

# Independent Auditor's Report\*

(\*This represents a non-official English translation of the original audit report issued in Romanian language)

**To the Shareholders of ProCredit Bank S.A.**

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of ProCredit Bank S.A. ("the Bank"), with registered office in 159 Calea Plevnei, 5th floor, District 6, Bucharest, registered with the Bucharest Trade Registry under no. J40/3762/2002 and having sole registration code 14622194, which comprise the statement of financial position as at 31 December 2025, the related statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and cash flow statement for the financial year then ended, and explanatory notes to the financial statements, prepared in accordance with the International Financial Reporting Standards, as adopted by European Union ("IFRS") and Order 27/2010 issued by the National Bank of Romania for the approval of accounting regulations in accordance with International Financial Reporting Standards and subsequent modifications (NBR Order 27/2010).

Financial Statements mentioned above present the following:

- Total equity: RON 267,030,206
- Net profit for the financial year: RON 12,778,452

2. In our opinion, the accompanying financial statements present fairly the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with IFRS, with NBR Order 27/2010 and with the accounting policies described in the notes to the financial statements.

### Basis for Opinion

3. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), with the EU Regulation no. 537/2014 of the European Parliament and of the Council of the European Union ("Regulation no. 527/2014") and with Law no. 167/2017 ("the Law"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and in accordance with other ethical requirements relevant for an audit of financial statements in Romania, and we have fulfilled our other ethical responsibilities in

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

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the audited period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter   | Audit procedures performed to address the key audit matter   |
|--|--|
| <b>Expected credit losses for loans and advances to customers</b>  |  |
| <p>As presented in Note 30 and Note 48.b) to the accompanying financial statements, the Bank records expected credit losses on loans and advances to customers, referred to as impairment allowances for loans and advances to customers.</p> <p>The methodology used to calculate these expected credit losses is detailed in Note 9 <i>Loss allowances</i>.</p> <p>The value of the expected credit losses for loans and advances to customers as at 31 December 2025 is RON 50,099,273 (RON 46,368,105 as at 31 December 2024).</p> <p>These represent management’s best estimate of expected credit losses (“ECL”) on loans and advances to customers (referred to as “loans” or “credit exposures”) measured at amortised cost as at the reporting date.</p> <p>Expected credit losses for performing exposures (Stage 1 and Stage 2 under the hierarchy of IFRS 9 Financial Instruments), as well as non-performing exposures (Stage 3) are determined using modelling techniques based on key parameters such as probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”). These parameters are, in turn, estimated using highly complex models. The estimation of expected credit</p> | <p>The procedures performed to obtain reasonable assurance over expected credit losses on loans and advances to customers included the following:</p> <ul style="list-style-type: none"> <li>• Inspecting the methodology and models used by the Bank to compute impairment allowances and an assessment, including, among other aspects, of the degree of conceptual adequacy of the models in relation to the requirement of IFRS 9;</li> <li>• Understanding and testing the general internal control environment of the relevant IT systems for example with respect to information security and access to data;</li> <li>• Evaluating the design and implementation and, where relevant, testing the operating effectiveness of the Bank’s manual and automated controls within the process for calculating expected credit losses;</li> <li>• Performing sample-based analysis of the relevance and reliability of key data used in the Bank’s models, such as debt service status and assigned ratings, by reference to credit risk analyses, including borrowers’ financial information;</li> <li>• Analyzing the consistent application of the criteria relating to a significant increase in credit risk and the criteria relating to objective evidence of impairment;</li> </ul> |

| Key audit matter   | Audit procedures performed to address the key audit matter  |
|--|---|
| <p>losses also incorporates historical experience, the identification of exposures with a significant increase in credit risk (“SICR”), forward-looking information and management judgement.</p> <p>In addition, the Bank applies post-model adjustments to reflect the uncertainties arising from economic and geopolitical developments specific to the environment in which it operates.</p> <p>For Stage 3 credit exposures that exceed a certain threshold of individual materiality, the Bank calculates impairment allowances based on a specific individual assessment. The level of individually determined specific impairment allowances is based on the difference between the net present value of all expected future cash flows of a credit exposure and the current carrying amount (amortised cost) of that credit exposure.</p> <p>Complex models based on historical data, forward-looking assumptions or estimates of future cash flows are subject to a higher risk of error, inconsistent application and management bias. These matters require heightened scrutiny, in particular in assessing the objectivity of the sources used for assumptions and their consistent application. Changes in these assumptions may have a significant impact on the calculation of expected credit losses and, consequently, on the impairment allowances for loans and advances to customers.</p> <p>Due to the numerous assumptions applied and the resulting inherent uncertainty, the significance of these balances within the financial statements as a whole, and the complexity of the process for determining expected credit losses on loans and advances to customers, we consider this to be a key audit matter.</p> | <ul style="list-style-type: none"> <li>• Performing analytical and reasonableness procedures over the ECL model by understanding how PD, EAD and LGD parameters are determined and analysing their allocation to credit exposures, as well as by comparing the resulting outputs with the amounts recognised in the financial statements;</li> <li>• Understanding significant post-model adjustments by inspecting the documentation supporting the development of the post-model adjustments and the key assumptions applied, and performing analytical procedures to assess the complete and accurate inclusion of all relevant credit exposures in the development of the post-model adjustments;</li> <li>• Performing back-testing and sensitivity reasonableness analyses over the model parameters and critically assessing the results obtained;</li> <li>• Performing analytical and substantive procedures, including: <ul style="list-style-type: none"> <li>o Verifying the appropriate contamination of credit exposures at client level;</li> <li>o Verifying the appropriate allocation of credit exposures across the three impairment stages, in accordance with the internal methodology;</li> <li>o For credit exposures classified in Stage 3, performing a sample-based analysis of the significant assumptions applied by management regarding the probability of repayment and the estimation of expected recoverable cash flows;</li> </ul> </li> <li>• Obtaining confirmation letters from the legal advisers with whom the Bank cooperated during 2025;</li> <li>• Evaluating the disclosures in the financial statements relating to impairment allowances for loans and advances to customers against the</li> </ul> |

| Key audit matter | Audit procedures performed to address the key audit matter  |
|------------------|---|
|                  | requirements of the relevant financial reporting standards. |

## Other matters

- The financial statements prepared for the financial year ended 31 December 2024 in accordance with NBR Order no. 27/2010 were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 April 2025.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

- The Management of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and with NBR Order 27/2010, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
- Those charged with governance are responsible for overseeing the Bank's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

- resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. As part of the audit process, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Conformity of the Administrators' Report with the Financial Statements

The Bank's Administrators are responsible for the preparation and presentation, in accordance with the requirements of articles 12 - 16 of the Accounting Regulations in accordance with IFRS approved by NBR

Order 27/2010, of an Administrators' Report which is free from significant misstatements, and for such internal control as the Management considers necessary to enable the preparation of the Administrators' Report which shall be free from material inconsistencies, whether due to fraud or error.

The Administrators' Report is not part of the Bank's financial statements.

Our opinion on the accompanying financial statements does not cover the Administrators' Report.

In connection with our audit of the financial statements of the Bank as at 31 December 2025, we have read the Administrators' Report attached to the financial statements and we report the following:

- a) we have not identified in the Administrators' Report any information which is not consistent, in all material respects, with the information presented in the accompanying financial statements;
- b) the Administrators' Report identified above includes, in all material respects, the information required by articles 12 - 16 of the Accounting Regulations in accordance with IFRS approved by NBR Order no. 27/2010;
- c) based on our knowledge and understanding acquired during the audit of the financial statements for the year ended 31 December 2025 regarding the Bank and its environment, we have not identified in the Administrators' Report any information that would be significantly misstated.

## The Report on the Information related to Income Tax

In connection with our audit of the financial statements of the Bank as at 31 December 2025, we analyzed whether, for the financial year prior to the financial year for which the financial statements that are subject of the audit were prepared, the Bank had the obligation, pursuant to articles 57<sup>4</sup>-57<sup>13</sup> of the Accounting Regulations approved by NBR Order 27/2010, to publish a report on the information related to income tax and, if so, if the report was published in accordance with article 57<sup>14</sup> of the Accounting Regulations approved by NBR Order 27/2010, and we report that, based on the information available at the local level:

- a) The Bank did not have the obligation to publish a report on the information related to income tax;
- b) The Bank provided additional information in the Administrators' Report regarding the obligation to prepare and publish the report on the information related to income tax.

## Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

## **Appointment of the Auditor and the Period of Engagement**

We were appointed as auditors of the Bank by the General Meeting of Shareholders (“GMS”) on 30 April 2025 to audit the financial statements of the Bank for the financial years ended 31 December 2025. Our uninterrupted engagement is of 1 year, covering the financial year ended 31 December 2025.

## **Consistency with the Additional Report to the Audit Committee**

We confirm that our audit opinion on the financial statements of the Bank expressed herein is consistent with the additional Report to the Audit Committee of the Bank, which we issued on 30 April 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014.

## **Provision of Non-Audit Services**

We declare that no prohibited non-audit services, as referred to in Article 5(1) of Regulation (EU) No. 537/2014, were provided by us to the Bank. In addition, there are no other non-audit services which were provided by us to the Bank and that have not been disclosed in the financial statements.

Bucharest, 30 April 2026

Razvan Butucaru

Auditor registered in the Public Electronic Register under no. 2680 / 2008

On behalf of: Forvis Mazars Romania S.R.L.

Audit firm registered in the Public Electronic Register under no. 699 / 2017

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 Part of the  
ProCredit Group



**ProCredit Bank**

## Administrators' Report for the year 2025

ProCredit Bank SA

TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version.

## General Information

ProCredit Bank S.A. (the "Bank" or "ProCredit Bank") was established in Romania in May 2002 (up to November 2004 the Bank was known as Microfinance Bank MIRO S.A).

ProCredit Bank SA, the only Bank in Romania with 100% German shareholders is a specialized bank for Small and Medium Enterprises (SMEs), while at the same a full-fledged bank addressing both business and retail clients by providing a wide range of modern banking services. Our competitive strength is built upon the high service quality we provide to our clients, driven by the particular skills and attitude of our staff shaped by our ethical approach to banking and by our comprehensive approach to staff development.

As of 31.12.2025 registered office of the Bank was located at 62 – 64 Buzesti Street, Sector 1, Bucharest, Romania.

In 2025, the development of assets and liabilities of the Bank was influenced by the measures undertaken to consolidate the position in the market, namely attracting new targeted SME clients, consolidating the relationship with the existing ones and simultaneously attracting customers from the Retail Segment through marketing channels in order to increase and diversify the balance sheet of the Bank.

Our approach on recruitment and training continued to be based on constant long-term investment in our staff. The quality of the staff, especially the quality of our Business Client Advisors proved to be central in understanding the clients' needs and in providing tailor-made financial services to our SME clients.

At the end of 2025, compared to 2024, the main indicators were:

| Indicators                                       | 31.12.2025 ('000 LEI) | 31.12.2024 ('000 LEI) | % change |
|--|-----------------------|-----------------------|----------|
| Total gross loan portfolio                       | 2,415,390             | 2,110,044             | 14.47%   |
| Total assets                                     | 3,353,863             | 2,872,401             | 16.76%   |
| Total customer deposits                          | 2,818,742             | 2,279,964             | 23.63%   |
| Liabilities to banks, IFIs and subordinated debt | 246,054               | 321,518               | -23.47%  |
| Share capital                                    | 251,635               | 251,635               | 0.00%    |
| Total Equity                                     | 267,030               | 252,438               | 5.78%    |

## Financials results

The total assets increased by 16.76% as compared to 2024, the most relevant contributor being the loan portfolio which registered an increase of approximately RON 305 million (14.47%) totalling RON 2.4 billion on December 31, 2025 (31 December 2024: RON 2.11 billion). At the same time, the Bank maintained a comfortable level of liquid assets throughout 2025.

During 2025, the Bank has generated profit in amount of RON 12.8 million (31 December 2024: RON 16.2 million) mainly driven by the business activity consisting in the expansion of its assets throughout the year. In line with its business strategy, the Bank has continuously invested throughout 2025 in developing and improving its services and applications to achieve the objectives of the business and risk strategies as well as provide modern, secure and efficient IT infrastructure. The continuous digitalization and automation process of the banking operations and clients' transactions, which implies a limited number of physical banking outlets and staff contributes to maintain general administrative costs at a stable level.

Additionally, the increase in the funds attracted from the non-financial clientele had a positive impact on the financial result by partially replacing the funds attracted from Banks and other International Financial Institutions.

## **Business Clients**

The focus of the Bank with regard to the business clients segment, during the last years, has been the acquisition of MSMEs with potential to stabilize and strengthen through the crisis and post-crisis times, run by capable and knowledgeable management. The Bank did not necessarily target certain type of business activities, but rather certain individual client profiles. Thus, the Bank gradually developed expertise and strengthened its positioning towards MSMEs, continuously following the business needs of its clients.

The Bank aims to work – on a long-term basis – with innovative, forward-looking companies with the greatest capacity for job creation and sustainable economic development. Our business clients are characterized by their formal or increasingly formalized structures, a sustainable business model and their need for Banking services beyond mere credit. Lending activities are guided by a strict exclusion list and the Bank does not provide services to companies and clients that engage in antisocial, environmentally and morally harmful or hazardous practices, that do not comply with health and safety legislation, or that have a negative impact on the community. Moreover, no services are provided to enterprises or individuals if they are suspected of making use of unsafe, environmentally harmful or morally objectionable business and labor practices, in particular child and/or forced labor.

The Bank's portfolio of green loans represents more than 20.5% of the total loans granted to customers, one of the highest shares among competitors on the market, underlining the desire to be a protagonist in the energy transformation. Volatility in energy prices and an increased awareness of the threats posed by global warming and pollution ensure that the green credit portfolio will remain a key driver of growth for years to come.

As in previous years, in 2025 the Bank focused on the quality of the loan portfolio and kept it under control by identifying potential problems with the clients in a timely manner and intensively working out the problematic exposures. As a result, the portfolio of non-performing exposures was maintained on a low level of 2.24% on 31 December 2025 (31 December 2024: 1.44%)

## **Retail Clients**

Business with private clients is of key importance, especially from the perspective of a sound structure of the Bank's liabilities, representing the second major business line that includes all services and activities related to serving the Retail segment.

The Retail segment includes a wide range of customers such as salary receivers, business owners, freelancers, retirees, students, etc. The bank offers remote services through ProBanking, MBank and Contact Center. Direct banking services for Private Individuals include the following facilities: FlexSave, Overdraft, term deposits, housing loans and investments.

During 2025, the focus was the increase the total number of private clients through an active and targeted acquisition strategy. We are continuously upgrading the technology infrastructure of the Bank, in order to facilitate the performance of financial transactions by our clients. In 2025 we further strengthened our position as a direct Bank in the market, while improving customers experience. Additionally, the Bank has initiated the development of a retail loan portfolio, which is expected to grow in the coming years.

In parallel, the Bank strategically aims to also attract more funding from business clients by establishing long-term relationships with them and becoming the sole financial partner for small business clients and the main bank for medium business clients.

## **Branch Network**

At the end of December 2025, the Bank's outlet network consisted in 5 outlets in the main cities of Romania – Bucharest, Timisoara, Constanta, Craiova (three branches and two 24/7 machine only zones). The slim branch network reflects the further push into digitalization of the Bank, by offering to our existing and potential clients the

full range of services accessible remotely (applications for mobile and electronic banking and a remote client identification platform).

All the Bank's outlets have 24/7 zones embedded and offer full range of banking services available to clients round the clock.

## **Staff and Staff Development**

The key to long-term success is our staff. The Bank's relies on a company culture that is based on ethical principles and encourages proactive participation and professionalism. The implementation of the strategy requires staff who establish long-term relationships with customers and provide them with innovative and efficient service in a friendly manner. We offer staff long-term prospects with opportunities for further professional development.

The recruitment process will continue to be highly selective aiming to identify the candidates with the most potential to be developed further through intensive trainings, both local and at Group level, thus ensuring our business strategy needs. Additionally, the Bank will focus on the proper training and integration of the new employees, as a key factor for their development inside the Institution.

In 2025, the Bank continued to invest in the professional training of its new employees by offering them the opportunity to join ProCredit Onboarding Programme. The programme proves to be a very good opportunity to broaden the general knowledge of our participants, mainly from cultural diversity point of view. As the participants are having different educational backgrounds and different previous experiences, training programme gives them an opportunity for further exchange of views and experiences within the theoretical trainings.

Besides the preparation for the new employees, last year a strong emphasis continued to be put on the quality of all personnel, trainings being provided throughout the whole year. Thus, our employees, attended various trainings on different topics, including external management training for colleagues in middle management positions. Additionally, a strong focus continued to be placed on the trainings provided at Group level, English Courses and ProCredit Academies. Besides these above mentioned, colleagues from both Head Office and Branches participated in various seminars aiming to increase the professional standards of our staff and to enhance the understanding of our Group business strategy.

## **Business Ethics and Environmental Standards**

Part of the overall mission of the ProCredit group is to set standards in the financial sectors in which we operate. We strive to make a difference not only in terms of the target groups we serve and the quality of the financial services we provide, but also with regard to business ethics. Our strong corporate values play a key role in this respect. The five ProCredit values represent the backbone of our corporate culture and are discussed and actively applied in our day-to-day operations. Moreover, they are reflected in the ProCredit Code of Conduct, which translates ProCredit group's ethical principles into practical guidelines for all our staff. In order to ensure that staff fully understands all of the principles that have been defined, induction seminars, have a separate section for the study of the Code of Conduct and its importance for all the members of our team. In addition, refreshment seminars are organized for our employees, to ensure that they respect their commitment to the high ethical standards and that they are informed about the new subjects and evolutions of an ethical nature for our institution. These events allow the existing staff to analyse recent case studies and to debate any unclear aspects.

Another manner of ensuring that our institution adheres to the highest ethical standards is our consistent application of international best-practice methods and procedures to protect ourselves from being used as a vehicle for money laundering or other illegal activities such as the financing of terrorist activities. The important focus here is the "know your customer" principle, and, in line with this principle, the performance of a sound reporting activity and the compliance with the applicable regulations. At group level, updated policies are introduced for the prevention of money laundering and fraud, to ensure compliance with both German and Romanian regulatory standards.

ProCredit Bank has implemented an environmental management system based on continuous assessment of the loan portfolio according to environmental criteria, an in-depth analysis of all economic activities which potentially involve environmental risks, and the rejection of loan applications from enterprises engaged in activities which are deemed environmentally hazardous and appear on our institution's exclusion list. By incorporating environmental issues into the loan approval process, ProCredit Bank is also able to raise its clients' overall level of environmental

awareness. The Bank only provides financing for environmentally sound projects. Thus, ProCredit Bank's clients must comply with the requirements stipulated by local health, safety and environmental legislation. When conducting credit analyses and making lending decisions, and also when monitoring loans, the Bank invariably gives due consideration to ecological and environmental factors.

## **Risk Management**

During 2025, the Bank continued to monitor all relevant risks and further refined its risk management tools. The core element of an effective risk management system is a well-developed "risk awareness culture" – a corporate culture in which risks are recognized by each employee. The potential impact of these risks is fully understood, and responsibility for controlling individual risks is assumed by the relevant staff members in accordance with their specified duties and tasks.

The Bank's prudent risk management policies are defined on a comprehensive, wide institutional basis by the Bank's Managers and approved by the Board of Administration. The risk management and risk control functions are ensured by the Risk Management Department and Compliance and AML Department, established at the level of Head Office. The decisions regarding the decrease of or the acceptance of exposures to risk are made within the Risk Management Committees.

ProCredit Bank aims at identifying, measuring, assessing, monitoring and controlling the risks it encounters effectively and to permanently maintain the capital at a level which is appropriate to the assumed risks. Central to our risk management strategy is our simple and transparent business model, a thorough understanding of our customers, well-trained staff, and a conservative approach to financial risks. The Code of Conduct complements the risk management strategy.

According to its internal by-laws, the Bank does not engage in speculative operations and maintains its currency position closed.

The principles, the risk profile and the main instruments used in the management of risks are set by the Bank's Board of Administration through the risk management policies and strategies. Thus, the Bank has defined risk management policies and strategies for the following types of risks: credit risk, counterparty risk, foreign currency risk, interest rate risk, liquidity risk, operational risk (including the IT&C sub-category), fraud risk, reputational risk and the risks related to outsourced activities. Moreover, the Bank has in place an Internal Capital Adequacy Assessment Process (ICAAP), in line with the established risk profile, as well as a general framework for stress testing on the risk profile and capital adequacy. The risk management and control process is carried out both at the level of the Bank as a whole, and at the level of each defined business line.

The Bank's Managers are responsible for implementing the risk management strategy and for the functionality of the Risk Management Committees, according to their statutes. The Audit and Risk Management Committee is a Board level committee responsible for addressing all significant risks from the strategic perspective. The upper management level committees that are: the Assets and Liabilities Management Committee, the Credit Risk Management Committee, the Operational Risk Management Committee and the Committee for Preventing and Combating Money Laundering and Terrorism Activities Funding address the individual risks.

The Risk Management Department develops and implements risk management and operational control. The department monitors all relevant risks and risk positions on a continuous basis through regular quantitative and qualitative reports to ensure that the total amount of all risks incurred does not exceed the risk-bearing potential of the Bank. All processes and areas of operations (including branches) are assessed, on a regular basis, by the Internal Audit Department, being subject to a risk assessment. Among other things, the audit missions are designed to identify fraud risks and alert the Bank's Managers so that they can take preventive measures.

The Bank's exposure to risks and the current capital adequacy situation are presented in the Management Risk Report, which is prepared on a regular basis. The report is reviewed in the Audit and Risk Management Committee meetings. The Audit and Risk Management Committee informs the Board of Administration on a quarterly basis through the Risk Profile and ICAAP Report about the development on the risk profile and capital adequacy topics. The decisions of the upper management committees are executive decisions. The relevant operational areas are represented in each committee, as to ensure that the various business lines and the risk management function are closely connected.

#### *Audit and Risk Management Committee (ARMC)*

The Audit and Risk Management Committee is subordinated consultative committee of the Board of Administration and also fulfils the function of informing to the Board of Administration with regard to Bank's exposure to risks. The main duty of the ARMC is to support the Board of Administration in ensuring that the bank maintains a risk profile within the limits defined by the Bank's risk appetite. Accordingly, the ARMC reviews all the topics regarding the implementation of the policies, procedures and methods used in the management of credit risk (including counterparty risk), market risk (interest rate and foreign exchange risk), liquidity risk (including funding risk), operational risk (including legal risk and IT&C Risks), reputational risk, risk associated with the business (including strategic risk), compliance risk, leverage risk and the management of any other risk categories that could become relevant for the bank's activity. ARMC monitors on a regular basis the capital adequacy ratio, from the perspective of the regulations in force, as well as from the perspective of economic capital calculated for internal purposes. The Committee meets on a quarterly basis.

#### *Credit Risk Management Committee (CRMC)*

The CRMC is a monitoring and decision-making committee whose main duty is to monitor developments and trends in the loan portfolio and to analyse them in relation to the risk appetite established for credit risk and, whenever necessary, to approve corrective measures. The committee's meetings are held quarterly, but it may be convened whenever necessary.

#### *Operational Risk Management Committee (OPRC)*

The agenda for the ordinary meetings of the OPRC must include the following topics: operational risk exposure (as derived from the operational risk database) and required action plans in order to address operational risk events. The assessment of the operational risk exposure also includes information security elements and the risks related to outsourced activities. The regular meetings of the OPRC are held quarterly, but it may also be convened whenever required.

#### *Asset and Liability Management Committee (ALCO)*

The agenda for the ordinary meetings of ALCO committee addresses mainly issues specific to the liquidity risk, interest rate risk, market risk, counterparty risk, FX risk, business risk and, to a certain extent, compliance risk. The committee can be convened in extraordinary meeting whenever necessary.

#### *Committee for Preventing and Combating Money Laundering and Terrorism Activities Funding (AML&CFT)*

The main objective of this committee is to monitor activities from the area of "know-your-customer" practices, the prevention and fight against money laundering and terrorism financing. The decisions of the committee are implemented by those departments whose areas of activity include measures decided by the committee. The AML&CFT Committee is convened whenever necessary, but at least on a quarterly basis.

#### **Credit Risk**

The management of credit risk is the responsibility of the Credit Risk Management Committee. The Credit Risk Department is responsible for the identification and the evaluation of the credit risk at client level, while the Risk Management Department bears the same responsibilities at loan portfolio level.

The Bank's credit products have a low level of complexity. The Bank does not engage in operations with financial derivative instruments with its clients. Moreover, our transparency strategy with the clients ensures that they have a good understanding of the obligations that appear from a loan contract, thus avoiding future problems at repayment. The lending process as a whole is designed to minimize the risk associated with individual loans: the credit analysis focuses on the customer's cash flow, and only subsidiary on the collateralized assets; each loan is analysed and approved by a credit committee; loans are carefully monitored by business client advisers, who bear responsibility for their clients' adherence to the agreed repayment plans and to the scheduling of repayments in regular instalments. All these measures are applied to the majority of loan products, allowing problems to be identified quickly. Loans in arrears are monitored by specialized staff, at the level of Head Office, thus ensuring an appropriate level of collection of the overdue debts. When a loan becomes irrecoverable on an amiable basis, the bank starts the execution process to ensure the recovery of the respective loan collaterals.

Exposures in the Bank's business loan portfolio are subject to an environmental and social risk assessment, which also includes climate risks. Customers whose business activities entail medium or high environmental risks and whose credit volume exceeds a certain threshold are subject to a more detailed review. With regard to our lending activities, we incorporate climate risks (physical and transition risks) into all our risk assessments and we support our business clients in enhancing the resilience of their companies in relation to climate-related risks.

On December 31<sup>st</sup>, 2025 the average amount of a loan from the outstanding loan portfolio was EUR 134,134 (December 31<sup>st</sup>, 2024: EUR 140,233). The non-performing loan portfolio was 2.24% (December 31<sup>st</sup> 2024: 1.44%) while non-performing loans coverage ratio was 58.47% (December 31<sup>st</sup>, 2024: 64.32%)

## **Market Risk**

ProCredit Bank is exposed to foreign currency risk and interest rate risk. The management of these risks is performed by the Assets and Liabilities Management Committee. The Committee also monitors the limits established by the Board of Administration for the exposure to these risks.

### *Foreign Currency Risk*

The Bank is exposed to foreign currency risk, carrying out operations in foreign currencies, especially in Euro. In order to avoid the losses generated by the fluctuation of the foreign exchange rates, the Bank adopted a strategy of closing the currency positions on a daily basis. ProCredit Bank does not use derivatives for hedging purposes, choosing a strategy for closing positions by minimising the currency mismatch between assets and liabilities. The currency position is monitored on a daily basis at the level of Treasury Department, Operation Support Department and Risk Management Department. The monitoring results are submitted to the Assets and Liabilities Management Committee (ALCO).

### *Interest Rate Risk*

The Bank aims to ensure that balance sheet structure is balanced across all maturities. Interest rate risk is managed mainly using maturity gap analysis and scenarios analysis which measure the impact of the market interest rates' evolution on the economic value of the Bank and on its P&L. The Bank's economic value impact under the assumptions of any the EBA 6 scenarios, at any given moment, 15% of the Bank's capital.

## **Liquidity Risk (including Funding Risk)**

The Bank's position regarding the liquidity risk is carefully monitored and analysed, during the meetings of the Assets and Liabilities Management Committee.

The funding risk is a component of the liquidity risk which expresses the risk that the Bank will not dispose of sufficient funds to finance the development of its own business. Throughout 2025, the Bank used the funding attracted from ProCredit Bank AG (Germany) and also funds raised from European Investment Fund (EIF) under different programmes, such as Competitiveness Operational Programme, EAFRD Fund of Funds ("AGRI"), ESIF Competitiveness ("POC"). In addition, the Bank is using funds attracted from the European Investment Bank and other financial institutions. The Bank increased the loan portfolio – deposits coverage ratio up to a level of 116.5% at the end of 2025 (2024: 106%).

## **Operational Risk**

For monitoring and controlling the operational risk, ProCredit Bank maintains an operational risk event database ("RED") and it has established an Operational Risk Management Committee. An important component of the management of this risk is represented by the continuous efforts made in order to increase the awareness of the employees regarding this source of risk and to encourage them to report the detected incidents.

The Bank also has an information security policy and a business continuity and recovery plan in case of disaster. The monitoring and the management of the information security incidents are performed by the Information Security Officer from Risk Management Department.

## **Strategic Risk**

The Bank considers the strategic risk as a significant risk because, following the changes in the business environment mainly caused by the financial crisis, we have encountered significant problems in achieving the business goals. In these circumstances, the Bank's Board of Administration defined a target risk profile for this risk, in order to ensure a better control of the risk exposure.

## **Compliance Risk, Reputational Risk, Legal Risk**

The management of the compliance risk is performed in three committees of the Bank. The compliance with the financial covenants included in the refinancing contracts is monitored on a monthly basis in the ALCO meetings. The risks related to money laundering and terrorism activity funding are managed by the Committee for Preventing Money Laundering and Terrorism Activity Funding. The monitoring of the legislative regulations and of their implementation is performed within the Operational Risk Management Committee. The organizational structure of the Bank includes the Compliance & AML Department which has the role of supporting the Bank's Managers in the efficient management of compliance risk and AML-CFT risks.

Our reputation in the market remains central to our success in raising deposits and funds via the capital market. Our reputational risk is low given our commitment to transparency and responsibility in every aspect of our company policy and corporate culture. There were no significant negative events affecting our reputation in 2025. Fitch Ratings reconfirmed the long-term individual rating of the bank (BBB-) considering the stable outlook of our business model.

