

**CEG N.V.**

Annual Report **2025**

# Contents

General Information	3
Managing Board Letter	4

## Report of the Managing Board

Overview 2025	9
Trends and Developments 2025	12
Risk Management and Business Control	16

## Leadership & Governance

Corporate Governance	22
Managing Board Biographies	25
Supervisory Board Biographies	26
Report of the Supervisory Board	28
Remuneration Report	33

## Financial Statements 36

### Consolidated Financial Statements 2025 37

Consolidated Statement of Financial Position	38
Consolidated Statement of Profit or Loss	39
Consolidated Statement of Comprehensive Income	40
Consolidated Statement of Changes in Equity	41
Consolidated Statement of Cash Flows	43
Notes to Consolidated Financial Statements	44

### Parent Company Financial Statements 2025 139

Parent Company Statement of Financial Position	140
Parent Company Statement of Profit or Loss	141
Parent Company Statement of Changes in Equity	142
Notes to the Parent Company Financial Statement	143

## Other Information 149

Profit Appropriation	150
Independent auditor's report	151



# General Information

## Supervisory Board:

Chairperson: Wilfred Nagel

Vice Chairperson: Aysecan Ozyegin Oktay

Member: Seha Ismen Ozgur

Member: Ali Fuat Erbil

Member: Johan Smessaert

## Managing Board:

General Manager: Senol Aloglu

Chief Financial Officer: Umut Bayoglu

Chief Risk Officer: Batuhan Yalniz

## Registered office:

Karspeldreef 6A  
1101 CJ AMSTERDAM  
The Netherlands  
Phone: +31 (0)20 3576300  
Fax: +31 (0)20 3576301

Chamber of Commerce in Amsterdam:  
34106005

Auditor:  
KPMG Accountants N.V.

# Managing Board Letter

The year 2025 marked an important chapter in the evolution of CEG N.V. (the 'CEG' or the 'Group'). It was defined by strategic transformation, disciplined execution, and continued progress in strengthening the Group's risk profile and overall resilience. Against a challenging geopolitical and economic backdrop, we delivered a solid financial performance, and advanced our strategic priorities across wholesale banking, retail banking, digitalization, and sustainability. These achievements were further recognized by the credit rating upgrade of CEG by Fitch by one notch and the credit rating upgrade of its subsidiary Nexent Bank N.V. ('Nexent Bank' or the 'Bank') by one notch from both Fitch and Moody's.

## Geopolitical and Economic Developments in 2025

Geopolitical and macroeconomic conditions in 2025 remained complex and uncertain. Ongoing geopolitical tensions, disruptions to global supply chains, continued regional conflicts, and evolving trade policies continued to weigh on international trade flows and investment sentiment. At the same time, global economic growth remained uneven. While inflationary pressures gradually eased, they continued to influence monetary policy decisions across major economies.

The interest rate environment had a particularly notable impact on the banking sector. Following a period of rapid rate increases in prior years, central banks adopted a more cautious stance in 2025, with policy rates remaining elevated for longer than previously anticipated. While elevated interest rates supported net interest margins by improving yields on interest-earning assets, they also led to higher funding costs on the liability side, moderated loan demand, and increased pressure on certain customer segments.

The Group proactively incorporated this interest rate environment into its 2025 budget and financial forecasts. As a result, the Group performed in line with management expectations and budgeted targets. Disciplined balance sheet management, a conservative risk appetite, and a diversified business model enabled the Group to navigate these conditions effectively while continuing to support our customers.

## Improving Our Risk Profile and Strengthening Our Balance Sheet

Risk reduction and balance sheet strengthening remained central to the Group's strategy. In 2025, the Dutch Central Bank acknowledged the progress in Nexent Bank's risk profile by lowering its minimum capital requirements for the third consecutive year. The Bank's overall

Supervisory Review and Evaluation Process (SREP) requirement for total capital ratio declined by 76 basis points, from 14.8% in 2024 to 14.0% in 2025, excluding Pillar 2 Guidance.

These improvements reflect the Group's sustained efforts to reduce credit risk concentrations—both at the individual borrower level and across countries and sectors—while maintaining strong asset quality. Nexent Bank's NPL ratio of 1.1%, together with 0.3% of repossessed assets as a share of total assets, highlights the continued effectiveness of the Group's risk management and recovery frameworks.

The strengthened financial position has also been recognized externally. Fitch upgraded CEG's long-term deposit rating by one notch to BB and both Fitch and Moody's upgraded Nexent Bank's long-term deposit ratings by one notch, to BB (stable outlook) and Ba2 (positive outlook) respectively. We remain committed to further enhancing the Bank's credit profile, with a clear ambition to achieve investment-grade status over the medium term.

## Credit Europe Group Becomes CEG and Credit Europe Bank Becomes Nexent Bank

One of the most significant milestones in 2025 was the successful completion of the Group's rebranding from Credit Europe Group to CEG



## Managing Board Letter

and from Credit Europe Bank to Nexent Bank. Officially launched in June 2025, the new brand was rolled out across seven countries and represented far more than a change in name or visual identity.

The transition to CEG and Nexent Bank reflect the Group's evolution into a modern, forward-looking European financial institution, underpinned by a clear strategic focus and strong governance. The new name strengthens our market positioning by emphasizing connectivity, next-generation banking solutions, and a customer-centric approach.

### **Solid Overall Performance**

From a business perspective, 2025 was another solid year for CEG. The Group achieved its financial objectives and delivered its budgeted profit. Net profit amounted to EUR 62 million, representing a budgeted decrease of 17% compared to the prior year (2024: EUR 75 million).

The moderation in profitability was primarily driven by lower loan growth in certain segments and increased competition for retail deposits. These impacts were partially offset by continued cost discipline and strong fee income, mainly from trade finance transactions.

Capital and liquidity positions remained robust throughout the year and comfortably exceeded regulatory requirements. This financial strength provides a solid foundation for future growth,

supports the Group's ambition to further improve its credit ratings, and ensures our continued ability to serve customers reliably in a volatile operating environment.

### **Wholesale Banking: a Core Pillar of our Business Model**

Wholesale Banking remains a core pillar of Nexent Bank's business model, with structured trade and commodity finance at its centre. In 2025, global trade activity was impacted by ongoing disruptions, including geopolitical tensions, commodity market volatility, and uncertainty surrounding tariffs and trade policies. Despite these challenges, the Group's international trade finance volumes reached EUR 31.2 billion. To further strengthen its trade finance franchise in key growth regions, CEG's subsidiary Nexent Bank opened a representative office in the Dubai International Financial Centre in 2025.

A continued focus on portfolio diversification proved effective. By expanding the customer base across regions, industries and counterparties, the Group reduced single-name concentration risk while maintaining strong and long-standing customer relationships. The Corporate Lending and Project and Object (Marine) Finance loan portfolio remained stable.

### **Retail Banking: Investing in Digitalization and Product Development**

Nexent Bank offers transparent and competitively priced retail savings products across the Netherlands, Germany, and Romania. These are supported by intuitive mobile applications, user-friendly online banking services, and multilingual customer support, enabling customers to manage their savings efficiently and with confidence. Throughout 2025, the Group maintained a strong focus on targeted customer acquisition and portfolio optimisation across all three markets, ensuring that retail funding volumes remained aligned with its overall funding strategy and cost objectives.

During the year, approximately 14,000 new retail savings customers were onboarded, demonstrating continued demand for the Group's digital savings proposition despite a highly competitive market environment.

In Germany and the Netherlands, against a backdrop of intense competition and elevated deposit pricing, the Group deliberately implemented a controlled reduction in retail deposit volumes, prioritising funding efficiency and cost optimisation. Consequently, the retail savings portfolio declined from EUR 2.9 billion at the end of 2024 to EUR 2.6 billion at year-end 2025. Retail deposits nevertheless remained a core and stable source of funding, supporting a well-diversified and cost-effective funding profile.

A key milestone in 2025 was the completion of the cross-border merger and the



## Managing Board Letter

subsequent conversion of Nexent Bank's Romanian operations into a branch. Effective 1 January 2025, the Group conducts its Romanian operations through a branch structure comprising 12 agencies. This conversion enhances operational efficiency, strengthens governance, and enables greater synergies across the organization.

Romania continues to be a key growth market for the Group's retail credit card business. In 2025, we successfully launched the new Avantaj mobile application. During the year, we added around 22,000 new credit card customers and remained one of the top players in Romanian credit card market.

Across our retail franchise, we continue to invest in digitalization and product development to enhance the customer experience and further broaden our retail offering.

### **Digitalization and Innovation: A Key Enabler of Our Strategic Ambitions**

Digitalization is a core enabler of the Group's strategic ambitions. In 2025, we established a dedicated Technology and Digital Transformation division within Nexent Bank to accelerate innovation, enhance operational efficiency, and improve the customer experience across all business lines.

During the year, we made significant investments in core banking systems, data infrastructure, and process automation. Cybersecurity remained

a top priority, with continued efforts to strengthen the resilience of our IT environment and to increase cyber risk awareness across the organization.

Together, these initiatives support regulatory compliance and long-term competitiveness, ensuring that the Group remains agile and resilient in an increasingly digital financial landscape.

### **Optimizing the Group's Management Structure**

In 2025, the Group further optimized its management structure to support unified leadership and consistent execution. Group-wide Global Head roles were announced for key business lines, including Bank Relations, Corporate Lending, Structured Trade and Commodity Finance, and Treasury with implementation taking place in 2026. These roles enhance accountability, streamline decision-making, and strengthen alignment between strategy, risk management, and operational execution.

In addition, we launched a new Talent Program within Nexent Bank Amsterdam, underscoring our commitment to developing critical capabilities and future leadership capacity, and to fostering a diverse, inclusive, and high-performing organization.

### **Our People, Planet, and Profit Approach to ESG**

Environmental, social, and governance considerations are increasingly integrated into the Group's strategy. In line with ECB expectations and Pillar 3 requirements, the Group continued to link its risk and impact assessments to its strategic objectives.

In 2025, the Group's new Sustainability Policy and sector-specific policies were approved and implemented. Our transition plan, aligned with the EU Green Deal and the Paris Climate Agreement, was approved by the Managing Board and endorsed by the Supervisory Board.

These measures include sectoral carbon policies, an exclusion list, and financial incentives to stimulate green financing. Together, they represent concrete steps toward reducing exposure to carbon-intensive activities and increasing the share of sustainable transactions in our portfolio.

### **Outlook for 2026 and Beyond**

Looking ahead to 2026 and beyond, the Group remains firmly focused on achieving investment-grade status for Nexent Bank, advancing its digital transformation agenda, strengthening its people and culture, and further building a fully integrated and efficient organization. While economic and geopolitical uncertainties are expected to persist, we are confident that our focused strategy, strong balance sheet, and committed workforce provide a solid foundation for sustainable growth and long-term value creation.



Managing Board Letter

### **A Word of Thanks**

On behalf of the Managing Board, we would like to express our sincere appreciation to the Group's colleagues for their professionalism, dedication, and continued commitment. We also thank the Group's customers for their trust, our shareholders for their ongoing support, and our regulators for the constructive and open dialogue. We are also grateful to the Supervisory Board for its guidance and oversight. Together, we are building a stronger, more resilient Group.

Amsterdam, March 13 2026

Senol Aloglu

Umut Bayoglu

Batuhan Yalniz

# Report of the Managing Board

Overview 2025	9
Trends and Developments 2025	12
Risk Management and Business Control	16



# Overview 2025

CEG N.V. ('CEG' or the 'Group') operates in banking through its sole subsidiary Nexent Bank N.V. ('Nexent Bank' or the 'Bank'). Nexent Bank has branches in Germany, Malta and Romania, banking subsidiaries in Switzerland and Ukraine and representative offices in Turkey and UAE (DIFC).

The business model and strategy of Nexent Bank is as follows:

Nexent Bank is a niche bank that has developed a unique identity over the past 30+ years with the following business model and strategy:

We are a Dutch bank, licensed in the Netherlands and committed to complying with all applicable local regulations. Our identity is captured in our three core values: dynamism, diversity, and expertise. It is adherence to these values that enables us to meet the challenges of today's increasingly volatile, uncertain, and complex world.

Banking in its purest form is our business. We serve our international customer base with a differentiated approach. We offer structured and tailor-made products and services to our corporate customers (including international trade and commodity finance, supply chain finance, project finance, object finance, and working capital loans), while our retail products are simple, efficient, and easy to use.

In wholesale banking, as a medium-sized bank with hands-on managers and short communication lines, we are quick to notice and respond to our customers' needs, creating innovative and tailor-made solutions. This approach has supported our customers during turbulent times and positioned us to take advantage of improving market conditions. With decades of experience in international trade and commodity finance, we have gained extensive experience and expertise in connecting our customers in key importing and exporting countries. Represented in key trading hubs, such as the Netherlands and Switzerland, the Bank is well positioned to finance its trade finance customers' transaction flows across the globe.

To our retail customers, we offer products, mainly in the form of savings, credit cards and residential mortgages.

In the Netherlands, Germany and Romania, we offer retail savings products (sight and term deposits) via internet and mobile banking.

At Nexent Bank, we aim to further strengthen our culture and leadership. We promote universal values and control standards supporting local products and delivery channels.

In all areas of the Bank, we invest in employees' professionalism, expertise and customer focus. By adopting an overarching and inclusive

sustainability framework, we aim to meet the needs and expectations of key stakeholders while contributing to sustainable development.

To sustain our long-term growth ambitions, we combine prudent capital and liquidity management with sound risk management, regulatory compliance, and transparent corporate governance. Pursuing our operations in line with the latest environmental, social, and governance (ESG) standards, we aim to keep the Bank well positioned for the future. We believe this strategy safeguards the interests of all our stakeholders.

Nexent Bank has the following credit ratings as of March 2026:

(1) Fitch Long Term Issuer Default Rating

BB/Stable Outlook

(2) Moody's Long Term Credit Risk Rating

Ba2 /Positive Outlook

Detailed information on the major business lines of Nexent Bank is as follows:

## Retail Banking

Nexent Bank acts as a trusted partner for its retail customers, supporting them in building



> Overview 2025

savings and planning for long-term financial goals across the Netherlands, Germany, and Romania. In the Romanian market, the Bank has established a strong position in the credit card segment.

Retail activities in Western Europe are managed through Nexent Bank's branch in Frankfurt am Main, Germany. The Bank offers attractive and competitive savings products designed to be transparent and easy to understand. Customers are supported by a highly intuitive mobile application, user-friendly online banking services, and multilingual customer service teams, enabling them to manage their savings efficiently and achieve their financial objectives.

Throughout 2025, Nexent Bank focused on expanding its customer base across all three countries through targeted marketing initiatives, onboarding more than 14,000 new customers. In Germany and the Netherlands, amid an environment of intense competition and rising interest rates, the savings portfolio declined by over EUR 250 million, from EUR 2.9 billion to EUR 2.6 billion during the year. Despite this decrease, retail funding remained a core and stable source of financing for the Bank.

In Romania, Nexent Bank achieved approximately 22,000 credit card sales in 2025, with total credit card turnover reaching EUR 376 million. Through its credit card portfolio, including Card Avantaj, Optimo Card, and Diamond Card, the Bank offers a range of payment solutions tailored to diverse customer needs. The Bank remained

one of the leading players in the Romanian credit card market, with more than 200,000 active cards.

