576	714	-	87,992
Issued	3,576	668	-	71,521
Received	-	46	-	16,471

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 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)	-

The income and expense items with related parties for the period January - June 2024 were as follows:

	Shareholder - Ministry of Finance	Bank's Key management personnel	FGCR	Other related parties
Interest income	807,240	170	-	201,574
Interest expenses	(65,754)	(147)	-	(441,187)
Net impairment loss on loans and advances to customers	-	(1)	-	(11,296)
Commission income	-	-	32	(199)
Commission expenses	-	-	(32)	-

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

	30 June 2025	31 December 2024
Current accounts held at National Bank of Romania	6,353,633	8,837,303

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

	30 June 2025	30 June 2024
Interest income from current accounts held at National Bank of Romania	21,285	70,312



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22 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There were no significant events subsequent to June 30, 2025.

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 2025, the condensed interim consolidated statement 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 2025, the condensed interim separate statement 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 2025 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 2025

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

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 30.06.2025 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 annual financial statements as at June 30, 2025 and confirms that:

- a) The accounting policies used to prepare the annual financial statements are in accordance with the applicable accounting regulations.
- b) The annual financial statements 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 Neacșu
General Manager - President of Executive Committee