As of December 31, 2025 there was no significant legal action filed against the Bank.

## **Internal Capital Adequacy Process**

During 2025, the Bank continued to develop its approach regarding the internal capital adequacy process. This process is based on the assessment, monitoring and internal control of capital adequacy from two complementary perspectives: determination, based on current and provisioned position, of the economic capital needed for covering each significant risk and the use of economic capital calculation techniques in order to calculate the additional capital needed for the risks that are underestimated or not covered by the regulatory framework.

The Board of Administration establishes through the Internal Capital Adequacy Assessment Process (ICAAP) Policy, both limits regarding the economic capital needed for each significant risk, and for the general limits for capital adequacy, the compliance of these limits being monitored within the Audit and Risk Management Committee.

During 2025, the Bank performed regular stress tests on the risk profile and capital adequacy within the business planning process. The goal of this process is to assess the Bank's exposure to significant risks, under alternative conditions and to ensure that in adverse conditions we will continue to observe the solvency limits and risk appetite.

## **Information regarding the future strategy of the Bank**

As a development-oriented commercial bank, we strive to balance economic sustainability with comprehensive positive impact of our business on the economy, environment and society. This means that our concept of "development" goes well beyond the traditional concept of economic growth. Rather, it is related to a broader sense of responsibility towards the society. It entails fostering democracy and free speech, respect to all fellow human beings, social justice, protecting the environment and behaving ethically. If we are to truly live this concept of development, we as ProCredit Bank must continuously assess our strategy, actions and decisions, not only from the perspective of profitability and our clients' needs, but also and above all against the impact they might have on society and the environment around us. We do not allow anything – not even the prospect of significant profit – to compromise our impact purpose.

The Bank is strategically positioned to undergo a substantial expansion of its assets during the planning period. While maintaining a dominant focus on Micro, Small and Medium Enterprises (MSMEs), the Bank aims to diversify

and reinforce its presence in the Retail sector to enhance overall balance sheet relevance. Recognizing the potential for sustained growth in the MSME segment, the Bank seeks to continue its robust participation in this sector. Simultaneously, the strategic initiative to bolster the retail segment underscores the institution's commitment to broadening its portfolio and tapping into new opportunities. By strengthening its retail arm, the Bank aims to achieve a more balanced and resilient balance sheet, reflecting a diversified asset base that can weather economic fluctuations and capitalize on emerging market trends. This strategic approach reflects the bank's commitment to adaptability, resilience, and sustained growth in the dynamic financial landscape.

Regarding MSMEs, the Bank will focus on businesses with a stable, largely shock-resilient business model and a sound management structure. The Bank sees the potential of developing structural and long-term business relationships with Micro and Small Clients including gradually the clients situated at the lower end of the small segment, on the basis of the experienced staff and a good potential in agro business; this will support for the further diversification and granularity of the loan portfolio and to improve the net interest margin. The business with Medium Clients will continue to be actively developed. The Bank's green portfolio represents more than 20% of total customer loans, one of the highest shares among our competitors in the market, underlining our desire to be a protagonist in the energy transformation. The volatility in energy prices and a heightened awareness of the threats posed by global warming and pollution give us assurance that our green portfolio will remain a key driver of our growth in the years ahead.

Retail is our second major business line. We consider this business line to include all services and activities related to serving private individuals (PIs). Retail clients' category encompasses typically a broad range of clients including salary receivers, business owners, freelancers, pensioners, students, etc. We apply a direct banking concept and offer our services remotely via ProBanking, MBank and Contact Centre. Our direct banking services for private individuals include the following interconnected web-based facilities: FlexSave, Overdraft, term deposits, housing, and investment loans. Approaching retail banking with a focus on MSME clients, including both business owners and employees, allows the Bank to capitalize on existing relationships, provide comprehensive financial solutions, mitigate risks, and position itself as a valuable partner in the growth and success of MSMEs and their communities.

In ProCredit Bank, we consider Green Finance activities as a central business line, through which we directly promote green investments within our target group (MSMEs and Retail) and support clients who want to improve their business processes in an environmentally sound manner. Environmental impact and awareness have been an important topic for the Bank for many years. We aim to promote sustainable development in all its facets. We believe that our Bank can make a meaningful impact by fostering sustainable economic development in Romania.

The Bank's strategy towards digitalization and automation of the banking operations and clients' transactions and consequently of the channels of interaction with clients implies a limited number of physical banking outlets and staff. The Bank is operating three main cities: Bucharest, Timisoara and Constanta. Additionally, to enhance customer relations in Oltenia region, the Bank operates through a Self-Service Zone in Craiova equipped with ATMs and cash deposit machines.

In order to improve its competitiveness in the market, the Bank has developed strong and reliable partnerships with the key players within the MSME financing and development support sector: The European Investment Bank and the European Investment Fund (under CIP, Jeremie, InnovFin, Invest EU and SME Initiative programs, Competitiveness and AGRI Portfolio and Risk Sharing Loans) - external institutions who support the local MSMEs.

ProCredit Bank will continue, like in the previous years, to invest both in training its staff and in improving internal processes in order to ensure, on the one hand, business efficiency and competitiveness in the Romanian banking market, and on the other hand, high quality customer service. Building long-term relationships and the in-depth knowledge of the clients' needs remain key to achieving these objectives.

## **Other information**

### **„Country-by-Country” report**

With respect to Country-by-Country Reporting (CbCR), the Bank is part of the ProCredit Group, headquartered in the European Union. As the Group's consolidated revenues are below the EUR 750 million threshold set out under applicable European legislation and international standards, the Group does not fall within the scope of the CbCR reporting requirements.

### **Conflict in the Middle East**

At the end of February 2026, hostilities escalated following strikes launched by the United States and Israel against Iran, followed by regional responses. Energy infrastructure and maritime transport were affected, while Brent oil prices exceeded USD 100 per barrel in March, increasing inflationary risks and weakening the economic outlook.

Given that this conflict arose after the reporting date, the Bank considers it a non-adjusting event after the reporting period and will continue to monitor potential indirect effects on credit risk.

### **Registered office**

As of 24.04.2026, the Bank changed its registered office at Calea Plevnei No. 159, 5th floor, Sector 6, Bucharest, Romania.



**Christoph Beeck**  
**Member of the Board of Administration**



**ProCredit Bank**

 Part of the  
ProCredit Group

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Fax: +4021-3055663  
[headoffice@procreditbank.ro](mailto:headoffice@procreditbank.ro)



**ProCredit Bank**

 Part of the  
ProCredit Group

**Individual Financial Statements  
31 December 2025**

Prepared in accordance with International  
Financial Reporting Standards as endorsed  
by the European Union and with the  
provisions of Order 27/2010 issued by  
National Bank of Romania

**- Free translation\* -**

**Statement of Profit or Loss and other Comprehensive Income**

| in LEI  | Note       | 1.1-31.12.<br>2025  | 1.1-31.12.<br>2024 |
|---|------------|---------------------|--------------------|
| Interest income   |            | 219,773,820         | 200,009,473        |
| Interest expenses   |            | -103,779,287        | -101,053,299       |
| <b>Net interest income</b>  | (20)       | <b>115,994,533</b>  | <b>98,956,174</b>  |
| Fee and commission income   |            | 16,297,343          | 14,995,953         |
| Fee and commission expenses   |            | -7,544,333          | -5,795,972         |
| <b>Net fee and commission income</b>                                    | (22)       | <b>8,753,010</b>    | <b>9,199,981</b>   |
| Net result from foreign exchange transactions                           | (23)       | 7,212,310           | 5,747,232          |
| Dividend income   |            | 52,305              | 45,789             |
| Other operating income  | (24)       | 1,296,589           | 1,386,044          |
| <b>Operating income</b>   |            | <b>133,308,747</b>  | <b>115,335,220</b> |
| Allowance for impairment losses on financial assets                     | (21)       | -10,843,583         | 1,242,026          |
| Personnel expenses  | (25)       | -36,051,770         | -31,558,782        |
| Administrative expenses   | (25)       | -60,074,619         | -55,769,262        |
| Depreciation and amortization   | (31, 32)   | -8,143,184          | -7,721,437         |
| Other operating expenses  | (24)       | -1,661,891          | -1,489,258         |
| <b>Operating expenses</b>   |            | <b>-116,775,047</b> | <b>-95,296,713</b> |
| <b>Profit before tax</b>  |            | <b>16,533,700</b>   | <b>20,038,507</b>  |
| Income tax expense  | (26,34,35) | -3,755,249          | -3,867,514         |
| <b>Profit for the period</b>  |            | <b>12,778,452</b>   | <b>16,170,993</b>  |
| <b>Items that may be reclassified subsequently to profit or loss</b>    |            |                     |                    |
| Movement in fair value reserve (FVOCI debt instruments)                 |            | 2,156,209           | -3,395,741         |
| Tax effect from movement in fair value reserve (FVOCI debt instruments) |            | -342,588            | 546,810            |
| <b>Other comprehensive income for the year, net of tax</b>              |            | <b>1,813,621</b>    | <b>-2,848,931</b>  |
| <b>Total comprehensive income for the year</b>                          |            | <b>14,592,073</b>   | <b>13,322,062</b>  |

The Statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 68.

The financial statements were reviewed and authorized for issue by the Board of Administration on 28<sup>th</sup> April 2026 were signed on its behalf by:

Andreea Ichim  
Deputy General Manager




Alexandra Andronache  
Head of Finance Department



**Statement of Financial Position**

| in LEI  |             | As at 31 December<br>2025 | As at 31 December<br>2024 |
|---|-------------|---------------------------|---------------------------|
| <b>Assets</b>   | <b>Note</b> |                           |                           |
| Cash and balances with central bank                               | (27)        | 533,598,286               | 425,981,100               |
| Loans and advances to banks                                       | (28)        | 134,921,590               | 70,988,096                |
| Financial assets at fair value through other comprehensive income | (29)        | 286,194,625               | 278,196,496               |
| Loans and advances to customers                                   | (30)        | 2,365,290,964             | 2,063,675,512             |
| Current tax assets  | (36)        | 354,075                   | -                         |
| Property, plant and equipment                                     | (32)        | 9,773,511                 | 10,202,906                |
| Intangible assets   | (31)        | 10,425,196                | 7,559,425                 |
| Deferred tax assets   | (34)        | 109,703                   | 384,346                   |
| Other financial assets  | (36)        | 4,167,760                 | 6,723,221                 |
| Other non-financial assets  | (36)        | 9,027,575                 | 8,689,674                 |
| <b>Total assets</b>   |             | <b>3,353,863,284</b>      | <b>2,872,400,776</b>      |
| <b>Liabilities</b>  |             |                           |                           |
| Liabilities to banks  | (37)        | 31,222,578                | 50,431,107                |
| Liabilities to customers  | (38)        | 2,818,742,244             | 2,279,963,616             |
| Liabilities to international financial institutions               | (39)        | 189,183,756               | 271,086,868               |
| Other financial liabilities                                       | (42)        | 9,908,705                 | 8,355,517                 |
| Other non-financial liabilities                                   | (43)        | 8,686,999                 | 5,844,519                 |
| Provisions  | (41)        | 3,441,181                 | 3,905,548                 |
| Current tax liabilities   | (34)        | -                         | 375,468                   |
| Subordinated debt   | (44)        | 25,647,615                | -                         |
| <b>Total liabilities</b>  |             | <b>3,086,833,078</b>      | <b>2,619,962,643</b>      |
| <b>Equity</b>   |             |                           |                           |
| Share capital   | (45)        | 251,635,371               | 251,635,371               |
| Share premium   | (45)        | 1,273,775                 | 1,273,775                 |
| Legal reserve   | (45)        | 7,381,861                 | 6,555,176                 |
| Accumulated loss(-)/earnings                                      |             | 6,968,102                 | -4,983,664                |
| Fair value reserve  |             | -228,903                  | -2,042,525                |
| <b>Total equity</b>   |             | <b>267,030,206</b>        | <b>252,438,133</b>        |
| <b>Total equity and liabilities</b>                               |             | <b>3,353,863,284</b>      | <b>2,872,400,776</b>      |

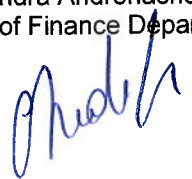
The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 68.

The financial statements were reviewed and authorized for issue by the Board of Administration on 28<sup>th</sup> April 2026 and were signed on its behalf by:

Andreea Ichim  
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Head of Finance Department



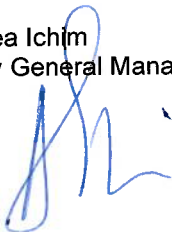
**Statement of Changes in Equity**

|   | Share capital      | Share premium    | Legal reserve    | Accumulated loss   | Fair value reserve | Total              |
|---|--------------------|------------------|------------------|--------------------|--------------------|--------------------|
| <b>Balance at January 1, 2025</b>                             | <b>251,635,371</b> | <b>1,273,775</b> | <b>6,555,176</b> | <b>-4,983,664</b>  | <b>-2,042,525</b>  | <b>252,438,133</b> |
| Profit of the year 2025                                       | -                  | -                | -                | 12,778,452         | -                  | 12,778,452         |
| Change in fair value of financial assets at FVOCI, net of tax | -                  | -                | -                | -                  | 1,813,621          | 1,813,621          |
| Transfer to legal reserve                                     | -                  | -                | 826,685          | -826,685           | -                  | -                  |
| <b>Total comprehensive income of the year 2025</b>            | <b>-</b>           | <b>-</b>         | <b>826,685</b>   | <b>11,951,767</b>  | <b>1,813,621</b>   | <b>14,592,073</b>  |
| <b>Balance at December 31, 2025</b>                           | <b>251,635,371</b> | <b>1,273,775</b> | <b>7,381,861</b> | <b>6,968,102</b>   | <b>-228,903</b>    | <b>267,030,206</b> |
| <b>Balance at January 1, 2024</b>                             | <b>251,635,371</b> | <b>1,273,775</b> | <b>5,553,250</b> | <b>-20,152,732</b> | <b>806,406</b>     | <b>239,116,071</b> |
| Profit of the year 2024                                       | -                  | -                | -                | 16,170,993         | -                  | 16,170,993         |
| Change in fair value of financial assets at FVOCI, net of tax | -                  | -                | -                | -                  | -2,848,931         | -2,848,931         |
| Transfer to legal reserve                                     | -                  | -                | 1,001,925        | -1,001,925         | -                  | -                  |
| <b>Total comprehensive income of the year 2024</b>            | <b>-</b>           | <b>-</b>         | <b>1,001,925</b> | <b>15,169,068</b>  | <b>-2,848,931</b>  | <b>13,322,062</b>  |
| <b>Balance at December 31, 2024</b>                           | <b>251,635,371</b> | <b>1,273,775</b> | <b>6,555,176</b> | <b>-4,983,664</b>  | <b>-2,042,525</b>  | <b>252,438,133</b> |

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 68.

The financial statements were reviewed and authorized for issue by the Board of Administration on 28<sup>th</sup> April 2026 and were signed on its behalf by:

Andreea Ichim  
Deputy General Manager




Alexandra Andronache  
Head of Finance Department



**Cash Flow Statement**

| in LEI   | 1.1.-31.12.2025    | 1.1.-31.12.2024     |
|--|--------------------|---------------------|
| <b>Net profit after tax</b>  | <b>12,778,452</b>  | <b>16,170,993</b>   |
| <b>Cash flows from operating activities</b>                                |                    |                     |
| Adjustments for:   |                    |                     |
| Allowance for impairment losses on loans and advances                      | 10,843,583         | -1,242,026          |
| Depreciation and amortization  | 8,143,184          | 7,721,437           |
| Net interest income  | -115,994,533       | -98,956,174         |
| Other provisions   | 1,034,737          | 635,748             |
| Net result from sale of fixed assets                                       | 18,187             | 14,877              |
| Dividends Income   | -52,305            | -45,789             |
| Other (including FX)   | -66,980            | -1,005,560          |
| Income tax expense   | 3,755,249          | 3,867,514           |
| <b>Operating profit before changes in operating assets and liabilities</b> | <b>-79,540,426</b> | <b>-72,838,980</b>  |
| Change in minimum compulsory reserve                                       | -8,257,955         | -15,120,306         |
| Change in loans and advances to customers                                  | -305,346,619       | -205,618,909        |
| Change in other assets   | 1,863,484          | 6,638,806           |
| Change in deposits from banks  | -19,155,873        | -76,839,550         |
| Change in deposits from customers  | 538,778,628        | 380,749,539         |
| Change in other liabilities  | 3,847,668          | 1,851,308           |
| Interest paid  | -106,262,932       | -96,711,336         |
| Interest received  | 216,783,894        | 190,913,976         |
| Income tax paid  | -4,135,200         | -3,533,588          |
| <b>Net cash from operating activities</b>                                  | <b>238,574,668</b> | <b>109,490,960</b>  |
| <b>Cash flows from investing activities</b>                                |                    |                     |
| Dividends received   | 52,305             | 45,789              |
| Purchase of property, plant and equipment / intangible assets              | -5,737,388         | -8,424,913          |
| Purchase of financial assets at FVTOCI                                     | -133,916,015       | -112,329,310        |
| Proceeds from sale of financial assets at FVTOCI                           | 122,154,742        | 69,079,097          |
| <b>Net cash used in investing activities</b>                               | <b>-17,446,355</b> | <b>-51,629,337</b>  |
| Proceeds from borrowings   | 25,492,500         | 25,125,290          |
| Repayment of borrowing   | -84,011,112        | -226,829,817        |
| Changes in lease liabilities   | 683,024            | -3,143,790          |
| <b>Cash flow used in/from financing activities</b>                         | <b>-57,835,588</b> | <b>-204,848,317</b> |
| <b>Net increase in cash and cash equivalents</b>                           |                    |                     |
| Cash and cash equivalents at 31 December previous year                     | 326,774,563        | 473,761,257         |
| Net increase/(decrease) in cash and cash equivalents                       | 163,292,724        | -146,986,694        |
| <b>Cash and cash equivalents at 31 December</b>                            | <b>490,067,287</b> | <b>326,774,563</b>  |

Balance breakdown of cash and cash equivalents is detailed on *Note 27*

Andreea Ichim  
Deputy General Manager




Alexandra Andronache  
Head of Finance Department



## Notes to the Financial Statements

### **A. Basis of Preparation**

- 1) **Compliance with International Financial Reporting Standards as endorsed by the European Union**
- 2) **Use of estimates and judgements**
- 3) **Accounting developments**

### **B. Summary of Material Accounting Policies**

- 1) **Foreign currency translation**
- 2) **Interest income and expense**
- 3) **Fee and commission income and expenses**
- 4) **Leases**
- 5) **Income tax**
- 6) **Turnover tax**
- 7) **Financial instruments**
- 8) **Fair value measurement**
- 9) **Loss Allowances**
- 10) **Cash and balances with central bank**
- 11) **Loans and advances to banks**
- 12) **Loans and advances to customers**
- 13) **Intangible assets**
- 14) **Property, plant and equipment**
- 15) **Impairment of non-financial assets**
- 16) **Liabilities to banks and customers**
- 17) **Provisions**
- 18) **Post-employment benefits and other employee benefits**
- 19) **Share capital**

### **C. Notes to the Statement of profit or loss and other comprehensive income**

- 20) **Net interest income**
- 21) **Allowance for impairment losses on financial assets**
- 22) **Net fee and commission income**
- 23) **Net result from foreign exchange transactions**
- 24) **Other net operating income/expense**
- 25) **Personnel and administrative expenses**
- 26) **Income tax expenses/income**

### **D. Notes to the Statement of Financial Position**

- 27) **Cash and balances with central bank**
- 28) **Loans and advances to banks**
- 29) **Financial assets at fair value through other comprehensive income**
- 30) **Loans and advances to customers**
- 31) **Intangible assets**
- 32) **Property, plant and equipment**

- 33) Leases**
- 34) Income taxes**
- 35) Effective tax reconciliation**
- 36) Other assets**
- 37) Liabilities to banks**
- 38) Liabilities to customers**
- 39) Liabilities to international financial institutions**
- 40) Reconciliation of movements of liabilities to cash flows arising from financing activities**
- 41) Provisions**
- 42) Other financial liabilities**
- 43) Other non-financial liabilities**
- 44) Subordinated debt**
- 45) Share capital**

**E. Risk Management**

- 46) Management of the overall Bank risk profile**
- 47) Management of individual risks**
- 48) Credit risk**
- 49) Financial risk**
- 50) Operational risk**
- 51) Reputational risk**
- 52) Compliance Risk**
- 53) Strategic risk**
- 54) Organization of the risk management function**

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## Notes to the Financial Statements

### A. Basis of Preparation

#### 1) Compliance with International Financial Reporting Standards as endorsed by the European Union

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with provisions of Order 27/2010 issued by National Bank of Romania for approval of accounting regulations in accordance with International Financial Reporting Standards as endorsed by European Union, with subsequent amendments under the historical cost convention, except for the investments at fair value through other comprehensive income. The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These financial statements of the Bank for the fiscal year 2025 are subject to be approved by General Shareholders Assembly on 30<sup>th</sup> April 2026, reviewed and authorized for issue by the Board of Administration on 28<sup>th</sup> April 2026 and were signed on its behalf by Andreea Ichim as Deputy General Manager and by Alexandra Andronache as Head of Finance Department.

These financial statements were prepared on the going concern assumption.

In 2025, the Bank registered a profit of RON 12.8 million, slightly below the one registered for 2024 in amount of RON 16.2 million. The stable profitability is driven by the steady expansion of both the loan portfolio and customer deposits.

The Bank's prudent approach towards credit risk has proven its benefits by maintaining a stable portfolio quality as measured by the non-performing loan rate of 2.24% at 31 December 2025 (1.44% at December 2024). Bearing in mind the business evolution and bank's resilience even in times of uncertainty, Management considers the use of the going concern assumption appropriate.

#### 2) Use of estimates and judgements

The Bank's financial reporting and its financial result are influenced by judgements made in applying the accounting policies, assumptions, estimates, and management judgement which necessarily have to be made in the course of preparation of the financial statements.

All estimates and assumptions are in conformity with IFRS and are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events and are considered appropriate under the given circumstances. Revisions to estimates are recognized prospectively.

Accounting policies and management's judgments for certain items are especially critical for the Bank's results and financial position due to their materiality in amount. This applies to the following positions:

##### (a) *Expected credit losses under IFRS 9*

Loss allowances are established based on the IFRS 9 impairment model. The forward-looking expected credit loss (ECL) model is the central element of the approach to quantifying credit loss allowances for on- and off-balance sheet financial instruments. The model calculates loss allowances considering the credit losses expected over various default scenarios in the future. The calculated loss allowances represent the sum of probability-weighted outcomes; ECL estimates are unbiased and include supportable information about past events, current conditions, and forecasts of future economic conditions.

The focus of the observations at portfolio level is on an expected deterioration in macroeconomic conditions, mainly resulting from the impact of the war in Ukraine and Middle East conflict on the global economy.

The war has had an impact on many other economies, as sanctions and naval blockades have also led to shortages in food and energy supplies.

The Bank's activities continued to focus on assessing the effects on the credit portfolio and on a corresponding risk mitigation strategy and proper ECLs recognition.

Considering the uncertainty due to deterioration in macroeconomic conditions, appropriate adjustments have been made to the ECL parameters.

We are taking account for risks arising from the currently tense economic situation by making new adjustments to the parameters. These adjustments are stated in Note 9 Loss allowance.

*(b) SPPI assessment*

The assessment of whether the contractual cash flows of financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) is subject to the application of significant judgements. These judgements are crucial in the IFRS 9 classification and measurement process as they determine whether the asset must be measured at FVPL or, depending on the business model assessment, at amortised cost or at FVOCI.

As part of the SPPI testing, any clause or covenant that can influence the contractual cash flow should be assessed. In that sense, following aspects are analysed: general terms and conditions of the Bank; template facility contracts (the main focus being on clauses and covenants that can change the contractual cash flow i.e. with monetary elements (fees, commission, penalties) and the expression of the interest rate); contracts that differ from the standard template.

*(c) Provisions*

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated (including litigations from the ordinary course of business), and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Please see Note 17) Provisions for a description of the accounting treatment and Note 24) Other net operating income/expense.

*(d) Taxation risk*

The Bank is committed to ensure sustainable performance of tax risk management by building and maintaining an efficient, effective and transparent tax function within the organization.

Effective from 1 January 2012, IFRS implementation has been consideration for the revision of tax legislation in order to introduce particular rules for the treatment of adjustments resulted at the implementation stage and afterwards. The Authority regulated in time the tax implications on both, tax neutrality of IFRS implementation and on budgetary sources, by often amending related legislation.

In this context, careful analysis was performed in identification of differences in accounting treatment, having tax impact, both in terms of current tax and deferred tax.

It is expected that also in the future the tax framework will be subject to frequent amendments as a consequence of the state budgetary needs or as a result of the Romania's obligations as an EU Member State. Given the precedents, they may have retroactive application.

Tax liabilities of the Bank are open to a general tax inspection for a period of five years.

*(e) Determination of fair values*

Determination of fair value for both financial instruments carried at fair value in the financial statements and financial instruments carried at amortized cost and for which the fair value is disclosed encompasses significant judgements and uncertainties related to the current market conditions. For more information on determination of fair values, please refer to notes 8 and 55.

### 3) Accounting developments

#### *(a) New IFRS accounting standards and amendments to existing standards effective in the current year*

The following amendments to existing standards published by the IASB are mandatorily applicable for the first time to financial periods beginning on or after 1 January 2025 and they are therefore applicable to the Bank's financial statements for the year ended 31 December 2025:

IAS 21 "Lack of Exchangeability" issued by the International Accounting Standards Board (IASB) on 15 August 2023 and adopted by the EU that are mandatorily effective for reporting period that begins on or after January 1, 2025. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

#### *(b) New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective*

The following standards, amendments and interpretations are issued by the IASB and will have an impact on the Bank's financial statements. These were not applied in preparing these Financial Statements:

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11 issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).

Amendments to IFRS 9 and IFRS 7 – Contracts referencing electricity that is dependent on natural factors, issued by IASB on 18 December 2024.

There was no early adoption of any standards, amendments, and interpretations not yet effective.

#### *(c) New and revised IFRS Accounting Standards in issue but not adopted by the EU*

IFRS 18 Presentation and Disclosures in Financial Statements issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. This standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures issued by IASB on 9 May 2024 and amended by IASB on 21 August 2025. This standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. The standard has no impact on the financial statement.

IFRS 14 Regulatory Deferral Accounts issued by IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS. The standard has no impact on the financial statement.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. This amendment could be applied only in the case the entity had not developed an accounting policy in this respect. The standard has no impact on the financial statement.

## **B. Summary of Material Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies were consistently applied to all the years presented, unless otherwise stated.

In addition, the Bank adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant” accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policies information related to financial instruments disclosed.

### **1) Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in these financial statements are presented in LEI, which is the functional currency of the Bank, rounded to the nearest “LEU”.

#### **(b) Transactions and balances**

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

Monetary items denominated in foreign currency are translated with the closing rate as of the reporting date. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as hold to collect and sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Foreign exchange differences related to changes in the amortised cost are recognised in profit or loss, while other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items measured at historical cost denominated in foreign currency are translated with the exchange rate as at the date of initial recognition.

The reporting exchange rates and average rates for the period used in the balance sheet and the income statement are listed in section (60) of these notes.

### **2) Interest income and expense**

Interest income and expenses for all interest-bearing financial instruments, are recognised within “interest income” and “interest expense” in the income statement using the effective interest rate method. Interest income and expense are recognised in the income statement in the period in which they arise.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the income statement include interest on financial assets and liabilities at amortised cost on an effective interest rate basis and interest on financial assets at fair value through other comprehensive income. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying

the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### **3) Fee and commission income and expenses**

Fee and commission income and expenses other than those related to the origination of a financial instrument are recognised as the service has been provided.

Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate of the loan.

Other fees and commission income, including account servicing fees, foreign currency transactions fees, fees for guarantees given and opening of letter of credit fees are recognised as the related services are performed on an accrual basis.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

### **4) Leases (as lessee)**

At inception of a contract, the Bank assesses whether the agreement constitutes or contains a lease. This is the case when the agreement grants the right to control the use of an identified asset for a specified period of time in return for a consideration.

The Bank recognises an asset for the right of use received, as well as a lease liability on the commencement date.

The right of use is recognised at acquisition costs. These include the amount of the lease liability, plus all lease payments made at or before provision, initial direct costs and estimated dismantling and removal costs, less any incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is recognised at the present value of the lease payments not yet made at that time. The lease payments are discounted at the lessee's incremental borrowing rate of interest. They are subsequently measured at amortised cost using the effective interest method.

The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability does not include VAT.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Bank changes its assessment of whether it will exercise an extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases or leases based on assets of minor value are not recognised in the balance sheet; instead, the lease payments are recognised under administrative expenses in the statement of profit or loss over the term of the lease.

## 5) Income tax

### **Current income tax**

Income tax payable on profits is calculated on the basis of the applicable tax law and is recognised as an expense in the period in which profits arise.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Starting with the financial year ending on December 31, 2023, Romania has implemented the OECD's (Organisation for Economic Co-operation and Development) Global Minimum Tax (GMT) framework, in accordance with Pillar II. This introduces a minimum effective tax rate of 15% for the year 2024 and 16% for the year 2025, for multinational enterprise (MNE) groups with annual consolidated revenues of at least EUR 750 million. The new regulations include the Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR).