A comprehensive modernization of Card Avantaj was completed in 2025, encompassing product redesign, refreshed branding, and enhanced digital capabilities to improve security and customer experience. Key milestones included the launch of a new Avantaj mobile application with integrated loyalty features and the rollout of a fully digital onboarding platform, supporting the transition toward a scalable, digitally driven customer acquisition model. These initiatives were complemented by expanded digital marketing activities and ongoing optimization efforts, laying the foundation for sustainable growth in 2026.

#### Wholesale Banking

Wholesale Banking remains a core pillar of the Bank's business and a key contributor to revenues. The business comprises several specialized divisions offering a broad range of financing solutions, including Structured Trade and Commodity Finance, Corporate Lending, Project Finance, Marine Finance, and Supply Chain Finance. These activities serve an international customer base from Amsterdam, Geneva, Malta, and Bucharest.

#### Performance Overview

Despite lower-than-budgeted average exposure levels, 2025 was a successful year for operating

income. Reduced utilisation reflected softer commodity markets, geopolitical tensions, and early repayments by cash-rich customers. This was more than offset by stronger cross-selling and increased customer wallet share across the Wholesale Banking platform.

#### Structured Trade and Commodity Finance (STCF)

Despite subdued commodity prices, heightened ESG and risk controls, and ongoing geopolitical uncertainty affecting sector-wide utilisation, the STCF division recorded a strong performance. Trade finance volumes reached a record EUR 33.4 billion (+21% year-on-year), driven by new customer onboardings, broader geographic diversification, and the successful launch of the Bank's Dubai representative office.

#### Corporate Lending and Project Finance

Following targeted investments in organizational capacity and technical expertise during the first half of the year, origination activity accelerated markedly in the second half, leading to strong new loan volumes and a robust pipeline entering 2026. Growth was primarily driven by Renewable Energy, Sustainability-Linked Financing, and Commercial Real Estate, while also strengthening Nexent Bank's broader positioning in sustainable finance.

#### Marine Finance

The Marine Finance division adopted a cautious approach for most of 2025 amid geopolitical and



> Overview 2025

trade-related uncertainty, prioritizing portfolio resilience. Improved market visibility in the final quarter supported a selective return to new origination.

#### Supply Chain Finance (SCF)

As a relatively new business line complementary to Trade and Commodity Finance, the loan book continued its increase during 2025. The integration of the payable finance digital platform was completed during the year, with a receivable finance solution scheduled for implementation in the first half of 2026.

# Trends and Developments 2025

## Macro-Economic Developments

In 2025 the global economy exhibited moderate growth, shaped by persistent policy uncertainty, evolving trade dynamics and divergent performance across regions. According to the IMF, global GDP growth is estimated at around 3.3 percent in 2025, below the pre-pandemic average, with inflation gradually moderating from elevated levels as advanced economies converge toward price stability faster than emerging counterparts. Central banks in major economies balanced gradual disinflation with the risks of slowing growth, adjusting monetary policy as needed to support price stability and financial conditions. Trade policy uncertainties, including tariffs and regulatory shifts, continued to influence global economic integration and capital flows.

In the US, activity remained resilient amid ongoing policy and geopolitical uncertainty. Growth moderated relative to prior years, while inflation continued its downward trend, supported by easing price pressures. The Federal Reserve maintained a cautious stance on monetary policy, balancing subdued inflationary conditions with labour market developments and broader financial stability considerations.

In the Eurozone, economic expansion was modest but persistent, underpinned by improved domestic demand and easing price

pressures. Headline inflation declined toward the ECB's target corridor, while core inflation moderated gradually. ECB projections indicated inflation rates trending lower over 2026 as base effects from energy prices continue to ease. Real GDP growth rates were forecast to remain positive, albeit below historical averages. In the Netherlands, economic growth in 2025 remained modest, reflecting subdued external demand and tighter financial conditions, while inflation continued to decline toward the ECB's target. A resilient labour market and strong institutional framework supported household and corporate balance sheets, mitigating credit risk despite pressure on interest-sensitive sectors such as real estate and construction.

Emerging markets displayed mixed momentum in 2025, with several economies benefiting from stabilizing commodity prices and improving external demand. However, elevated geopolitical tensions, supply chain fragmentation and policy uncertainty weighed on investment and trade flows. Many emerging regions continued to outperform advanced markets in aggregate growth terms but faced uneven inflation dynamics and tighter financing conditions.

In Central and Eastern Europe, the Middle East and Africa, growth prospects were underpinned by structural reforms and investment in digital and energy sectors, even as elevated borrowing costs and geopolitical risks tempered expansion.

Across Latin America, political developments and elections in major economies remained key determinants of investor sentiment and policy trajectories in 2025.

In Turkey, macroeconomic conditions in 2025 were shaped by continued policy normalization and tighter monetary and fiscal discipline. Inflation began to moderate from elevated levels, while economic growth slowed as domestic demand adjusted to restrictive financial conditions. Improved policy credibility supported investor confidence and external financing conditions, although inflation, exchange-rate volatility and funding costs remained key risk factors. In Romania, economic activity remained relatively strong compared to the EU average, supported by domestic consumption and EU-funded public investment. Inflation trended downward during the year, while tighter monetary policy contributed to financial stability. Nonetheless, fiscal imbalances and external deficits continued to pose medium-term risks, requiring close monitoring.

In this evolving macroeconomic environment, the Group continued to leverage strategic initiatives to diversify its footprint, enhance its digital offering, and strengthen risk management frameworks. This approach aligns with broader economic trends, enabling the Group to mitigate concentration risks, sustain profitability, preserve asset quality, and reinforce capital buffers,



> Trends and Developments 2025

supporting our medium-term objective of achieving an investment-grade credit profile for CEG's subsidiary Nexent Bank.

### Geopolitical Developments

Geopolitical developments in 2025 have continued to weigh on the global economic and trade environment, albeit with some shifts in emphasis. Protracted conflicts and strategic rivalries between Russia and Ukraine, Israel and Palestine, China and Taiwan, and between many countries in Africa remain unresolved, sustaining volatility in energy and key commodity markets, while new flashpoints and political transitions in several regions have periodically unsettled investor sentiment. At the same time, global supply chains have shown greater adaptability than in previous years, with diversification and nearshoring strategies helping to cushion the impact of localized disruptions. Financial markets have generally remained resilient, but risk premia have increased intermittently, reflecting persistent uncertainty about the potential for escalation and spillovers.

Trade and industrial policies have become even more central to the geopolitical landscape in 2025. Many advanced economies have doubled down on strategic autonomy, industrial subsidies, and tighter scrutiny of foreign investment, particularly in critical technologies, energy, and infrastructure. While these policies aim to enhance resilience and national security, they have also contributed to further fragmentation of global trade, complicating cross-border

investment decisions and increasing compliance costs for internationally active firms. For export-oriented sectors and global banking activities, this environment has reinforced the need to navigate a more complex regulations, sanctions, and trade restrictions.

From a macroeconomic perspective, easing inflationary pressures have allowed central banks in Europe and the United States to shift toward a more supportive monetary stance, providing some relief to growth prospects. However, the effectiveness of these policies remains closely tied to geopolitical stability. For a group with a broad international footprint, 2025 has underscored the importance of maintaining operational resilience, stress-testing portfolios against geopolitical scenarios, and staying alert to shifts in trade flows, currencies, and regulatory frameworks. Proactive risk management and selective investment continue to be essential to managing uncertainty while identifying opportunities in a more fragmented, but still evolving, global economy.

### Technological, Regulatory, Sustainability & Environmental Developments

In 2025, digitalization and Generative AI continued to reshape the financial services industry, with growing emphasis on automation, scalable cloud infrastructures, and data-driven decision-making to enhance efficiency and customer experience. At the same time, increasing regulatory expectations in areas such as cybersecurity, operational resilience, and

responsible AI required further strengthening of governance and control frameworks.

During 2025, the Group progressed its digital transformation agenda by initiating and expanding selected AI and automation pilots across IT and business domains. Early results indicated potential productivity and workflow improvements. CEG also invested in organizational awareness and targeted training programs to prepare for broader AI adoption in the coming years.

In parallel, the Group continued to modernize its technology foundation by gradually expanding cloud adoption and reinforcing cybersecurity and resilience capabilities. In Romania, the Group further supported the digital enablement of its credit card franchise, while in the Netherlands digital product and process optimization initiatives were prepared for more scaled implementation in 2026, ensuring continued alignment between business objectives and IT execution.

From a non-financial risk perspective, the Group continued to strengthen its operational resilience. Key elements of the Digital Operational Resilience Act (DORA) have now been implemented, reinforcing our ICT risk management, third-party oversight and incident preparedness. At the same time, we have begun assessing the broader non-financial impacts of the next wave of European regulatory initiatives, including the EU AI Act and the Cyber Resilience Act and national implementation of NIS2. These



> Trends and Developments 2025

frameworks are expected to influence us in the years ahead, and the Group is preparing to integrate these developments into its risk management practices.

In 2025, the European regulatory agenda continued to advance with the introduction of several far-reaching prudential and supervisory reforms. A key development was the implementation of the EU Banking Package (CRD VI/CRR III), which operationalised the final Basel III measures and introduced strengthened capital, risk-management and transparency requirements. Institutions across the sector prepared for the revised capital calculations, enhanced disclosure obligations, and updated supervisory expectations.

Sustainability remains a primary focus as both regulators and stakeholders intensify their emphasis on green finance, renewable energy, and climate risk mitigation. In Europe, emerging climate policies are accelerating efforts to reduce reliance on fossil fuels. Financial institutions are increasingly required to optimise their lending portfolios, enhance ESG disclosures, and incorporate environmental and social factors into risk evaluations. In alignment with these industry trends, CEG is proactively advancing its initiatives to facilitate the energy transition and reinforce its strategy for green finance and climate risk management within the European banking sector.

## Political Events

In 2025, the U.S. administration's policy agenda moved from signaling to implementation, bringing both incremental clarity and episodic volatility to trade, immigration, and industrial policy. Targeted tariff measures on several countries, including China, India and Europe, and expanded investment screening in strategically sensitive sectors were introduced or tightened, while ongoing debates over inflation and supply-chain resilience moderated the breadth of additional restrictions. Adjustments in immigration enforcement and legal entry channels began to affect labour market conditions in selected industries, with knock-on effects for wage dynamics and business planning.

In the euro area, electoral outcomes and shifting coalition arrangements in several member states influenced fiscal positioning and reform momentum throughout 2025. Governments worked to operationalize the reformed EU fiscal framework, balancing deficit consolidation with continued commitments to energy security, defence spending, and the green and digital transitions. While public investment programs advanced, tighter financing conditions and political fragmentation in some countries underscored the complexity of sustaining policy coordination across the bloc.

## Sectoral Notes

Looking ahead, the sectoral outlook reflects a cautiously constructive environment shaped by easing inflationary pressures, greater clarity on monetary policy and stabilizing financing conditions. Credit fundamentals across most sectors have remained broadly resilient, supported by adequate capital buffers and generally stable rating trends. Nonetheless, sectoral divergence persists. Segments with higher sensitivity to interest rates, specifically commercial real estate and highly leveraged borrowers, continue to face refinancing challenges and valuation pressures, warranting selective risk appetite and heightened monitoring.

Loan demand showed gradual improvement during 2025, supported by improved visibility on funding costs and reduced macroeconomic uncertainty, although interest rates remain above long-term averages. Corporate borrowing was primarily driven by working capital needs, trade-related activity and selective investment, while household demand remained measured as borrowers continued to adapt to tighter financial conditions. Overall asset quality trends remained stable, with stress concentrated in specific sectors rather than broad-based deterioration.

Sustainability considerations and the energy transition agenda continued to play an increasingly important role in shaping sectoral developments. In Europe, enhanced regulatory requirements related to sustainability reporting,



> Trends and Developments 2025

climate risk assessment and ESG integration further influenced banks' lending practices and portfolio composition. These developments are progressively embedded in the Group's credit assessment frameworks, while also presenting opportunities in areas such as renewable energy and energy efficiency.

In this context, the Group remains focused on disciplined sector selection, portfolio diversification and proactive risk management. By aligning its sectoral strategy with long-term structural trends and evolving regulatory expectations, the Group aims to support sustainable growth while preserving asset quality, profitability and capital resilience.

# Risk Management and Business Control

Risk management and business controls are directly anchored in CEG’s strategy and embedded in its organization. CEG implemented a risk management and internal control framework in line with CEG’s business activities and geographical organization. The purpose of such a framework is to set the minimum requirements for risk management and business control in respect to major risks and the successful achievement of the group’s strategic goals.

## Risk and Control Framework

The group bases its governance framework on a “three lines of defence” model. Each line has a specific role and defined responsibilities with the execution of different controls. The three lines work together to identify, assess and mitigate risks. The business units form the first line. Accountability and responsibility for assessing, controlling and mitigating risks affecting their business activities, and the accuracy of financial statements and risk reports with respect to their responsible functions belongs to the first line. The second line consists of Risk Management and Compliance. Within CEG’s head office and each (indirect) banking subsidiary, local Risk Management and Compliance functions are operating. The Managing Board ensures that risk management, compliance and other control matters are addressed and discussed with sufficient authority. The third line is the Internal Audit function, which assesses the functioning

and effectiveness of the business, support and control units, financial risk management and non-financial risk management activities.

CEG’s risk management and internal control framework enables the Managing Board to control the financial and non-financial risks arising from the Group’s business activities. This framework is governed by a system of policies, procedures, and committees, as well as support and control functions. Limits and controls have been put in place to mitigate financial and non-financial risks to an acceptable level in line with the Group’s risk appetite. The risk appetite has been approved by the Supervisory Board and is designed to i) set the maximum level of risk CEG is willing to accept to achieve its business objectives and ii) protect CEG’s activities, not only in terms of profitability, sound capital adequacy and liquidity ratios, but also in terms of reputation and integrity risks. To maintain the quality of financial reports and to increase the effectiveness of reporting, CEG has implemented internal financial reporting controls.

For purposes of this board report, we also refer to Note 34 to the Consolidated Financial Statements, which elaborates in more detail on the risk management and internal control framework, the risks incurred, and the main risk factors attached to the strategy of CEG. Nexent Bank’s corporate website also

provides information on risk management and compliance.

## Key Developments in 2025 in Risk & Compliance in CEG and Regulatory Environment

In 2025, the following events required the specific attention of the Managing Board:

### Mandatory Integrity-Related Risk Training

To ensure the Group’s employees remained informed and updated about compliance-related risks, CEG’s subsidiary Nexent Bank implemented mandatory integrity-related risk training across all locations. This training focused inter alia on conflict management and preventing and detecting financial economic crimes.

### Continued focus on combating financial economic crime

In 2025, CEG reaffirmed its strong commitment to combating financial economic crime, maintaining this as a central priority within its compliance and risk management framework. The Group continued to enhance its controls and capabilities across key areas such as anti-money laundering, customer tax integrity, and sanctions compliance, which is particularly important considering Nexent Bank’s core business activities in global trade. Throughout the year, CEG strengthened its preventive, detective, and corrective measures to ensure



> Risk Management and Business Control

alignment with evolving regulatory expectations and international standards.