Regarding the "Country-by-Country Report" (CbCR), the Bank is part of the ProCredit Group, which is based in the European Union. However, the Group does not meet the consolidated revenue criterion of exceeding EUR 750 million, which is the necessary threshold for the reporting obligation stipulated by European and international legislation.

### **Deferred income tax**

Deferred income tax is recognised, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements prepared in accordance with IFRS, as adopted by EU. Deferred tax assets and liabilities are determined using the tax rate (and law) that has been enacted as of the balance sheet date and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The main temporary differences arise from revaluation of certain financial assets and liabilities. However, the deferred income tax is not accounted for, if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit (before tax) for the period according to IFRS, nor the taxable profit or loss.

The tax effects of income tax losses available for carry forward are recognised as a deferred tax asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Changes of deferred taxes related to fair value re-measurement of the financial instruments "held to sale and collect" are charged to the Statement of Other Comprehensive Income. The presentation in the Statement of Other Comprehensive Income is made on a gross basis. On sale, the respective deferred taxes are recognised previously in Other comprehensive income is reclassified in the Statement of Profit or Loss together with the deferred gain or loss.

The tax rate used to calculate the current and deferred tax position as of 31 December 2025: 16% (31 December 2024: 16%).

## 6) Turnover tax

Starting with 2024, according to the Romanian Fiscal Code, banks in Romania are required to also pay a turnover tax to the state budget. The applicable rate on turnover for 2024 and first half of 2025 is 2%, while starting with 1<sup>st</sup> of July 2025, the applicable rate is 4%. The tax does not represent an income tax and is being booked according to IFRIC 21.

The legislation details the turnover calculation as the sum of:

- Interest income;
- Dividend income;
- Fees and commission income;
- Gains (losses) from the derecognition of financial assets and liabilities not measured at fair value through profit or loss, net;
- Gains or losses on financial assets and liabilities held for trading, net;
- Gains or losses on financial assets not held for trading, measured at fair value through profit or loss, net;
- Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net;
- Gains or losses from hedge accounting, net;
- Exchange differences (gain or loss), net;
- Gains or losses from the derecognition of non-financial assets, net;
- Other operating income.

## 7) Financial instruments

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognised on the balance sheet and measured in accordance with their assigned categories.

### (a) Initial recognition and measurement

#### *Initial recognition*

Financial instruments are initially recognised when the Bank becomes a party to the contractual provisions of the instrument. Regular way (spot) purchases and sales of financial assets are recognised in the balance sheet at the settlement date, which is the date that an asset is delivered.

#### *Initial measurement*

Financial instruments are measured initially at their fair value including transaction costs (except for financial instruments at fair value through profit or loss, for which transaction costs are recognised directly in profit or loss). In most cases, the fair value at initial recognition equals the transaction price, i.e. the price transferred to originate or acquire a financial asset or the price received to issue or incur a financial liability.

### (b) Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the classification and subsequent measurement of financial assets depend on the following two criteria:

- The business model for managing the financial assets – the assessment is focused on whether the financial asset is part of a portfolio in which the assets are held in order to collect contractual cash flows, to both collect the contractual cash flows and sell the assets or they are held in other business models.
- The cash flow characteristics of the financial assets – the assessment is focused on whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Our business models for financial assets are assessed on the basis of groups of financial assets (portfolios). The allocation to a business model is based on the actual circumstances at the time of the assessment. The following criteria, among others, are taken into account:

- the business and risk strategy of the Bank and
- the way in which the development of the business model is evaluated and reported;
- if there were sales in previous periods, the frequency, volume, timing and reasons for those sales as well as expectations regarding future sales activities.

For the purposes of measurement, IFRS 9 “Financial Instruments” classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (d) financial assets at amortised cost (“AC”). Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently.

The Bank’s business model for loans and advances to customers follows the hold-to-collect approach:

- Simple traditional banking approach;
- Clear specific target groups (SMEs and Retail );
- Small range of simple credit facilities, such as instalment loans, overdrafts, credit lines, credit cards and documentary business facilities;
- No performance-related bonus compensation system on any level;
- Conservative risk strategy and management.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Loans and advances to customers are recognised when the principal is advanced to the borrowers. These assets are initially recognised at fair value plus transaction costs; subsequently they are measured at amortised cost using the effective interest method. At each balance sheet date and whenever there is evidence of potential impairment, the Bank assesses the value of its financial assets. As a consequence, their carrying amount may be reduced through the use of an allowance account. If the amount of the impairment loss decreases, the impairment allowance is reduced accordingly, and the amount of the reduction is recognised in the Statement of Profit or Loss. The upper limit on the reduction of the impairment is equal to the amortised costs which would have been incurred as of the valuation date if there had not been any impairment.

When financial assets are contractually modified, the Bank assesses whether the modification is substantial and should result in derecognition of the original asset and recognition of a new asset at fair value. This assessment is based primarily on qualitative factors and it requires significant judgment (whether credit impaired renegotiated loans should be derecognised and whether the new recognised loans should be considered as credit impaired on initial recognition). The derecognition assessment depends on whether the risks and rewards, that is, the variability of expected cash flows, change as a result of such modifications.

If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the modification result for that asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Generally, the Bank’s financial assets are written-off when the Bank does not expect to receive any further recoveries. Typically, the smaller the amount to be recovered, the higher the number of days in arrears, the greater the uncertainties surrounding the chances of recovery (such as an unpredictable legal environment), the smaller the chances for recovery for the credit institution. Therefore, the Bank will apply the following guideline:

- outstanding credit exposures i.e. amortized cost (principal + interest + penalties- unamortized disbursement fees) will be placed under forced execution, as a rule, after 150 days in arrears, at most;

- after the initiation of the forced execution procedures, in a time horizon of 6 months, starting from the moment of the forced execution approval, the bank needs to perform an assessment of the possible future recoveries
- In case there are outstanding loan exposures, that register over 360 days in arrears and for which recovery through forced execution has not been initiated, the Bank will proceed to the writing-off these exposures.

In addition, when loans and receivables are restructured with substantially different terms and conditions (more than 10% difference between the net present value of the asset before modification and after the modification), the original financial asset is derecognised and replaced with the new financial asset.

#### *Financial assets at fair value with changes in fair value recognised in Other Comprehensive Income*

A financial asset is classified and recognised as “at fair value with changes in fair value recognised in Other Comprehensive Income” (“FVOCI financial instrument”), if the financial asset is allocated to a “hold to collect or sell” business model and passes SPPI test.

The “investment securities” allocated to this business model are those financial assets that passes SPPI test, in order to collect contractual cash flows but can be sold as needed.

At initial recognition, the FVOCI financial instruments are recorded at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently they are carried at fair value. Gains and losses arising from changes in fair value are recognised in the Other Comprehensive Income under “Fair value reserve”. If the financial asset is derecognised or impaired, the cumulative gain or loss previously recognised in the “Fair value reserve” is recognised in the Statement of Profit or Loss in the position “Net result from financial assets at fair value through other comprehensive income”. Interest calculated using the effective interest rate method and foreign currency gains and losses on monetary assets classified as FVOCI financial instruments are recognised in the Statement of Profit or Loss. For the FVOCI equity instruments, any dividend payments are recognised in the Statement of Profit or Loss, but not the accumulated value change on derecognition (no recycling).

Purchases and sales of FVOCI financial instruments are recorded as of the trade date. They are derecognised when the rights to receive cash flows from the financial assets have expired or when the Bank has transferred substantially all risks and rewards of ownership.

#### *Other financial liabilities at amortised cost*

Other financial liabilities at amortised cost are recognised initially at fair value net of transaction costs incurred. They are subsequently measured at amortised cost using the effective interest method. Financial liabilities at amortised cost are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expired.

### **(c) Financial guarantees and credit related commitments**

#### *Financial guarantees*

Financial guarantees require the Bank to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are initially recognized at their fair value, and the initial fair value is amortized over the lifespan of the financial guarantee. The guarantee liability is subsequently carried at the higher of the amortized amount and the value of the expected credit loss determined in accordance with IFRS 9. The amounts of the fees charged for the financial guarantees are amortised on a straight line basis over the life of the guarantee.

#### *Credit related commitments*

Financial guarantees and commitments for providing a loan are initially recognised at contractual value. The total client loan exposure value is composed by the on-balance carrying amount and the off-balance amount.

## **8) Fair value measurement**

Upon acquisition, financial instruments are measured at fair value, which corresponds with the transaction price at the time they are acquired. Depending on their respective category, financial instruments are subsequently recognised either at fair value or at amortised cost.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date.

The Bank applies the IFRS hierarchy to measure fair value. The hierarchy categorises the inputs used in the valuation techniques to measure fair value into three levels:

**(a) Level 1 Inputs**

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if market transactions with the asset or liability occur there sufficiently frequently and in sufficient volumes to ensure the ongoing availability of pricing information.

**(b) Level 2 Inputs**

Other than quoted market prices included within Level 1 that are observable in active markets for the asset or liability, either directly or indirectly. The valuation techniques applied are approximations of the current fair value of similar instruments and discounted cash flow analysis using observable market parameters. The Bank applies individual observable interest and exchange rates, made available predominantly by local central banks.

**(c) Level 3 Inputs**

Unobservable inputs for the asset or liability. If observable market interest rates are not available, internal rates are used as an input for a discounted cash flow model. These internal rates reflect the cost of funds, taking into account foreign currency effects and maturities as well as a risk margin, e.g. Bank interest rates. Internal rates are regularly compared to those applied for third-party transactions and are consistent with the parameters of an orderly transaction between market participants under market conditions at the measurement date.

## **9) Loss Allowances**

The Bank's loan loss impairment method is based on a forward-looking ECL approach.

The forward-looking expected credit loss (ECL) model is the central element of the approach to quantifying credit loss allowances for on- and off-balance sheet financial instruments. The model calculates loss allowances considering the credit losses expected over various default scenarios in the future. The calculated loss allowances represent the sum of probability-weighted outcomes; ECL estimates are unbiased and include supportable information about past events, current conditions, and forecasts of future economic conditions.

The current macroeconomic forecasts from the IMF World Economic Outlook Database and the EIU were used in establishing loss allowances. The parameters are normally calculated by weighting the three scenarios (baseline/downside/upside), with the baseline scenario normally weighted at 50% and the alternative scenarios at 25%. The weighting was adjusted to reflect the assessment of a currently tense macroeconomic situation. A detailed description can be found in the section on overlays (adjustments applied to the results obtained from automated statistical or financial models, intended to introduce prudence, cover specific risks not captured by the model, or reflect recent economic developments).

### *Overlays*

Overlays continue to be made to account for uncertainty arising from current economic and political developments resulting from the war in Ukraine, increase of the general price level, supply chain instability, instability of energy prices and uncertainty of the availability of energy.

Due to the ongoing tense situation in the Russo-Ukrainian War, with possible spill-over effects impacting the economic situation, the weighting of scenarios (baseline/downside/upside) has been adjusted for the calculation of loss allowance parameters. The baseline scenario retains a weighting of 50%, but the weighting of the downside scenario has been changed to 40% (previously 25%) and the upside scenario to 10% (previously 25%). This overlay has an effect amounting to RON 741 thousands increase in loss allowances (2024: RON 2.2 million).

The current global economic environment is characterised by several interrelated crises with negative consequences for the energy market, price developments and interest rates, consequently, the overlays have been retained and adjusted.

The extent of an energy crisis, with volatile prices and limited availability, as well as elevated inflation and higher interest rates, cannot be reflected in all model parameters due to the lack of statistical correlations in the macroeconomic factors and historical default/loss rates. Therefore, parameter adjustments were made to the PD and LGD.

The adjustments were based on observations of default and loss rates observed during the global financial crises, serving as stress levels. The key parameters, PD and LGD, have been increased using the defined probability of occurrence of the stress level (20%, based on expert assessment, 10% in 2024). For PD parameters, this corresponds to the average annual default rates recorded in 2009–2010, while for LGD parameters it represents the average annual aggregate recovery rates observed during the same period. Besides, for the LGD parameters, cure probabilities are set to zero implying a prudent expectation of the zero probability that clients return to the non-default state. A further measure was the increase in the credit conversion factors for potential receivables from off-balance sheet items by 20% (10% in 2024). This overlay has an effect amounting to RON 9.06 million increase in the loss allowance (2024: RON 12.4 million).

The Bank sets aside loss allowances for the balance sheet items “Cash and cash equivalents” (for Central Bank balances), “Loans and advances to banks”, “Loans and advances to customers”, “Financial assets at fair value through other comprehensive income” and for the financial assets under “Other assets”. These are generally recognised at net value within the corresponding balance sheet positions, except for the item “Financial assets at fair value through other comprehensive income”, which are reported at fair value. The respective loss allowances are recognised under “Fair value reserve”.

The expected credit loss model requires the recognition of expected credit losses in a timely manner to ensure that the amount of expected credit losses recognised at each reporting date reflects the changes in the credit risk of the financial instruments.

Specifically, the model addresses the IFRS 9 requirements on measurement of expected credit losses based on reasonable and supportable information that is available without undue cost or effort, including historical, current and forecasted information.

Expected credit losses are calculated using the following main parameters:

- Exposure at default (EAD):

EAD is the exposure expected to be outstanding in the case of a credit default. It is derived from the current exposure to the client and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For exposures with regular repayment plans, the modelled EAD is adjusted considering the expectation of prepayments based on historical observations, scenarios with respect to the economic environment, and forward-looking forecasts. Using historical observations, an estimate is made of the potential future amounts which can be drawn under the contract for lending commitments such as credit lines and overdrafts. For financial guarantees, the EAD represents the amount of the guaranteed exposure, adjusted by a conversion factor based on an analysis of past performance and expert judgement.

- Probability of default (PD):

PD represents the probability of a credit default within a specified period of time. It is derived from historical data on default events, such as date, type and amount of default, and from information about the risk characteristics of clients as used in the internal risk classification system. The parameters take into account country specifics and also differing risk levels of certain client segments. The statistical models analyse the data histories and generate forward-looking forecasts of the default probabilities based on scenarios with respect to the economic environment. In addition, PDs related to the remaining lifetime of exposures are derived that quantify how these are expected to change as a result of the passage of time.

- Loss given default (LGD):

The LGD reflects the expected extent of the loss from a defaulted credit exposure. The figure comprises the probability of recovery from the default and the estimated recovery rates for both scenarios (recovery/non-recovery). The recovery rates are calculated from the discounted cash flows based on historical data on funds received from defaulted customers and on the

realisation of collateral and guarantees. The estimated probabilities and recovery rates are modelled as forward-looking forecasts that account for the assumed scenarios about the development of the economic environment.

The elements of the LGD calculation provide a granular estimate of the loss given default, incorporating the probability of a return to non-default status and of the realisation of available collateral and utilisation of guarantees. The parameters are modelled as forward-looking forecasts that account for the assumed scenarios about the development of the economic environment.

Input data for the assessment of credit risk parameters are based on multi-year data histories for all borrowers in the banks within the group. Regression analysis is used to estimate the impact of client risk characteristics as well as macroeconomic factors for the considered parameters.

### **Macroeconomic time series**

The macroeconomic time series used to calculate the point-in-time forecasts of several of the parameters are obtained from the IMF World Economic Outlook Database, the Economist Intelligence Unit (EIU) Database, and the European Central Bank Database.

Historical time series - several macroeconomic quantities are investigated regarding their potential as a part of the PD model. In particular, in a first step, the following quantities are investigated for the specification of point-in-time models:

- Growth of the gross domestic product
- Percentage change of the inflation (end of period)
- Unemployment rate
- Percentage change of the lending rate
- Percentage change of the implied PPP (purchasing power parities) conversion rate
- Percentage change of gas price
- Percentage change of oil price

These quantities reflect directly the development of the business cycle and are therefore valid potential inputs for point-in-time models.

For 2025, the most significant assumptions affecting the expected credit loss allowance are as follows:

| <b>Year</b> | <b>Macroeconomic variable</b>  | <b>Mean scenario</b> | <b>Optimistic scenario</b> | <b>Pessimistic scenario</b> |
|-------------|--------------------------------|----------------------|----------------------------|-----------------------------|
| <b>2025</b> | <i>GDP Growth (% , yoy)</i>    | 0.96                 | 4.63                       | -1.24                       |
| <b>2026</b> | <i>GDP Growth (% , yoy)</i>    | 1.38                 | 5.05                       | -0.82                       |
| <b>2027</b> | <i>GDP Growth (% , yoy)</i>    | 2.74                 | 6.4                        | 0.54                        |
| <b>2025</b> | <i>Inflation End of period</i> | 8.54                 | 3.45                       | 10.37                       |
| <b>2026</b> | <i>Inflation End of period</i> | 3.5                  | -1.58                      | 5.33                        |
| <b>2025</b> | <i>Lending Rate Change</i>     | -0.28                | -1.31                      | 1.99                        |
| <b>2026</b> | <i>Lending Rate Change</i>     | -0.3                 | -1.33                      | 1.97                        |
| <b>2025</b> | <i>Unemployment Rate</i>       | 5.9                  | 5.16                       | 6.43                        |
| <b>2026</b> | <i>Unemployment Rate</i>       | 5.8                  | 5.06                       | 6.33                        |

For 2024, the most significant assumptions affecting the expected credit loss allowance are as follows:

| Year | Macroeconomic variable | Mean Scenario | Optimistic Scenario | Pessimistic Scenario |
|------|------------------------|---------------|---------------------|----------------------|
| 2024 | GDP Growth (% , yoy)   | 1.91          | 5.58                | -0.26                |
| 2024 | Inflation              | 4.23          | -3.20               | 6.76                 |
| 2024 | Lending Rate Change    | -0.62         | -1.65               | 1.65                 |
| 2025 | GDP Growth (% , yoy)   | 3.30          | 6.97                | 1.12                 |
| 2025 | Inflation              | 3.45          | -3.98               | 5.98                 |
| 2025 | Lending Rate Change    | -1.10         | -2.13               | 1.17                 |
| 2026 | GDP Growth (% , yoy)   | 3.70          | 7.37                | 1.52                 |

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and cover any potential non-linearities and asymmetries within the Bank's different portfolios.

#### *Sensitivity analysis*

Sensitivity analysis was performed by the Bank on the macroeconomic scenarios used, that is, in case there is 100% weight for the mean, optimistic and pessimistic scenario. Results of the sensitivity analysis in terms of expected credit losses are RON 3.3 million release (compared to RON 2.2 million release for 2024) for 100 % weight of the mean scenario, RON 13.1 million release (compared to RON 12.3 million release for 2024) for 100% weight of the optimistic scenario and RON 10.2 million increase (compared to RON 6.8 million increase for 2024) in case of 100% weight of pessimistic scenario.

Changes in these assumptions may lead to changes in loss allowances over time. The Bank recognises that considerable management judgement is exercised and estimation uncertainty exists in determining the amount of loss allowances for financial assets assessed collectively and on an individual basis. This judgement is based on the applicable definitions of default, the approach to determining a SICR, and the structure of forward-looking macroeconomic variables used. The Bank's methodology for determining a significant increase in credit risk (SICR) is based on comprehensible forward-looking information and past due information.

A significant increase in credit risk is detected typically during the client's financial analysis/ monitoring or by detecting any ad-hoc events that indicate increase in risk. Both trigger an update of client's Risk Classification. On the other hand, past due information is considered since exposures are moved to Stage 2 and Stage 3 based on the number of days in arrears as criterion.

This approach implies the comprehensive analysis of various information sources including comprehensive analysis of borrowers' financial stance, past due information, data on the restructuring events and future macroeconomic prospects (through the Risk Classification assessment).

#### *Stage I*

Stage 1 comprises financial assets for which credit risk has not significantly increased since initial recognition as well as those showing low credit risk as of the reporting date or for which no triggers for Stage 2 or 3 allocation apply. Assets are allocated in Stage 1 upon initial recognition except for purchased or originated credit impaired (POCI) assets which are treated and reported separately within Stage 3. For assets in Stage 1, the expected credit losses arising from possible default events within the 12 months following the reporting date (12 month ECL) are recognised as expenses. For exposures with a remaining maturity of less than 12 months, the used probability of default (PD) reflects the remaining maturity.

#### *Stage II*

Stage 2 comprises financial assets for which credit risk has significantly increased since initial recognition, but for which there is no objective indication of impairment. This assessment takes account for appropriate and plausible information. Loss allowances are established in an amount equivalent to the expected credit losses over the entire remaining maturity, i.e. lifetime expected losses (lifetime ECL not credit impaired).

The significant increase in credit risk is established based on both quantitative and qualitative information:

- Based on the comparison of the remaining lifetime PD of an exposure at each reporting date against its remaining lifetime PD at the date of origination. The loss parameters are based on the internal risk classification system for the rated exposures. A SICR occurs if the difference in PDs exceeds a pre-defined threshold and the respective asset will be transferred from Stage 1 to Stage 2. Inversely, a transfer from Stage 2 to 1 is possible when the associated credit risk is reduced significantly.
- When at least one of the following events is detected:
  - customer is in arrears more than 30 contractual days but less than 90 days past due;
  - standard or watch restructuring event(s);
  - the client has risk classification 6 or 7 (for the credit exposures which have a risk class assigned);
  - customer has been allocated into the bank's watchlist (based on multiple early warning signal criteria).

**Stage III**  
 Stage 3 includes all exposures that are credit impaired as of the reporting date. The respective calculation of loss allowances is performed based on the lifetime expected credit losses considering a 100% probability of default (lifetime ECL credit impaired). An exposure is considered as credit impaired and transferred to Stage 3 when the following or similar characteristics apply at the reporting date:

- the client is past due more than 90 days
- bankruptcy procedure is initiated
- the bank has started legal proceedings against the client
- credit fraud event
- qualitative criteria based on which the bank considers the client unlikely to pay in full without realising collateral
- the client is assigned to a risk class view as defaulted (risk class 8)
- impaired forbearance event occurs;
- other signs of impairment indicating that full repayment from the client cannot be expected;

**Purchased or Originated Credit Impaired (POCI)** exposures include financial instruments which were credit-impaired at initial recognition, irrespective of whether they are still credit-impaired at the reporting date. Expected credit losses against POCI exposures are calculated on a lifetime basis. As a result, no loss allowance is recognised at inception. Subsequently, only adverse changes in lifetime expected credit losses after the initial recognition are recognised as loss allowance, whilst favourable changes are recognised as impairment gains increasing the gross carrying amount of the POCI financial assets. Within the Bank's business model, the acquisition of such default-threatened assets is not permitted. Accordingly, POCI exposures can only arise in the course of a new negotiation or significant modification of the contractually agreed cash-flows.

For "Financial assets at fair value through other comprehensive income" position, loss allowances model is based on external ratings. For financial institutions and sovereigns, the Issuer Default Rating (IDR) is used, which is a forward-looking assessment of the capacity and willingness to honour debt obligations to private sector creditors in full and on time and thereby captures default risk.

The Bank's portfolio of "investment securities" consists in treasury bills, with rating BBB-, classified as credit exposures- Stage 1 and provisioned in accordance with one-year expected losses. The respective expected losses are calculated as the product of the exposure at default (EAD), one-year default probability (PD) downscaled according to the contractual maturity (M) if it is less than one year from the reporting date, and the loss given default (LGD).

For the "Other assets" position, loss allowances are established using the simplified approach. As a rule, loss allowances are recognized at initial recognition and on each subsequent reporting date in an amount equivalent to the expected credit loss during the total maturity period. For these generally short assets, the total maturity period has been set at 12 months.

#### *Release of loss allowances*

In the event of decrease of credit risk, the already recognised loss allowance is reduced accordingly.

#### *Financial guarantees and credit related commitments*

The provisions for off-balance sheet credit risks relates primarily to undrawn lending commitments, letters of credit and letters of guarantee. Credit conversions factors based on the facilities' characteristics and if applicable, based on empirical data, are applied in determining the provisions for the off-balance exposures. The loss allowances related to financial guarantees and credit related commitments are recognised under Provisions in the Balance Sheet.

The Bank considers revocable and irrevocable credit commitments for loans in tranches to bear credit conversion factors of 100%.

#### *Write-offs, recoveries and direct write-offs*

When a loan is uncollectible, it is written off against the related loss allowance set aside. Such write-offs occur after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognised in the Statement of Profit or Loss as income from written off loans under the category "Allowance for impairment losses on financial assets". Uncollectible loans for which no loss allowances have been set aside in full are recognised as direct write-offs.

During 2025, the Bank wrote off from the books financial assets in amount of RON 8,656,382 (2024: no write-offs). The total contractual amount of loans written off and still subject to enforcement activity is, as of 31 December 2025, RON 17,200,070 (31 December 2024: RON 10,264,729)

#### *Assets acquired in exchange for loans (repossessed property)*

Non-financial assets repossessed in exchange for loans as part of an orderly realisation are reported under "other assets". The asset acquired is recorded at fair value. Given management's commitment to realize the acquired asset, it is recognized at its fair value and classified as held for sale in accordance with the provisions of IFRS 5. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognised in the income statement in "net other operating income". Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write-down, is also recognised in "net other operating income", together with any realised gains or losses on disposal.

### **10) Cash and balances with central bank**

For the purposes of the balance sheet, cash and balances with central bank equivalents includes cash, cash balances in ATM, balances with less than three months' maturity from the placement date, other money market instruments that are highly liquid and readily convertible to known amounts of cash with insignificant risk of changes in value, and bills of exchange and other bills eligible for discounting with central banks.

Generally, all cash and cash equivalent items are recognised at their nominal value.

For the purposes of the statement of cash flows, cash and cash equivalents include cash balances on hand, unrestricted balances held at central bank, and cash balances in ATM, and current accounts with banks and placements with other banks with less than 90 days original maturity and are used by the Bank in the management of its short-term commitments.

### **11) Loans and advances to banks**

The amounts reported under receivables from banks consist of loans and advances issued.

In addition to overnight and term deposits, the amounts reported under receivables from banks include current account balances.

All loans and advances to banks are carried at amortised cost, using the effective interest method. Amortised premiums and discounts are accounted for, over the respective terms in the income statement under net interest income.

For the purposes of the cash flow statement, claims to banks with a remaining maturity of less than three months from the date of acquisition are recognised under Cash and cash equivalents (see note (27)).

### **12) Loans and advances to customers**

Loans and receivables to customers are initially recognised at fair value plus transactions costs; subsequently they are measured at amortised cost using the effective interest method. Their carrying amount is reduced with the amount of expected credit losses.

If the amount of the impairment loss decreases, the impairment allowance is reduced accordingly, and the amount of the reduction is recognised in profit and loss. The upper limit on the release of the impairment is equal to the amortised costs which would have been incurred as of the valuation date if there had not been any impairment.

Loans are recognised when the principal is advanced to the borrowers. Loans are derecognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

The Bank, through its strong partnership with European Investment Fund (EIF) enters into financing agreements with aforementioned institution in order to improve access to finance for SMEs. At origination, the Bank performed an analysis to establish whether it acts as a principal or an agent in relation to the loans disbursed to SMEs. Based on the analysis and given that the Bank is taking full responsibility on providing the product and is acting as the only legal counterparty under the lending agreements, the Bank recognizes the entire loan on its balance-sheet.

### 13) Intangible assets

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line on the basis of the expected useful lives. Software has a maximum expected useful life of 5 years.

### 14) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (see Note 32). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Component parts of an asset are recognised separately if they have different useful lives or provide benefits to the bank in a different pattern.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

|                           |   |
|---------------------------|---|
| – Buildings               | 40 years                                      |
| – Leasehold improvements  | minimum between contract life and useful life |
| – Furniture and equipment | 4 – 16 years                                  |
| – Motor vehicles          | 6 years                                       |

The assets' residual carrying values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

### 15) Impairment of non-financial assets

Non-financial assets are reviewed for indications of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value

exceeds its recoverable amount. Impairment losses are recognised in profit or loss. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

## **16) Liabilities to banks and customers**

Liabilities to banks and customers are recognised initially at fair value net of transaction costs incurred. They are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the liability using the effective interest rate method.

All financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

## **17) Provisions**

Provisions are recognised when:

- there is a present legal or constructive obligation resulting from past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- the amount can be reliably estimated.

Provisions for which the timing of the outflow of resources is known are measured at the present value of the expenditures, if the outflow will not be earlier than in one year's time. The increase in the present value of the obligation due to the passage of time is recognised as an interest expense.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

## **18) Post-employment benefits and other employee benefits**

### *(a) Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Short-term employee benefits include wages, salaries, meal tickets and social security contributions. Short-term employee benefits are recognized as expense when services are rendered.

### *(b) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognized as an expense in the statement of comprehensive income as incurred.

The Bank, in the normal course of business makes payments to the Romanian State funds on behalf of its employees for pension, health care and unemployment benefit. All employees of the Bank are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Romanian State pension plan (a State defined contribution plan). All relevant contributions to the Romanian State pension plan are recognized as an expense in the statement of profit or loss as incurred. The Bank does not have any further obligations.

The Bank does not operate any independent pension scheme and, consequently, has no obligation in respect of pensions. The Bank does not operate any other defined benefit plan or postretirement benefit plan. The Bank has no obligation to provide further services to current or former employees.

## **19) Share capital**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax. Dividends on ordinary shares are treated as an appropriation of profit in the period in which they are approved by the Bank's shareholders.

## C. Notes to the Statement of profit or loss and other comprehensive income

### 20) Net interest income

| in LEI  | 1.1.-31.12.2025    | 1.1.-31.12.2024    |
|---|--------------------|--------------------|
| <b>Interest income</b>                                    |                    |                    |
| Interest income from                                      |                    |                    |
| Cash and cash equivalents and loans and advances to banks | 10,050,957         | 14,410,639         |
| Interest income from financial assets at FVTOCI           | 16,672,058         | 16,273,856         |
| Interest income from loans and advances to customers      | 193,050,804        | 169,324,978        |
| <b>Total interest income</b>                              | <b>219,773,820</b> | <b>200,009,473</b> |
| <b>Interest expenses</b>                                  |                    |                    |
| Interest expenses on                                      |                    |                    |
| Liabilities to banks                                      | 3,918,769          | 9,575,302          |
| Liabilities to customers                                  | 86,045,919         | 72,331,589         |
| Liabilities to international financial institutions       | 13,506,287         | 18,962,895         |
| Lease liabilities (IFRS 16)                               | 153,195            | 183,513            |
| Subordinated debt   | 155,115            | -                  |
| <b>Total interest expenses</b>                            | <b>103,779,287</b> | <b>101,053,299</b> |
| <b>Net interest income</b>                                | <b>115,994,533</b> | <b>98,956,174</b>  |

During 2025, the Bank booked interest income from impaired exposures in amount of RON 3,777,996 (2024: RON 1,680,882).

### 21) Allowance for impairment losses on financial assets

| in LEI   | 1.1.-31.12.2025    | 1.1.-31.12.2024  |
|--|--------------------|------------------|
| <b>Allowance for impairment</b>  |                    |                  |
| Net impairment allowance for loans and advances to banks                     | -4,314             | -8,223           |
| Net (charge) for the impairment allowance of loans and advances to customers | -12,943,594        | 756,179          |
| Recoveries from loans written off  | 2,104,326          | 494,070          |
| <b>Net allowance for impairment on financial assets</b>                      | <b>-10,843,583</b> | <b>1,242,026</b> |

The following table presents the breakdown of allowance for impairment charges for loans and advances to customers by type of provision, whether assessed individually or collectively:

| in LEI   | 1.1.-31.12.2025    | 1.1.-31.12.2024 |
|--|--------------------|-----------------|
| <b>Allowance for impairment</b>                            |                    |                 |
| Net (charge)/release for individually assessed loans       | -14,059,139        | -4,511,449      |
| Net (charge)/release for collectively assessed loans       | 1,115,545          | 5,267,628       |
| <b>Net allowance for impairment for loans to customers</b> | <b>-12,943,594</b> | <b>756,179</b>  |

Risk provisions on loans and advances to customers are reflected in the income statement as follows:

| <b>At December 31, 2025</b>                           | <b>Business</b>   | <b>Agriculture</b> | <b>Housing</b> | <b>Consumer</b> | <b>Other</b> | <b>Total</b>      |
|---|-------------------|--------------------|----------------|-----------------|--------------|-------------------|
| Increase of impairment charge                         | 38,181,546        | 2,484,514          | 68,902         | 661,217         | 35,285       | 41,431,464        |
| Increase of impairment charge off balance sheet items | 1,154,799         | 10,216             | -              | 2,228           | 370          | 1,167,613         |
| Release of impairment charge                          | -19,543,291       | -8,743,014         | -19,986        | -672            | -6,877       | -28,313,841       |
| Release of impairment charge off balance sheet items  | -916,218          | -421,615           | -              | -3,468          | -342         | -1,341,643        |
| Net recoveries of sold and written-off loans          | -1,567,850        | -501,870           | -3,485         | -8,309          | -22,812      | -2,104,326        |
| <b>Total</b>  | <b>17,308,986</b> | <b>-7,171,770</b>  | <b>45,431</b>  | <b>650,997</b>  | <b>5,624</b> | <b>10,839,268</b> |

| <b>At December 31, 2024</b>                           | <b>Business</b>   | <b>Agriculture</b> | <b>Housing</b> | <b>Consumer</b> | <b>Other</b>   | <b>Total</b>      |
|---|-------------------|--------------------|----------------|-----------------|----------------|-------------------|
| Increase of impairment charge                         | 20,183,457        | 7,988,280          | 26,075         | 386,932         | 7,712          | 28,592,456        |
| Increase of impairment charge off balance sheet items | 1,343,061         | 217,186            | -              | 5,402           | 342            | 1,565,991         |
| Release of impairment charge                          | -25,331,018       | -4,411,462         | -7,012         | -60,699         | -354           | -29,810,545       |
| Release of impairment charge off balance sheet items  | -1,039,319        | -62,321            | -              | -1,504          | -936           | -1,104,080        |
| Net recoveries of sold and written-off loans          | -321,928          | -140,677           | -4,157         | -4,380          | -22,928        | -494,070          |
| <b>Total</b>  | <b>-5,165,748</b> | <b>3,591,006</b>   | <b>14,906</b>  | <b>325,751</b>  | <b>-16,164</b> | <b>-1,250,249</b> |

## 22) Net fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of both IFRS 9 and IFRS 15 is disaggregated by major type of services.

| in LEI  |                        |                        |
|---|------------------------|------------------------|
| <b>Fee and commission income</b>                        | <b>1.1.-31.12.2025</b> | <b>1.1.-31.12.2024</b> |
| Payment transfers and transactions                      | 2,628,620              | 2,629,029              |
| Account maintenance fee                                 | 4,855,547              | 4,569,425              |
| Letters of credit and guarantees (IFRS 9)               | 1,603,141              | 1,194,272              |
| Debit cards   | 3,662,247              | 3,525,048              |
| Other fee and commission income                         | 3,547,788              | 3,078,180              |
| <b>Total fee and commission income</b>                  | <b>16,297,343</b>      | <b>14,995,953</b>      |
| out of which  |                        |                        |
| <b>Fee income recorded in accordance with IFRS 15</b>   | <b>14,694,202</b>      | <b>13,801,680</b>      |
| <b>Fee and commission expenses</b>                      | <b>1.1.-31.12.2025</b> | <b>1.1.-31.12.2024</b> |
| Payment transfers and transactions                      | 1,301,126              | 1,187,371              |
| Fee expenses paid for guarantees                        | 463,580                | 996,917                |
| Letters of credit and guarantees (IFRS 9)               | 9,794                  | 9,274                  |
| Debit cards   | 1,550,675              | 1,327,205              |
| Other fee and commission expenses                       | 4,219,158              | 2,275,205              |
| <b>Total fee and commission expenses</b>                | <b>7,544,333</b>       | <b>5,795,972</b>       |
| out of which  |                        |                        |
| <b>Fee expenses recorded in accordance with IFRS 15</b> | <b>7,534,539</b>       | <b>5,786,698</b>       |
| <b>Net fee and commission income</b>                    | <b>8,753,010</b>       | <b>9,199,981</b>       |

### 23) Net result from foreign exchange transactions

“Result from foreign exchange transactions” refers to the results of foreign exchange dealings with and for customers. The Bank does not engage in any foreign currency trading on its own account. In addition, this position includes unrealised foreign currency revaluation effects. The Bank does not apply hedge accounting.

| in LEI                                       | 1.1.-31.12.2025  | 1.1.-31.12.2024  |
|--|------------------|------------------|
| Currency transactions                        | 6,952,601        | 5,789,887        |
| Net gains and losses (-) from FX revaluation | 259,710          | -42,656          |
| <b>Total</b>                                 | <b>7,212,310</b> | <b>5,747,232</b> |

### 24) Other net operating income/expense

| in LEI   | 1.1.-31.12.2025  | 1.1.-31.12.2024  |
|--|------------------|------------------|
| Income from reversals of other prov not related to lending | 228,119          |                  |
| Other income   | 1,068,470        | 1,386,044        |
| <b>Other operating income</b>                              | <b>1,296,589</b> | <b>1,386,044</b> |
| Expenses for disposal of property, plant and equipment     | 18,187           | 14,877           |
| Expenses for other provisions not related to lending       | -                | 195,656          |
| Other expenses   | 227,923          | 61,928           |
| Administrative expenses                                    | 14,475           | 9,857            |
| Expenses for deposit insurance fund                        | 1,324,425        | 1,206,939        |
| out of which bank resolution fund                          | 813,724          | 785,765          |
| Expenses for appraisal of repossessed properties           | 76,881           |                  |
| <b>Other operating expenses</b>                            | <b>1,661,891</b> | <b>1,489,258</b> |

### 25) Personnel and administrative expenses

Personnel expenses can be broken down as follows:

| in LEI                           | 1.1.-31.12.2025   | 1.1.-31.12.2024   |
|----------------------------------|-------------------|-------------------|
| Salary expenses                  | 32,651,246        | 28,721,260        |
| Social security expenses         | 709,895           | 646,393           |
| Other personnel expenses         | 1,936,755         | 1,310,490         |
| Training and recruiting expenses | 753,875           | 880,640           |
| <b>Total</b>                     | <b>36,051,770</b> | <b>31,558,782</b> |

“Administrative expenses” include the following items:

| in LEI                                   | 1.1.-31.12.2025   | 1.1.-31.12.2024   |
|--|-------------------|-------------------|
| Communication and IT expenses            | 26,368,935        | 25,774,881        |
| Transport                                | 1,492,079         | 2,068,037         |
| Office supplies                          | 706,737           | 851,199           |
| Security service                         | 110,820           | 111,000           |
| Marketing, advertising and entertainment | 2,561,999         | 2,371,942         |
| Construction, repairs and maintenance    | 1,222,051         | 1,202,968         |
| Other tax expenses                       | 16,256,230        | 12,389,232        |
| Consultancy, Legal and Audit fees        | 5,493,941         | 5,432,667         |
| Insurance                                | 844,222           | 723,923           |
| Utilities                                | 462,490           | 449,491           |
| Rent                                     | 126,979           | 204,643           |
| Other administrative expenses            | 4,428,135         | 4,189,279         |
| <b>Total</b>                             | <b>60,074,619</b> | <b>55,769,262</b> |

During 2025, the Bank paid turnover tax in amount of LEI 7,581,383 (2024: LEI 4,468,748 booked under “Other tax expenses”) representing 2%, respectively 4% of gross income as described in *Note 6*.

The total expense booked in relation with the bank’s external auditor in 2025, was LEI 607,741 (2024: LEI 919,200), out of which LEI 350,369 (2024: 510,007) for audit of IFRS Financial Statements of the Bank. The fees paid for other audit services provided by the independent financial auditor as defined by Regulation (EU) 537/2014 of the European Parliament and of the Council are represented by: auditing of the Group reporting package as at and for the period ended 31 December 2025, audit of the FinRep package as at 31 December 2025 and audit of FINREP schedule 18 at the request of the National Bank of Romania as at 30 June 2025.

As of 31 December 2025 the amounts paid in relation to the services provided for the year 2025 amounts LEI 317,849 at the end of the year. In relation to the services provided for the year 2024, the Bank paid the following fees: LEI 396,919 paid during 2024 and LEI 699,334 paid during 2025.

## 26) Income tax expenses/income

This item includes all taxes on income. Income tax expenses were as follows:

| in LEI              | 1.1.-31.12.2025   | 1.1.-31.12.2024   |
|---------------------|-------------------|-------------------|
| Current tax expense | - 3,823,193       | -3,909,056        |
| Deferred tax income | 67,945            | 41,542            |
| <b>Total</b>        | <b>-3,755,249</b> | <b>-3,867,514</b> |

## D. Notes to the Statement of Financial Position

### 27) Cash and balances with central bank

Cash and cash equivalents comprise the following items:

| in LEI   | As at 31 December<br>2025 | As at 31 December<br>2024 |
|--|---------------------------|---------------------------|
| Cash in hand   | 53,167,768                | 58,987,818                |
| Balances at central banks excluding mandatory reserves | 301,977,929               | 196,798,649               |
| Mandatory reserve deposits                             | 178,452,589               | 170,194,634               |
| <b>Total cash and cash equivalents</b>                 | <b>533,598,286</b>        | <b>425,981,100</b>        |

The following cash equivalents have been considered for the cash flow statements:

| in LEI  | As at 31 December<br>2025 | As at 31 December<br>2024 |
|---|---------------------------|---------------------------|
| Cash equivalents recognized in the balance sheet statement  | 533,598,286               | 425,981,100               |
| Loans and advances to banks with a maturity up to 3 months, which qualify as cash for the cash flow | 134,921,590               | 70,988,096                |
| Minimum reserve with central bank   | -178,452,589              | -170,194,634              |
| <b>Total cash equivalents for cash flow statement</b>   | <b>490,067,287</b>        | <b>326,774,563</b>        |

The cash held with the Central Bank ensures compliance with the minimum reserve requirements. These funds are not available for the Bank's daily business. At 31 December 2025 the minimum mandatory reserves rates established by the National Bank of Romania for raised funds with contractual maturity lower than 2 years are as follows: 8% for funds raised denominated in LEI and 5% for funds raised denominated in foreign currency (31 December 2024: 8% for funds raised denominated in LEI and 5% for funds raised denominated in foreign currency).

The balances in central bank balances and the movement of the respective loss allowances are presented in the following tables:

| <b>Central bank balances</b> |                    |          |          |          | <b>As at 31 December 2025</b> |  |
|------------------------------|--------------------|----------|----------|----------|-------------------------------|--|
| in LEI                       | Stage 1            | Stage 2  | Stage 3  | POCI     | Total                         |  |
| Gross outstanding amount     | 480,530,855        | -        | -        | -        | 480,530,855                   |  |
| Loss allowances              | -100,337           | -        | -        | -        | -100,337                      |  |
| <b>Carrying amount</b>       | <b>480,430,518</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>480,430,518</b>            |  |

| <b>Loss allowances for central bank balances</b> |                 |          |          |          |                 |  |
|--|-----------------|----------|----------|----------|-----------------|--|
| in LEI   | Stage 1         | Stage 2  | Stage 3  | POCI     | Total           |  |
| <b>Balance at 1 January 2025</b>                 | <b>-95,744</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>-95,744</b>  |  |
| New financial assets originated                  | 0               | -        | -        | -        | 0               |  |
| Release due to derecognition                     | 0               | -        | -        | -        | 0               |  |
| Increase/Decrease in credit risk                 | -4,063          | -        | -        | -        | -4,063          |  |
| Foreign exchange and other movements             | -531            | -        | -        | -        | -531            |  |
| <b>As at 31 December 2025</b>                    | <b>-100,337</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-100,337</b> |  |

| <b>Central bank balances</b> |                    |          |          |          |  | <b>As at 31 December 2024</b> |
|------------------------------|--------------------|----------|----------|----------|--|-------------------------------|
| in LEI                       | Stage 1            | Stage 2  | Stage 3  | POCI     |  | Total                         |
| Gross outstanding amount     | 367,089,026        | -        | -        | -        |  | 367,089,026                   |
| Loss allowances              | -95,744            | -        | -        | -        |  | -95,744                       |
| <b>Carrying amount</b>       | <b>366,993,283</b> | <b>-</b> | <b>-</b> | <b>-</b> |  | <b>366,993,283</b>            |

| <b>Loss allowances for central bank balances</b> |                |          |          |          |          |                |
|--|----------------|----------|----------|----------|----------|----------------|
| in LEI   | Stage 1        | Stage 2  | Stage 3  | POCI     |          | Total          |
| <b>Balance at 1 January 2024</b>                 | <b>-87,491</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-87,491</b> |
| New financial assets originated                  | -              | -        | -        | -        | -        | -              |
| Release due to derecognition                     | -              | -        | -        | -        | -        | -              |
| Increase/Decrease in credit risk                 | -8,009         | -        | -        | -        | -        | - 8,009        |
| Foreign exchange and other movements             | -244           | -        | -        | -        | -        | - 244          |
| <b>As at 31 December 2024</b>                    | <b>-95,744</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-95,744</b> |

## 28) Loans and advances to banks

Loans and advances to banks are as follows:

| in LEI  | <b>2025</b>        | <b>As at 31 December 2024</b> |
|---|--------------------|-------------------------------|
| Loans and advances to banks in non-OECD countries | 27,686             | 19,414                        |
| Loans and advances to banks in Group Banks        | 134,893,904        | 70,968,682                    |
| <b>Total</b>                                      | <b>134,921,590</b> | <b>70,988,096</b>             |

The balances in loans and advances to banks and the movements of the respective loss allowances are presented in the following tables.

| <b>Loans and advances to banks</b>                |                     |          |          |                        |          |          |                        |
|---|---------------------|----------|----------|------------------------|----------|----------|------------------------|
| in LEI  | <b>Gross amount</b> |          |          | <b>Loss Allowances</b> |          |          | <b>Carrying amount</b> |
| <b>As at December 2025</b>                        | Stage 1             | Stage 2  | Stage 3  | Stage 1                | Stage 2  | Stage 3  |                        |
| Loans and advances to banks in non-OECD countries | 27,901              | -        | -        | -215                   | -        | -        | 27,686                 |
| Loans and advances to banks in Group Banks        | 134,894,152         | -        | -        | -248                   | -        | -        | 134,893,905            |
| <b>Total</b>                                      | <b>134,922,053</b>  | <b>-</b> | <b>-</b> | <b>-463</b>            | <b>-</b> | <b>-</b> | <b>134,921,590</b>     |

| <b>Loss allowances for loans and advances to banks</b> |             |          |          |          |          |             |
|--|-------------|----------|----------|----------|----------|-------------|
| in LEI   | Stage 1     | Stage 2  | Stage 3  | POCI     |          | Total       |
| <b>Balance at 1 January 2025</b>                       | <b>-129</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-129</b> |
| New financial assets originated                        | -           | -        | -        | -        | -        | -           |
| Release due to derecognition                           | -           | -        | -        | -        | -        | -           |
| Increase/Decrease in credit risk                       | -334        | -        | -        | -        | -        | -334        |
| Foreign exchange and other movements                   | -           | -        | -        | -        | -        | -           |
| <b>As at end of period</b>                             | <b>-463</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-463</b> |

| <b>Loans and advances to banks</b>                |                     |                |                |                        |                |                |                        |
|---|---------------------|----------------|----------------|------------------------|----------------|----------------|------------------------|
| in LEI  | <b>Gross amount</b> |                |                | <b>Loss Allowances</b> |                |                | <b>Carrying amount</b> |
|   | <b>Stage 1</b>      | <b>Stage 2</b> | <b>Stage 3</b> | <b>Stage 1</b>         | <b>Stage 2</b> | <b>Stage 3</b> |                        |
| <b>As at December 2024</b>                        |                     |                |                |                        |                |                |                        |
| Loans and advances to banks in non-OECD countries | 19,414              | -              | -              | -                      | -              | -              | 19,414                 |
| Loans and advances to banks in Group Banks        | 70,968,811          | -              | -              | -129                   | -              | -              | 70,968,682             |
| <b>Total</b>                                      | <b>70,988,225</b>   | <b>-</b>       | <b>-</b>       | <b>-129</b>            | <b>-</b>       | <b>-</b>       | <b>70,988,096</b>      |

| <b>Loss allowances for loans and advances to banks</b> |                                  |                |                |             |              |             |
|--|----------------------------------|----------------|----------------|-------------|--------------|-------------|
| in LEI   | <b>Stage 1</b>                   | <b>Stage 2</b> | <b>Stage 3</b> | <b>POCI</b> | <b>Total</b> |             |
|  | <b>Balance at 1 January 2024</b> | <b>-133</b>    | <b>-</b>       | <b>-</b>    | <b>-</b>     | <b>-133</b> |
| New financial assets originated                        | -                                | -              | -              | -           | -            |             |
| Release due to derecognition                           | -                                | -              | -              | -           | -            |             |
| Increase/Decrease in credit risk                       | 4                                | -              | -              | -           | 4            |             |
| Foreign exchange and other movements                   | -                                | -              | -              | -           | -            |             |
| <b>As at 31 December 2024</b>                          | <b>-129</b>                      | <b>-</b>       | <b>-</b>       | <b>-</b>    | <b>-129</b>  |             |

## 29) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are as follows:

| <b>Financial assets at fair value through other comprehensive income</b> |                     |                |                |                        |                |                |                        |
|--|---------------------|----------------|----------------|------------------------|----------------|----------------|------------------------|
| in LEI   | <b>Gross amount</b> |                |                | <b>Loss Allowances</b> |                |                | <b>Carrying amount</b> |
|  | <b>Stage 1</b>      | <b>Stage 2</b> | <b>Stage 3</b> | <b>Stage 1</b>         | <b>Stage 2</b> | <b>Stage 3</b> |                        |
| <b>As at 31 December 2025</b>  |                     |                |                |                        |                |                |                        |
| T-bills  | 286,344,517         | -              | -              | -149,893               | -              | -              | 286,194,625            |
| <b>Total</b>   | <b>286,344,517</b>  | <b>-</b>       | <b>-</b>       | <b>-149,893</b>        | <b>-</b>       | <b>-</b>       | <b>286,194,625</b>     |

| <b>Financial assets at fair value through other comprehensive income</b> |                     |                |                |                        |                |                |                        |
|--|---------------------|----------------|----------------|------------------------|----------------|----------------|------------------------|
| in LEI   | <b>Gross amount</b> |                |                | <b>Loss Allowances</b> |                |                | <b>Carrying amount</b> |
|  | <b>Stage 1</b>      | <b>Stage 2</b> | <b>Stage 3</b> | <b>Stage 1</b>         | <b>Stage 2</b> | <b>Stage 3</b> |                        |
| <b>As at 31 December 2024</b>  |                     |                |                |                        |                |                |                        |
| Treasury bills   | 278,331,353         | -              | -              | -134,856               | -              | -              | 278,196,496            |
| <b>Total</b>   | <b>278,331,353</b>  | <b>-</b>       | <b>-</b>       | <b>-134,856</b>        | <b>-</b>       | <b>-</b>       | <b>278,196,496</b>     |

This balance sheet item includes securities with fixed interest rates issued by the Romanian Government, most of which are treasury bills, which bear a country Fitch Rating of BBB-. The changes in the loss allowances for Financial Assets at fair value through other comprehensive income are presented in the following table:

**Loss allowances for financial assets at FVOCI**

| in LEI                               | Stage 1        | Stage 2 | Stage 3 | POCI | Total          |
|--------------------------------------|----------------|---------|---------|------|----------------|
| <b>Balance at 1 January 2025</b>     | <b>134,856</b> | -       | -       | -    | <b>134,856</b> |
| New financial assets originated      | 74,499         | -       | -       | -    | 74,499         |
| Release due to derecognition         | -66,189        | -       | -       | -    | -66,189        |
| Increase/Decrease in credit risk     | 6,263          | -       | -       | -    | 6,263          |
| Foreign exchange and other movements | 464            | -       | -       | -    | 464            |
| <b>As at end of period</b>           | <b>149,893</b> | -       | -       | -    | <b>149,893</b> |

**Loss allowances for financial assets at FVOCI**

| in LEI                               | Stage 1         | Stage 2 | Stage 3 | POCI | Total           |
|--------------------------------------|-----------------|---------|---------|------|-----------------|
| <b>Balance at 1 January 2024</b>     | <b>-113,036</b> | -       | -       | -    | <b>-113,036</b> |
| New financial assets originated      | -62,920         | -       | -       | -    | -62,920         |
| Release due to derecognition         | 2,030           | -       | -       | -    | 2,030           |
| Increase/Decrease in credit risk     | 39,071          | -       | -       | -    | 39,071          |
| Foreign exchange and other movements | -2              | -       | -       | -    | -2              |
| <b>As at end of period</b>           | <b>-134,856</b> | -       | -       | -    | <b>-134,856</b> |

**30) Loans and advances to customers**

Loans and advances to customers at the end of 2025 are as follows:

| in LEI                      |                      |                    |                           |                   |                  |                      |
|-----------------------------|----------------------|--------------------|---------------------------|-------------------|------------------|----------------------|
| As at December 31, 2025     | Business loans       | Agricultural loans | Housing improvement loans | Consumer loans *  | Other loans      | Total                |
| <b>STAGE1</b>               |                      |                    |                           |                   |                  |                      |
| Gross amount                | 1,826,955,239        | 388,371,306        | 10,013,203                | 13,786,038        | 4,024,733        | <b>2,243,150,518</b> |
| Allowance for impairment    | -10,978,229          | -2,527,032         | -89,121                   | -275,238          | -36,120          | <b>-13,905,740</b>   |
| <b>STAGE2</b>               |                      |                    |                           |                   |                  |                      |
| Gross amount                | 81,878,774           | 35,619,294         | -                         | 433,161           | -                | <b>117,931,229</b>   |
| Allowance for impairment    | -3,068,036           | -1,328,432         | -                         | -42,689           | -                | <b>-4,439,157</b>    |
| <b>STAGE3</b>               |                      |                    |                           |                   |                  |                      |
| Gross amount                | 49,958,872           | 2,879,126          | -                         | 872,742           | -                | <b>53,710,739</b>    |
| Allowance for impairment    | -30,222,566          | -960,720           | -                         | -570,641          | -                | <b>-31,753,927</b>   |
| <b>STAGE3-POCI</b>          |                      |                    |                           |                   |                  |                      |
| Gross amount                | 597,750              | -                  | -                         | -                 | -                | <b>597,750</b>       |
| Allowance for impairment    | -448                 | -                  | -                         | -                 | -                | <b>-448</b>          |
| <b>TOTAL</b>                |                      |                    |                           |                   |                  |                      |
| Gross amount                | 1,959,390,635        | 426,869,726        | 10,013,203                | 15,091,941        | 4,024,733        | <b>2,415,390,237</b> |
| Allowance for impairment    | -44,269,279          | -4,816,184         | -89,121                   | -888,569          | -36,120          | <b>-50,099,273</b>   |
| <b>Net amount</b>           | <b>1,915,121,356</b> | <b>422,053,542</b> | <b>9,924,082</b>          | <b>14,203,372</b> | <b>3,988,613</b> | <b>2,365,290,964</b> |
| Share of total portfolio    | 81.1%                | 17.7%              | 0.4%                      | 0.6%              | 0.2%             | <b>100.0%</b>        |
| Number of outstanding loans | 2,208                | 899                | 26                        | 374               | 25               | <b>3,532</b>         |
| Share of total number       | 62.5%                | 25.5%              | 0.7%                      | 10.6%             | 0.7%             | <b>100.0%</b>        |

\* consumer loans also include overdrafts to private individuals

The changes in loans and advances to customers and the respective loss allowances are presented in the following tables:

| <b>Loans and advances to customers</b>                 |                      |                    |                   |                | <b>As at 31 December 2025</b> |  |
|--|----------------------|--------------------|-------------------|----------------|-------------------------------|--|
| <b>in LEI</b>  | <b>Stage 1</b>       | <b>Stage 2</b>     | <b>Stage 3</b>    | <b>POCI</b>    | <b>Total</b>                  |  |
| <b>Gross outstanding amount as at 1 January 2025</b>   | <b>1,899,606,989</b> | <b>180,257,519</b> | <b>30,122,565</b> | <b>56,544</b>  | <b>2,110,043,617</b>          |  |
| New financial assets originated                        | 924,974,329          | 19,247,557         | -                 | 667,201        | 944,889,087                   |  |
| Derecognitions (including write offs)                  | -233,705,855         | -36,511,133        | -14,176,769       | -              | -284,393,757                  |  |
| Repayments outstanding loans                           | -348,004,172         | -15,056,717        | -9,786,922        | -125,996       | -372,973,807                  |  |
| Transfer from Stage 1 to Stage 2                       | -469,732,241         | 469,732,241        | -                 | -              | -                             |  |
| Transfer from Stage 1 to Stage 3                       | -13,923,520          | -                  | 13,923,520        | -              | -                             |  |
| Transfer from Stage 2 to Stage 1                       | 467,984,262          | -467,984,262       | -                 | -              | -                             |  |
| Transfer from Stage 2 to Stage 3                       | -                    | -33,601,876        | 33,601,876        | -              | -                             |  |
| Transfer from Stage 3 to Stage 2                       | -                    | 10,008             | -10,008           | -              | -                             |  |
| Transfer from Stage 3 to Stage 1                       | 9,329                | -                  | -9,329            | -              | -                             |  |
| Foreign exchange and other movements                   | 15,935,938           | 1,839,314          | 49,845            | -              | 17,825,097                    |  |
| <b>Gross outstanding amount as at December 31 2025</b> | <b>2,243,150,518</b> | <b>117,931,229</b> | <b>53,710,739</b> | <b>597,750</b> | <b>2,415,390,237</b>          |  |

The amortized cost (before modification) of financial assets modified during 2025 is RON 17,829,313 with a net modification loss in amount of RON 235,146.

| <b>Allowance for losses on loans and advances to customers</b> |                    |                    |                    |                | <b>As at 31 December 2025</b> |  |
|--|--------------------|--------------------|--------------------|----------------|-------------------------------|--|
| <b>in LEI</b>  | <b>Stage 1</b>     | <b>Stage 2</b>     | <b>Stage 3</b>     | <b>POCI</b>    | <b>Total</b>                  |  |
| <b>Balance as of 1 January 2025</b>                            | <b>-12,208,841</b> | <b>-14,729,387</b> | <b>-19,373,334</b> | <b>-56,544</b> | <b>-46,368,105</b>            |  |
| New financial assets originated                                | -6,548,744         | -1,750,817         | -                  | -              | -8,299,561                    |  |
| Release due to derecognition                                   | 1,626,632          | 1,395,300          | 3,129,169          | -              | 6,151,101                     |  |
| Transfer from stage 1 to Stage 2                               | 3,470,409          | -3,470,409         | -                  | -              | -                             |  |
| Transfer from stage 1 to Stage 3                               | 107,820            | -                  | -107,820           | -              | -                             |  |
| Transfer from stage 2 to Stage 1                               | -3,651,238         | 3,651,238          | -                  | -              | -                             |  |
| Transfer from stage 2 to Stage 3                               | -                  | 2,599,128          | -2,599,128         | -              | -                             |  |
| Transfer from stage 3 to Stage 2                               | -                  | -2,337             | 2,337              | -              | -                             |  |
| Transfer from stage 3 to Stage 1                               | -321               | -                  | 321                | -              | -                             |  |
| Increase/decrease due to credit risk (net)                     | 2,809,199          | 8,030,432          | -21,538,975        | 56,095         | -10,643,248                   |  |
| Usage of allowance (write-offs)                                | -                  | -                  | 8,656,382          | -              | 8,656,382                     |  |
| Foreign exchange and other movements                           | 489,343            | -162,306           | 77,120             | -              | 404,158                       |  |
| <b>Balance of 31 December 2025</b>                             | <b>-13,905,740</b> | <b>-4,439,157</b>  | <b>-31,753,927</b> | <b>-448</b>    | <b>-50,099,273</b>            |  |