### Countering discrimination

In response to reports on alleged discrimination in interactions with banks in the Netherlands - primarily related to compliance with the Dutch Money Laundering and Terrorist Financing Prevention Act (Wwft) - De Nederlandsche Bank N.V. (DNB) initiated an investigation across 25 Dutch banks at the end of 2023, including CEG's subsidiary Nexent Bank. DNB concluded that many institutions had not conducted sufficiently robust risk analyses addressing potential discrimination risks within their Wwft compliance processes. Consequently, DNB instructed all banks to perform comprehensive discrimination risk assessments and implement appropriate control measures to prevent both direct and indirect discrimination.

Although the initial reports were received in late 2023, DNB remained in active dialogue with the banking sector, including Nexent Bank, throughout 2024 and 2025. During this period, Nexent Bank responded to several supervisory questionnaires and carried out follow up actions requested by DNB as part of the ongoing review. In alignment with supervisory expectations, Nexent Bank conducted a comprehensive assessment of potential customer discrimination risks. This included an evaluation of key Wwft related processes - such as customer due diligence, (post) transaction monitoring, and sanctions screening - to determine whether these processes could, even unintentionally, lead

to discriminatory outcomes. The assessment concluded that the risk of direct or indirect discrimination within these processes is low. The findings were presented to both the Managing Board and the Supervisory Board in 2025.

The Group remains committed to safeguarding fair and non-discriminatory treatment of all its customers. CEG's subsidiary Nexent Bank continues to strengthen its internal controls through targeted measures, including periodic spot checks, ongoing reviews of business rules embedded in tools used to meet regulatory requirements and dedicated training to ensure employees are equipped to identify and escalate potential discrimination risks. These efforts support a culture of fairness, integrity, and compliance across the organisation.

### Data-Driven Compliance

In 2025, CEG continued to advance its data-driven compliance efforts, building on initiatives launched in previous years to enhance risk identification, monitoring, and reporting processes. By leveraging advanced data analytics and automation, these initiatives strengthened both the effectiveness and efficiency of the Group's compliance framework.

As part of its ongoing development, CEG will also explore the use of artificial intelligence where appropriate, and only in contexts where such technology can be applied safely, responsibly, and in full compliance with applicable regulatory requirements. Building on this foundation, CEG plans to further expand

its data driven capabilities in 2026, with a continued focus on integrating analytical tools and automated solutions to reinforce compliance risk management.

### Alignment with Changing Regulations

The Group continued to closely monitor regulatory developments relevant to it and to align its operations with the evolving regulatory framework. During 2025, CEG's subsidiary Nexent Bank finalized system enhancements to enable the automation of COREP reporting in accordance with CRR3 requirements. Furthermore, CEG's subsidiary Nexent Bank strengthened its counterparty credit risk management framework by aligning internal calculation methodologies with newly implemented regulatory standards and by further automating related reporting processes. In addition, CEG's subsidiary Nexent Bank enhanced the data accuracy and completeness of the consolidation process for its Romania branch, which supported further improvements in the automation and reliability of regulatory and management reporting.

In 2025, CEG implemented a new set of Sustainability Policies, including the Sectorial Carbon Policy (Fossil Fuel Policy) and the umbrella Sustainability Policy, which establishes the Group's Transition Plan and new Impact Assessment Methodology. The latter enables CEG to fully integrate ESG into its business strategy, aligned with regulatory expectations. No activities are claimed as being associated with economic activities that qualify as



> Risk Management and Business Control

environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (Taxonomy Regulation).

**Non-Financial Risk Management (NFRM) Framework**

In 2025, CEG's subsidiary Nexent Bank advanced the integration of its NFRM framework, standardizing processes across its subsidiaries and branches and enhancing Governance, Risk, and Compliance (GRC) data quality. The GRC tool was fully deployed within Nexent Bank's Swiss subsidiary and its Romanian branch, supporting incident management and Risk and Control Self-Assessments (RCSA), while Nexent Bank's Swiss subsidiary also extended its use to independent control testing and second-line recommendation follow-up. Nexent Bank's Romania branch achieved closer alignment with headquarters methodologies—particularly for RCSA and DORA-related ICT controls—resulting in more consistent assessment execution and improved remediation monitoring. Additionally, the Product Approval and Review Process (PARP) documentation for CEG's subsidiary Nexent Bank's Bank Relations team was updated.

During 2025, CEG's subsidiary Nexent Bank completed its first year of operational implementation and regulatory reporting under DORA. The ICT risk and control framework, established in 2024, was fully embedded across relevant processes, with cyclical control execution and aggregated reporting to the management. Initial DORA regulatory submissions were completed, including reporting

on critical and important ICT service providers (CIFs). Exit strategies for CIFs were finalized, and performance monitoring via defined KRIs was initiated, with ongoing oversight to address contractual gaps. CEG's subsidiary Nexent Bank also strengthened its governance structure in 2025 by reorganizing and expanding ICT-related first-line teams, together with the transfer of certain ICT control responsibilities from the second line to reinforce operational ownership, clarifying roles and strengthening accountability within the 'Three Lines model'.

Cybersecurity capabilities were strengthened to address evolving external threats, including advanced threat detection and response, enhanced cloud security, improved data protection, and business continuity measures. Control effectiveness continued to improve, with monitoring and reporting ensuring timely identification of issues and follow-up on remediation actions.

An AI (development) framework and Acceptable AI use policy was developed.



> Risk Management and Business Control

### Areas of Improvement for 2026

In 2026, the Group will continue to prioritize proactive measures to address evolving regulatory requirements and ensure full compliance with upcoming changes. Through the initiatives mentioned below, the Group aims to ensure full compliance with evolving regulatory frameworks, while enhancing operational resilience, transparency, and customer trust. These initiatives will be supported by increased collaboration between all establishments of CEG and its (indirect) banking subsidiaries and further adoption of data-driven solutions to meet regulatory requirements efficiently and effectively.

#### Regulatory Monitoring

CEG will maintain a strong focus on monitoring regulatory developments at both national and international levels across all establishments. This includes staying informed on key legislative updates, engaging with regulators, and participating in industry forums in jurisdictions where the Group has a presence to anticipate and prepare for changes effectively throughout the organization. Forthcoming national and EU regulations such as the Cyberbeveiligingswet and the EBA Guidelines on the sound management of third-party risk for non-ICT services will be assessed and incorporated into the control environment through targeted gap analyses, control design, and integration into existing registers and governance. Implementation of current active regulatory topics, such as EU

AI Act, Data Act and Cyber Resilience Act, will continue.

#### Asset Liability Management Framework

The Interest Rate Risk in the Banking Book (IRRBB) and liquidity modules of the risk management and its reporting tool will undergo system upgrades aimed at strengthening risk management capabilities and further enhancing the automation of internal and external reporting processes.

#### Credit Risk Management

CEG continues to enhance its credit risk assessment framework on an ongoing basis. CEG's subsidiary Nexent Bank has progressed with updates to the Balance Sheet Lending scorecard model, with implementation planned for 2026. In addition, CEG's subsidiary Nexent Bank has initiated the development of a new scorecard model for the Supply Chain Receivables Financing portfolio, which is also scheduled for implementation in 2026.

#### Maintenance of Financial Crime Prevention Framework

CEG continues to focus on preparing for the implementation of the new European Union (EU) Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework, often referred to collectively as the EU AML Package. Adopted on 30 May 2024, this package represents a fundamental overhaul of the EU's approach to financial crime prevention. For the first time, core obligations for the private sector will be set out in a directly applicable

EU AML Regulation, significantly reducing reliance on national transpositions and thereby addressing the longstanding fragmentation across Member States.

Although the new EU AML Regulation will only become fully applicable by mid-2027, 2026 will be a crucial year for preparatory work. Across all locations, CEG will intensify its assessment of the new requirements, evaluate necessary enhancements to the Group's financial economic crime prevention framework, and begin structured planning to ensure timely and effective implementation once the regime enters into force.

#### Internal Control Report

The responsibilities of the Managing Board include compliance with the principles of the Dutch Financial Supervision Act and other applicable regulations. These responsibilities include the implementation of effective risk management and control systems. The risk management and internal control framework aims to ensure reliable financial reporting and to control operational risks and the strategic goals of CEG N.V.

#### Effectiveness of Risk Management and Internal Controls

CEG N.V. has established a robust and comprehensive risk management and internal control framework to ensure the integrity of its financial reporting, reflecting a strong commitment to safeguarding the Group's

> Risk Management and Business Control

operations and stakeholder interests. In discharging the responsibility for the risk management and internal control systems, the Managing Board annually reviews the effectiveness of the risk management and internal control systems. The design of the risk management and control systems are based on the Group's risk appetite policy and its internal control framework. Based on the assessment the Managing Board states that:

- The Report of the Managing Board in the Annual Report 2025 of CEG N.V. adequately explains the effectiveness of the risk management and internal control systems.
- The risk management and internal control systems provide reasonable assurance that the financial reporting in the Annual Report 2025 does not contain any errors of material importance.
- It is reasonably expected that CEG N.V. will continue operating and meet its obligations for at least the next twelve months, therefore, the financial statements are prepared on a going concern basis.
- There have been no material risks or uncertainties identified that could reasonably be expected to adversely affect the continuity of CEG N.V.'s ongoing operations in the coming twelve months.

It is important to understand that risk management and internal control systems do not guarantee that CEG N.V. will achieve its financial and strategic goals, nor can they completely prevent or detect all misstatements, errors, fraud, or breaches of laws and regulations.

Risks exist, especially where regulations are unclear, open to interpretation, being developed, conflicting, revised, or overturned by courts. CEG N.V. works diligently to follow effective compliance processes and meet legal requirements. However, there is always a possibility of non-compliance with standards.

### Responsibility Statement

Pursuant to Article 5:25c, Section 2, Part c of the Dutch Financial Supervision Act, the members of the Managing Board state that, to the best of their knowledge:

- The financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of CEG N.V. and the companies included in the consolidation;
- The Annual Report 2025 provides a true and fair view of the state of affairs on the balance sheet date and the course of affairs during the financial year 2025 of CEG N.V. and its affiliated entities whose information is included in its financial statements; and
- The Report of the Managing Board in the Annual Report 2025 describes the material risks that CEG N.V. is facing.

# Leadership & Governance

Corporate Governance	22
Managing Board Biographies	25
Supervisory Board Biographies	26
Report of the Supervisory Board	28
Remuneration Report	33

# Corporate Governance

Governance is the cornerstone of the Group’s operations, ensuring transparency, accountability, and ethical conduct in all our activities. By adhering to robust governance practices, we aim to build trust with our stakeholders, mitigate risks, and foster sustainable growth. Our commitment to governance not only enhances our reputation, but also drives long-term value creation for our customers, employees, and shareholders.

## Governance Structure

CEG is a public limited company (naamloze vennootschap) established in Amsterdam on October 14, 1998. The company has registered shares and is not listed on any stock exchange. The total issued and fully paid-up share capital of CEG at the end of 2025 amounted to EUR 550 million.

## Share Capital

As of December 31, 2025, the shares of CEG are 98.71% owned by Fiba Holding A.S. and for 1.29% by Fiba Faktoring A.S. Both shareholding companies are established in Turkey and both companies are ultimately controlled by Mr. Husnu Ozyegin.

## Banking Supervision and Regulations

CEG is subject to ‘consolidated supervision’ by the Dutch Central Bank (De Nederlandsche Bank, DNB).

The statutory corporate rules in the Netherlands are laid down in CEG’s articles of association (statuten). The sole subsidiary of CEG, namely Nexent Bank, is subject to the provisions of the Dutch Banking Code (Code Banken), insofar as its principles are not overruled in the meantime by legislation or other DNB rules. CEG does not have its own website.

## Boards

CEG has a two-tier board structure, with an executive Managing Board and a non-executive Supervisory Board.

## Managing Board

### Composition

The Managing Board of CEG has the same members as the managing board of its subsidiary, Nexent Bank. It is composed to enable it to perform its tasks properly. The individual resumes of each of the members of the Managing Board can be found in the Managing Board Biographies (covering resumes of the Managing Board members).

### Responsibilities

The Managing Board is responsible for the management of CEG, which includes realizing the Group’s goals and strategy, setting policies and achieving results. The Managing Board is also responsible for compliance with all relevant

laws and regulations, management of the risks attached to the business activities and the Group’s funding. The members of the Managing Board take the social role of CEG and the interests of its various stakeholders into account when performing their management functions.

Without affecting this collective and joint responsibility, the members of the Managing Board have agreed to allocate their tasks as follows:

### Senol Aloglu, General Manager

Wholesale Banking, Bank Relations & Supply Chain Finance, Treasury, Retail Banking, Human Resources, Managing Board Office and Internal Audit (administrative reporting line).

### Umut Bayoglu, CFO

Finance, Data & Analytics, Technology & Digital Transformation, and Operations.

### Batuhan Yalniz, CRO

Financial and Non-Financial Risk Management<sup>1</sup> and Compliance.

## Supervisory Board

### Composition

The Supervisory Board consists of five members: Wilfred Nagel (Chairperson), Aysecan Ozyegin Oktay (Vice Chairperson), Seha Ismen Ozgur, Ali Fuat Erbil and Johan Smessaert. For the profiles



> Corporate Governance

of each Supervisory Board member, please see the Supervisory Board Biographies.

The Supervisory Board of CEG is the same as the one for Nexent Bank.

### Responsibilities

In line with corporate rules in the Netherlands, and as set out in CEG's Articles of Association and in the charter of the Supervisory Board, the Supervisory Board's tasks are to supervise the policies and strategy of the Managing Board and the general affairs of the entity and to support the Managing Board with advice.

### Supervisory Board Committees

The Supervisory Board is supported by four committees: Audit & Risk, HR, Remuneration & Nomination, Information Technology and Compliance Oversight.

#### Audit & Risk Committee

The Audit & Risk Committee assists the Supervisory Board in monitoring the status of and developments in CEG's risk management system (e.g. risk appetite, risk profile, capital, liquidity) and internal control system, including the activities of the risk management function and internal audit function. The committee monitors the financial reporting process, oversees the accounting policies and practices, and ensures that CEG maintains an adequate

risk management system and internal control system. In addition, the committee performs a review of CEG's financial statements and the reports of the external auditor. Moreover, it governs the relationship with the external auditor, including their independence, remuneration, and other permitted services executed for CEG.

#### HR, Remuneration & Nomination Committee

This committee advises the Supervisory Board in all areas of remuneration -in general and pertaining to (individual members of) the Group's Identified Staff-, nomination of Supervisory Board and Managing Board members and key function holders. The committee also advises the Supervisory Board on general HR matters, if and where necessary (including but not limited to organization and leadership development, diversity and inclusion, training, recruitment, employability, employee engagement, key HR metrics and trends).

#### Compliance Oversight Committee

The Compliance Oversight Committee assists the Supervisory Board in overseeing CEG's overall compliance risk management framework. This framework is designed to address the wide range of compliance (i.e. integrity) risks the Group faces in alignment with applicable local and international legal and regulatory requirements. The committee keeps

the Supervisory Board informed about relevant developments and best practices in the field of compliance, evaluating their applicability to CEG. Additionally, it provides guidance to the Managing Board on enhancing CEG's overall compliance risk management framework.

#### Information Technology Committee

The Information Technology Committee assists the Supervisory Board in advising and overseeing CEG's group (i) IT strategy and strategic IT projects and alignment thereof with the Group's overall business objectives, (ii) IT security, IT risk and IT operational resilience, (iii) significant IT investments, (iv) sourcing strategy, (v) IT governance, and leadership, and (vi) Compliance with relevant IT regulations and standards.

### Conflicts of Interest

#### Conflicts of Interest

Within the CEG group of companies, procedures suitable for managing potential conflicts of interests have been implemented.

Detailed information on the Nexent Bank procedures in this regard is as follows:

Nexent Bank has adopted a group of procedures suitable for managing potential conflicts of interest to ensure professional integrity and transparency. The generic arrangements aim

<sup>1</sup> Financial Risk Management (including Corporate Credit Risk and Financial Institution (FI) Credit Risk & Sovereign Risk, all 2nd line), Information Security Management, Operational Risk Management, Sustainability, and Legal.



> Corporate Governance

at setting criteria and controls that identify and govern potential conflicts of interest arising from, for example, private investment transactions by employees, senior management, or members of the Managing Board or Supervisory Board.

In 2025, no actual conflicts of interest were identified.

A special category of potentially conflicting situations involves the Bank entering into a transaction with a related party. Parties related to Nexent Bank include all Fiba and Fina Group associated companies, any member of the Managing- or Supervisory Board and their close family members, and any entities owned or controlled by members of any of the boards.

Related party transactions are settled in the normal course of business and, in principle, on an arm's-length basis, that is, under the same commercial and market terms that apply to non-related parties. The kind of transactions that fall under related party transactions include loans, deposits, or foreign exchange transactions.

Nexent Bank has specific arrangements in place to ensure the appropriate management of potential conflicts of interest in related party transactions, including procedures to identify, authorize, and report related party transactions to the Managing Board and the Audit & Risk Committee. In every Audit & Risk Committee meeting, for example, an overview is presented of the exposures outstanding to

Fiba Group companies (i.e., entities controlled by Mr. Husnu Ozyegin) and information on whether the Bank acted in conformity with its established procedures for credit lending to Fiba Group companies.

# Managing Board Biographies

**Senol Aloglu (1965, Male)**  
**General Manager/Managing Board Member**

A graduate in business administration from Bogazici University, Istanbul, and having an MBA from UvA Business School, Amsterdam, Senol Aloglu started his banking career in Turkey in 1987 and joined the Fiba Group in 1991. He worked in banking and leasing operations of Fiba Group until his appointment in 2000 to Nexent Bank as Country Manager for the Dutch Operations. In 2005, he was appointed as a Managing Board member and with effect from 1 January 2022 he took over the CEO role in Nexent Bank (and the general manager role in CEG). Mr. Aloglu, who is a Dutch national, is responsible for Wholesale Banking, Bank Relations & Supply Chain Finance, Treasury, Retail Banking, Human Resources, Managing Board Office and Internal Audit (administrative reporting line).

**Umut Bayoglu (1973, Male)**  
**Chief Financial Officer<sup>1</sup>/Managing Board Member**

Umut Bayoglu holds a BSc in Economics from METU in Ankara. He began his career in 1996

as a management trainee with Finansbank AS. In 2001, he was appointed Head of Financial Control in Germany. He became the CFO of Nexent Bank in 2006, and in 2008 he joined the Managing Board. He is responsible for Finance, Data & Analytics, Technology & Digital Transformation, and Operations. Mr. Bayoglu holds Dutch nationality.

**Batuhan Yalniz (1973, Male)**  
**Chief Risk Officer/Managing Board Member**

Batuhan Yalniz holds a Postgraduate Diploma in Trade, Transport and Finance from City University Business School (Bayes Business School) in London. He has been working in risk-management-related functions within the banking industry for more than 20 years and joined Nexent Bank in January 2008 as Division Director – Risk Management. Since October 2016, Mr. Yalniz, who holds dual Turkish and Dutch nationality, has been a member of the Managing Board responsible for Financial and Non-Financial Risk Management<sup>2</sup> and Compliance.

<sup>1</sup> Also, Vice-chair of the Managing Board (Deputy General Manager) in accordance with article 3.1 of the Charter governing the Managing Board.

<sup>2</sup> Financial Risk Management (including Corporate Credit Risk and Financial Institution (FI) Credit Risk & Sovereign Risk, all 2nd line), Information Security Management, Operational Risk Management, Sustainability, and Legal.

# Supervisory Board Biographies

## **Willem Frederik Nagel (1956, Male) Chairperson**

Willem Frederik Nagel holds a master's in economics from VU University, Amsterdam. In the past two decades, he worked in different regional and group roles within ING. These included commercial- and general management roles as Country Manager Singapore, later CEO of the Asian banking business and CEO of ING Turkey. Risk Management related roles were CRO Asia, CRO Americas and Global head of Credit Risk for ING Group. In his last role at ING, he was a member of ING Group's executive board in the roles of CRO of ING Group as well as CRO of ING's banking and insurance business. Currently, Mr. Nagel is a non-executive board member within several financial institutions. In these various executive and non-executive roles, he has obtained extensive in-depth knowledge and understanding of the global banking and insurance business, credit risk management, compliance risk management, financial management and reporting, and strategy development and planning. Mr. Nagel, who is a Singaporean national, was appointed as an independent member to the Supervisory Board in January 2021 and is Chairperson since 17 March 2023. His current term expires in 2029.

## **Aysecan Ozyegin Oktay (1981, Female) Vice-Chairperson**

Ms. Ozyegin Oktay is vice-chairperson and member of the executive committee of Fiba Group. She has been working within Fiba Group since 2003 and holds executive and non-executive board positions in multiple Fiba Group companies, with a focus on the retail, tourism, and real estate sectors. She is chairperson of Fiba Group's ESG committee. Ms. Ozyegin Oktay is active in philanthropy and leads Fiba Group's social investments. She is chairperson of the Mother Child Education Foundation and board member of the Husnu M. Ozyegin Foundation. Ms. Ozyegin Oktay graduated in economics from Duke University, USA, and obtained an MBA degree from Stanford University, USA. She has Turkish nationality and was appointed to the Supervisory Board of CEG in 2021 as a so-called dependent member. Her current term expires in October 2029.

## **Seha Ismen Ozgur (1976, Female)**

Ms. Ismen Ozgur runs an independent consulting practice. She has served as Director of Strategy and Institutional Development at Ozyegin University, Turkey, and on the Board of the Turkish Economic and Social Studies Foundation (TESEV). Prior to these roles, she was a partner in Oliver Wyman's financial services practice, advising banks around the world on topics of strategy, transformation, and risk management. She founded and led Oliver Wyman's Turkish office and served on several global and regional committees. Ms. Ismen Ozgur holds an B.A.

degree from Princeton University, USA, in Economics and Applied and Computational Mathematics. She holds the Turkish and British nationality and was appointed to the Supervisory Board in May 2019. Her current term expires in 2027. Ms. Ismen Ozgur qualifies as an independent board member.

## **Ali Fuat Erbil (1968, Male)**

Between 1997-2019, Mr. Erbil worked for Garanti Bank in different roles. During his career at Garanti Bank, Mr. Erbil was inter alia responsible for retail and digital banking, human resources, financial institutions and corporate banking and investment banking. In his last role within Garanti Bank, Mr. Erbil acted as CEO of Garanti Bank Turkey, and he was chair of the supervisory boards of Garanti Bank's subsidiaries (including Garanti Bank International N.V.). Currently, Mr. Erbil is a non-executive member of the global advisory board of C2FO (a US based FinTech), and an independent board member of Dogan Holding AS, TAM Finans Factoring AS and Fibabanka AS in Turkey. He holds an MBA degree from the Bilkent University (Ankara, Turkey) in business administration and a PhD from the Istanbul Technical University (Istanbul), faculty of business administration. Mr. Erbil, who is a Turkish national, was appointed as an independent member to the Supervisory Board in May 2022, and his current term expires in 2026.



> Supervisory Board Biographies

**Johan Smessaert (1959, Male)**

Mr. Smessaert (who holds a master's degree in sciences and information sciences from Ghent University) is a seasoned IT manager with decades long experience in leading large IT departments in ING Belgium and ING Netherlands. Next to senior IT delivery roles, Mr. Smessaert has also been in charge of non-functional roles including IT security, IT risk management and IT compliance. In addition, Mr. Smessaert acted as supervisory board member of ING's IT company in Romania, and he fulfilled advisory board roles in several large IT suppliers. As a result of his various executive and non-executive roles, Mr. Smessaert obtained extensive and in-depth knowledge and understanding of and experience in amongst others setting strategy and planning, managing projects, budgeting, non-financial risk management, regulatory framework, intra-group and third-party outsourcing, stakeholder management and business integrity. He has Belgian nationality and was appointed to the Supervisory Board of CEG in December 2024. His current term expires in 2028.

# Report of the Supervisory Board

## Letter from the Chair

Despite a continued volatile and uncertain operating environment, 2025 was a year of important progress and consolidation for the Group. The Supervisory Board looks back on the year with appreciation for the way in which the Managing Board navigated complex geopolitical, macroeconomic and regulatory conditions, while delivering on strategic priorities. The successful completion of the rebranding of CEG's subsidiary from Credit Europe Bank to Nexent Bank combined with a solid financial performance, marked 2025 as a year of continued progress.

Financial and non-financial risk management remains a central focus of the Supervisory Board's oversight. We are pleased to note that the Group continued to make tangible progress in further reducing its risk profile during the year. The ongoing decline in non-performing loans and repossessed assets reflects the effectiveness of the Group's credit policies, portfolio diversification and recovery efforts. The Dutch Central Bank's decision to lower the the minimum capital requirements of CEG's subsidiary Nexent Bank for the third consecutive year is a clear external validation of these efforts. Moreover, the one-notch upgrades by both Fitch and Moody's of CEG's subsidiary Nexent Bank represent an important milestone on the Group's path toward its medium-term ambition of achieving investment-grade status for CEG's subsidiary Nexent Bank.

The Supervisory Board closely monitored developments across the Group's business lines throughout the year. Wholesale Banking once again demonstrated its role as a core pillar of the business model. Despite challenging global trade conditions, structured trade and commodity finance as well as supply chain finance volumes increased, supporting portfolio diversification across regions and counterparties. The opening of a representative office in the Dubai International Financial Centre strengthens the presence of CEG's subsidiary Nexent Bank in a key global trade hub. At the same time, the Supervisory Board takes comfort from the disciplined approach applied to corporate lending and project and object finance, ensuring that growth is achieved within the Group's risk appetite and expertise.

In Retail Banking, the Supervisory Board recognizes the impact of competitive market conditions in the Netherlands and Germany, where retail deposits declined amid intensified competition. We note, however, the continued ability to attract new customers and the Group's ongoing investments in digitalization and product development. Romania remains a strategically important market, and the successful conversion of Credit Europe Bank (Romania) S.A. into a branch of Nexent Bank as of 1 January 2025 represents a significant achievement. The Supervisory Board was closely involved in overseeing this cross-border merger

process and is confident that the new branch structure enhances governance, operational efficiency and long-term growth potential in the Romanian market. The strong performance of the credit card business, supported by the launch of the Avantaj mobile application, further supports this confidence.

Digitalization and innovation continued to gain prominence in 2025. The Supervisory Board supported the introduction of a dedicated Technology and Digital Transformation division, recognizing the critical role of digital capabilities in strengthening operational resilience, enhancing customer experience and ensuring regulatory compliance. In line with that priority the Supervisory Board established an Information Technology sub-committee to strengthen its oversight of the Group's (group) IT strategy, major projects and investments, IT security and risk, operational resilience, sourcing, IT governance, and regulatory compliance. Investments in core banking systems, data infrastructure, automation and cybersecurity are essential to safeguarding the Group's long-term competitiveness in an increasingly digital financial landscape. In this context, the Supervisory Board regularly reviewed progress, risk controls and governance arrangements related to IT and cyber resilience.

Environmental, social and governance matters remain firmly embedded in the Supervisory



> Report of the Supervisory Board

Board's agenda. During the year, we closely followed the development and implementation of the Group's Sustainability Policy. We welcome the concrete steps taken to integrate ESG considerations into decision-making, such as the introduction of sectoral carbon policies, exclusion criteria and incentives for sustainable financing. The Supervisory Board will continue to monitor the Group's progress in meeting regulatory expectations and its own sustainability ambitions.

We attach great importance to sound governance, organizational effectiveness and people development. In 2025, the Group further optimized its management structure through the introduction of group-wide Global Head roles for key business lines, enhancing accountability and consistency across the organization. The launch of the Talent Program in CEG's subsidiary Nexent Bank Amsterdam offices is another positive step in building future leadership capacity and fostering a diverse, inclusive and high-performing culture. The Supervisory Board remains committed to promoting diversity, equality and inclusiveness at all levels of the organization, including within its own composition.

Looking forward, we see a continuation of many of the current external uncertainties and are

not optimistic about meaningful positive impact from the business environment on the Group's performance in 2026. We do believe that the conservative risk profile, strong capitalisation and ample liquidity, position the Group well for a continued execution of its strategy despite these circumstances.

On behalf of the Supervisory board, I would like to express our appreciation to the Managing Board for the constructive cooperation in 2025, and congratulate management and staff on the solid financial performance and strategic progress. The support and advice from our stakeholders, most notably our shareholders, regulators and customers have been invaluable. We thank them for that, and will do our utmost in the coming year to maintain and strengthen these relationships.

### Supervisory Board Composition

#### Composition

The Supervisory Board of the Group consist of five members. All members of the Supervisory Board have a background and experience in banking, investment, or IT.

For more detailed information on the Supervisory Board members, see the Supervisory

Board Biographies, which are deemed incorporated herein by reference.

The current term for which each Supervisory Board member has been appointed can be found in the Retirement and Reappointment section included hereinbelow.

Wilfred Nagel qualifies as a financial expert within the meaning of Section 2 Paragraph 3 of the July 26, 2008, ruling on the establishment of an audit committee.

#### Independence

All but one of the Supervisory Board members qualify as independent on the basis of the relevant financial sector legislation and regulatory guidelines, including DNB supervisory expectations. Wilfred Nagel, Chairperson of the Supervisory Board, meets the applicable independence requirements as well.

#### Retirement and Reappointment

In 2025 there have been no retirements. With effect from 1 October 2025, Ms. Aysecan Ozyegin Oktay has been reappointed as vice-chair/member of the Supervisory Board for another term of four (4) years.