Loans and advances to customers at the end of 2024 are as follows:

| in LEI                      |                |                    |                           |                  |             |                      |
|-----------------------------|----------------|--------------------|---------------------------|------------------|-------------|----------------------|
| As at December 31, 2024     | Business loans | Agricultural loans | Housing improvement loans | Consumer loans * | Other loans | Total                |
| <b>STAGE1</b>               |                |                    |                           |                  |             |                      |
| Gross amount                | 1,490,003,290  | 403,354,423        | 3,202,415                 | 2,728,407        | 318,455     | <b>1,899,606,989</b> |
| Allowance for impairment    | -8,766,276     | -3,316,408         | -28,383                   | -90,062          | -7,713      | <b>-12,208,841</b>   |
| <b>STAGE2</b>               |                |                    |                           |                  |             |                      |
| Gross amount                | 108,474,238    | 71,129,566         | 446,635                   | 207,081          | -           | <b>180,257,519</b>   |
| Allowance for impairment    | -7,069,380     | -7,638,827         | -11,822                   | -9,358           | -           | <b>-14,729,387</b>   |
| <b>STAGE3</b>               |                |                    |                           |                  |             |                      |
| Gross amount                | 27,534,130     | 2,130,004          | -                         | 458,432          | -           | <b>30,122,565</b>    |
| Allowance for impairment    | -18,354,681    | -655,264           | -                         | -363,389         | -           | <b>-19,373,334</b>   |
| <b>STAGE3-POCI</b>          |                |                    |                           |                  |             |                      |
| Gross amount                | 56,544         | -                  | -                         | -                | -           | <b>56,544</b>        |
| Allowance for impairment    | -56,544        | -                  | -                         | -                | -           | <b>-56,544</b>       |
| <b>TOTAL</b>                |                |                    |                           |                  |             |                      |
| Gross amount                | 1,626,068,201  | 476,613,992        | 3,649,049                 | 3,393,920        | 318,455     | <b>2,110,043,617</b> |
| Allowance for impairment    | -34,246,881    | -11,610,499        | -40,205                   | -462,808         | -7,713      | <b>-46,368,105</b>   |
| Net amount                  | 1,591,821,320  | 465,003,493        | 3,608,844                 | 2,931,111        | 310,743     | <b>2,063,675,512</b> |
| Share of total portfolio    | 77.1%          | 22.6%              | 0.2%                      | 0.2%             | 0.0%        | <b>100.0%</b>        |
| Number of outstanding loans | 1,929          | 943                | 14                        | 136              | 3           | <b>3,025</b>         |
| Share of total number       | 63.8%          | 31.2%              | 0.5%                      | 4.5%             | 0.1%        | <b>100.0%</b>        |

\* consumer loans also include overdrafts to private individuals

The changes in loans and advances to customers and the respective loss allowances are presented in the following tables:

| Loans and advances to customers                        |                      |                    |                   |                |                      | As at 31 December 2024 |  |
|--|----------------------|--------------------|-------------------|----------------|----------------------|------------------------|--|
| in LEI   | Stage 1              | Stage 2            | Stage 3           | POCI           | Total                |                        |  |
| <b>Gross outstanding amount as at 1 January 2024</b>   | <b>1,714,880,277</b> | <b>163,625,024</b> | <b>25,765,589</b> | <b>153,818</b> | <b>1,904,424,708</b> |                        |  |
| New financial assets originated                        | 801,040,540          | -                  | -                 | -              | 801,040,540          |                        |  |
| Derecognitions (including write offs)                  | -266,631,141         | -34,797,006        | -11,006,358       | -              | -312,434,505         |                        |  |
| Repayments outstanding loans                           | -230,129,751         | -44,551,483        | -8,073,277        | -97,275        | -282,851,786         |                        |  |
| Transfer from Stage 1 to Stage 2                       | -448,525,600         | 448,525,600        | -                 | -              | -                    |                        |  |
| Transfer from Stage 1 to Stage 3                       | -1,029,021           | -                  | 1,029,021         | -              | -                    |                        |  |
| Transfer from Stage 2 to Stage 1                       | 329,929,054          | 329,929,054        | -                 | -              | -                    |                        |  |
| Transfer from Stage 2 to Stage 3                       | -                    | -22,488,464        | 22,488,464        | -              | -                    |                        |  |
| Transfer from Stage 3 to Stage 2                       | -                    | -                  | -                 | -              | -                    |                        |  |
| Transfer from Stage 3 to Stage 1                       | 4,337                | -                  | -4,337            | -              | -                    |                        |  |
| Foreign exchange and other movements                   | 68,294               | -127,098           | -76,536           | -              | -135,340             |                        |  |
| <b>Gross outstanding amount as at December 31 2024</b> | <b>1,899,606,989</b> | <b>180,257,519</b> | <b>30,122,565</b> | <b>56,544</b>  | <b>2,110,043,617</b> |                        |  |

The amortized cost of financial assets modified during 2024 is RON 13,646,685 with a net modification gain in amount of RON 247,020.

**Allowance for losses on loans and advances to customers**

| in LEI                                     | As at 31 December 2024 |                    |                    |                 |                    |
|--|------------------------|--------------------|--------------------|-----------------|--------------------|
|  | Stage 1                | Stage 2            | Stage 3            | POCI            | Total              |
| <b>Balance as of 1 January 2024</b>        | <b>-11,986,565</b>     | <b>-18,738,311</b> | <b>-16,164,594</b> | <b>-153,818</b> | <b>-47,043,288</b> |
| New financial assets originated            | -6,824,872             | -                  | -                  | -               | -6,824,872         |
| Release due to derecognition               | 2,384,668              | 4,260,038          | 6,522,061          | -               | 13,166,767         |
| Transfer from stage 1 to Stage 2           | 4,024,858              | -4,024,858         | -                  | -               | -                  |
| Transfer from stage 1 to Stage 3           | 7,910                  | -                  | -7,910             | -               | -                  |
| Transfer from stage 2 to Stage 1           | -3,287,188             | 3,287,188          | -                  | -               | -                  |
| Transfer from stage 2 to Stage 3           | -                      | 2,058,281          | -2,058,281         | -               | -                  |
| Transfer from stage 3 to Stage 2           | -                      | -                  | -                  | -               | -                  |
| Transfer from stage 3 to Stage 1           | -175                   | -                  | 175                | -               | -                  |
| Increase/decrease due to credit risk (net) | 3,472,761              | -1,493,248         | -7,708,104         | 97,275          | -5,631,315         |
| Foreign exchange and other movements       | -238                   | -78,477            | 43,318             | -               | -35,397            |
| <b>Balance of 31 December 2024</b>         | <b>-12,208,841</b>     | <b>-14,729,387</b> | <b>-19,373,334</b> | <b>-56,544</b>  | <b>-46,368,105</b> |

**31) Intangible assets**

The development of intangible assets is shown in the following tables:

| Intangible assets<br>in LEI                             | Intangible assets |                  |                   |
|---|-------------------|------------------|-------------------|
|   | Software          | in progress      | Total             |
| <b>As at December 31, 2025</b>                          |                   |                  |                   |
| Net book value at January 1, 2025                       | 5,126,278         | 2,433,147        | 7,559,425         |
| Total acquisition costs at January 1, 2025              | 20,125,116        | 3,710,913        | 23,836,029        |
| Additions   | 584,781           | 4,849,995        | 5,434,776         |
| Transfers from intangible assets in progress            | 6,410,861         | -6,410,861       | -                 |
| Disposals   | -                 | -                | -                 |
| <b>Total acquisition costs at December 31, 2025</b>     | <b>27,120,757</b> | <b>2,150,047</b> | <b>29,270,804</b> |
| Accumulated amortization and impairment January 1, 2025 | 14,998,838        | 1,277,766        | 16,276,604        |
| Amortization  | 2,569,004         | -                | 2,569,004         |
| Impairment of assets                                    | -                 | -                | -                 |
| Accumulated amortization for disposal                   | -                 | -                | -                 |
| <b>Accumulated amortization at December 31, 2025</b>    | <b>17,567,842</b> | <b>1,277,766</b> | <b>18,845,608</b> |
| <b>Net book value at December 31, 2025</b>              | <b>9,552,915</b>  | <b>872,281</b>   | <b>10,425,196</b> |

**Intangible assets**

| in LEI  | Intangible assets |                  |                   |
|---|-------------------|------------------|-------------------|
| As at December 31, 2024   | Software          | in progress      | Total             |
| Net book value at January 1, 2024                                   | 4,230,354         | 1,008,060        | 5,238,414         |
| Total acquisition costs at January 1, 2024                          | 17,192,459        | 2,285,826        | 19,478,284        |
| Additions   | 158,891           | 4,278,435        | 4,437,325         |
| Transfers from intangible assets in progress                        | 2,853,347         | - 2,853,347      | -                 |
| Disposals   | -79,581           | -                | - 79,581          |
| <b>Total acquisition costs at December 31, 2024</b>                 | <b>20,125,116</b> | <b>3,710,913</b> | <b>23,836,029</b> |
| Accumulated amortization and impairment January 1, 2024             | 12,962,105        | 1,277,766        | 14,239,871        |
| Amortization  | 2,116,314         | -                | 2,116,314         |
| Impairment of assets  | -                 | -                | -                 |
| Accumulated amortization for disposal                               | -79,581           | -                | - 79,581          |
| <b>Accumulated amortization and impairment at December 31, 2024</b> | <b>14,998,838</b> | <b>1,277,766</b> | <b>16,276,604</b> |
| <b>Net book value at December 31, 2024</b>                          | <b>5,126,278</b>  | <b>2,433,147</b> | <b>7,559,425</b>  |

During the years 2025 and 2024, there was no internally developed software.

**32) Property, plant and equipment**

The movement of property, plant and equipment was as follows:

**Property, plant and equipment**

| in LEI   | Buildings& improvements | Furniture and fixtures | IT and other equipment | Assets under construction | Leases            | Total             |
|--|-------------------------|------------------------|------------------------|---------------------------|-------------------|-------------------|
| As at December 31, 2025                              |                         |                        |                        |                           |                   |                   |
| Net book value at January 1, 2025                    | 1,486,474               | 710,676                | 1,280,806              | 1,792,850                 | 4,932,101         | 10,202,906        |
| Total acquisition costs at January 1, 2025           | 7,711,945               | 2,987,871              | 9,224,166              | 1,792,850                 | 21,394,646        | 43,111,479        |
| Additions  | -                       | -                      | -                      | 302,612                   | 4,860,358         | 5,162,971         |
| Transfers from assets under construction             | -                       | -                      | 1,882,481              | -1,882,481                | -                 | -                 |
| Disposals  | -                       | -31,630                | -49,170                | -                         | -                 | -80,800           |
| <b>Total acquisition costs at December 31, 2025</b>  | <b>7,711,945</b>        | <b>2,956,241</b>       | <b>11,057,477</b>      | <b>212,981</b>            | <b>26,255,005</b> | <b>48,193,650</b> |
| Accumulated amortization January 1, 2025             | 6,225,471               | 2,277,195              | 7,943,360              | -                         | 16,462,546        | 32,908,572        |
| Amortization   | 763,809                 | 246,904                | 581,410                | -                         | 3,982,056         | 5,574,179         |
| Accumulated amortization for disposal                | -                       | -13,443                | -49,170                | -                         | -                 | -62,613           |
| <b>Accumulated amortization at December 31, 2025</b> | <b>6,989,280</b>        | <b>2,510,656</b>       | <b>8,475,600</b>       | <b>-</b>                  | <b>20,444,602</b> | <b>38,420,138</b> |
| <b>Net book value at December 31, 2025</b>           | <b>722,665</b>          | <b>445,585</b>         | <b>2,581,878</b>       | <b>212,981</b>            | <b>5,810,403</b>  | <b>9,773,511</b>  |

### Property, plant and equipment

| in LEI   | Buildings& improvements | Furniture and fixtures | IT and other equipment | Assets under construction | Leases            | Total             |
|--|-------------------------|------------------------|------------------------|---------------------------|-------------------|-------------------|
| As at December 31, 2024                              |                         |                        |                        |                           |                   |                   |
| Net book value at January 1, 2024                    | 1,781,398               | 840,836                | 1,222,616              | 113,569                   | 7,559,666         | 11,518,085        |
| Total acquisition costs at January 1, 2024           | 7,292,048               | 2,910,806              | 8,877,344              | 113,569                   | 20,298,276        | 39,492,044        |
| Additions  | 419,897                 | 133,380                | 34,022                 | 2,303,918                 | 1,096,370         | 3,987,588         |
| Transfers from assets under construction             | -                       | -                      | 624,637                | -624,637                  | -                 | -                 |
| Disposals  | -                       | -56,316                | -311,837               | -                         | -                 | -368,153          |
| <b>Total acquisition costs at December 31, 2024</b>  | <b>7,711,945</b>        | <b>2,987,871</b>       | <b>9,224,166</b>       | <b>1,792,850</b>          | <b>21,394,646</b> | <b>43,111,479</b> |
| Accumulated amortization January 1, 2024             | 5,510,650               | 2,069,971              | 7,654,728              | -                         | 12,738,610        | 27,973,960        |
| Amortization   | 714,821                 | 252,746                | 596,385                | -                         | 3,723,936         | 5,287,888         |
| Accumulated amortization for disposal                | -                       | -45,522                | -307,753               | -                         | -                 | -353,275          |
| <b>Accumulated amortization at December 31, 2024</b> | <b>6,225,471</b>        | <b>2,277,195</b>       | <b>7,943,360</b>       | <b>-</b>                  | <b>16,462,546</b> | <b>32,908,572</b> |
| <b>Net book value at December 31, 2024</b>           | <b>1,486,474</b>        | <b>710,676</b>         | <b>1,280,806</b>       | <b>1,792,850</b>          | <b>4,932,101</b>  | <b>10,202,906</b> |

### 33) Leases

Operating lease commitments result from non-cancellable rental agreements for properties in which the Bank operates; the amounts in the above table are calculated based on current rental agreements.

| in LEI                           | As at 31 December 2025 | As at 31 December 2024 |
|----------------------------------|------------------------|------------------------|
| <b>Right of use assets</b>       |                        |                        |
| Balance at 1 January             | 4,932,101              | 7,559,666              |
| Depreciation charge for the year | -3,982,056             | -3,723,936             |
| Additions                        | 4,860,358              | 1,096,370              |
| <b>Balance at 31 December</b>    | <b>5,810,403</b>       | <b>4,932,101</b>       |

### 34) Income taxes

Deferred income taxes are recognised in full, under the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts, using the applicable tax rate.

The table below shows the changes in deferred income taxes and the underlying business transactions:

| in LEI  | As at 31 December 2025 | As at 31 December 2024 |
|---|------------------------|------------------------|
| <b>Deferred tax asset</b>                                   |                        |                        |
| At January 1  | 384,346                | -                      |
| Securities at fair value through other comprehensive income | -342,588               | 384,346                |
| Reversals to income statement                               | 67,945                 |                        |
| <b>Total</b>  | <b>109,703</b>         | <b>384,346</b>         |

| in LEI  | As at 31 December |             |
|---|-------------------|-------------|
| <b>Deferred tax liability</b>                               | <b>2025</b>       | <b>2024</b> |
| At January 1  | -                 | -204,006    |
| Securities at fair value through other comprehensive income | -                 | 162,464     |
| Reversals to income statement                               | -                 | 41,542      |
| <b>Total</b>  | <b>-</b>          | <b>-</b>    |

| <b>35) Effective tax reconciliation</b>        |                  |                  |
|--|------------------|------------------|
| in LEI   | 1.1.-31.12.2025  | 1.1.-31.12.2024  |
| Profit/(Loss) before tax                       | 16,533,700       | 20,038,507       |
| Tax expected (16%)                             | 2,645,392        | 3,206,161        |
| Tax effects of items which are not deductible: |                  |                  |
| - non-tax deductible expenses (+)              | 2,942,503        | 2,329,081        |
| - non-taxable income (-)                       | -1,764,702       | -1,626,186       |
| Deferred tax income                            | -67,945          | -41,542          |
| <b>Total income tax expenses (income)</b>      | <b>3,755,249</b> | <b>3,867,514</b> |

As of December 31, 2025, the Bank booked an income tax expense of RON 3,755,249 (December 31, 2024: RON 3,867,514), corresponding to an effective tax rate of 23% (December 31, 2024: 19%).

### 36) Other assets

Other assets are as follows:

| in LEI                | As at 31 December<br>2025 | As at 31 December<br>2024 |
|-----------------------|---------------------------|---------------------------|
| Other inventory items | 185,151                   | 136,888                   |
| Reposessed properties | 4,640,206                 | 4,717,087                 |
| Prepaid expenses      | 2,402,410                 | 2,570,748                 |
| Advance payments      | 1,074,642                 | 848,533                   |
| Claims from taxes     | 725,166                   | 416,418                   |
| <b>Total</b>          | <b>9,027,575</b>          | <b>8,689,674</b>          |

The revaluation difference related to the reposessed asset, amounting to RON 76,881 compared to the end of 2024, was recognized within "Other operating expenses", as disclosed in Note 24.

Other financial assets are as follows:

| in LEI       | As at 31 December<br>2025 | As at 31 December<br>2024 |
|--------------|---------------------------|---------------------------|
| Guarantees   | 1,486,111                 | 454,956                   |
| Others       | 2,681,649                 | 6,268,265                 |
| <b>Total</b> | <b>4,167,760</b>          | <b>6,723,221</b>          |

Current tax assets are as follows:

|                   | 2025           | As at 31 December 2024 |
|-------------------|----------------|------------------------|
| in LEI            |                |                        |
| Current tax asset | 354,075        | -                      |
| <b>Total</b>      | <b>354,075</b> | <b>-</b>               |

### 37) Liabilities to banks

#### As of December 2025

| in LEI  | Due in 2026       | Due in 2027 | Due in 2028 | Due in 2029 | Due after 2029 | Upfront fees | Total             |
|---|-------------------|-------------|-------------|-------------|----------------|--------------|-------------------|
| Liabilities to banks with fixed interest rates    | 31,222,578        | -           | -           | -           | -              | -            | 31,222,578        |
| Liabilities to banks with variable interest rates | -                 | -           | -           | -           | -              | -            | -                 |
| <b>Total</b>                                      | <b>31,222,578</b> | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>       | <b>-</b>     | <b>31,222,578</b> |

#### As of December 2024

| in LEI  | Due in 2025       | Due in 2026 | Due in 2027 | Due in 2028 | Due after 2028 | Upfront fees | Total             |
|---|-------------------|-------------|-------------|-------------|----------------|--------------|-------------------|
| Liabilities to banks with fixed interest rates    | 50,431,107        | -           | -           | -           | -              | -            | 50,431,107        |
| Liabilities to banks with variable interest rates | -                 | -           | -           | -           | -              | -            | -                 |
| <b>Total</b>                                      | <b>50,431,107</b> | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>       | <b>-</b>     | <b>50,431,107</b> |

At the end of 2025, the Bank registered liabilities to banks in amount of RON 31,222,578 (year 2024: RON 50,431,107), 100% maturing in 2026, due to third parties.

Liabilities to banks (RON 31 mio) are denominated in EUR with interest rate of 2.79%.

### 38) Liabilities to customers

Liabilities to customers consist of deposits due on demand, savings deposits and term deposits. The following table shows a breakdown by customer groups:

| in LEI                                | As at 31 December 2025 | Share of total portfolio | As at 31 December 2024 | Share of total portfolio |
|---------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| <b>Current accounts</b>               | <b>548,070,384</b>     | <b>19%</b>               | <b>486,370,541</b>     | <b>21%</b>               |
| -private individuals                  | 132,789,590            | 5%                       | 90,281,963             | 4%                       |
| -legal entities                       | 415,280,794            | 15%                      | 396,088,578            | 17%                      |
| <b>Savings accounts*</b>              | <b>383,647,015</b>     | <b>14%</b>               | <b>327,223,648</b>     | <b>14%</b>               |
| -private individuals                  | 88,176,462             | 3%                       | 67,323,531             | 3%                       |
| -legal entities                       | 295,470,553            | 10%                      | 259,900,117            | 11%                      |
| <b>Term deposit accounts</b>          | <b>1,882,893,191</b>   | <b>67%</b>               | <b>1,459,748,219</b>   | <b>64%</b>               |
| -private individuals                  | 1,349,338,564          | 48%                      | 973,852,101            | 43%                      |
| -legal entities                       | 533,554,627            | 19%                      | 485,896,118            | 21%                      |
| <b>Other liabilities to customers</b> | <b>4,131,654</b>       | <b>0%</b>                | <b>6,621,208</b>       | <b>0%</b>                |
| <b>Total</b>                          | <b>2,818,742,244</b>   | <b>100%</b>              | <b>2,279,963,616</b>   | <b>100%</b>              |

The category "legal entities" includes liabilities to non-governmental organisations (NGOs) and public-sector institutions.

### 39) Liabilities to international financial institutions

Liabilities to international financial institutions are an important source of financing for the Bank. Medium to long-term loans from international financial institutions are reported under this item. Liabilities to International Financial Institutions (IFIs) are interest-bearing borrowings from specified Financial Institutions. They are initially recognized at the fair value of the consideration received and directly attributable transaction costs. After initial recognition liabilities to IFIs are subsequently measured at amortized cost using the effective interest method.

The following table gives a detailed breakdown for this item:

#### As of December 2025

| in LEI                                       | Due in<br>2026    | Due in<br>2027    | Due in<br>2028    | Due in<br>2029    | Due after<br>2029 | Upfront<br>fees | Total              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|
| Liabilities IFI with fixed interest rates    | 9,612,783         | 39,413,879        | 5,998,098         | 3,477,361         | 3,648,970         |                 | 62,151,091         |
| Liabilities IFI with variable interest rates | 61,644,482        | 40,670,361        | 14,380,980        | 7,172,447         | 3,420,505         | -256,110        | 127,032,665        |
| <b>Total</b>                                 | <b>71,257,265</b> | <b>80,084,240</b> | <b>20,379,078</b> | <b>10,649,808</b> | <b>7,069,475</b>  | <b>-256,110</b> | <b>189,183,756</b> |

#### As of December 2024

| in LEI                                       | Due in<br>2025    | Due in<br>2026    | Due in<br>2027    | Due in<br>2028    | Due after<br>2028 | Upfront<br>fees | Total              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|--------------------|
| Liabilities IFI with fixed interest rates    | 516,256           | -                 | 29,844,600        | -                 | 44,465,803        | -               | 74,826,659         |
| Liabilities IFI with variable interest rates | 60,448,569        | 50,866,737        | 30,735,156        | 12,037,647        | 42,663,237        | -491,137        | 196,260,210        |
| <b>Total</b>                                 | <b>60,964,825</b> | <b>50,866,737</b> | <b>60,579,756</b> | <b>12,037,647</b> | <b>87,129,040</b> | <b>-491,137</b> | <b>271,086,868</b> |

### 40) Reconciliation of movements of liabilities to cash flows arising from financing activities

| in LEI                                     | 2025                 |                     | 2024                 |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | Liabilities to banks | Liabilities to IFIs | Liabilities to banks | Liabilities to IFIs |
| <b>Balance as at January 1</b>             | <b>50,431,107</b>    | <b>271,086,868</b>  | <b>223,762,955</b>   | <b>380,492,846</b>  |
| <b>Changes from financing cash flows:</b>  |                      |                     |                      |                     |
| Proceeds from borrowings (+)               | -                    | -                   | -                    | 25,125,290          |
| Repayment of borrowing (-)                 | -                    | -84,011,112         | -93,400,000          | -133,429,817        |
| <b>Changes in deposits from banks</b>      | <b>-19,409,000</b>   |                     | <b>-76,839,550</b>   |                     |
| <b>Liability-related</b>                   |                      |                     |                      |                     |
| Interest expenses (including upfront fees) | 3,919,350            | 12,825,606          | 9,732,827            | 17,675,887          |
| Interest paid (including upfront fees)     | -3,666,223           | -12,891,509         | -12,941,764          | -19,421,142         |
| Other movements (including fx)             | -52,656              | 2,173,903           | 116,639              | 643,805             |
| <b>Balance as at December 31</b>           | <b>31,222,578</b>    | <b>189,183,756</b>  | <b>50,431,107</b>    | <b>271,086,868</b>  |

#### 41) Provisions

| in LEI  | As at 31 December<br>2025 | As at 31 December<br>2024 |
|---|---------------------------|---------------------------|
| As at January 1                                     | 3,905,548                 | 3,269,800                 |
| Additions   | 1,154,060                 | 2,496,582                 |
| Out of which provisions for off-balance sheet items | 1,154,060                 | 1,142,907                 |
| Used  | -                         | -                         |
| Released  | -1,631,626                | -1,860,866                |
| Out of which provisions for off-balance sheet items | -1,581,626                | -681,028                  |
| Exchange rate adjustments                           | 13,199                    | 31                        |
| <b>As at December 31</b>                            | <b>3,441,181</b>          | <b>3,905,548</b>          |

| in LEI                                 | As at 31 December<br>2025 | As at 31 December<br>2024 |
|--|---------------------------|---------------------------|
| Provisions for off-balance sheet items | 1,556,771                 | 1,778,447                 |
| Provisions for legal cases             | 723,426                   | 773,426                   |
| Provisions for untaken vacation        | 1,160,984                 | 1,353,676                 |
| <b>Total</b>                           | <b>3,441,181</b>          | <b>3,905,548</b>          |

Both for the provisions for untaken vacation and the other off-balance sheet items, the outflows are expected during the three months following the balance sheet date.

#### 42) Other financial liabilities

| in LEI           | As at 31 December<br>2025 | As at 31 December<br>2024 |
|------------------|---------------------------|---------------------------|
| Accrued payables | 3,981,668                 | 3,111,504                 |
| Leases           | 5,927,037                 | 5,244,013                 |
| <b>Total</b>     | <b>9,908,705</b>          | <b>8,355,517</b>          |

In accrued payables, the Bank included the accruals for the trade payable balances, while the trade payable balances are disclosed under Liabilities for goods and services.

The following table presents the movement of lease liabilities:

| in LEI   | As at 31 December<br>2025 | As at 31 December<br>2024 |
|--|---------------------------|---------------------------|
| Opening balance as at January 1  | 5,244,013                 | 8,387,803                 |
| Additions related to new contracts or increases in value of existing contracts | 4,865,934                 | 940,320                   |
| Payments made[   | -4,293,116                | -4,084,031                |
| Foreign exchange adjustments   | 110,206                   | -78                       |
| <b>Closing balance as at December 31</b>                                       | <b>5,927,037</b>          | <b>5,244,013</b>          |

As of 31 December 2025, RON 1,469,415 had a maturity of less than 12 months (31 December 2024: RON 303,669 had a maturity of less than 12 months).

#### 43) Other non-financial liabilities

| in LEI  | As at 31 December<br>2025 | As at 31 December<br>2024 |
|---|---------------------------|---------------------------|
| Liabilities for goods and services              | 2,462,974                 | 2,588,957                 |
| Deferred income                                 | 74,322                    | 55,743                    |
| Salaries liabilities                            | 1,178,429                 | -                         |
| Liabilities from social insurance contributions | 1,046,145                 | 973,248                   |
| Liabilities to state budget                     | 3,925,130                 | 2,226,571                 |
| <b>Total</b>                                    | <b>8,686,999</b>          | <b>5,844,519</b>          |

#### 44) Subordinated debt

| in LEI            | As of 31 December<br>2025 | As of 31 December<br>2024 |
|-------------------|---------------------------|---------------------------|
| Subordinated debt | 25,647,615                | -                         |
| <b>Total</b>      | <b>25,647,615</b>         | <b>-</b>                  |

As of 31 December, the Bank has outstanding a subordinated loan in the amount of EUR 5 million granted by ProCredit Holding AG, with a maturity of 10 years (5 December 2035).

The loan agreement was signed on 5 November 2025 and subsequently amended by Addendum No. 1 dated 4 December 2025, while the loan was disbursed on 5 December 2025. Based on the approval of the National Bank of Romania no. VI/3/18377/16.12.2025, this loan was included in the Bank's Tier 2 capital.

#### 45) Share capital

As at 31 December 2025 (compared to 2024), the shareholder structure was as follows:

| in LEI<br>Shareholder                            | 2025                  |                     |                    |
|--|-----------------------|---------------------|--------------------|
|  | Size of stake<br>in % | Number<br>of shares | Amount             |
| ProCredit Holding AG, Frankfurt am Main, Germany | 99.9996               | 25,372,409          | 251,634,371        |
| QUIPU GMBH, Frankfurt am Main, Germany           | 0.0004                | 100                 | 1,000              |
| <b>Total Capital</b>                             | <b>100.0%</b>         |                     | <b>251,635,371</b> |

| in LEI<br>Shareholder                            | 2024                  |                     |                    |
|--|-----------------------|---------------------|--------------------|
|  | Size of stake<br>in % | Number<br>of shares | Amount             |
| ProCredit Holding AG, Frankfurt am Main, Germany | 99.9996               | 25,372,409          | 251,634,371        |
| QUIPU GMBH, Frankfurt am Main, Germany           | 0.0004                | 100                 | 1,000              |
| <b>Total Capital</b>                             | <b>100.0%</b>         |                     | <b>251,635,371</b> |

The par value per share is LEI 10.00.