#### Retirement schedule of the Supervisory Board



> Report of the Supervisory Board

Name	Member since	End of current term	Mandatory end of membership
Willem Frederik (Wilfred) Nagel (chairperson)	January 2021	January 2029	January 2033
Ayşecan Ozyegin Oktay (vice-chairperson)	October 2021	October 2029	October 2033
Seha Ismen Ozgur	May 2019	May 2027	May 2031
Ali Fuat Erbil	May 2022	May 2026	May 2034
Johan Smessaert	December 2024	December 2028	December 2036

**Performance Self-Assessment**

The Supervisory Board performed an annual self-evaluation for 2025. As part of this self-evaluation the functioning of the Supervisory Board, its committees, cooperation amongst board members, cooperation with the Managing Board and the effectiveness of the education program was reviewed. The outcome of the evaluation was discussed in a separate meeting of the Supervisory Board. In 2024 the latest external assessment of the Supervisory Board was organized.

**Supervisory Board Activities in 2025**

**Meetings and Attendance**

In 2025, the Supervisory Board had four meetings in accordance with predetermined schedules. In addition, other meetings were held when needed/requested for. The meeting in December 2025 coincided with a consolidated strategy and budget meeting. The meetings in 2025 were attended by all Supervisory Board members.

In general, it is to be noted that also Supervisory Board members not being members of a certain

sub-committee receive an open invitation for each committee meeting and therefore regularly meetings are attended by non-committee members as well.

As a rule, the Managing Board attends all Supervisory Board meetings, except those where the Supervisory Board discusses its own functioning, culture, and its relationship with the Managing Board, as well as those related to the Managing Board’s own performance.

**Topics Discussed**

Recurring topics in all Supervisory Board meetings are strategic matters, general business affairs, risk management and risk monitoring, capital adequacy, compliance, IT management, business developments, financial update, treasury and liquidity management, regulatory correspondence, ESG and (corporate) governance. These and other relevant topics are not only discussed in collective meetings, but also in various bilateral contacts between Supervisory Board members and (individual) members of the Managing Board and/or their direct reports. These contacts contribute to the Supervisory Board’s engaging role and to

the enhancement of the quality of the board’s supervisory responsibility.

**Supervisory Board Committee Activities in 2025**

In 2025 the Supervisory Board was supported by four committees: Audit & Risk, HR, Remuneration & Nomination, Compliance Oversight and Information Technology.

**Report from the Audit & Risk Committee**

In 2025, the Audit & Risk Committee included Supervisory Board members Ali Fuat Erbil (Chairperson) and Wilfred Nagel. Committee members participated in all four quarterly committee meetings held in 2025. Additionally, other Supervisory Board members joined one or more committee meetings by standing invitation. During these meetings, the committee reviewed and discussed the annual and interim financial statements, as well as related dividend payments. Each meeting included updates from risk management and internal audit regarding the effectiveness of the internal control system and risk management processes. Key subjects included financial performance, risk appetite,



> Report of the Supervisory Board

recovery planning, IT risk management (DORA), post-merger integration, and sustainability reporting. Specific areas covered were ICAAP, ILAAP, and periodic updates on information security and operational risks. The committee assessed both the external and internal audit plans, reports, findings, recommendations, and subsequent follow-up actions. Additionally, the committee conducted closed meetings with both the external auditor and the internal audit function. All significant matters discussed by the Audit & Risk Committee were subsequently reported to the Supervisory Board.

#### **Report from the HR, Remuneration & Nomination Committee**

Members of the HR, Remuneration and Nomination Committee in 2025 were Aysecan Ozyegin Oktay (Chairperson), Wilfred Nagel, and Seha Ismen Ozgur. The committee meetings were attended by all committee members.

In 2025, this committee met four times. The focus during these meetings was on cultural transformation (including organisation development and leadership development), diversity, equity & inclusion, a new performance management & compensation framework (including CEG's fixed and variable remuneration packages), the newly launched talent program of CEG's subsidiary Nexent Bank, the group consolidated HR Report, the Group Remuneration Policy (update), and the update of the HR, Remuneration & Nomination Committee charter. The reappointment of Aysecan Ozyegin Oktay (as Supervisory Board member), and

reappointment of Senol Aloglu (as Managing Board member/General Manager) were dealt with and approved. Furthermore, generic updates on the HR Plan 2025, and Outlook HR 2026 and beyond were discussed.

#### **Report from the Compliance Oversight Committee**

This committee consisted of the following Supervisory Board members: Seha Ismen Ozgur (Chairperson), Ali Fuat Erbil and Johan Smessaert. The committee meetings were attended by all committee members.

In 2025, this committee convened four times, and in all meetings one or more members of the Managing Board, including the CRO, were present as well. Within the Managing Board, the CRO serves as the designated 'Wwft portfolio holder'. This role involves responsibility for ensuring the compliance of the Nexent Bank and relevant CEG group entities with the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (Wwft). Discussions primarily focused on the group's compliance exposure particularly in financial-economic crime prevention, as presented through the compliance risk and status report, and regulatory issues impacting the Group.

#### **Report from the Information Technology Committee**

Members of the IT Committee in 2025 were Johan Smessaert (Chairperson) and Ali Fuat Erbil. The committee meetings were attended by all committee members.

In 2025, the IT Committee met three times (the committee was established during the year). The Committee's primary focus was on strengthening Group-wide IT governance, ensuring regulatory compliance, accelerating digital transformation, and aligning IT delivery capacity with the Group's strategic objectives. Key topics included the implementation of the "One Group IT" structure across the Netherlands and Romania, progress on compliance with the DORA and enhancements to the IT Control Framework and Information Security Management (first line of defence), as well as Romania-specific IT risk mitigation measures. The Committee also reviewed major strategic IT initiatives, including the new Avantaj Credit Card App, the Romania Core Banking Migration, and other transformation programs. In addition, the formation of a dedicated AI team and progress on AI adoption and AI security controls were discussed, alongside improvements in ICT contract management and application ownership. Throughout the year, the Committee closely monitored IT risk, control testing, incidents, resource demand, and capacity planning. Preparations for the 2026 IT & Digital Strategy were also discussed. The Committee ensured that technology investments remain risk-aware, cost-disciplined, and value-driven in support of the Group's long-term objectives.

#### **2025 Financial Statements and Result Allocation**

The Supervisory Board has reviewed the Report of the Managing Board and the financial



> Report of the Supervisory Board

statements for 2025, including the report of the external auditor, KPMG Accountants N.V., for the year ending December 31, 2025.

During 2025, CEG made interim dividend payments over the financial year 2025 of in total EUR 22.539.000 to shareholders and EUR 22.602.000 was added to CEG's retained earnings. We propose and advise that the general meeting of shareholders adopts these financial statements. Furthermore, we propose to distribute a final dividend of EUR 9.049.000 of the net result for the year to CEG's shareholders and add the remainder of the net result, being EUR 7.804.000 to CEG's retained earnings, and discharge the members of the Managing Board from their liability with respect to their management responsibilities and the members of the Supervisory Board with respect to their supervisory responsibilities.

The other content of the Leadership & Governance chapter is deemed to be incorporated herein by reference.

**Amsterdam, March 13 2026**

Wilfred Nagel, Chairperson

Aysecan Ozyegin Oktay, Vice-Chairperson

Seha Ismen Ozgur

Ali Fuat Erbil

Johan Smessaert

# Remuneration Report

A Group Remuneration Policy has been established which applies to CEG and its direct and indirect (banking) subsidiaries.

Nexent Bank's Remuneration Report 2025 is as follows:

## Decision-Making Process to Determine the Remuneration

By virtue of Nexent Bank's Group Remuneration Policy, the key elements of the governance structure for the fixing, execution and evaluation of the remuneration management are as follows: the Bank's Supervisory Board is responsible for the establishment, implementation and evaluation of the Group Remuneration Policy and it monitors the proper execution by the Managing Board. The Supervisory Board's HR, Remuneration & Nomination Committee meets at least each quarter and prepares the decision-making process for the Supervisory Board, taking into account the long-term interests of the Nexent Bank's internal and external stakeholders.

Remuneration of Identified Staff (defined in Nexent Bank's Group Remuneration Policy and determined as described in the Assessment of Identified Staff Procedure) is determined by the Supervisory Board. The remuneration of non-Identified Staff is determined and implemented by or on behalf of the Managing Board, although the ultimate responsibility for the

remuneration policy of non-Identified Staff lies with the Supervisory Board exercising control via policies and audits. For senior managers in the control functions Compliance, Finance, Risk Management and Internal Audit, remuneration is directly supervised by the HR, Remuneration & Nomination Committee.

As a general principle, Nexent Bank's Group Remuneration Policy authorizes the Supervisory Board under certain conditions to revise or reclaim the variable remuneration of (a group of) employees, as defined in the policy.

## Link Between Performance and Pay

One of the key elements of Nexent Bank's Group Remuneration Policy is the description of the performance review process, a summary of which is given here:

Based on predetermined and assessable objectives comprising financial and non-financial elements, and on the basis of annually determined company objectives and desired competencies, an employee's overall performance is assessed at least once per year. The non-financial objectives form a substantial portion (at least 50%) of the total set of objectives for an employee.

## Setting Objectives

Each year, the Managing Board formulates its own financial and non-financial objectives and presents them for approval to the Supervisory Board. The approved objectives are then cascaded down to the relevant Heads of the Bank's divisions, Identified Staff members and other employees. Pursuant to the Group Remuneration Policy, financial objective-setting for employees in control functions shall not be based on the commercial objectives of Nexent Bank; that is, the objectives for these employees are set independently from the financial targets or results of the business they control.

## Performance Assessment

An employee's (financial) performance is assessed in the context of Nexent Bank's financial stability and own-fund requirements and the long-term interests of shareholders and other stakeholders.

Financial and non-financial performance is evaluated based on (a) divisional or departmental profitability, calculated on financial criteria such as net income and (b) the department's attribution or claim to Nexent Bank's risk profile.

A web-based performance management system generates an overall performance rating, determined by the manager. The two performance categories and their weighting within the overall score are competencies (50%)



> Remuneration Report

and company and individual goals (50%). The performance ratings vary as follows: “exceptional performance”, “exceeds expectations”, “job well done”, “needs improvement”, and “far below expectations”.

Performance evaluation of Identified Staff considers performance over several years, and appraisals for employees in control functions consider the countervailing function of these employees.

### **Most Important Characteristics of the Remuneration System**

Apart from the governance structure and appraisal process, Nexent Bank’s Group Remuneration Policy also incorporates rules and guidelines for the setting and determination of fixed and variable remuneration of employees.

In Nexent Bank, fixed salary levels are aligned in comparison to similar functions in the banking industry nationally and internationally, validated by an external benchmark organization in respect of the Dutch bank and its Germany and Malta branches.

One of the basic principles for granting variable pay (if any) is that any variable remuneration to be paid may not exceed 20% of an employee’s annual fixed salary. In exceptional cases, the amount of variable remuneration being granted may deviate from this principle (however, the variable pay granted may never exceed 100% of the fixed salary).

No deviations are allowed for employees in control functions or employees directly involved in providing financial services to retail customers.

In principle, Nexent Bank does not grant any variable remuneration to an employee in a second- or third-line function (i.e., Financial and Non-Financial Risk Management, Credit Risk Management, Finance, Compliance and Internal Audit).

### **Phantom Share Plan**

In 2025, Nexent Bank applied its Phantom Share Plan, which describes the terms and conditions for the granting of phantom shares to Identified Staff and any other employee to whom a variable remuneration of EUR 50,000 or more is granted. The plan states that variable remuneration awarded to an Identified Staff member will be 75% unconditional and 25% deferred. At least 60% of the variable remuneration, whether deferred or unconditional, is in the form of financial instruments whose value is determined by or derived from the value of Nexent Bank shares, i.e., phantom shares. These financial instruments are rights, not shares.

The deferred part of the variable remuneration vests over one year. Furthermore, vested phantom shares (whether deferred or unconditional) are subject to a retention period of one year. Vesting and the exercise of the phantom shares is subject to the fulfilment of certain conditions. For example, the holder’s performance rating must be at least “job well done”.

Identified Staff and other employees with variable remuneration of less than EUR 50,000 gross are exempted from any deferrals and phantom shares. This change was made possible under CRD V, which aims to lower the complexity and operational burden of variable remuneration for companies.

Nexent Bank’s Group Remuneration Policy was latest updated in December 2024.

### **Most Important Parameters and Motivation for Variable Remuneration**

Pursuant to the Group Remuneration Policy, the granting of any variable remuneration depends on Nexent Bank’s performance in a year. Additionally, the granting of variable remuneration may not restrict Nexent Bank’s ability to reinforce its regulatory capital, solvency ratio, or funds. Nexent Bank has no other non-cash benefits or variable remuneration elements.

### **Aggregate Quantitative Information on Remuneration Per Business Segment**

In 2025, Nexent Bank paid out EUR 68 million to employees working in the wholesale banking segment and EUR 11 million to employees in the retail banking segment.

### **Aggregate Quantitative Information on Remuneration for Identified Staff**

Nexent Bank has identified 26 Identified Staff members. In 2025, the total amount



> Remuneration Report

of remuneration paid out to Identified Staff amounted to EUR 9,757,974 gross. This total remuneration was split into EUR 7,879,389 fixed salary and EUR 1,743,500 variable remuneration. Please note that this variable remuneration was distributed according to the guidelines described above. In 2025, one Identified Staff member was classified as high earner.

The total amount of awarded and outstanding (vested and unvested) deferred remuneration in 2025 for the variable remuneration over the performance year 2024 amounts to EUR 1,380,432.

#### **Severance Payment**

In the reporting year 2025, Nexent Bank on a consolidated basis paid EUR 152,297 in severance payments to Identified Staff. Nexent Bank did not pay sign-on or entry awards to any Identified Staff member in 2025.

#### **Pay Ratio**

The ratio of the average Managing Board member remuneration paid out in 2025 compared to the average remuneration paid out to a Nexent Bank NL employee in 2025 is 8.15 (for the years 2024, 2023, 2022, and 2021, this ratio was 7.48, 5.22, 5.44, and 5.74, respectively).

# Financial Statements

Consolidated Financial Statements 2025	37
Parent Company Financial Statements 2025	139



# Consolidated Financial Statements 2025

<b>Consolidated Statement of Financial Position</b>	38
<b>Consolidated Statement of Profit or Loss</b>	39
<b>Consolidated Statement of Comprehensive Income</b>	40
<b>Consolidated Statement of Changes in Equity</b>	41
<b>Consolidated Statement of Cash Flows</b>	43
<b>Notes to Consolidated Financial Statements</b>	44



Consolidated Financial Statements 2025

# Consolidated Statement of Financial Position

In thousands of EUR	Notes	December 31, 2025	December 31, 2024	In thousands of EUR	Notes	December 31, 2025	December 31, 2024
<b>Assets</b>				<b>Liabilities</b>			
Cash and balances at central banks	5	759,069	1,267,118	Due to banks	15	479,828	284,843
Financial assets at FVTPL	6	100,823	103,541	Derivative financial instruments	9	233,534	229,342
Financial investments	7	832,896	444,658	Due to customers	16	4,214,853	4,202,042
Loans and receivables - banks	8	821,604	968,647	Current tax liabilities	29	7,793	2,858
Derivative financial instruments	9	257,425	164,958	Other liabilities	17	23,698	31,006
Loans and receivables - customers	10	2,961,889	2,551,050	Provisions	18	10,432	12,942
Current tax assets	29	59	518	Deferred tax liabilities	29	16,587	29,395
Deferred tax assets	29	15,552	30,934	<b>Sub-total liabilities (excluding subordinated liabilities)</b>		<b>4,986,725</b>	<b>4,792,428</b>
Other assets	12	31,443	38,316	Subordinated liabilities	19	134,977	149,376
Property and equipment	13	33,028	34,597	<b>Total liabilities</b>		<b>5,121,702</b>	<b>4,941,804</b>
Investment property		1,028	768	<b>Equity</b>			
Intangible assets	14	20,765	11,892	Equity attributable to owners of the Company		712,864	674,704
Assets held for sale		-	977	Equity attributable to non-controlling interests		1,015	1,466
<b>Total assets</b>		<b>5,835,581</b>	<b>5,617,974</b>	<b>Total equity</b>	20	<b>713,879</b>	<b>676,170</b>
				<b>Total equity and liabilities</b>		<b>5,835,581</b>	<b>5,617,974</b>



Consolidated Financial Statements 2025

# Consolidated Statement of Profit or Loss

In thousands of EUR	Notes	2025	2024	In thousands of EUR	Notes	2025	2024
Interest income using effective interest rate method		494,766	498,684	Personnel expenses	27	(78,619)	(77,139)
Other interest income		88,427	102,259	Operating expenses	28	(42,891)	(41,655)
Interest expense using effective interest rate method		(124,417)	(171,003)	Depreciation and amortization	13,14	(9,060)	(8,503)
Other interest expense		(316,964)	(269,672)	Expenses related to repossessed assets	26	323	(26,018)
<b>Net interest income</b>	21	<b>141,812</b>	<b>160,268</b>	Other impairment losses		(769)	(973)
Fees and commissions income		45,731	51,265	<b>Total operating expenses</b>		<b>(131,016)</b>	<b>(154,288)</b>
Fees and commissions expense		(5,536)	(4,817)	<b>Operating profit before tax</b>		<b>82,305</b>	<b>104,490</b>
<b>Net fee and commission income</b>	22	<b>40,195</b>	<b>46,448</b>	Income tax expense	29	(20,311)	(29,418)
Revenue from repossessed assets	26	864	23,427	<b>Net result for the year</b>		<b>61,994</b>	<b>75,072</b>
Valuation results and net trading income	23	13,355	7,528	<b>Net result for the year attributable to:</b>			
Net results on derecognition of financial assets measured at amortized cost	24	(96)	111	Equity owners of the Company		61,909	75,070
Net results from financial assets measured at FVOCI	25	4,948	1,737	Non-controlling interests		85	2
Other operating income	26	3,034	6,543				
<b>Total operating income</b>		<b>204,112</b>	<b>246,062</b>				
Net impairment result on financial assets	11	9,209	12,716				
<b>Net operating income</b>		<b>213,321</b>	<b>258,778</b>				



Consolidated Financial Statements 2025

# Consolidated Statement of Comprehensive Income

In thousands of EUR	2025	2024	In thousands of EUR	2025	2024
<b>Net result for the year</b>	<b>61,994</b>	<b>75,072</b>	<b>Other comprehensive income that will not be reclassified to the income statement</b>		
<b>Other comprehensive income that will subsequently be reclassified to the income statement</b>			<b>Tangible revaluation reserves:</b>		
<b>Foreign currency translation:</b>			Tangible revaluation reserves	(36)	64
Net result on hedge of net investments	1,319	5,942	Income tax relating to the above	28	(10)
Exchange differences on translations of foreign operations	695	(2,745)	<b>Net change on tangible revaluation reserves</b>	<b>(8)</b>	<b>54</b>
<b>Net change on foreign currency translation</b>	<b>2,014</b>	<b>3,197</b>	<b>Other reserves:</b>	<b>33</b>	<b>(8,762)</b>
<b>Cash flow hedges:</b>			<b>Equity instruments at FVOCI</b>		
Effective portion of changes in fair value	(369)	-	Net change in fair value during the year	783	1,267
Income tax relating to the above	83	-	Income tax relating to the above	(161)	(260)
<b>Net change on cash flow hedges</b>	<b>(286)</b>	<b>-</b>	<b>Net change on equity instruments at FVOCI</b>	<b>622</b>	<b>1,007</b>
<b>Debt instruments at fair value through other comprehensive income</b>			<b>Other comprehensive income for the year, net of tax</b>	<b>2,528</b>	<b>(1,636)</b>
Net change in fair value during the year	290	3,483	<b>Total comprehensive income for the year, net of tax</b>	<b>64,522</b>	<b>73,436</b>
Changes in allowances for expected credit losses	583	166	Attributable to:		
Income tax relating to the above	(720)	(781)	Equity holders of the parent	64,572	73,665
<b>Net change on debt instruments at FVOCI</b>	<b>153</b>	<b>2,868</b>	Non-controlling interest	(51)	(229)



Consolidated Financial Statements 2025

# Consolidated Statement of Changes in Equity

In thousands of EUR	Issued capital	Retained earnings	Fair value reserve	Hedging reserve	Tangible revaluation reserve	Foreign currency translation reserve	Total equity attributable to equity owners of the company	Non-controlling interest	Total equity
<b>At January 1, 2025</b>	<b>550,000</b>	<b>290,171</b>	<b>(1,391)</b>	<b>(110,949)</b>	<b>348</b>	<b>(53,475)</b>	<b>674,704</b>	<b>1,466</b>	<b>676,170</b>
<b>Total comprehensive income</b>									
Change in fair value reserve	-	-	172	-	-	-	172	(19)	153
Change in foreign currency translation reserve	-	-	-	-	-	743	743	(48)	695
Change in net investment hedge reserve	-	-	-	1,319	-	-	1,319	-	1,319
Change in cash flow hedge reserve	-	-	-	(286)	-	-	(286)	-	(286)
Change in fair value of equity instruments at FVOCI	-	-	621	-	-	-	621	1	622
Change in tangible revaluation reserve	-	70	-	-	(8)	-	62	(70)	(8)
Change in other reserve	-	33	-	-	-	-	33	-	33
Profit for the year	-	61,909	-	-	-	-	61,909	85	61,994
<b>Total comprehensive income</b>	<b>-</b>	<b>62,012</b>	<b>793</b>	<b>1,033</b>	<b>(8)</b>	<b>743</b>	<b>64,573</b>	<b>(51)</b>	<b>64,522</b>
<b>Transactions with owners of the Group</b>									
Decrease in equity attributable to non-controlling interests	-	-	-	-	-	-	-	(400)	(400)
Dividends declared and paid	-	(26,413)	-	-	-	-	(26,413)	-	(26,413)
<b>At December 31, 2025</b>	<b>550,000</b>	<b>325,770</b>	<b>(598)</b>	<b>(109,916)</b>	<b>340</b>	<b>(52,732)</b>	<b>712,864</b>	<b>1,015</b>	<b>713,879</b>



Consolidated Financial Statements 2025

In thousands of EUR	Issued capital	Retained earnings	Fair value reserve	Hedging reserve	Tangible revaluation reserve	Foreign currency translation reserve	Total equity attributable to equity owners of the company	Non-controlling interest	Total equity
<b>At January 1, 2024</b>	<b>550,000</b>	<b>264,903</b>	<b>(5,383)</b>	<b>(116,891)</b>	<b>(92)</b>	<b>(50,913)</b>	<b>641,624</b>	<b>15,280</b>	<b>656,904</b>
<b>Total comprehensive income</b>									
Change in fair value reserve	-	-	2,864	-	-	-	2,864	4	2,868
Change in foreign currency translation reserve	-	-	-	-	-	(2,562)	(2,562)	(183)	(2,745)
Change in net investment hedge reserve	-	-	-	5,942	-	-	5,942	-	5,942
Change in fair value of equity instruments at FVOCI	-	(124)	1,128	-	-	-	1,004	3	1,007
Change in tangible revaluation reserve	-	(386)	-	-	440	-	54	-	54
Change in other reserve	-	(8,707)	-	-	-	-	(8,707)	(55)	(8,762)
Profit for the year	-	75,070	-	-	-	-	75,070	2	75,072
<b>Total comprehensive income</b>	<b>-</b>	<b>65,853</b>	<b>3,992</b>	<b>5,942</b>	<b>440</b>	<b>(2,562)</b>	<b>73,665</b>	<b>(229)</b>	<b>73,436</b>
<b>Transactions with owners of the Group</b>									
Decrease in equity attributable to non-controlling interests	-	-	-	-	-	-	-	(13,585)	(13,585)
Dividends declared and paid	-	(40,585)	-	-	-	-	(40,585)	-	(40,585)
<b>At December 31, 2024</b>	<b>550,000</b>	<b>290,171</b>	<b>(1,391)</b>	<b>(110,949)</b>	<b>348</b>	<b>(53,475)</b>	<b>674,704</b>	<b>1,466</b>	<b>676,170</b>

Consolidated Financial Statements 2025

# Consolidated Statement of Cash Flows

In thousands of EUR	Notes	2025	2024
<b>Profit for the year</b>		<b>61,994</b>	<b>75,072</b>
<b>Adjustments for:</b>			
Net impairment on financial assets	11	(9,209)	(12,716)
Depreciation and amortization	13,14	9,060	8,503
Net impairment on non-financial assets		769	973
Income tax expense	29	20,311	29,418
Net interest income		(141,812)	(160,268)
Effect of exchange rate differences		(15,059)	8,015
Provisions		(1,714)	(3,102)
Loss on disposal of subsidiaries		(254)	5,003
		<b>(137,908)</b>	<b>(124,174)</b>
<b>Changes in:</b>			
Financial assets at fair value through profit or loss		(3,686)	(865)
Loans and receivables - banks		147,043	(647,295)
Loans and receivables - customers		(395,393)	175,174
Other assets		(61,959)	5,364
Due to banks		194,985	(230,636)
Due to customers		12,811	171,829
Other liabilities		(11,782)	68,783
		<b>(117,982)</b>	<b>(457,646)</b>
Net acquisition/proceeds of financial assets at fair value through profit or loss	6	3,534	95,771
Interest received		556,785	600,030
Interest paid		(421,211)	(432,088)
Income taxes paid		(15,631)	(1,815)
<b>Net cash used in operating activities</b>		<b>(70,418)</b>	<b>(244,850)</b>

In thousands of EUR	Notes	2025	2024
<b>Cash flows from investing activities</b>			
Acquisition of financial investments	7	(812,443)	(478,251)
Proceeds from sales and redemptions of financial investments	7	418,142	416,295
Acquisition of property and equipment	13	(3,188)	(5,367)
Proceeds from sale of property and equipment		106	1,233
Acquisition of intangibles	14	(13,258)	(6,075)
Disposal of subsidiaries		-	13,606
Dividends received	26(ii)	815	799
<b>Net cash used in investing activities</b>		<b>(409,826)</b>	<b>(57,760)</b>
<b>Cash flows from financing activities</b>			
Proceeds from subordinated liabilities	19	-	96,284
Repayment of subordinated liabilities	19	-	(124,712)
Dividends paid to shareholders		(26,413)	(40,561)
Payment of lease liabilities		(2,864)	(2,942)
<b>Net cash from financing activities</b>		<b>(29,277)</b>	<b>(71,931)</b>
<b>Net cash from operations</b>		<b>(509,520)</b>	<b>(374,541)</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents excluding reserve deposits at central banks at January 1		1,225,999	1,603,050
Effect of exchange rate fluctuations on cash and cash equivalents held		(405)	(2,510)
<b>Cash and cash equivalents excluding reserve deposits at central banks at December 31</b>	5	<b>716,074</b>	<b>1,225,999</b>
Reserve deposits at central banks	5	42,995	41,119
<b>Cash and cash equivalents at December 31</b>	5	<b>759,069</b>	<b>1,267,118</b>



Consolidated Financial Statements 2025

# Notes to Consolidated Financial Statements

(For the year ended December 31, 2025)

## 1 Corporate Information

### General

CEG N.V., herein after ‘the Group’, is domiciled in Amsterdam, the Netherlands. The Group's subsidiary Nexent Bank N.V. comprises four branches in the Netherlands, Germany, Malta and Romania. The Consolidated Financial Statements of the Group as of December 31, 2025, comprise the figures of the Group and its subsidiaries. Together they are referred to as the ‘Group’.

The Group's Parent Company is FİBA Holding A.Ş., Türkiye, ultimately controlled by Özyeğin family.

The Group was founded as a specialized trade-finance bank, which aimed to actively participate in the wholesale financing of international trade. In later years, the Group started retail-banking activities, including savings accounts, mortgage loans, consumer loans and credit cards.

The Group's registered office is Karspeldreef 6A, 1101 CJ Amsterdam, Netherlands and Chamber of Commerce registration number is 34106005.

As of June 26, 2025, Credit Europe Group N.V. has been renamed CEG N.V. Below is the list of other name changes within the Group:

- Nexent Bank N.V. (formerly “Credit Europe Bank N.V.”),
- Nexent Bank (Suisse) SA (formerly “Credit Europe Bank (Suisse) SA”)
- JSC Nexent Bank (formerly “JSC Credit Europe Bank (Ukraine)”)

### Changes to the Group

As of 1 January 2025, Credit Europe Bank N.V. (the Acquiring company) and Credit Europe Romania S.A. (the Vanishing company) enacted a cross-border legal merger by absorption as result of which:

- Credit Europe Romania S.A. ceased to exist and is dissolved without liquidation.
- Credit Europe Bank N.V. acquired all the assets and liabilities of the vanishing company.
- Credit Europe Bank N.V. paid EUR 235 thousand to minority shareholders of Credit Europe Bank Romania S.A. who exercised their withdrawal rights for 0.127% stake in the vanishing company
- The minority shareholders, who did not withdraw, became minority shareholders of Credit Europe Bank N.V., receiving 802,677 new shares (equivalent to a 0.14% stake in the Acquiring company)

Following the merger Credit Europe Bank N.V. became a majority shareholder (99.99%) of Credit Europe Ipotecar IFN S.A. (CEI), a Romanian joint stock company whose main activity consists in the administration of the Romanian residential mortgage portfolio assigned to Credit Europe Bank N.V. in 2009. In addition, CEI administrates its own loans portfolio and repossessed assets portfolio.

## 2 Basis of Preparation

### 2.1 Statement of Compliance

The Consolidated Financial Statements of CEG N.V. and all its subsidiaries are prepared in accordance with International Financial Reporting Standards

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

(IFRS), as adopted by the European Union (EU), and have been approved by the Managing Board and the Supervisory Board on March 13, 2026.

## 2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical-cost basis, unless otherwise stated.

## 2.3 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Euros, which is the Group's functional currency. Amounts in the notes to consolidated financial statements are in thousands of Euros unless otherwise indicated. Financial information presented in Euros has been rounded to the nearest thousands, except where indicated.

## 2.4 Use of Estimates and Judgments

The preparation of Consolidated Financial Statements in conformity with IFRS requires the Group's management to make judgments, estimates and assumptions that affect the application of policies, and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies for the most significant areas requiring management to make judgements and estimates that affect reported amounts and disclosures are made in the following sections:

- Impairment losses on financial assets measured at amortized costs (Note 11)

- Fair value of financial instruments (Note 30)

The most significant use of judgments and estimates are as follows:

## Judgments, Assumptions and Estimation Uncertainties

### i. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The chosen valuation technique makes maximum use of observable market input and relies as little as possible on estimates specific to the Group. Please refer to Note: 30 'Fair Value Information' for significant unobservable inputs.