At the end of December 2025, the level of IFRS share capital was LEI 251,635,371, while the registered share capital was in amount of LEI 253,725,090; the difference in value of LEI 2,089,719 represents IFRS adjustment in accordance with IAS 21 – The effects in changes in Foreign Exchange Rates.

Share premium:

|                                      | Date       | LEI              |
|--------------------------------------|------------|------------------|
| Premium paid by ProCredit Holding AG | April 2008 | 1,273,775        |
| <b>As at December 31, 2025</b>       |            | <b>1,273,775</b> |

Reserves:

| in LEI                        | 2025              | As at 31 December 2024 |
|-------------------------------|-------------------|------------------------|
| Legal reserve                 | 7,381,861         | 6,555,176              |
| General banking risks reserve | 6,166,252         | 6,166,252              |
| <b>Total</b>                  | <b>13,548,113</b> | <b>12,721,428</b>      |

Legal reserves represent accumulated transfers from retained earnings in accordance with local banking regulations that require 5% of the Bank's statutory gross profit to be transferred to a non-distributable statutory reserve until such time this reserve represents 20% of the Bank's share capital.

The general banking risks reserve include amounts set aside in accordance with local banking regulations for future losses and other unforeseen risks or contingencies, which are separately disclosed as appropriations of profit. The general banking risks reserve was appropriated from the statutory gross profit at the rate of 1% of the balance of the assets carrying specific banking risks until the end of 2006 as required by local legislation. In the Statement of the Financial position is presented under Accumulated loss.

## E. Risk Management

### 46) Management of the overall Bank risk profile

#### a) The risk profile and the risk appetite

The main principle behind the risk management framework of ProCredit Bank SA is that the Bank does not take more risk than it is capable of bearing. Therefore, the Board of Administration establishes an overall risk profile and a risk profile for each of the significant risks identified by the Bank. The main purpose of these risk profiles is that of defining the risk appetite as the acceptable limits within which the Bank's activity should be pursued in order to reach the business goals.

The significant risks acknowledged by the Bank are: credit risk, counterparty risk (including issuer risk), leverage risk, liquidity risk, interest rate risk, foreign currency risk, strategic risk, operational risk (including the IT&C risk sub-category), compliance risk and reputational risk. The Bank evaluates the risk exposure to each significant risk through the risk profile indicators on a regular basis, and compares the results with the defined risk appetite. The outcome of this analysis is reported regularly to the Board of Administration.

Currently, the Bank's overall risk appetite is established as the medium-low to medium interval, while the overall risk capacity is established as the low to medium-high interval. The risk profile targets for each significant risk are medium-high for credit risk, medium for liquidity risk, leverage risk, interest rate risk, operational risk, IT&C risk sub-category and strategic risk, and medium-low for counterparty risk, foreign currency risk, reputational risk and compliance risk.

#### b) Capital management

The capital management of the Bank has the following objectives:

- Ensuring that the Bank's capital is permanently adequate, both as to volume and quality in order to cover the (potential) losses arising from different risks even under extreme circumstances.

- Full compliance with external capital requirements set by the regulator.
- Meeting the internally defined minimum capital adequacy requirements.
- Enabling the Bank to implement its plans for continuing growth while following its business strategy.

The internal capital adequacy assessment process of ProCredit Bank SA is governed by the Bank's Internal Capital Adequacy Assessment Process (ICAAP) Policy. The main tools used to assess and monitor the capital adequacy of the Bank are the Regulatory capital ratios, the Internal Capital Requirement, the leverage ratio and the risk bearing capacity. These tools are monitored on a regular basis by the Bank's Managers, the Audit and Risk Management Committee and ultimately by the Board of Administration.

External minimum capital requirements are imposed and monitored by the local banking system supervisory authority, namely National Bank of Romania. Capital adequacy is calculated based on the International Financial Reporting Standards figures and are reported to the Bank's Managers and Audit and Risk Management Committee on a regular basis. These reports include rolling forecasts to ensure not only current but also future compliance.

The following table shows the Bank's regulatory capital, calculated according to the provisions of Regulation (EU) no. 575/2013 on prudential requirements for credit institutions and investments firms ("CRR") corroborated with Regulation (National Bank of Romania) no. 5/2013 on prudential requirements for credit institutions.

| in LEI   | As at 31 December<br>2025 | As at 31 December<br>2024 |
|--|---------------------------|---------------------------|
| Ordinary share capital                             | 251,635,371               | 251,635,371               |
| Share premium                                      | 1,273,775                 | 1,273,775                 |
| Legal reserves                                     | 7,381,861                 | 6,555,176                 |
| Accumulated losses                                 | 6,968,102                 | -4,983,664                |
| Less other intangibles                             | -10,425,196               | -7,559,425                |
| Less other regulatory adjustment                   | -286,195                  | -278,196                  |
| Insufficient coverage for non-performing exposures | -518,385                  | -                         |
| <b>Common Equity Tier I</b>                        | <b>256,029,334</b>        | <b>246,643,036</b>        |
| <b>Tier I capital</b>                              | <b>256,029,334</b>        | <b>246,643,036</b>        |
| <b>Tier II capital</b>                             | <b>25,492,500</b>         | <b>-</b>                  |
| Regulatory adjustment                              |                           |                           |
| <b>Total regulatory capital</b>                    | <b>281,521,834</b>        | <b>246,643,036</b>        |

The regulatory capital ratios are complemented by internal capital requirements. Under Basel III Pillar I framework, the Bank calculates capital charges for credit and market risks using Standardized Approach and for operational risk using the Business Indicator Component. Under Basel III Pillar II framework, the Bank calculates additional capital charges for risks not covered by Pillar I or not fully covered by Pillar I.

During 2025, the Bank has updated its internal capital adequacy assessment process in the course of regular ongoing review of its risk management methodologies.

As of 31<sup>st</sup>, December 2025 the solvency ratio expressed as a ratio of regulatory capital over risk weighted assets was above the minimum regulatory limit.

Between 1<sup>st</sup> of January 2024 and 31<sup>st</sup> of December 2025, the Bank complied with the NBR imposed capital requirements

## 47) Management of individual risks

In 2025, neither the management practices nor the reporting process of individual risks have been materially modified, although several methodologies have been updated in course of the regular review process.

The Bank places special emphasis on the general understanding of the factors driving risk and on the ongoing analysis and company-wide discussion of possible risk developments/scenarios and their potential adverse impacts. The objectives of risk management include ensuring that all material risks are recognised in a timely manner, fully understood and properly addressed.

The risk management processes include a reporting component to ProCredit Holding AG, in line with the provisions included in the Procredit Group's risk management policies.

## 48) Credit risk

Credit risk is defined as the potential that a counterparty to a credit transaction will fail to meet its obligations towards the Bank in accordance with agreed terms. Credit risk arises from customer credit exposures (classic credit risk), credit exposure from interbank placements and issuer risk (counterparty risk). It is further divided into credit default risk and credit portfolio risk in order to facilitate focused risk management.

### **(a) Credit default risk from customer credit exposures**

Credit default risk from customer credit exposures is defined as the risk of losses due to a potential non-fulfilment of the contractual payment obligations associated with a customer credit exposure.

The management of credit default risk from customer credit exposures is based on an extensive implementation of the bank's lending principles:

- intensive analysis of the debt capacity of the Banks' clients;
- careful documentation of the credit risk assessments, assuring that the analysis performed can be understood by knowledgeable third parties;
- rigorous avoidance of over indebtedting the Bank's clients;
- building a personal and long-term relationship with the client and maintaining regular contact;
- strict monitoring of loan repayment;
- practising tight arrears management;
- exercising strict collateral collection in the event of default;
- investing in well-trained and highly motivated staff;
- implementing carefully designed and well-documented processes;
- rigorous application of the "four-eyes principle".

The decision-making process ensures that all credit decisions are taken by a Credit Committee. As a general principle, the Bank considers it very important to ensure that its lending business is conducted on the basis of organisational guidelines that provide for appropriate rules governing organisational structures and operating procedures; job descriptions that define the respective tasks; a clear allocation of decision-making authority; and a clear definition of responsibilities.

Credit exposures in arrears are defined as credit exposures for which contractual interest and/or principal payments are overdue. The high quality of the loan portfolio compared with the overall banking sector reflects the application of the above lending principles and the results of the application of early warning indicators and appropriate monitoring, in particular of the individually significant credit exposures. This is a crucial element of the Bank's strategy for managing arrears. Once arrears occur, the Bank follows up on the non-repayment of the credit exposures, and by so doing typically identifies the potential for default on a credit exposure. Strict rules are applied regarding credit exposures for which, in the Bank's view, there is no realistic prospect that the credit exposure will be repaid and where typically the realisation of collateral has either been completed or the outcome of the realisation process is uncertain. The Bank's recovery and collection efforts are performed by specialised employees, typically with either a lending or legal background.

The effectiveness of this tight credit risk management is reflected in the comparably low arrears rate exhibited by the loan portfolio.

The risk classification system for very small, small and medium clients comprises an important part of the process for determining an increase in credit risk and, consequently, the classification of the loan portfolio. Prior to initial disbursement, each credit exposure is assigned one of the risk classes 1 to 8 (1 being the best and 8 being worst). Assigning a risk class implies an extensive analysis of multiple qualitative and quantitative criteria at client level, which are assessed in regular basis to identify the increase in credit risk through the classes.

Analysis by risk classification of gross loans and advances to customers as well as off balance sheet exposures (undrawn credit facilities and given guarantees) with a risk rating outstanding at 31 December 2025 is as follows:

| <b>Gross exposure</b><br>in LEI | <b>Agricultural</b> | <b>Business</b>      | <b>Consumer</b> | <b>Housing</b> | <b>Other</b> | <b>Grand Total</b>   |
|---------------------------------|---------------------|----------------------|-----------------|----------------|--------------|----------------------|
| <b>STAGE1</b>                   | <b>388,371,303</b>  | <b>1,826,955,242</b> | <b>52,872</b>   | <b>18,209</b>  | -            | <b>2,215,397,625</b> |
| RC 1-3                          | 64,550,593          | 720,368,851          | 11,863          | -              | -            | 784,931,307          |
| RC 4-5                          | 323,820,709         | 1,106,586,391        | 41,009          | 18,209         | -            | 1,430,466,318        |
| RC 6-7                          | -                   | -                    | -               | -              | -            | -                    |
| RC 8                            | -                   | -                    | -               | -              | -            | -                    |
| <b>STAGE2</b>                   | <b>35,619,294</b>   | <b>81,878,774</b>    | -               | -              | -            | <b>117,498,068</b>   |
| RC 1-3                          | 231,774             | 24,034,990           | -               | -              | -            | 24,266,765           |
| RC 4-5                          | 933,832             | 24,604,670           | -               | -              | -            | 25,538,503           |
| RC 6-7                          | 34,453,687          | 33,239,113           | -               | -              | -            | 67,692,801           |
| RC 8                            | -                   | -                    | -               | -              | -            | -                    |
| <b>STAGE3</b>                   | <b>2,879,126</b>    | <b>49,958,872</b>    | -               | -              | -            | <b>52,837,998</b>    |
| RC 1-3                          | -                   | -                    | -               | -              | -            | -                    |
| RC 4-5                          | -                   | -                    | -               | -              | -            | -                    |
| RC 6-7                          | -                   | -                    | -               | -              | -            | -                    |
| RC 8                            | 2,879,126           | 49,958,872           | -               | -              | -            | 52,837,998           |
| <b>STAGE3-POCI</b>              | -                   | <b>597,750</b>       | -               | -              | -            | <b>597,750</b>       |
| RC 1-3                          | -                   | -                    | -               | -              | -            | -                    |
| RC 4-5                          | -                   | -                    | -               | -              | -            | -                    |
| RC 6-7                          | -                   | -                    | -               | -              | -            | -                    |
| RC 8                            | -                   | 597,750              | -               | -              | -            | 597,750              |
| <b>Grand Total</b>              | <b>426,869,723</b>  | <b>1,959,390,638</b> | <b>52,872</b>   | <b>18,209</b>  | -            | <b>2,386,331,441</b> |

| <b>Off balance sheet exposure</b><br>in LEI | <b>STAGE1</b>      | <b>STAGE2</b>    | <b>STAGE3</b> | <b>IAS37</b>      | <b>Grand Total</b> |
|---|--------------------|------------------|---------------|-------------------|--------------------|
| RC 1-3                                      | 228,707,459        | 1,006,828        | -             | 37,338,058        | 267,052,344        |
| RC 4-5                                      | 160,743,310        | 483,139          | -             | 31,991,024        | 193,217,473        |
| RC 6-7                                      | -                  | 4,761,436        | -             | 312,719           | 5,074,154          |
| RC 8  | -                  | -                | 5,000         | -                 | 5,000              |
| <b>Grand Total</b>                          | <b>389,450,769</b> | <b>6,251,402</b> | <b>5,000</b>  | <b>69,641,800</b> | <b>465,348,971</b> |

At the end of 2025, 1.2% of the total loan portfolio, amounting RON 29,058,796 (and RON 255,079 off-balance sheet exposure) consists of exposures belonging to Private Clients without risk rating. Classification by days in arrears is presented below:

| Gross exposure in LEI | Consumer          | Housing          | Other            | Grand Total       |
|-----------------------|-------------------|------------------|------------------|-------------------|
| <b>STAGE1</b>         | <b>13,733,166</b> | <b>9,994,994</b> | <b>4,024,733</b> | <b>27,752,893</b> |
| no arrears            | 13,193,072        | 9,316,111        | 4,024,733        | 26,533,917        |
| 1-30 days             | 540,094           | 678,882          | -                | 1,218,976         |
| 31-90 days            | -                 | -                | -                | -                 |
| <b>STAGE2</b>         | <b>433,161</b>    | -                | -                | <b>433,161</b>    |
| no arrears            | 155,586           | -                | -                | 155,586           |
| 1-30 days             | 100,897           | -                | -                | 100,897           |
| 31-90 days            | 176,678           | -                | -                | 176,678           |
| <b>STAGE3</b>         | <b>872,742</b>    | -                | -                | <b>872,742</b>    |
| no arrears            | 9,091             | -                | -                | 9,091             |
| 1-30 days             | 92,128            | -                | -                | 92,128            |
| 31-90 days            | 105,284           | -                | -                | 105,284           |
| more than 90 days     | 666,238           | -                | -                | 666,238           |
| <b>Grand Total</b>    | <b>15,039,069</b> | <b>9,994,994</b> | <b>4,024,733</b> | <b>29,058,796</b> |

Total loan Portfolio amounts RON 2,415,390,237 at 31 December 2025.

Analysis by risk classification of gross loans and advances to customers with a risk rating outstanding at 31 December 2024 is as follows:

| Gross exposure in LEI | Agricultural       | Business             | Consumer      | Housing       | Other | Grand Total          |
|-----------------------|--------------------|----------------------|---------------|---------------|-------|----------------------|
| <b>STAGE1</b>         | <b>403,354,423</b> | <b>1,490,003,290</b> | <b>23,069</b> | -             | -     | <b>1,893,380,781</b> |
| RC 1-3                | 67,315,942         | 658,007,744          | 5,290         | -             | -     | 725,328,977          |
| RC 4-5                | 336,038,480        | 831,995,545          | 17,778        | -             | -     | 1,168,051,804        |
| RC 6-7                | -                  | -                    | -             | -             | -     | -                    |
| RC 8                  | -                  | -                    | -             | -             | -     | -                    |
| <b>STAGE2</b>         | <b>71,129,566</b>  | <b>108,474,238</b>   | <b>65,341</b> | <b>42,565</b> | -     | <b>179,711,709</b>   |
| RC 1-3                | -                  | 6,048,014            | -             | -             | -     | 6,048,014            |
| RC 4-5                | 1,518,571          | 10,068,390           | -             | 42,565        | -     | 11,629,526           |
| RC 6-7                | 69,610,995         | 92,357,833           | 65,341        | -             | -     | 162,034,169          |
| RC 8                  | -                  | -                    | -             | -             | -     | -                    |
| <b>STAGE3</b>         | <b>2,130,004</b>   | <b>27,534,130</b>    | -             | -             | -     | <b>29,664,134</b>    |
| RC 1-3                | -                  | -                    | -             | -             | -     | -                    |
| RC 4-5                | -                  | -                    | -             | -             | -     | -                    |
| RC 6-7                | -                  | -                    | -             | -             | -     | -                    |
| RC 8                  | 2,130,004          | 27,534,130           | -             | -             | -     | 29,664,134           |
| <b>STAGE3-POCI</b>    | -                  | <b>56,544</b>        | -             | -             | -     | <b>56,544</b>        |
| RC 1-3                | -                  | -                    | -             | -             | -     | -                    |
| RC 4-5                | -                  | -                    | -             | -             | -     | -                    |
| RC 6-7                | -                  | -                    | -             | -             | -     | -                    |
| RC 8                  | -                  | 56,544               | -             | -             | -     | 56,544               |
| <b>Grand Total</b>    | <b>476,613,992</b> | <b>1,626,068,201</b> | <b>88,409</b> | <b>42,565</b> | -     | <b>2,102,813,167</b> |

| Off balance sheet exposure<br>in LEI | STAGE1             | STAGE2            | STAGE3   | IAS37             | Grand Total        |
|--------------------------------------|--------------------|-------------------|----------|-------------------|--------------------|
| RC 1-3                               | 149,112,728        | 115,163           | -        | 41,477,087        | 190,704,978        |
| RC 4-5                               | 151,866,237        | 542,955           | -        | 18,420,666        | 170,829,858        |
| RC 6-7                               | -                  | 13,464,764        | -        | 2,924,700         | 16,389,464         |
| RC 8                                 | -                  | -                 | -        | -                 | -                  |
| <b>Grand Total</b>                   | <b>300,978,965</b> | <b>14,122,882</b> | <b>-</b> | <b>62,822,453</b> | <b>377,924,300</b> |

At the end of 2024, 0.3% of the total loan portfolio, amounting RON 7,230,450 (and RON 241,837 off-balance sheet exposure) consists of exposures belonging to Private Clients without risk rating. Classification by days in arrears is presented below:

| Gross exposure<br>in LEI | Consumer         | Housing          | Other          | Grand Total      |
|--------------------------|------------------|------------------|----------------|------------------|
| <b>STAGE1</b>            | <b>2,705,339</b> | <b>3,202,415</b> | <b>318,455</b> | <b>6,226,209</b> |
| no arrears               | 2,610,286        | 3,202,415        | 318,455        | 6,131,156        |
| 1-30 days                | 87,866           | -                | -              | 87,866           |
| 31-90 days               | 7,187            | -                | -              | 7,187            |
| <b>STAGE2</b>            | <b>141,740</b>   | <b>404,070</b>   | <b>-</b>       | <b>545,810</b>   |
| no arrears               | 72,621           | 404,070          | -              | 476,691          |
| 1-30 days                | -                | -                | -              | -                |
| 31-90 days               | 69,119           | -                | -              | 69,119           |
| <b>STAGE3</b>            | <b>458,432</b>   | <b>-</b>         | <b>-</b>       | <b>458,432</b>   |
| no arrears               | -                | -                | -              | -                |
| 1-30 days                | -                | -                | -              | -                |
| 31-90 days               | -                | -                | -              | -                |
| more than 90 days        | 458,432          | -                | -              | 458,432          |
| <b>Grand Total</b>       | <b>3,305,511</b> | <b>3,606,484</b> | <b>318,455</b> | <b>7,230,450</b> |

Total loan Portfolio amounts RON 2,110,043,617 at 31 December 2024.

Restructuring of a credit exposure is generally driven by economic problems encountered by the client that adversely affect the payment capacity, mostly caused by the significantly changed macro-economic environment in which the bank's clients currently operate. Restructurings follow a thorough, careful and individual analysis of the client's changed payment capacity. The decision to restructure a credit exposure is always taken by a credit committee and aims at full recovery of the credit exposure. If a credit exposure is restructured, amendments are made to the parameters of the loan.

Forborne loans are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider.

As at 31 December 2025, the Bank applied EBA definition in force at this date in regards to forborne loans and in consequence classifies as impaired the forborne nonperforming exposures. The loan portfolio contained forborne loans with a gross outstanding of LEI 31,690,942 (ECL of LEI 5,692,994) representing 1.3% of total outstanding portfolio (31 December 2024: gross outstanding LEI 29,893,525 with a related ECL of LEI 6,705,427).

The level of credit exposure defaults to be expected within a given year is analysed regularly, based on past experience in this area. Incurred losses are fully covered with loan loss provisions.

Credit exposures with a higher risk profile are usually covered with strong collateral, typically through mortgages. Mortgages are revaluated regularly by professional and independent appraisals.

The Bank holds collateral against loans and advances to customers in the form of pledge over cash deposits, mortgage interests over property, guarantees and other pledge over equipment's and/or receivables. Estimates of fair value are based on the value

of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired, except for mortgage interests over property which are reassessed regularly.

The collateral presented as the lower of carrying amount of loan exposure and collateral value, can be classified into the following categories:

| In LEI               | 31 December 2025     | 31 December 2024     |
|----------------------|----------------------|----------------------|
| Mortgage             | 1,058,290,287        | 872,626,160          |
| Cash collateral      | 17,379,249           | 10,527,881           |
| Financial Guarantees | 592,772,305          | 672,181,903          |
| Others               | 153,765,097          | 170,619,631          |
| <b>Total</b>         | <b>1,822,206,938</b> | <b>1,725,955,575</b> |

The Bank holds collateral and other credit enhancements against certain of its credit exposures.

The table below sets out the collateral amount at market value (limited to the net exposure amount) held against different types of loan products.

| In LEI       | 31 December 2025     |                      | 31 December 2024     |                      |
|--------------|----------------------|----------------------|----------------------|----------------------|
|              | Loan exposure        | Collateral Value     | Loan exposure        | Collateral Value     |
| Business     | 1,959,390,635        | 1,416,653,356        | 1,626,068,201        | 1,286,017,575        |
| Agricultural | 426,869,726          | 391,889,985          | 476,613,992          | 435,868,979          |
| Housing      | 10,013,203           | 9,924,082            | 3,649,049            | 3,608,844            |
| Consumer     | 15,091,941           | 287,427              | 3,393,920            | 241,343              |
| Other        | 4,024,733            | 3,452,088            | 318,455              | 218,834              |
| <b>Total</b> | <b>2,415,390,237</b> | <b>1,822,206,938</b> | <b>2,110,043,617</b> | <b>1,725,955,575</b> |

As of 31 December 2025, the Bank's portfolio consisted of 51.70% over-collateralized loans (53.20% at 31 December 2024). The table below sets out the effect of collateral.

| As at December 31, 2025<br>In LEI | Over-collateralized assets   |                          | Under-collateralized assets  |                          |
|-----------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
|                                   | Carrying value of the assets | Fair value of collateral | Carrying value of the assets | Fair value of collateral |
| <b>STAGE1</b>                     | <b>1,159,004,845</b>         | <b>2,780,664,293</b>     | <b>1,070,239,935</b>         | <b>573,929,696</b>       |
| Agricultural                      | 306,873,028                  | 682,895,483              | 78,971,246                   | 53,759,308               |
| Business                          | 838,661,083                  | 2,070,603,820            | 977,315,929                  | 519,977,525              |
| Consumer                          | 94,564                       | 393,300                  | 13,416,236                   | 192,863                  |
| Housing                           | 9,924,082                    | 18,698,440               | -                            | -                        |
| Other                             | 3,452,088                    | 8,073,249                | 536,525                      | -                        |
| <b>STAGE2</b>                     | <b>48,111,643</b>            | <b>125,645,925</b>       | <b>65,380,429</b>            | <b>24,345,913</b>        |
| Agricultural                      | 21,025,763                   | 50,312,032               | 13,265,099                   | 8,715,673                |
| Business                          | 27,085,880                   | 75,333,893               | 51,724,858                   | 15,630,240               |
| Consumer                          | -                            | -                        | 390,472                      | -                        |
| Housing                           | -                            | -                        | -                            | -                        |
| <b>STAGE3</b>                     | <b>15,389,595</b>            | <b>60,092,471</b>        | <b>6,567,217</b>             | <b>756,848</b>           |
| Agricultural                      | 1,360,939                    | 3,260,059                | 557,466                      | 125,093                  |
| Business                          | 14,028,656                   | 56,832,412               | 5,707,650                    | 631,754                  |
| Consumer                          | -                            | -                        | 302,100                      | -                        |
| Housing                           | -                            | -                        | -                            | -                        |

|                    |                      |                      |                      |                    |
|--------------------|----------------------|----------------------|----------------------|--------------------|
| <b>STAGE3-POCI</b> | <b>597,300</b>       | <b>5,549,192</b>     | -                    | -                  |
| Agricultural       | -                    | -                    | -                    | -                  |
| Business           | 597,300              | 5,549,192            | -                    | -                  |
| Consumer           | -                    | -                    | -                    | -                  |
| Housing            | -                    | -                    | -                    | -                  |
| <b>Grand Total</b> | <b>1,223,103,384</b> | <b>2,971,951,881</b> | <b>1,142,187,580</b> | <b>599,032,457</b> |

| As at December 31,<br>2024<br>In LEI | Over-collateralized assets      |                             | Under-collateralized assets     |                          |
|--------------------------------------|---------------------------------|-----------------------------|---------------------------------|--------------------------|
|                                      | Carrying value of the<br>assets | Fair value of<br>collateral | Carrying value of the<br>assets | Fair value of collateral |
| <b>STAGE1</b>                        | <b>975,601,376</b>              | <b>2,404,547,355</b>        | <b>911,796,772</b>              | <b>588,395,967</b>       |
| Agricultural                         | 288,624,662                     | 663,065,532                 | 111,413,353                     | 80,323,381               |
| Business                             | 683,414,453                     | 1,735,096,460               | 797,822,560                     | 508,072,587              |
| Consumer                             | 169,395                         | 278,093                     | 2,468,951                       | -                        |
| Housing                              | 3,174,032                       | 5,614,666                   | -                               | -                        |
| Other                                | 218,834                         | 492,604                     | 91,909                          | -                        |
| <b>STAGE2</b>                        | <b>113,768,478</b>              | <b>306,185,894</b>          | <b>51,759,654</b>               | <b>35,192,375</b>        |
| Agricultural                         | 54,074,120                      | 129,091,653                 | 9,416,618                       | 8,185,211                |
| Business                             | 59,187,598                      | 173,619,777                 | 42,217,260                      | 27,007,164               |
| Consumer                             | 71,948                          | 1,750,883                   | 125,775                         | -                        |
| Housing                              | 434,812                         | 1,723,581                   | -                               | -                        |
| <b>STAGE3</b>                        | <b>8,488,776</b>                | <b>52,355,334</b>           | <b>2,260,455</b>                | <b>1,225,850</b>         |
| Agricultural                         | 1,269,591                       | 4,168,265                   | 205,148                         | 6,712                    |
| Business                             | 7,219,185                       | 48,187,069                  | 1,960,265                       | 1,219,137                |
| Consumer                             | -                               | -                           | 95,042                          | -                        |
| <b>STAGE3-POCI</b>                   | -                               | <b>1,406,250</b>            | -                               | -                        |
| Business                             | -                               | 1,406,250                   | -                               | -                        |
| <b>Grand Total</b>                   | <b>1,097,858,630</b>            | <b>2,764,494,833</b>        | <b>965,816,882</b>              | <b>624,814,191</b>       |

**(b) Credit portfolio risk from customer lending**

Lending to medium-sized enterprises, i.e. larger credit exposures exceeding the threshold of EUR 750,000, constitutes a supplementary area of the Bank's business in terms of its overall strategic focus. Most of these clients are dynamically growing enterprises that have been working with the Bank for many years. Nevertheless, the higher complexity of these businesses requires an appropriate analysis of the business, the project that is to be financed and any connected entities. A strict division of front and back office functions is applied and requirements for both documentation and collateral are typically more stringent.

**Gross Exposure**

| As at December 31, 2025 | Business             | Agricultural       | Housing           | Consumer          | Other            | Total                |
|-------------------------|----------------------|--------------------|-------------------|-------------------|------------------|----------------------|
| 0-50.000EUR             | 55,334,819           | 24,295,339         | 998,566           | 15,091,941        | 2,117,241        | 97,837,906           |
| 50.001-250.000 EUR      | 524,514,810          | 61,399,926         | 9,014,637         | -                 | 1,907,492        | 696,836,865          |
| 250.001-500.000 EUR     | 396,313,138          | 96,316,619         | -                 | -                 | -                | 492,629,757          |
| 500.001-750.000 EUR     | 297,078,643          | 28,785,488         | -                 | -                 | -                | 325,864,131          |
| More than 750.000EUR    | 686,149,225          | 116,072,352        | -                 | -                 | -                | 802,221,577          |
| <b>Total</b>            | <b>1,959,390,635</b> | <b>426,869,726</b> | <b>10,013,203</b> | <b>15,091,941</b> | <b>4,024,733</b> | <b>2,415,390,237</b> |

**Gross Exposure**

in LEI

 As at December 31,  
 2024

|                      | Business             | Agricultural       | Housing          | Consumer         | Other          | Total                |
|----------------------|----------------------|--------------------|------------------|------------------|----------------|----------------------|
| 0-50.000EUR          | 33,585,616           | 21,128,950         | 853,096          | 3,321,299        | 318,455        | 59,207,416           |
| 50.001-250.000 EUR   | 459,684,998          | 194,102,814        | 2,795,953        | 72,621           | -              | 656,656,387          |
| 250.001-500.000 EUR  | 348,226,968          | 105,224,095        | -                | -                | -              | 453,451,063          |
| 500.001-750.000 EUR  | 249,677,501          | 30,915,266         | -                | -                | -              | 280,592,766          |
| More than 750.000EUR | 534,893,118          | 125,242,867        | -                | -                | -              | 660,135,985          |
| <b>Total</b>         | <b>1,626,068,201</b> | <b>476,613,992</b> | <b>3,649,049</b> | <b>3,393,920</b> | <b>318,455</b> | <b>2,110,043,617</b> |

The structure of the loan portfolio is regularly reviewed by Credit Risk Management Committee in order to identify potential events which could have an impact on large areas of the loan portfolio (common risk factors) and, if necessary, limit the exposure towards certain sectors of the economy.