### ii. Impairment Calculation Methodology for Performing Loans and Receivables

The calculation of expected credit losses requires management to apply judgment and make estimates and assumptions. These judgments, estimates and assumptions are an inherent part of the calculation, which includes probability of default (PD), loss given default (LGD) and exposure at default (EAD) models, the determination of a significant increase in credit risk, the selection of appropriate scenarios and macroeconomic factors and the expected credit loss measurement period. These inputs are based on the best available information and are subject to frequent reassessment. The Group considers a number of quantitative and qualitative factors like forbearance status, warning signals, 30 days past-due back stop to identify and assess significant increase in credit risk.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### iii. Impairment Calculation Methodology for Stage 3 portfolio

The individual component of the total impairment allowance applies to financial assets assessed individually and is based on management's estimate of the present value of expected cash flows, taking into account the debtor's financial position and the recoverable value of collateral. Each asset is evaluated case by case, and the related workout strategy and cash flow estimates are independently approved by the Corporate Credit Committee.

### 2.5 Going Concern

Having made appropriate enquiries, the Board is satisfied that the Group as a whole have adequate resources to continue operational businesses for the foreseeable future and therefore continued to adopt the going concern basis in preparing the financial statements

### 2.6 Changes to Prior Year Disclosures

Certain figures reported in the 2024 annual report have been reclassified for consistency with the presentation applied within these disclosures. These changes are immaterial and presentational in nature and do not change the previously reported financial results for the year ended 31 December 2024 nor the aggregate assets and liabilities, net profit or net cash from continuing operations at that date.

## 3 Material Accounting Policies

The accounting policies set out below have been applied consistently throughout the financial statements of the Group.

### 3.1 Change in Accounting Policies

There is no change in accounting policy for the reporting period.

### Changes in IFRS Effective in 2025

**Amendments and interpretations to standard are effective for annual periods beginning after 1 January 2025**

The below new standards or amendments to standards that are effective, endorsed and adopted by the EU for annual periods beginning after 1 January 2025, have been assessed by the Group and those don't have impact on the consolidated financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

### New Standards and Interpretations not yet adopted

A number of new amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)

Annual Improvements Volume 11 (issued on 18 July 2024)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'

IFRS 19 'Subsidiaries without Public Accountability'

There is no impact of adopting this standard on the Group's consolidated financial statements.

IFRS 18 'Presentation and Disclosure in Financial Statements' -

IFRS 18 replaces IAS 1 and responds to investor demand for better information about an entity's financial performance. The standard sets out the general and specific requirements for the presentation of financial statements and for disclosures in the notes. This includes the requirement to classify all income and expenses in the statement of profit or loss into one of five categories (three being new) and to present three mandatory

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

subtotals (two being new). The standard requires disclosure of management-defined performance measures in one single note to the primary financial statements. Enhanced guidance is provided on the aggregation and disaggregation of information across the financial statements. IFRS 18 results in amendments to other standards, including IAS 7, Statement of Cash Flows. The amendments are effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted. The amendments are expected to impact presentation and disclosure requirements for the financial statements, including the statement of income, but will not materially impact our results

### 3.2 Basis of Consolidation

#### Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included into the consolidated financial statements from the date on which control commences until the date when control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising

from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NCI are measured at their proportionate share of the acquiree`s identifiable net assets at the date of acquisition.

### 3.3 Foreign Currency Translation

#### Transaction and Balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the spot exchange rate at the date on which the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- equity investments measured at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- qualifying cash flow hedges to the extent the hedge is effective.

Translation differences in the income statement are included in 'Valuation results and net trading income'. Translation differences related to the disposal of debt securities at fair value through other comprehensive income are considered an inherent part of the capital gains or losses recognized in 'net results from financial assets measured at FVOCI'.

**Foreign Operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at average exchange rates of the year.

Foreign currency differences are recognized in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency differences arising from such item are considered to form part of the net investment in the foreign operation and are recognized

in other comprehensive income, and presented in the currency translation reserve in equity.

**Hedge of a Net Investment in a Foreign Operation**

Reference is made to note 3.9.

**3.4 Financial Assets and Liabilities**

**Recognition**

Financial assets, with the exception of loans and advances to customers, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instruments. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the timeframe generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' account. Financial liabilities, with the exception of balances due to customers, are recognised on the date that the entity becomes a party to the contractual provisions of the instrument. The Group recognizes due to customer balances when funds reach to the Group. Forward purchases and sales other than those requiring delivery within the timeframe established by regulation or market convention are recognized as derivatives until settlement.

Financial instruments are initially measured at fair value, and transaction costs are added to, or subtracted from, this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

**Classification and Measurement**

**Financial assets**

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI, as explained in Note 3.6)
- FVTPL the Group classifies and measures its derivative and trading portfolio at FVTPL.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

All financial assets that do not meet a ‘solely payment of principal and interest’ (SPPI) criterion, are classified at initial recognition as fair value through profit or loss (FVTPL). Under this criterion, debt instruments that do not correspond to a ‘basic lending arrangement’, such as instruments containing embedded conversion options or ‘non-recourse’ loans, are measured at FVTPL. For debt financial assets that meet the SPPI criterion, classification at initial recognition is determined based on the business model, under which these instruments are managed:

- Instruments that are managed on a ‘hold to collect’ basis are measured at amortised cost;
- Instruments that are managed on a ‘hold to collect and sell’ basis are measured at fair value through other comprehensive income (FVOCI);
- Instruments that are managed on other basis, including trading financial assets, are measured at FVTPL.

Equity financial assets are required to be classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FVOCI. For equity investments classified as FVOCI, all realised and unrealised gains and losses, except for dividend income, are recognised in other comprehensive income with no subsequent reclassification to profit and loss.

### Impairment Allowances

Nexent Bank recognises loss allowances based on the Expected Credit Loss (ECL) model of IFRS 9, which is designed to be forward-looking. The IFRS 9 impairment requirements are applicable on amortized cost financial assets, debt securities classified as at FVOCI, off-balance sheet loan commitments and financial guarantees in accordance with IFRS9.

Impairment of loans is recognised either on an individual or a collective basis, depending on the stage and portfolio. The Group classifies its financial assets in ‘three-stage’ model (‘general model’) for impairment based on changes in

credit quality since initial recognition. a 12-month expected credit loss (ECL) is recognised, whereas for Stage 2 and Stage 3 exposures, lifetime ECLs are measured.

### Stage Assignment

Staging assessment, especially for portfolios with longer tenor, has a significant impact on impairment calculation. The Group has established a framework to perform an assessment at the end of each reporting period to determine whether the credit risk has increased significantly since initial recognition.

The Group groups its loans into Stage 1, Stage 2, and Stage 3, based on the applied impairment methodology, as described below.

#### Classification in Stage 1

Stage 1 corresponds to fully performing exposures. Fully performing exposures are defined as credit exposures that are not past-due or exposures past-due up to 30 days, if there is no "significant increase in credit quality deterioration" indicators like distressed restructuring, significant change in probability of default (PD) or other warning signals. An exposure is past-due when principal, interest or fee has not been paid at the date it was due.

#### Classification in Stage 2

Financial assets showing a significant increase in credit risk since initial recognition. For assets in Stage 2 ECL reflects an estimate of the credit losses over the remaining maturity of the asset (lifetime ECL).

Nexent Bank considers a combination of quantitative and qualitative triggers to identify if a loan should be transitioned from stage 1 to stage 2.

#### Quantitative stage triggers

Quantitative stage triggers identify if there has been a deterioration of the loan PD, leading it to transition from stage 1 to stage 2. For such, two sets of thresholds are considered:

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- Relative threshold: this threshold is used to identify if there's a significant increase in credit risk. That is, a loan is moved from Stage 1 to 2 when there is a significant increase in the PD at reporting date compared to the PD at origination of the loan.
- Absolute threshold: In addition to the relative PD threshold, we classify a loan as Stage 2 when the PD is above an absolute PD threshold.

**Qualitative stage triggers**

Nexent bank transfers any loan from stage 1 to stage 2 if any of the following qualitative stage triggers are met:

- Warning Signals: These are early indicators that a customer's performance may deteriorate. They may stem from financial factors suggesting potential underperformance, or from qualitative factors such as legal issues, organizational changes, or other non-financial events. Financial related warning signals complement the quantitative metrics ensure the most accurate evaluation of the transactions.
- Performing Forborne loans
- Transactions with 30 or more days past due
- Unrated customers: If the customer has been unrated for more than 30 days due to missing data or any other reason it will be transferred to stage 2

**Classification in Stage 3**

Stage 3 corresponds to credit impaired exposures, where there is objective evidence of such impairment as a result of one or more events that occurred after the initial recognition of the exposure (a 'loss event') and that loss event has an impact on the estimated future cash flows of the exposure that can be reliably estimated. For this, the Group aligns the definition of stage 3 loans under IFRS 9 with the default definition in the Capital Requirement Regulations:

- Material exposures with more than 90 days past-due
- Non-performing Forborne loans
- the Group considers the obligor to be unlikely to pay (UTP) its credit obligations

The UTP definition at the Group includes a multitude of default triggers such as bankruptcy, non-accrued status, sale of credit obligations, distressed restructuring of credit, legal executions against the obligor, or any other criteria which indicates deterioration of the obligor creditworthiness. Once one of these triggers are activated the status is changed into default immediately without any additional expert judgment allowed.

**Reclassification with stage improvements**

Assets can move in both directions through the stages of the impairment model. However, in some cases certain probation or cure periods apply to be compliant with the relevant European Banking Authority (EBA) guidelines.

Reclassification to stage 1

The Group reclassifies any loan back to stage 1 if the credit worthiness has improved to the point where no qualitative or quantitative triggers are met. The performing forborne classification is only discontinued, after a two-year probation period and there are no concerns regarding the full repayment of the exposure.

Reclassification to stage 2

The non-performing forborne classification is discontinued, and such an exposure is reclassified from Stage 3 to Stage 2 only after a 1-year cure period has passed and there are no concerns regarding the full repayment of the exposure.

**Management Overlays**

The Group utilizes management overlays (post-model adjustments) when needed. This process includes a detailed evaluation of macroeconomic forecasts, customer PD, LGD, staging and ECL information. Each input and model result is carefully examined on an individual basis to assess whether overlays are needed to account for risks that the models do not fully capture. Before any overlay is applied, resulting in a positive or negative impact on the ECL amount, this needs to be formally validated in a relevant committee by all relevant parties.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Calculation Method - Performing Loans

In order to compute ECL amounts for IFRS9, the Group takes into consideration the PD, LGD and EAD of the transactions:

- PD - The probability of default is an estimate of the likelihood of default over a given time horizon.
- LGD - The loss given default is an estimate of the loss arising if the customer were to default. LGD is expressed as a percentage of the outstanding amount at the default date, and it takes into consideration the expected cash flows from the credit collateral.
- EAD - The exposure at default is an estimate of the exposure at the default date.

With this information, two possible calculation methods are considered: 12-month ECL for stage 1, and lifetime ECL for stage 2.

Regardless of the ECL calculation method applied, forward-looking information is incorporated into the IFRS9 models, based on key macroeconomic variables. These key macroeconomic variables are used to reflect the geopolitics and economy uncertainties around each portfolio, bringing relevant insights.

For the creation of these forecasts, the Group collaborates with an external party. The external part is an independent economic advisory firm that specializes in providing economic analysis, forecasting, and data services, providing multiple economic scenarios representing the base case, mild upside and downside forecasts. These forecasts are then weighted internally at 40%, 30%, and 30%, respectively.

#### Corporate portfolio

The table below shows the forward-looking economic variables used in each of the models for the ECL calculations.

ECL Parameter	Portfolio	Variable
PD	<b>Balance Sheet Lending &amp; Commercial Real Estate - Turkey</b>	Turkey Real GDP (% , yearly) Turkey Unemployment Rate (%)
	<b>Balance Sheet Lending &amp; Commercial Real Estate - Romania</b>	Romania Real GDP (% , yearly) Romania Unemployment Rate (%)
	<b>Balance Sheet Lending &amp; Commercial Real Estate - Rest of the World</b>	Eurozone Real GDP (% , yearly) Eurozone Unemployment Rate (%)
	<b>Marine Finance - Tanker Segment</b>	Exports, goods, and services (World, % , yearly) Brent Crude Price Index (% change)
	<b>Marine Finance - Other Vessel Types</b>	Exports, goods and services (World, % , yearly) Baltic Dry Index (% change)
	<b>Trade Finance -All</b>	Exports, goods and services (World, % , yearly) World Real GDP (% , yearly) Brent Crude Price Index (% change)

For corporate LGD estimates, the Group uses regulatory figures, differentiated by collateral type, due to the limited availability of internal data. These parameters are regularly back-tested against available internal data and an external benchmark model, and are overridden where needed.

#### Corporate provision calculation

Compared with the previous year-end, the Group updated its corporate macroeconomic factor forecasts used in IFRS9 PD models and also LGD parameters, mainly in line with CRR III. Updates in IFRS9 PDs have led to an increased in provisions, which is due to a deterioration in the macroeconomic outlook. In contrast, the updates to the LGD models resulted in a more pronounced reduction in ECL values leading to an overall decrease in the ECL amount. Overall, these changes resulted in a net decrease in provisions of EUR 1.4 million. This impairment value already includes the

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

management overlays, where these were applied in some cases to overlay the stage of customers, totalling in an increase of the provision amount by EUR 0.1 million.

Sensitivity analysis

The Group performs several sensitivity analyses for wholesale portfolio semi-annually to assess the impact of a potential deviation in the underlying assumptions (PD, LGD, macroeconomic scenario weights, macroeconomic variable projections) on impairment levels. The first sensitivity analysis shows that 5% increase in the LGD forecasts across the entire portfolio results in EUR 1.62 million of impairments, compared to EUR 1.40 million at the previous year-end. The second scenario was designed to analyse the impairment impact of 1 notch downgrade throughout the entire corporate portfolio even though it is a very unlikely scenario. Downgrading all ratings by 1 notch results in an impairment increase of EUR 5.56 million, compared to EUR 5.11 million in the previous year. While this extreme scenario increases the PD levels, it also causes transitions from Stage 1 to Stage 2 for the exposures with lower PDs at origination. The third analysis shows the impact of changing scenario weights, 50%/30%/20% to the pessimistic, base and optimistic scenario respectively, and it has an impact of EUR 3.31 million provision increase, compared to EUR 3.66 million last year. In the fourth analysis, all the projections of macroeconomic variables are worsened by 5% under all three scenarios respectively, and it results in a provision increase of EUR 1.16 million, compared to EUR 1.80 million last year.