According to the Credit Risk Management Policy and Strategy, the aggregate credit exposures towards one party or group of related parties cannot exceed 25% of the Bank's regulatory capital.

Larger credit exposures are particularly analysed and monitored by the responsible employees through regular monitoring activities enabling early detection of risks. Full information about any related parties is typically collected prior to lending.

Exposures in the Bank's business loan portfolio are subject to an environmental and social risk assessment, which also includes climate risks. Customers whose business activities entail medium or high environmental risks and whose credit volume exceeds a certain threshold are subject to a more detailed review. With regard to our lending activities, we incorporate climate risks (physical and transition risks) into all our risk assessments and we support our business clients in enhancing the resilience of their companies in relation to climate-related risks.

Individually significant credit exposures are closely monitored by the Credit Risk Management Committee which is responsible for the approval of the allowances for loan losses built against these exposures. The realisable net value of collateral held is taken into account when deciding on the allowance for impairment.

Under IFRS9, The Bank determines impairment allowances using different approaches, either collectively for a group of credit exposures or individually, depending on the classification of credit exposures into different categories:

**Stage 1:**

Stage 1 comprises financial assets for which credit risk has not significantly increased since initial recognition as well as those showing low credit risk as of the reporting date or for which no triggers for Stage 2 or 3 allocation apply. Assets are allocated in Stage 1 upon initial recognition except for purchased or originated credit impaired (POCI) assets which are treated and reported separately. For assets in Stage 1, the expected credit losses arising from possible default events within the 12 months following the reporting date (12 month ECL) are recognised as expenses. For exposures with a remaining maturity of less than 12 months, the used probability of default (PD) reflects the remaining maturity.

**Stage 2:**

Stage 2 comprises financial assets for which credit risk has significantly increased since initial recognition, but for which there is no objective indication of impairment. This assessment takes account for appropriate and plausible information. Loss allowances are established in an amount equivalent to the expected credit losses over the entire remaining maturity, i.e. lifetime expected losses (lifetime ECL not credit impaired).

**Stage 3:**

Stage 3 includes all exposures that are credit impaired as of the reporting date. The respective calculation of loss allowances is performed based on the lifetime expected credit losses considering a 100% probability of default (lifetime ECL credit impaired). Further, the loan loss provisions can be determined on a collective basis via the ECL model or based on an individual assessment. The recognition of impairment relies on the internally applied definition of default.

*Individually assessed credit exposures*

**Individual** credit exposures for which an impairment test is performed and where an impairment loss has been confirmed are provisioned according to the impairment loss that is determined by an assessment for specific individual impairment. The levels of the specific - individual impairment are based on the difference of the net present value of future cash-flows on a credit exposure and the current book value of that credit exposure (amortized cost).

If repayments are made which change the categorisation of a credit exposure from individually significant to individually insignificant, the bank may decide whether to maintain provisioning at the level prescribed by the results of the impairment test or to provision the credit exposure based on the collectively assessed approach.

The gross book value fluctuates over time due to repayments / write-offs or the accrual of interest and penalties, etc. Regardless of the type of provisioning, if the currently booked impairment allowances exceeds the gross book value of the credit exposure or falls below the minimum Stage 1 rates, the provisioned amount needs to be adjusted accordingly. This will be done monthly by the booking on expenses, or the reversal on incomes of the amount representing the difference.

| in LEI<br>As at December 31, 2025 | Gross outstanding amount | Allowance for impairment | Net outstanding amount |
|-----------------------------------|--------------------------|--------------------------|------------------------|
| <b>Collective</b>                 | <b>2,378,633,256</b>     | <b>-26,820,031</b>       | <b>2,351,813,225</b>   |
| <b>STAGE1</b>                     | <b>2,243,150,518</b>     | <b>-13,905,740</b>       | <b>2,229,244,778</b>   |
| Business                          | 1,826,955,239            | -10,978,229              | 1,815,977,012          |
| Agricultural                      | 388,371,306              | -2,527,032               | 385,844,274            |
| Housing                           | 10,013,203               | -89,121                  | 9,924,082              |
| Consumer                          | 13,786,038               | -275,238                 | 13,510,800             |
| Other                             | 4,024,733                | -36,120                  | 3,988,613              |
| <b>STAGE2</b>                     | <b>117,931,229</b>       | <b>-4,439,157</b>        | <b>113,492,072</b>     |
| Business                          | 81,878,774               | -3,068,036               | 78,810,738             |
| Agricultural                      | 35,619,294               | -1,328,432               | 34,290,862             |
| Consumer                          | 433,161                  | -42,689                  | 390,472                |
| <b>STAGE3</b>                     | <b>17,551,509</b>        | <b>-8,475,134</b>        | <b>9,076,375</b>       |
| Business                          | 13,799,641               | -6,943,772               | 6,855,869              |
| Agricultural                      | 2,879,126                | -960,720                 | 1,918,406              |
| Consumer                          | 872,742                  | -570,641                 | 302,100                |
| <b>Individually</b>               | <b>36,756,981</b>        | <b>-23,279,242</b>       | <b>13,477,740</b>      |
| <b>STAGE3</b>                     | <b>36,159,231</b>        | <b>-23,278,794</b>       | <b>12,880,437</b>      |
| Business                          | 36,159,231               | -23,278,794              | 12,880,437             |
| <b>STAGE3-POCI</b>                | <b>597,750</b>           | <b>-448</b>              | <b>597,302</b>         |
| Business                          | 597,750                  | -448                     | 597,302                |
| <b>Grand Total</b>                | <b>2,415,390,237</b>     | <b>-50,099,273</b>       | <b>2,365,290,964</b>   |

| in LEI<br>As at December 31, 2024 | Gross outstanding amount | Allowance for impairment | Net outstanding amount |
|-----------------------------------|--------------------------|--------------------------|------------------------|
| <b>Collective</b>                 | <b>2,097,785,151</b>     | <b>-37,144,613</b>       | <b>2,060,640,538</b>   |
| <b>STAGE1</b>                     | <b>1,899,606,989</b>     | <b>-12,208,841</b>       | <b>1,887,398,148</b>   |
| Business                          | 1,490,003,290            | -8,766,277               | 1,481,237,013          |
| Agricultural                      | 403,354,423              | -3,316,408               | 400,038,015            |
| Housing                           | 3,202,415                | -28,383                  | 3,174,032              |
| Consumer                          | 2,728,407                | -90,062                  | 2,638,346              |
| Other                             | 318,455                  | -7,712                   | 310,743                |
| <b>STAGE2</b>                     | <b>180,257,519</b>       | <b>-14,729,387</b>       | <b>165,528,132</b>     |

|                     |                      |                     |                      |
|---------------------|----------------------|---------------------|----------------------|
| Business            | 108,474,238          | -7,069,380          | 101,404,858          |
| Agricultural        | 71,129,566           | -7,638,827          | 63,490,739           |
| Housing             | 446,635              | -11,822             | 434,812              |
| Consumer            | 207,081              | -9,358              | 197,723              |
| <b>STAGE3</b>       | <b>17,920,642</b>    | <b>-10,206,385</b>  | <b>7,714,257</b>     |
| Business            | 15,332,207           | -9,187,732          | 6,144,475            |
| Agricultural        | 2,130,004            | -655,264            | 1,474,740            |
| Consumer            | 458,432              | -363,389            | 95,042               |
| <b>Individually</b> | <b>12,258,467</b>    | <b>-9,223,493</b>   | <b>3,034,974</b>     |
| <b>STAGE3</b>       | <b>12,201,923</b>    | <b>-9,166,949</b>   | <b>3,034,974</b>     |
| Business            | 12,201,923           | -9,166,949          | 3,034,974            |
| <b>STAGE3-POCI</b>  | <b>56,544</b>        | <b>-56,544</b>      | -                    |
| Business            | 56,544               | -56,544             | -                    |
| <b>Grand Total</b>  | <b>2,110,043,617</b> | <b>- 46,368,105</b> | <b>2,063,675,512</b> |

## 49) Financial risk

### (a) Foreign currency risk

#### *Conceptual risk management framework*

The assets and liabilities of the Bank are denominated in more than one currency. If the assets and liabilities in one currency do not match, the Bank has an open currency position ("OCP") and is exposed to potentially unfavourable changes in exchange rates.

Due to the close economic links between Romania and the Euro zone countries, a significant part of the customer funds and of the customer loan portfolio is denominated in Euro. The Bank's operations in other foreign currencies are at a low level and therefore do not pose a significant risk exposure.

Currency risk management is guided by the Foreign Currency Risk Management Policy and Strategy, which is approved by the Board of Administration.

The Treasury Department is responsible for continuously monitoring the developments of exchange rates and foreign currency markets. The Treasury Department also manages the currency positions of the Bank on a daily basis. As a general principle, all currency positions should be closed at end-of-day; long or short positions for speculative purposes are not permitted. The Bank did not engage in any foreign currency derivative transactions in 2025 nor in 2024. The Bank's foreign currency exposure is monitored and controlled on a daily basis by the Operations Support Department and is reported to ALCO by the Risk Management Department.

Developments in the foreign exchange markets and the currency positions are regularly reported to the Bank's ALCO, which is authorised to take strategic decisions with regard to treasury activities. The Bank's exposure to foreign currency risk is reported to the Audit and Risk Management Committee and quarterly to the Board of Administration.

The Bank aims to keep a closed currency positions and ensures that an open currency position remains within the limits at all times. The currency in which the Bank obtains financing determines the currency in which loans are given to customers and vice versa. The Bank is required to balance assets and liabilities per currency in both amounts and maturities as far as possible in order to protect the Bank against currency fluctuations. If this is not possible, financial instruments shall be used to the extent available to close the gaps.

For the purpose of currency risk management the Bank has established two levels of control: early warning indicators and limits. In cases where the positions cannot be brought back below 5% of the regulatory capital for a single currency, or 7.5% for the aggregate of all currencies, the bank's ALCO have to be informed and appropriate measures taken. This mechanism helps to ensure that the bank's total OCP does not exceed 10% of regulatory capital. Exemptions from the limit or strategic positions are subject to approval by the Board of Administration.

*Facts and figures concerning foreign currency risk*

The following table shows the distribution of the Bank's balance sheet items across its operating currencies, i.e. RON, USD, GBP and EUR.

| in LEI<br>As at December 31, 2025                                 | Total                | RON                  | EUR                  | USD               | GBP              |
|---|----------------------|----------------------|----------------------|-------------------|------------------|
| <b>Assets</b>   |                      |                      |                      |                   |                  |
| Cash and cash equivalents   | 533,598,286          | 361,923,530          | 171,607,186          | 67,570            | -                |
| Loans and advances to banks                                       | 134,921,590          | 27,686               | 104,096,497          | 28,084,491        | 2,712,916        |
| Financial assets at fair value through other comprehensive income | 286,194,625          | 255,239,090          | 30,955,535           | -                 | -                |
| Loans and advances to customers                                   | 2,365,290,964        | 1,411,845,674        | 953,445,290          | -                 | -                |
| Other financial assets  | 4,167,760            | 3,606,763            | 353,516              | 198,833           | 8,649            |
| <b>Total assets</b>   | <b>3,324,173,225</b> | <b>2,032,642,743</b> | <b>1,260,458,023</b> | <b>28,350,894</b> | <b>2,721,565</b> |
| <b>Liabilities</b>  |                      |                      |                      |                   |                  |
| Liabilities to banks  | 31,222,578           | 265,950              | 30,956,627           | -                 | -                |
| Liabilities to customers  | 2,818,742,244        | 1,672,250,777        | 1,115,323,525        | 28,400,702        | 2,767,240        |
| Liabilities to international financial institutions               | 189,183,756          | 112,433,888          | 76,749,867           | -                 | -                |
| Provisions  | 3,441,181            | 2,783,888            | 657,293              | -                 | -                |
| Other financial liabilities                                       | 9,908,705            | 3,443,552            | 6,463,168            | 1,985             | -                |
| Subordinated debt   | 25,647,615           | -                    | 25,647,615           | -                 | -                |
| <b>Total liabilities</b>  | <b>3,078,146,078</b> | <b>1,791,178,056</b> | <b>1,255,798,095</b> | <b>28,402,687</b> | <b>2,767,240</b> |
| <b>Net position</b>   | <b>246,027,147</b>   | <b>241,464,687</b>   | <b>4,659,928</b>     | <b>-51,794</b>    | <b>-45,675</b>   |
| <b>Amounts in course of settlement</b>                            | <b>-320</b>          | <b>2,039,080</b>     | <b>-2,039,400</b>    | <b>-</b>          | <b>-</b>         |
| <b>Credit commitments</b>   | <b>465,606,550</b>   | <b>366,328,712</b>   | <b>99,277,838</b>    | <b>-</b>          | <b>-</b>         |

| in LEI<br>As at December 31, 2024                                 | Total                | RON                  | EUR                | USD               | GBP            |
|---|----------------------|----------------------|--------------------|-------------------|----------------|
| <b>Assets</b>   |                      |                      |                    |                   |                |
| Cash and cash equivalents   | 425,981,100          | 241,016,613          | 184,072,135        | 892,352           | -              |
| Loans and advances to banks                                       | 70,988,096           | 19,414               | 58,431,757         | 12,078,071        | 458,854        |
| Financial assets at fair value through other comprehensive income | 278,196,496          | 243,156,185          | 35,040,311         | -                 | -              |
| Loans and advances to customers                                   | 2,063,675,512        | 1,415,954,751        | 647,720,761        | -                 | -              |
| Other financial assets  | 6,723,221            | 6,126,135            | 389,190            | 203,802           | 4,093          |
| <b>Total assets</b>   | <b>2,845,564,426</b> | <b>1,906,273,098</b> | <b>925,654,154</b> | <b>13,174,225</b> | <b>462,948</b> |
| <b>Liabilities</b>  |                      |                      |                    |                   |                |
| Liabilities to banks  | 50,431,107           | 50,431,107           | -                  | -                 | -              |
| Liabilities to customers  | 2,279,963,616        | 1,434,609,909        | 830,732,059        | 14,145,043        | 476,604        |
| Liabilities to international financial institutions               | 271,086,868          | 175,913,598          | 95,173,270         | -                 | -              |
| Provisions  | 3,905,548            | 3,620,139            | 285,409            | -                 | -              |
| Other financial liabilities                                       | 8,355,517            | 2,520,129            | 5,833,909          | 1,478             | -              |
| <b>Total liabilities</b>  | <b>2,613,742,656</b> | <b>1,667,094,883</b> | <b>932,024,647</b> | <b>14,146,522</b> | <b>476,604</b> |
| <b>Net position</b>   | <b>231,821,770</b>   | <b>239,178,215</b>   | <b>-6,370,492</b>  | <b>-972,296</b>   | <b>-13,656</b> |
| <b>Amounts in course of settlement</b>                            | <b>-1,484</b>        | <b>-5,481,302</b>    | <b>4,476,690</b>   | <b>1,003,128</b>  | <b>-</b>       |
| <b>Credit commitments</b>   | <b>378,166,137</b>   | <b>308,372,361</b>   | <b>69,793,776</b>  | <b>-</b>          | <b>-</b>       |

In order to control currency risk, limits are established through the foreign exchange risk management policy. The limits refer to the key foreign currency risk indicators and restrict foreign currency risk to an acceptable level, according to the assumed risk appetite of the Bank and should not be breached.

The Bank shall comply at all times with a limit of 10% of the Bank's total CRR Capital at the end of each day, established for the key foreign currency risk indicators.

An open currency position is a currency position not equal to zero, otherwise the position is closed. The OCP can be either positive (long position) or negative (short position). However a currency position shall be considered open if it is significantly different from zero. The significance level is set by the Bank at 1% of the capital the respective currency position should be assessed against.

Foreign exchange (FX) Open Position of the Bank is as follows:

| In LEI | At 31 December 2025                 |              | At 31 December 2024                 |              |
|--------|-------------------------------------|--------------|-------------------------------------|--------------|
|        | Significance<br>(1% of CRR capital) | Average used | Significance<br>(1% of CRR capital) | Average used |
| EUR    |                                     | 377,061      |                                     | 250,517      |
| USD    | 2,815,218                           | -3,790       | 2,466,430                           | 16,056       |
| GBP    |                                     | -2,001       |                                     | 779          |

## **(b) Interest rate risk**

### *Conceptual risk management framework*

The Bank's approach to measuring and managing interest rate risk is guided by the Interest Rate Risk Management Policy and Strategy which is approved by the Board of Administration.

Interest rate risk arises from structural differences between the maturities of assets and those of liabilities, e.g. if a four-year fixed interest rate loan is funded with a six-month term deposit, as well as from incongruence between the interest type of the assets and liabilities, e.g. a fixed interest rate loan is financed through a variable interest rate financing facility. This would expose the Bank to the risk that the funding costs will increase before the maturity date of the loan, thus reducing the Bank's margin on the loan.

The main indicators for managing interest rate risk measures are the potential impact on the economic value (EVI) of all assets and liabilities and the interest earnings impact (IEI). The indicator economic value impact analyses the potential loss that the Bank would incur in the event of very unfavourable movements (shocks) of the interest rates on assets and liabilities.

The economic value of the Bank is the net present value of all future expected cash flows, i.e. the present value of expected cash inflows from assets minus the present value of expected cash outflows from liabilities. The economic value risk is measured by the economic value impact (EVI), which represents the change in present value of the bank's future cash flows, which would result in the case of an interest rate shock. The economic value risk has a longer-term perspective and therefore identifies the risk arising from long-term repricing mismatches.

The Bank reports to the National Bank of Romania the change in economic value as a result of sudden and unexpected changes in interest rates according to six standardized shock scenarios for detecting extreme values, namely a parallel upward shock, a parallel downward shock, a shock with sudden variation (short rates down and long rates up), a shock with constant evolution (short rates up and long rates down), a shock with short rates up, a shock with short rates down. The calculation of the change in economic value is performed at least quarterly. If in at least one of the 6 scenarios the decrease in the economic value resulting from the calculation is greater than 15% of the level 1 own funds, the Bank must immediately inform the National Bank of Romania.

The total potential impact of interest rate risk on the Bank's expected earnings over the next twelve months in the standard scenarios is also regularly analysed. This measure indicates how the income statement may be influenced by interest rate risk under a short-term perspective.

Thus, the Bank calculate the most decrease in net interest income over a year for all significant currencies, as a result of a sudden and unexpected change in interest rates, as considered in either of the two supervisory shock scenarios set out in Article 1(2) of COMMISSION DELEGATED REGULATION (EU) 2024/856 of 1 December 2023 supplementing Directive 2013/36/EU of the European Parliament, respectively: a) Parallel shock up and b) Parallel shock down (the lowest value resulting from the parallel shock up and parallel shock down scenarios will be used), reported to the Tier 1 own Funds. The limit is 5%.

Interest rate risk is regularly discussed by the Bank's Assets and Liabilities Management Committee. The indicators are also reported to the Audit and Risk Management Committee and to the Board of Administration.

In order to limit its interest rate risk, the Bank aims to match as much as possible the repricing maturities of its interest bearing assets and liabilities (natural hedge).

| in LEI<br>As at<br>December<br>31, 2025 | Up to<br>1 month     | 1 - 3<br>months    | 3 - 6<br>months    | 6 - 12<br>months    | 1 - 5<br>years     | More than<br>5 years | Non Interest<br>bearing | Total                |
|---|----------------------|--------------------|--------------------|---------------------|--------------------|----------------------|-------------------------|----------------------|
| <b>Assets</b>                           |                      |                    |                    |                     |                    |                      |                         |                      |
| Cash and cash equivalents               | 480,430,518          | -                  | -                  | -                   | -                  | -                    | 53,167,768              | 533,598,286          |
| Loans and advances to banks             | 134,893,689          | -                  | -                  | -                   | -                  | -                    | 27,901                  | 134,921,590          |
| Financial assets at FVOCI               | -                    | -                  | 30,115,733         | 41,152,044          | 214,926,848        | -                    | -                       | 286,194,625          |
| Loans and advances to customers         | 613,116,259          | 819,418,335        | 762,767,874        | 33,578,159          | 97,304,801         | 36,650,757           | 2,454,779               | 2,365,290,964        |
| <b>Total financial assets</b>           | <b>1,228,440,466</b> | <b>819,418,335</b> | <b>792,883,608</b> | <b>74,730,203</b>   | <b>312,231,649</b> | <b>36,650,757</b>    | <b>55,650,447</b>       | <b>3,320,005,465</b> |
| <b>Liabilities</b>                      |                      |                    |                    |                     |                    |                      |                         |                      |
| Liabilities to banks                    | 265,950              | 30,591,000         | -                  | -                   | -                  | -                    | 365,627                 | 31,222,578           |
| Liabilities to customers                | 926,026,208          | 643,016,509        | 522,568,212        | 398,142,683         | 296,611,198        | 11,608,322           | 20,769,110              | 2,818,742,243        |
| Liabilities to IFI                      | 38,386,897           | 62,804,276         | 30,459,604         | 16,932,175          | 38,747,826         | 848,408              | 1,004,571               | 189,183,756          |
| Subordinated debt                       | -                    | -                  | 16,388,122         | 546,419             | 4,072,232          | 4,485,727            | 155,115                 | 25,647,615           |
| <b>Total financial liabilities</b>      | <b>964,679,055</b>   | <b>736,411,785</b> | <b>569,415,938</b> | <b>415,621,277</b>  | <b>339,431,256</b> | <b>16,942,457</b>    | <b>22,294,424</b>       | <b>3,064,796,192</b> |
| <b>Total interest sensitivity gap</b>   | <b>263,761,411</b>   | <b>83,006,550</b>  | <b>223,467,670</b> | <b>-340,891,074</b> | <b>-27,199,607</b> | <b>19,708,300</b>    | <b>33,356,023</b>       | <b>255,209,273</b>   |

| in LEI<br>As at<br>December<br>31, 2024 | Up to<br>1 month | 1 - 3<br>months | 3 - 6<br>months | 6 - 12<br>months | 1 - 5<br>years | More than<br>5 years | Non Interest<br>bearing | Total         |
|---|------------------|-----------------|-----------------|------------------|----------------|----------------------|-------------------------|---------------|
| <b>Assets</b>                           |                  |                 |                 |                  |                |                      |                         |               |
| Cash and cash equivalents               | 366,993,283      | -               | -               | -                | -              | -                    | 58,987,818              | 425,981,100   |
| Loans and advances to banks             | 70,968,682       | -               | -               | -                | -              | -                    | 19,414                  | 70,988,096    |
| Financial assets at FVOCI               | -                | -               | 30,006,398      | 19,994,293       | 228,195,807    | -                    | -                       | 278,196,496   |
| Loans and advances to customers         | 629,079,974      | 822,271,509     | 503,590,382     | 23,187,552       | 63,193,500     | 19,419,220           | 2,933,375               | 2,063,675,512 |

|                                       |                      |                    |                    |                     |                    |                   |                   |                      |
|---------------------------------------|----------------------|--------------------|--------------------|---------------------|--------------------|-------------------|-------------------|----------------------|
| <b>Total financial assets</b>         | <b>1,067,041,958</b> | <b>822,271,509</b> | <b>533,596,780</b> | <b>43,181,844</b>   | <b>291,389,306</b> | <b>19,419,220</b> | <b>61,940,587</b> | <b>2,838,841,205</b> |
| <b>Liabilities</b>                    |                      |                    |                    |                     |                    |                   |                   |                      |
| Liabilities to banks                  | -                    | 50,000,000         | -                  | -                   | -                  | -                 | 431,107           | 50,431,107           |
| Liabilities to customers              | 687,751,930          | 432,317,766        | 517,968,343        | 331,040,637         | 279,538,536        | 6,809,220         | 24,537,185        | 2,279,963,616        |
| Liabilities to IFI                    | 49,254,238           | 82,319,788         | 44,652,578         | 36,808,309          | 54,745,894         | 2,239,052         | 1,067,010         | 271,086,868          |
| <b>Total financial liabilities</b>    | <b>737,006,168</b>   | <b>564,637,554</b> | <b>562,620,920</b> | <b>367,848,946</b>  | <b>334,284,430</b> | <b>9,048,271</b>  | <b>26,035,302</b> | <b>2,601,481,591</b> |
| <b>Total interest sensitivity gap</b> | <b>330,035,790</b>   | <b>257,633,956</b> | <b>-29,024,140</b> | <b>-324,667,101</b> | <b>-42,895,124</b> | <b>10,370,949</b> | <b>35,905,285</b> | <b>237,359,614</b>   |

#### Facts and figures concerning interest rate risk

As specified above, the main interest rate risk indicators are the economic value impact indicator and the interest earnings impact. The economic value impact indicator measures the impact of interest rate changes on all interest rate-sensitive on- and off-balance sheet items and quantifies the loss in value of the bank given certain changes of interest rates.

The following table presents the economic value impact and interest earnings indicator under the parallel scenarios, as of December 2025 and December 2024.

| in '000 RON  |                     | 2025                  |                          |  |
|--------------|---------------------|-----------------------|--------------------------|--|
| Currency     | Interest rate shock | Economic value impact | Interest earnings Impact |  |
| Local        | +/- 350bps          | -5,275                | -505                     |  |
| EUR          | +/-200 bps          | -1,502                | -3,590                   |  |
| USD          | +/-200 bps          |                       |                          |  |
| <b>Total</b> |                     | <b>-6,777</b>         | <b>-4,095</b>            |  |

| in '000 RON  |                     | 2024                  |                          |  |
|--------------|---------------------|-----------------------|--------------------------|--|
| Currency     | Interest rate shock | Economic value impact | Interest earnings Impact |  |
| Local        | +/- 350bps          | -2,515                | -4,665                   |  |
| EUR          | +/-200 bps          | -3,713                | -3,020                   |  |
| USD          | +/-200 bps          |                       |                          |  |
| <b>Total</b> |                     | <b>-6,228</b>         | <b>-7,685</b>            |  |

### **(c) Liquidity risk**

#### *Conceptual risk management framework*

The Bank's liquidity risk management ("LRM") system is tailored to the specific characteristics of the Bank. On the assets side the loan portfolio is the largest single component, and is primarily funded by clients' deposits, on liabilities side. The loan portfolio is characterised by a large number of exposures to small and medium businesses and is therefore highly diversified. The majority of the loans are disbursed as instalment term loans, and the default rate is low. Therefore, cash flows are highly predictable. All of these factors justify the use of a relatively simple and straightforward LRM system.

Liquidity risk in the narrowest sense (risk of insolvency) is the possibility that the Bank will no longer be able to meet its current and future payment obligations in full, or in a timely manner. Liquidity risk in a broader sense (funding risk) is the danger that additional funding can no longer be obtained, or can only be obtained at increased market interest rates.

The Bank's Assets and Liabilities Committee ("ALCO") determines the liquidity strategy of the Bank and sets the liquidity risk limits. The Treasury Department manages the Bank's liquidity on a daily basis and is responsible for the execution of the ALCO's decisions. Compliance with strategies, policies and limits is constantly monitored by the Operations Support Department and by the Risk Management Department.

The standards that the Bank applies in this area are established through the Liquidity Risk Management Policy and Strategy and the Treasury Policy. Limit breaches and exceptions to these policies are subject to decisions of the Board of Administration. The local requirements are complemented by the tools used at the ProCredit group level, thus enhancing local liquidity risk management.

Treasury manages liquidity on a daily basis using a cash flow analysis. This tool is designed to provide a realistic picture of the future liquidity situation. It includes assumptions about deposit and loan developments and helps forecasting liquidity risk indicators.

The key tool for measuring liquidity risk is a forward-looking liquidity gap analysis, which shows the contractual maturity structure of the assets and liabilities and estimates future funding needs based on certain assumptions. Starting with the estimation of the future liquidity in a normal financial environment, the assumptions are increasingly tightened in order to analyse the Bank's liquidity situation in a worst-case scenario (stress test).

The main indicator of short-term liquidity is the sufficient liquidity indicator ("SLI"), which compares the amounts of assets available and liabilities assumed to be due within the next 30 days. It must not fall below 1. This implies that the Bank always has sufficient funds to be able to repay the liabilities simulated to be due within the next 30 days. Other regulatory liquidity indicators are: Liquidity Coverage Ratio ("LCR") and NSFR ("Net Stable Funding Ratio"), with a limit of minimum 100%.

The Bank also analyses its liquidity situation from a more structural perspective, taking into account the liquidity gaps in later time buckets and additional sources of potential liquidity. The liquidity position also takes into account credit lines that can be drawn by the Bank with some time delay, and other assets which take some time to liquidate.

In addition to prescribing the close monitoring of these early warning indicators, the Liquidity Risk Management Policy and Strategy also defines reporting triggers. If the reporting limits (early warning) are reached, ALCO takes decisions on appropriate measures.

In order to safeguard the liquidity of the Bank even in stress situations, the potential liquidity needs in different scenarios are determined. The Bank has a liquidity contingency plan that establishes the measures that should be taken if a crisis situation appears at the level of the Bank or the banking system. The liquidity contingency plan is supported by a stand-by line from ProCredit Holding, amounting to EUR 10 million at the end of December 2025.

The internal liquidity management framework complements the regulatory framework, composed of the Quick Liquidity Indicator, Total government securities in Total Assets Indicator, Liquidity Coverage Ratio, and Net Stable Funding Ratio, they being maintaining above the regulatory levels at the end of December 2025.

The Bank also aims to diversify its funding sources. Depositor concentrations are monitored in order to avoid dependencies on a few large depositors. This serves as an early warning signal and requires the reasons and mitigating measures to be reported to the ALCO and to the Audit and Risk Management Committee.

The Bank also minimises its dependency on the interbank market, as well as the cost of funding. The policies stipulate the maximum total amount of money market liabilities out of the total liabilities, a maximum level of the local overnight funding in the total liabilities. Higher limits need to be approved by Board of Administration.

*Facts and figures concerning liquidity risk*

The following table shows the liquidity gap analysis, i.e. the (undiscounted) cash flows of the financial assets and financial liabilities of the bank according to their remaining contractual maturities. The remaining contractual maturity is defined as the period between the balance sheet date and the contractually agreed due date of the asset or liability, or the due date of a partial payment under the contract for an asset or liability.

| in LEI<br>As at December 31,<br>2025   | Carrying<br>Amount   | Gross<br>amount*     | Up to<br>1 month     | 1 - 3<br>months     | 3 - 6<br>months     | 6 - 12<br>months   | 1 - 5<br>years       | More than<br>5 years |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|--------------------|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |                      |                     |                     |                    |                      |                      |
| Cash and cash equivalents  | 533,598,286          | 533,749,271          | 533,749,271          | -                   | -                   | -                  | -                    | -                    |
| Loans and advances to banks  | 134,921,590          | 134,921,590          | 134,921,590          | -                   | -                   | -                  | -                    | -                    |
| Financial assets at FVOCI  | 286,194,625          | 322,376,239          | -                    | -                   | 31,028,650          | 42,498,009         | 248,849,580          | -                    |
| Loans and advances to customers  | 2,365,290,964        | 2,782,586,072        | 72,755,809           | 116,513,737         | 219,885,044         | 543,209,905        | 1,354,231,048        | 475,990,529          |
| Other financial assets   | 4,167,760            | 4,167,760            | 1,888,285            | 412,288             | 354,075             | -                  | 1,486,111            | 27,002               |
| <b>Financial assets</b>  | <b>3,324,173,225</b> | <b>3,777,800,932</b> | <b>743,314,955</b>   | <b>116,926,025</b>  | <b>251,267,769</b>  | <b>585,707,914</b> | <b>1,604,566,738</b> | <b>476,017,531</b>   |
| Off Balance sheet commitments  | -                    | 50,985,000           | 50,985,000           | -                   | -                   | -                  | -                    | -                    |
| <b>Total assets</b>  | <b>3,324,173,225</b> | <b>3,828,785,932</b> | <b>794,299,955</b>   | <b>116,926,025</b>  | <b>251,267,769</b>  | <b>585,707,914</b> | <b>1,604,566,738</b> | <b>476,017,531</b>   |
| <b>Liabilities</b>   |                      |                      |                      |                     |                     |                    |                      |                      |
| Liabilities to banks   | 31,222,578           | 31,799,508           | 265,950              | 31,533,558          | -                   | -                  | -                    | -                    |
| Liabilities to customers   | 2,818,742,244        | 2,839,511,353        | 282,246              | 692,238,224         | 510,951,787         | 391,740,948        | 2,298,148            | -                    |
| Liabilities to IFI   | 189,183,756          | 198,668,820          | 1,963,696            | 19,681,039          | 24,315,716          | 33,145,138         | 118,315,465          | 1,247,767            |
| Other financial liabilities  | 9,908,705            | 9,225,681            | 3,981,668            | -                   | 303,669             | -                  | 4,940,344            | -                    |
| Subordinated debt  | 25,647,615           | 46,628,422           | -                    | -                   | 1,200,709           | 1,062,828          | 8,381,981            | 35,982,903           |
| <b>Financial liabilities</b>   | <b>3,074,704,897</b> | <b>3,125,833,784</b> | <b>1,248,493,560</b> | <b>743,452,821</b>  | <b>536,771,881</b>  | <b>425,948,915</b> | <b>133,935,938</b>   | <b>37,230,670</b>    |
| Off Balance sheet commitment (financial guarantees and credit related commitments) | 1,556,771            | 465,606,550          | 465,606,550          | -                   | -                   | -                  | -                    | -                    |
| <b>Total liabilities</b>   | <b>3,076,261,669</b> | <b>3,591,440,335</b> | <b>1,714,100,110</b> | <b>743,452,821</b>  | <b>536,771,881</b>  | <b>425,948,915</b> | <b>133,935,938</b>   | <b>37,230,670</b>    |
| <b>Liquidity surplus/deficit</b>   | <b>249,468,328</b>   | <b>651,967,148</b>   | <b>-505,178,604</b>  | <b>-626,526,796</b> | <b>-285,504,112</b> | <b>159,759,000</b> | <b>1,470,630,800</b> | <b>438,786,861</b>   |
| <b>Liquidity surplus/deficit including Off Balance sheet commitments</b>           | <b>247,911,556</b>   | <b>237,345,598</b>   | <b>-919,800,155</b>  | <b>-626,526,796</b> | <b>-285,504,112</b> | <b>159,759,000</b> | <b>1,470,630,800</b> | <b>438,786,862</b>   |

| in LEI<br>As at December 31,<br>2024   | Carrying<br>amount   | Gross<br>amount*     | Up to<br>1 month     | 1 - 3<br>months     | 3 - 6<br>months     | 6 - 12<br>months   | 1 - 5<br>years       | More than<br>5 years |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|--------------------|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |                      |                     |                     |                    |                      |                      |
| Cash and cash equivalents  | 425,981,100          | 426,044,107          | 426,044,107          | -                   | -                   | -                  | -                    | -                    |
| Loans and advances to banks  | 70,988,096           | 70,988,096           | 70,988,096           | -                   | -                   | -                  | -                    | -                    |
| Financial assets at FVOCI  | 278,196,496          | 294,954,332          | -                    | -                   | 30,142,469          | 101,265,653        | 163,546,211          | -                    |
| Loans and advances to customers  | 2,063,675,512        | 2,380,059,919        | 39,010,134           | 89,975,625          | 148,293,759         | 424,053,843        | 1,362,903,901        | 315,822,658          |
| Other financial assets   | 6,723,221            | 6,723,221            | 1,622,373            | 4,618,890           | -                   | -                  | 454,956              | 27,002               |
| <b>Financial assets</b>  | <b>2,845,564,425</b> | <b>3,178,769,675</b> | <b>537,664,710</b>   | <b>94,594,514</b>   | <b>178,436,229</b>  | <b>525,319,496</b> | <b>1,526,905,067</b> | <b>315,849,660</b>   |
| Off Balance sheet commitments  | -                    | 49,741,000           | 49,741,000           | -                   | -                   | -                  | -                    | -                    |
| <b>Total assets</b>  | <b>2,845,564,425</b> | <b>3,228,510,675</b> | <b>587,405,710</b>   | <b>94,594,514</b>   | <b>178,436,229</b>  | <b>525,319,496</b> | <b>1,526,905,067</b> | <b>315,849,660</b>   |
| <b>Liabilities</b>   |                      |                      |                      |                     |                     |                    |                      |                      |
| Liabilities to banks   | 50,431,107           | 51,012,357           | 318,607              | 50,693,750          | -                   | -                  | -                    | -                    |
| Liabilities to customers   | 2,279,963,616        | 2,279,963,616        | 1,052,924,737        | 388,197,562         | 470,456,506         | 362,592,222        | 5,792,588            | -                    |
| Liabilities to IFI   | 271,086,868          | 292,303,658          | -                    | 19,501,691          | 26,638,204          | 43,910,585         | 195,167,884          | 7,085,293            |
| Other financial liabilities  | 8,355,517            | 8,355,517            | 3,111,504            | -                   | 303,669             | -                  | 4,940,344            | -                    |
| <b>Financial liabilities</b>   | <b>2,609,837,107</b> | <b>2,631,635,148</b> | <b>1,056,354,848</b> | <b>458,393,004</b>  | <b>497,398,379</b>  | <b>406,502,807</b> | <b>205,900,816</b>   | <b>7,085,293</b>     |
| Off Balance sheet commitment (financial guarantees and credit related commitments) | 1,778,447            | 378,166,137          | 378,166,137          | -                   | -                   | -                  | -                    | -                    |
| <b>Total liabilities</b>   | <b>2,611,615,554</b> | <b>3,009,801,284</b> | <b>1,434,520,985</b> | <b>458,393,004</b>  | <b>497,398,379</b>  | <b>406,502,807</b> | <b>205,900,816</b>   | <b>7,085,293</b>     |
| <b>Liquidity surplus/deficit</b>   | <b>235,727,318</b>   | <b>547,134,528</b>   | <b>-518,690,138</b>  | <b>-363,798,489</b> | <b>-318,962,151</b> | <b>118,816,689</b> | <b>1,321,004,251</b> | <b>308,764,367</b>   |
| <b>Liquidity surplus/deficit including off balance sheet commitments</b>           | <b>233,948,871</b>   | <b>218,709,391</b>   | <b>-847,115,274</b>  | <b>-363,798,489</b> | <b>-318,962,151</b> | <b>118,816,689</b> | <b>1,321,004,251</b> | <b>308,764,367</b>   |

\*undiscounted cash flow for financial assets and liabilities

At December 2025, the Bank has a stand-by agreement of RON 50,985,000 (December-2024: 49,741,000 ) with PCH that could be used in case of necessity.

Due to the fact that not all cash flows will occur in the future as specified within the contracts, the Bank applies assumptions, especially regarding deposit withdrawals. Expected customer behaviour is calculated based on an empirical analysis of historical outflows over a 10 year period and the Bank does not expect customer liabilities with maturities lower than 1 month to be liquidated at maturity. The resulting outflow rate is used as a baseline for calculating liquidity indicators under normal circumstances and increased under stress scenarios.

The Bank's financing contracts comprise of financial covenants that are monitored regularly and communicated to Audit and Risk Management Committee. The Bank complies with all financial covenants for both 2025 and 2024. 47% of non-Group Liabilities to IFIs are guaranteed by ProCredit Holding AG.

The goal is to always have sufficient liquidity in order to serve all expected liabilities within the next month. From a technical point of view this implies that the Bank's available assets should always exceed the expected liabilities, as calculated by applying the above assumptions mentioned above.

The expected liquidity gap quantifies the potential liquidity needs within a certain time period if it has a negative value, and it shows a potential excess liquidity, if it has a positive one. This calculation includes positive excess values from the previous time buckets. The expected liquidity gap is the basis for the sufficient liquidity indicator.

The Bank aims to rely primarily on customer deposits for its funding. This source is supplemented by funding received from international financial institutions (IFIs), which provide earmarked funds under targeted financing programmes (e.g. for lending to SMEs). In order to further diversify its sources of funds, the Bank also maintains relationships with other banks, especially for short-term liquidity lines. In addition, ProCredit Holding and ProCredit Bank Germany provides short- and long-term funding.

## 50) Operational risk

Operational risk is recognised as an important risk factor for the Bank, given that it relies on decentralised processing and decision-making. In line with Basel definition, the Bank defines operational risks as the risk of loss resulting from inadequate or failed internal processes, associated to outsourcing functions, people, ITC and/or external events. This category includes all "risk events" in the areas of personnel, processes, and information technology. A dedicated Operational Risk Management Policy and Strategy establishes the principles of operational risk management.

The overall framework for managing operational risks is best described as a complementary and balanced system comprising the following key components: Corporate Culture, Governance Framework, Policies and Procedures, Risk Assessments, New Risk Approvals (NRAs), Key Risk Indicators and the Risk Event Database. While the Corporate Culture, the Governance Framework, and Policies and Procedures define the basic cultural and organisational parameters, Risk Assessments, New Risk Approvals (NRAs), Key Risk Indicators and the Risk Event Database form the key instruments with which the risk management process is executed.

The overall objectives of the Bank's approach to the management of operational risks are:

- to understand the drivers of the operational risks
- to be able to identify critical issues as early as possible
- to avoid losses caused by operational risks; and
- to ensure efficient use of the capital.

To deliver on these goals the following tools and processes have been implemented within the framework outlined above. They are presented in the sequence in which they are used within the operational risk management process. This process is subdivided into the following phases: identification, evaluation, monitoring, control, and follow up.

- **Identification**
  - Annual operational and fraud risk assessments
  - New risk approval (NRA) process
  - Risk identification and documentation in the Risk Event Database (RED)
  - Ad hoc identification of potential risks
- **Evaluation / quantification**
  - Agreed standards to quantify risks
- **Monitoring and control**
  - Process owners' responsibility to monitor risks
  - Key risk indicators (KRIs) and operational risk reports, risk bearing capacity calculation and monitoring in the Operational Risk Management Committee and Audit and Risk Management Committee
  - Management summaries for the significant risk events
  - Implementation of measures to avoid, reduce or mitigate the risks depending on priorities, efficiency considerations and regulations
  - Transfer of risk to an insurer, if appropriate
- **Issue tracking / follow-up tables for material action plans**
  - Follow-up of the measures taken by the Operational Risk Management Committee or by the Bank's Managers

## **51) Reputational risk**

Reputational risk is recognised as a significant risk to which the Bank is exposed. It is defined as the current or future risk that the profits or capital would be negatively affected due to the unfavourable image of the Bank as perceived by clients, counterparties, shareholders, investors or supervisory authorities.

The Bank monitors all events with potential reputational implications through operational risk events identification, continuous monitoring of the media exposure and regular monitoring of customer complaints. The monitoring results are reported to the Operational Risk Management Committee that may take measures to mitigate the effects of a reputational risk event. The Bank aims to keep the degree of responsibility and professionalism of its employees at a high level in order to mitigate its exposure to reputational risk. Therefore, the various training programmes have become part of the Bank's organisational culture. Relationships with clients have always been based on the principles of transparency and responsibility, thus fostering a good image for the Bank.

## **52) Compliance Risk**

The Compliance risk is defined as the risk to suffer the sanctions set by the regulatory framework, to register significant losses or reputational impact by not complying with the regulatory framework provisions, internal regulations or other applicable best practices.

The management of compliance risk is performed at the Bank level within three committees. The financial covenants included in the refinancing contracts of the Bank are monitored on a regular basis within the ALCO and reported to the Audit and Risk Management Committee. The risks regarding money laundering and financing of terrorism activities are monitored in the AML&CFT on a quarterly basis. The changes in legislation and their implementation are monitored in the OPRC on a regular basis.

The Bank's organizational structure includes the Compliance & AML Department that has the role of assisting the Bank's Managers in order to properly manage the compliance risk.

## **53) Strategic Risk**

The strategic risk represents the current or future risk of negative impact on earnings and capital arising from changes in the business environment or from adverse business decisions, improper implementation of decisions, or lack of response to changes in the business environment.

The Bank includes the strategic risk in the category of significant risks as, according to the developments of the past years in terms of the changes in the business environment mostly triggered by the financial crisis, we faced significant problems regarding the achievement of the business objectives. In these circumstances, the Bank's Board of Administration defines the strategic risk target profile in order to control the Bank's exposure to this risk.

The exposure to this risk is monitored regularly in the meetings of the ALCO.

## **54) Organization of the risk management function**

The ultimate responsibility for the risk management of the Bank lies with the Bank's Managers and with the Board of Administration. The risk management function is located at the level of Risk Management Department, which is responsible for the management all significant risks.

The Risk Management Department is subordinated to the Deputy General Manager and to the Board of Administration.

The Risk Management Department is responsible for the identification, evaluation, monitoring and reporting of risk exposures. The personnel of Risk Management Department is independent of the activities monitored and controlled, as is not performing any business related activities. The Risk Management Department reports regularly to the corresponding organisational units at ProCredit Holding.

The Bank's exposure to risks is monitored and controlled by the Audit and Risk Management Committee, a permanent, specialized committee of the Board of Administration. Detailed monitoring of specific risks is performed by various other

committees, at Bank level: the Credit Risk Management Committee (credit risk, leverage risk), the Assets and Liabilities Management Committee (counterparty risk, liquidity risk, strategic risk, interest rate risk and FX rate risk), the Operational Risk Management Committee (operational risk and reputational risk) and the AML&CFT Committee (anti-money laundering and combating the financing of terrorism).

The Bank's risk policies address all significant risks and set standards that enable risks to be identified early and to be managed appropriately. The Risk Management Department carries out regular monitoring to ensure that the total volume of all risks incurred does not exceed the limits approved. The results of the monitoring are reported to the specialized committees at Bank level, to the Audit and Risk Management Committee and to the Board of Administration.

## F. Additional Notes

### 55) Fair value of financial instruments

The following tables give an overview of the carrying amounts and fair values of the financial assets and liabilities according to the classes of financial instruments, defined in accordance with the business of the Bank.

| <b>2025</b>   |                       |                         |
|---|-----------------------|-------------------------|
| in LEI  | <b>Carrying value</b> | <b>Total fair value</b> |
| <b>Financial assets</b>                             |                       |                         |
| Cash and balances at central bank                   | 533,598,286           | 533,598,286             |
| Loans and advances to banks                         | 134,921,590           | 134,921,590             |
| Shares  | 27,002                | 27,002                  |
| Other financial assets                              | 4,167,760             | 4,167,760               |
| Loans and advances to customers                     | 2,365,290,964         | 2,362,195,802           |
| <b>Total</b>  | <b>3,038,005,602</b>  | <b>3,034,910,440</b>    |
| <b>Financial Liabilities</b>                        | <b>Carrying value</b> | <b>Total fair value</b> |
| Liabilities to banks                                | 31,222,578            | 30,856,950              |
| Liabilities to customers                            | 2,818,742,244         | 2,829,024,960           |
| Liabilities to international financial institutions | 189,183,756           | 192,157,788             |
| Other financial liabilities                         | 9,908,705             | 9,908,705               |
| Subordinated debt                                   | 25,647,615            | 27,591,454              |
| <b>Total</b>  | <b>3,074,704,897</b>  | <b>3,089,539,857</b>    |

| <b>2024</b>                       |                       |                         |
|-----------------------------------|-----------------------|-------------------------|
| in LEI                            | <b>Carrying value</b> | <b>Total fair value</b> |
| <b>Financial assets</b>           |                       |                         |
| Cash and balances at central bank | 425,981,100           | 425,981,100             |
| Loans and advances to banks       | 70,988,096            | 70,988,096              |
| Shares                            | 27,002                | 27,002                  |
| Other financial assets            | 6,723,221             | 6,723,221               |
| Loans and advances to customers   | 2,063,675,512         | 2,061,729,124           |
| <b>Total</b>                      | <b>2,567,394,931</b>  | <b>2,565,448,543</b>    |

| <b>Financial Liabilities</b>                        | <b>Carrying value</b> | <b>Total fair value</b> |
|---|-----------------------|-------------------------|
| Liabilities to banks                                | -50,431,107           | -50,427,088             |
| Liabilities to customers                            | -2,279,963,616        | -2,290,026,087          |
| Liabilities to international financial institutions | -271,086,868          | -275,995,258            |
| Other financial liabilities                         | -8,355,517            | -8,355,517              |
| <b>Total</b>  | <b>-2,609,837,107</b> | <b>-2,624,803,950</b>   |

|                       |          | 2025               |                    | of which           |                   |          |
|-----------------------|----------|--------------------|--------------------|--------------------|-------------------|----------|
| in LEI                | Category | Carrying value     | Total fair value   | Level 1            | Level 2           | Level 3  |
| Investment securities | FVOCI    | 286,194,625        | 286,194,625        | 255,239,089        | 30,955,536        | -        |
| <b>Total</b>          |          | <b>286,194,625</b> | <b>286,194,625</b> | <b>255,239,089</b> | <b>30,955,536</b> | <b>-</b> |

|                       |          | 2024               |                    | of which           |                   |          |
|-----------------------|----------|--------------------|--------------------|--------------------|-------------------|----------|
| in LEI                | Category | Carrying value     | Total fair value   | Level 1            | Level 2           | Level 3  |
| Investment securities | FVOCI    | 278,196,496        | 278,196,496        | 243,156,185        | 35,040,311        | -        |
| <b>Total</b>          |          | <b>278,196,496</b> | <b>278,196,496</b> | <b>243,156,185</b> | <b>35,040,311</b> | <b>-</b> |

The fair value of claims and term deposits at variable rates of interest is identical to their carrying amounts. The fair value of claims and liabilities at fixed rates of interest was determined using the discounted cash flow method, using money market interest rates for financial instruments with similar default risks and similar remaining terms to maturity.

The estimated fair value of the receivables corresponds to the discounted amount of the estimated expected future cash flows, i.e. net of allowance for impairment. The expected cash flows are discounted to fair value at the current market interest rates.

The fair value is calculated based on current observable market data by using a valuation technique. The valuation techniques applied are references to the current fair value of other instruments that are substantially the same and discounted cash flow analysis using observable market parameters, e.g. interest rates and foreign exchange rate. These instruments are classified as Level 2 in the fair value hierarchy.

The fair value of loans and advances to customers was determined using the discounted cash flow method, using the current market rates for end of the year, published by the Bank on its website for loans with similar default risks and similar remaining terms to maturity.

The fair value of liabilities to customers was determined using the discounted cash flow method, using the current market rates for end of the year, published by the Bank on its website for deposits with similar remaining terms to maturity. For deposits with no stated maturity (i.e. Current Accounts and Saving Accounts) the fair value it's equal to carrying value in the balance sheet.

In case observable market rates are not available to determine the fair value of financial liabilities measured at amortized cost, ProCredit Bank Treasury rates are used as an input for a discounted cash flow model. Treasury department rates are determined considering the cost of capital depending on currencies and maturities plus a risk margin that depends on an internal risk rating for each institution. These internal rates are regularly compared to those applied for third party transactions and are therefore in compliance with the arms lengths principle.

There have been no transfers between the input levels of the fair value hierarchy.

## 56) Contingent liabilities and commitments

| in LEI                | 2025               | As at 31 December 2024 |
|-----------------------|--------------------|------------------------|
| Letters of guarantees | 80,677,515         | 73,676,915             |
| Letters of credit     | -                  | -                      |
| Credit commitments    | 384,929,035        | 304,489,222            |
| <b>Total</b>          | <b>465,606,550</b> | <b>378,166,137</b>     |

The above table discloses the nominal principal amounts of contingent liabilities, commitments and guarantees, i.e. the amounts at risk, should contracts be fully drawn upon and clients default. It is expected that a significant portion of guarantees and commitments will expire without being drawn upon; therefore the total of the contractual amounts is not representative of future liquidity requirements. An estimate of the amount and timing of outflow is not practicable.

## 57) Related party transactions

The Bank entered into a number of banking transactions with related parties in the normal course of business.

The list of related parties and description of the nature of relationship is as follows:

| Name                                   | Relationship                  |
|--|-------------------------------|
| ProCredit Holding AG                   | Shareholder                   |
| Quipu GmbH, Frankfurt am Main, Germany | Shareholder                   |
| ProCredit Bank Germany                 | Entities under common control |
| ProCredit Bank Bulgaria                | Entities under common control |
| Procredit Bank Kosovo                  | Entities under common control |
| Procredit Bank North Macedonia         | Entities under common control |
| ProCredit Bank Serbia                  | Entities under common control |
| ProCredit Bank Georgia                 | Entities under common control |
| ProCredit Academy Macedonien           | Group company                 |
| Shipeke Kosovo - Quipu Ges.            | Group company                 |
| ProCredit Academy                      | Group company                 |

The ultimate parent of the Bank is ProCredit Holding AG.

During the year ended 31 December 2025 and the year ended 31 December 2024 the Bank carried out transactions with other related parties from the Group, such as: short and long term financing, IT Services, Management Service Agreement support services as presented below:

| in LEI             | 1.1.-31.12.2025    | 1.1.-31.12.2024    |
|--------------------|--------------------|--------------------|
| Income             | 2,020,766          | 2,387,477          |
| Expense            | 30,329,135         | 29,611,755         |
| <b>Net expense</b> | <b>-28,308,368</b> | <b>-27,224,278</b> |

| in LEI                      | As at 31 December 2025 | As at 31 December 2024 |
|-----------------------------|------------------------|------------------------|
| <b>Assets</b>               |                        |                        |
| Loans and advances to banks | 134,894,152            | 70,968,811             |
| Other receivable            | -                      | -                      |
| <b>Total Assets</b>         | <b>134,894,152</b>     | <b>70,968,811</b>      |

| <b>Liabilities</b>                                     |                   |                   |
|--|-------------------|-------------------|
| Liabilities to banks                                   | 31,222,578        | 318,607           |
| Liabilities to customers (including ProCredit Holding) | 873,746           | 346,502           |
| Other payable  | 447,517           | 553,150           |
| Subordinated debt                                      | 25,647,615        | -                 |
| <b>Total Liabilities</b>                               | <b>58,191,456</b> | <b>1,218,258</b>  |
| <b>Off-balance sheet positions</b>                     |                   |                   |
| Credit line  | 50,985,000        | 49,741,000        |
| Loan commitment  | -                 | -                 |
| <b>Total Off-balance sheet positions</b>               | <b>50,985,000</b> | <b>49,741,000</b> |

Loans and advances to banks represent nostro accounts with ProCredit Germany having interest between 1.6% and 3.25% .

### 58) Management compensation

During the reporting period, total compensation paid to the management of the bank amounted to:

| in LEI                    | 1.1.-31.12.2025  | 1.1.-31.12.2024  |
|---------------------------|------------------|------------------|
| Management board salaries | 3,457,961        | 2,877,137        |
| <b>Total</b>              | <b>3,457,961</b> | <b>2,877,137</b> |

The gross remuneration for the year 2025 for the members of the Bank's Board of Administration was EUR 45,000.

### 59) Number of Employees

|                        | 2025    |             | 2024    |             |
|------------------------|---------|-------------|---------|-------------|
|                        | Average | At year end | Average | At year end |
| General Manager        | 1       | 1           | 1       | 1           |
| Deputy General Manager | 3       | 3           | 3.5     | 3           |
| Head Office Staff      | 128     | 131         | 134     | 143         |
| Branches Staff         | 56      | 58          | 39      | 41          |
| <b>Total Staff</b>     |         | <b>193</b>  |         | <b>188</b>  |

### 60) Exchange rates

The following exchange rates were in force in 2025 and 2024:

| Currency code | 2025                  |                       | 2024                  | Average for the year |
|---------------|-----------------------|-----------------------|-----------------------|----------------------|
|               | At balance sheet date | At balance sheet date | At balance sheet date |                      |
| EUR           | 5.0985                | 5.0408                | 4.9741                | 4.9464               |
| USD           | 4.3417                | 4.4860                | 4.7768                | 4.5758               |

## 61) Address and general information

ProCredit Bank S.A. is domiciled in Romania. The Bank was established in Romania in July 2002 (until November 2004 the Bank was known as Microfinance Bank MIRO S.A.), and is licensed by the National Bank of Romania to conduct banking activities.

The Bank operates through its head office located in Bucharest and through its network consisting of 5 outlets (31 December 2024: 5 outlets) located in Romania offering a wide range of banking operations and financial services intended for both legal entities and individuals. These include the opening of current accounts and savings products, the execution of domestic and international payments, foreign exchange transactions, the provision of financing for current operations and medium-term needs, mortgage loans or consumer loans, as well as the issuance of letters of guarantee.

As of 31.12.2025, the registered office of the Bank was located at:

62 – 64 Buzesti Street,  
 Bucharest, Sector 1  
 Romania

The Bank is managed by a Board of Administration made up of 5 members (31 December 2024: 5 members) lead by a Chairperson. The composition of the Board of Administration was as follows:

| Position    | 31 December 2025        | 31 December 2024        |
|-------------|-------------------------|-------------------------|
| Chairperson | Gian Marco Felice       | Gian Marco Felice       |
| Member      | Rainer Peter Ottenstein | Rainer Peter Ottenstein |
| Member      | Eriola Bibolli          | Eriola Bibolli          |
| Member      | Christoph Beeck         | Zeinab Lomashvili       |
| Member      | Antje Gerhold           | Antje Gerhold           |

## 62) Subsequent events

### Conflict in the Middle East

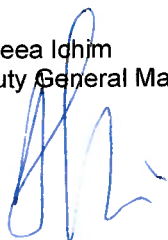
At the end of February 2026, hostilities escalated following strikes launched by the United States and Israel against Iran, followed by regional responses. Energy infrastructure and maritime transport were affected, while Brent oil prices exceeded USD 100 per barrel in March, increasing inflationary risks and weakening the economic outlook.

Given that this conflict arose after the reporting date, the Bank considers it a non-adjusting event after the reporting period and will continue to monitor potential indirect effects on credit risk.

### Registered office

As of 24.04.2026, the Bank changed its registered office at Calea Plevnei No. 159, 5th floor, Sector 6, Bucharest, Romania.

Andreea Ighim  
 Deputy General Manager




Alexandra Andronache  
 Head of Finance Department