**Retail portfolio**

The table below shows the forward-looking economic variables used in each of the models for the ECL calculations:

ECL Parameter	Portfolio	Variable
PD	Credit Cards	Romania real GDP (% , yearly)
	Mortgage	
	Multipurpose loans	Romania Unemployment Rate (%)
LGD unsecured	SME	Romania real GDP (% , yearly)
	Credit Cards	Romania Unemployment Rate (%)
LGD secured	Mortgage	
	Multipurpose loans	House Price Index (%)
	SME	

Retail provision calculation

Following updates to the IFRS 9 PD and LGD parameters driven by revised macroeconomic forecasts, retail provisions decreased by EUR 0.6 million compared with the previous year-end. The PD updates had only a limited impact on provisions, while the LGD updates resulted in a reduction in ECL values.

Sensitivity analysis

Two sensitivity analyses were performed for retail exposures. Under the first analysis, the optimistic scenario was weighted by 100% in PD's, LGD's and Haircuts applied. This scenario has an impact of EUR 0.06 million release on consolidated impairment level, compared to the EUR 0.44 million in the previous year-end. Under the second analysis, the pessimistic scenario was weighted by 100% in PD's, LGD's and Haircuts applied. This scenario has an impact of EUR 0.61 million increase on consolidated impairment level, in comparison with the EUR 0.38 million in the previous year-end.

## Calculation Method – Non-Performing Loans

### Corporate & Retail portfolios

The individual component of the total allowance for impairment applies to financial assets evaluated individually<sup>1</sup> for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about a debtor's financial position and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are approved by the Corporate Credit Committee independently.

### Probability-Weighted Scenarios

The calculation methodology includes three different scenarios for which impairment is analysed separately, with probability-weighted estimates for Gone Concern and/or Going Concern approaches.

The baseline scenario is the most likely scenario and hence has 50% probability. The alternative scenarios are less likely and have each a 25% probability. One of the alternative scenarios (Alternative II) is always the worst-case scenario that must be analysed under the impairment approach of gone concern. The baseline and the other alternative scenario (Alternative I) have the same impairment approach, which may be either 'gone concern', or 'going concern', depending on whether the borrower is bankrupt and whether the expected operational cash flow is sufficient to repay principal and interest.

### Time-To-Sell

The Group determines time-to-sell period based on asset type, quality, geographical area located, current and expected market conditions. The Group also sets the period based on an expert judgment. For NPLs that the

enforcement collection has already initiated and still ongoing, the period is determined by consulting legal department in each analysis term.

### Volatility Haircut

The Group uses two types of volatility haircuts: generic and specific. Generic haircut is determined based on macroeconomic factors (both generic and specific). Specific haircut is based on other factors that are not covered by the generic haircut and reflects the volatility that is specific for the collateral such as the location, market, nature, and characteristics of the collateral.

### Collection Rate Haircut

Collection rate is the ratio of 'sales proceeds expected to be collected by the Group' to 'market value of the collateral'. There are several expenses that decrease the net amount of proceeds received from the sale of collateral such as legal expenses, selling costs and taxes, maintenance costs in relation to the repossession and disposal of collateral and administrative expenses.

Stage 3 impairment allowances reflect an unbiased and probability-weighted amount that is determined by the Group through evaluating a range of possible outcomes. Management assesses the probable scenarios and judges the suitability of respective weights to be applied. Changes in the scenarios and weights would have a significant effect on the impairment allowances.

### Write-off

The Group partially or fully writes off the NPLs that are recognized as unrecoverable. The exposure could be written off if it is not legally enforceable, or the Group considers very unlikely to be able to recover funds from the borrower or any third party via sale or appropriate of any collateral.

<sup>1</sup> With the exception of small SME or other retail exposures. Where, exposures below EUR 250 and 200 thousand, respectfully, are threatened collectively.

### Financial Liabilities

The Group classifies its financial liabilities and subsequently measures at amortized cost, except for financial guarantee contracts and loan commitments.

#### Derecognition

##### **Derecognition due to substantial modification of terms and conditions**

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan. The difference recognised as a derecognition gain or loss, unless an impairment loss has not already been recorded.

The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed POCL.

When assessing whether to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

##### **Derecognition other than for Substantial Modification of Terms and Conditions**

#### Financial Assets

The Group derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when:

- the contractual rights to the cash flows from the financial asset expire;
- the Group retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation ('pass-through' arrangement) to pay the cash flows in full without material delay to a third party; or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability. 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 transferred), 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 recognized in other comprehensive income is recognized in the income statement under "Net results on derecognition of financial assets measured at amortized cost" line.

The Group enters transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred asset, or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the balance sheet. Transfers of assets with retention of all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and

the maximum amount of the consideration that the Group could be required to repay.

### Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

### Offsetting and Collateral

The Group enters into master netting arrangements with counterparties wherever possible, and when appropriate, obtains collateral. The Group receives and gives collateral in the form of cash and marketable securities in respect of derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, securities lending and securities borrowing transactions.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group:

- currently has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Due to differences in the timing of actual cash flow, derivatives with positive and negative fair values are not netted, even if they are held with the same counterparty. In addition, current accounts with positive and negative balances held with the same counterparties are not netted.

### Amortised Cost Measurement

The ‘amortised cost’ of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective

interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. The amortization is recognized in the income statement under interest income.

### Fair Value Measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm’s length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option-pricing models. The chosen valuation technique makes maximum use of relevant observable inputs, relies as little as possible on unobservable inputs specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instrument. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Assets and long positions are measured at a bid price, liabilities and short positions are measured at an ask price. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

estimates obtained from models are adjusted for any other factors, such as liquidity risk; to the extent that the Group believes a third-party market participant consider them in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables only include data from observable markets, then the difference is recognized in the income statement (valuation results and net trading income) on initial recognition of the instrument. In other cases, the difference is not recognized in the income statement immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

The principal methods and assumptions used by the Group in determining the fair value of financial instruments are:

- Fair values for trading and financial investments are determined using market prices from active markets. If no quoted prices are available from an active market, the fair value is determined using discounted cash-flow models. Discount factors are derived from the swap curve (observable in the market), plus a spread reflecting the characteristics of the instrument.
- Fair values for derivative financial instruments are obtained from active markets or determined using, as appropriate, discounted cash-flow models. Discount factors are derived from the swap curve (observable in the market).
- Fair values for loans and deposits are determined using discounted cash-flow models based on the Group's current incremental lending rates for similar types of loans. For variable-rate loans that re-price frequently and have no significant change in credit risk, fair values are approximated by the carrying amount.
- The fair value of loans that are quoted in active markets is determined using the quoted prices. The Group uses valuation method to establish the fair value of instruments where prices quoted in active markets are

not available. Parameter inputs to the valuation method are based on observable data derived from prices of relevant instruments traded in an active market. These valuation methods involve discounting future cash flows of loan with related yield curve plus spread on similar transactions and using recent offers if available.

- The carrying amounts are considered to approximate fair values for other financial assets and liabilities such as cash and balances at central bank and accounts receivable/payables.

### 3.5 Cash and Cash Equivalents

'Cash and cash equivalents', as referred to in the cash flows statement, comprises cash on hand and non-restricted balances with central banks with an insignificant risk of a change in value. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

The cash flows statement, based on the indirect method of calculation, gives details of the source of cash and cash equivalents that became available during the year, and the application of these cash and cash equivalents over the course of the year. The cash flows are analysed into cash flows from operations, including banking, investment and financing activities. Movements in loans and receivables and inter-bank deposits are included in cash flows from operating activities. Investment activities comprise sales and redemptions in respect of financial investments, and property and equipment.

The issuing of shares, and the borrowing and repayment of long-term funds are treated as financing activities. Movements due to currency translation differences and the effects of the consolidation of business acquisitions, where of material significance, are eliminated from the cash flows figures.

### 3.6 Financial Assets Measured at Fair Value Through other Comprehensive Income

#### i. Debt Securities

'Debt securities' are classified as at FVOCI when both of the following conditions are met;

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test.

These instruments are initially recognized and subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in other comprehensive income as ‘fair value reserve’. Interest earned while holding the instruments are reported as interest income using the effective interest rate. The expected credit losses for debt securities do not reduce the carrying amount of these assets in the statement of financial position, which remains at fair value. Instead, the loss allowance is recognized in other comprehensive income with a corresponding charge to profit or loss within ‘net impairment loss on financial assets’.

## ii. Equity Instruments

Equity instruments at FVOCI comprise the investments, which the Group elects to classify irrevocably as such, on an instrument-by-instrument basis. Gains and losses are recorded in other comprehensive income as part of ‘fair value reserves’ without reclassification to profit or loss upon derecognition.

Dividends are recognized as ‘other operating income’. Equity instruments at FVOCI are not subject to impairment assessment.

## 3.7 Loans and Receivables

The Group only measures Due from banks, Loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- 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.

Loans and receivables that do not meet ‘solely payments of principal and interest’ (SPPI) criterion are classified as ‘non-trading assets mandatorily at fair value through profit loss’.

Loans and receivables also include finance lease receivables in which the Group is the lessor.

## 3.8 Derivatives Held for Trading

Derivatives held for trading are closely related to facilitating the needs of our clients. A significant part of the derivatives in the trading portfolio is related to serving clients in their risk management to hedge, for example, currency or interest rate exposures. The Group also offers products that are traded on the financial markets.

A financial asset is held for trading if the Group acquired it for the purpose of selling in the near future or is part of a portfolio of financial assets subject to trading. Derivative assets are always treated as held for trading unless they are effective hedging instruments.

## 3.9 Derivatives Held as Economic Hedge and Hedge Accounting

The Group enters into derivative transactions for risk management purposes in line with its asset-liability management objectives. Some of these transactions economically hedge exposures but do not qualify for hedge accounting; these derivatives are measured at fair value in the statement of financial position. Interest-related results are recognised within net interest income, while all other fair value changes are reported under “valuation results and net trading income.”

For qualifying relationships, the Group designates certain derivatives as hedging instruments and formally documents the hedge relationship, including the risk management objective, hedged risk, and the methodology for assessing hedge effectiveness.

If the hedging instrument expires, is sold, terminated, exercised, or if the hedge relationship no longer meets the qualifying criteria, hedge accounting is discontinued prospectively. Amounts previously recorded in

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

other comprehensive income continue to be deferred in equity until the related cash flows occur. If the Group determines that the hedged cash flows are no longer expected to materialise, the balance accumulated in equity is reclassified immediately to profit or loss.

To assess hedge effectiveness, the Group applies the forward method, comparing the cumulative present value changes of the hedged items and the hedging instruments. Effectiveness testing is performed on an ongoing basis to ensure that the hedge relationship remains aligned with the Group's risk management objectives. The main sources of hedge ineffectiveness include (i) the impact of the Group's own credit risk and the credit risk of the counterparty on the fair value of derivatives, which does not affect the hedged item, and (ii) timing mismatches between the maturities or settlement dates of the hedging instruments and the underlying transactions.

**Fair Value Hedges**

The Group applies fair value hedge accounting to manage interest rate and foreign currency risk through both micro and macro hedge strategies. Changes in the fair value of the hedging instrument and the hedged item attributable to the hedged risk are recognised directly in the income statement. When hedge accounting is discontinued, accumulated hedge adjustments are amortised using the effective interest method unless the hedged item is derecognised. If hedged item is sold or settled, fair value adjustment is recognized immediately in the income statement.

**- Micro Fair Value Hedges**

A fair value hedge accounting relationship is a 'Micro fair value hedge' when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a micro fair value hedge relationship include fixed rate corporate loans, fixed rate debt instruments at FVOCI and fixed rate issued subordinated loans. These hedge accounting relationships are assessed for prospective and retrospective hedge effectiveness on a monthly basis.

If the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting, or the Group decides to discontinue voluntarily the hedging relationship, the hedge accounting relationship is discontinued prospectively. If the relationship does not meet the hedge effectiveness criteria, the Group discontinues hedge accounting from the last date on which compliance with hedge effectiveness was demonstrated. If the hedge accounting relationship is terminated for an item recorded at amortised cost or FVOCI, the accumulated fair value hedge adjustment to the carrying amount of the hedged item is amortised over the remaining term of the original hedge. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

**- Macro Fair Value Hedges**

The Group applies fair value hedge accounting for portfolio hedges of interest rate risk (fair value macro hedges) in accordance with the EU 'carve out' version of IAS 39. Under the EU 'IAS 39 carve-out', hedge accounting may be applied, in respect of fair value macro hedges, deposits and hedge ineffectiveness is only recognized when the revised estimate of the amount of cash flows in scheduled time buckets falls below the original designated amount of that bucket. Since hedged item is a portfolio of specific time deposits, prepayment is not a risk.

Fixed-rate customer deposits are grouped into homogeneous portfolios and allocated to time buckets based on contractual maturity. Pay-floating/ receive-fixed interest rate swaps are designated to these buckets, and hedge effectiveness is assessed monthly by comparing fair value movements of the designated proportion of the bucketed deposits due to the hedged risk, against the fair value movements of the derivatives, to ensure that they are within an 80% to 125% range .

**Net Investment Hedges**

Derivatives designated as hedges of net investments in foreign operations have their effective portion recognised in equity. Amounts accumulated in equity are reclassified to profit or loss upon disposal of the foreign operation.

Any ineffective portion of changes in the fair value of the derivative is recognized immediately in income statement under 'valuation results and net trading income'. The amount recognized in equity is removed and included in income statement on disposal of the foreign operations.

### Cash Flow Hedges

The Group designates certain derivatives as cash flow hedges to mitigate the variability in cash flows arising from specific risks associated with recognised assets and liabilities. These hedging relationships primarily address foreign currency risk on the Group's loan book and funding sources. In line with its risk management practices, the Group applies cash flow hedge accounting based on actual transactions rather than forecast transactions, ensuring that hedge accounting reflects realised exposures and the underlying contractual cash flows.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in its fair value is recognised in other comprehensive income and accumulated within the hedging reserve in equity. This amount is reclassified to profit or loss in the periods in which the hedged cash flows affect the income statement. Any ineffective portion of the hedge relationship is recognised immediately in profit or loss under "valuation results and net trading income."

These cash flow hedge relationships allow the Group to stabilise its income and funding costs by locking in future cash flows and reducing the volatility caused by exchange rate movements

### 3.10 Repurchase Transactions and Reverse Repo Transactions

Transactions where financial instruments, such as loans and securities, are sold under a commitment to repurchase (repos) at a predetermined price or are purchased under a commitment to resell (reverse repo) are treated as collateralized borrowing and lending transactions. The legal title of the financial instrument subject to resale or repurchase commitments is transferred to the lender. Financial instruments transferred under a repurchase commitment are henceforth included in the relevant items of the Group's statement of financial position, such as 'loans and receivables

- customers' and financial investments, while the borrowing is recorded in 'due to banks'. Financial instruments received under a resale commitment are recorded in the off-balance sheet accounts, unless sold.

Income and expenses arising from repurchase and resale commitments, being the difference between the selling and the purchase price, are accrued over the period of the transaction using the effective interest rate and recorded in the income statement as 'interest income and expense from financial instruments measured at amortized cost'.

### 3.11 Leasing

#### i. Bank as a Lessee Right of Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment as it is applied to other property and equipment.

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

### Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 3.12 Property and Equipment

the Group has adopted the ‘revaluation method’ for its land and buildings. A valuation surplus is recorded in OCI and credited to the tangible revaluation reserve in equity. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The Group has elected to transfer the revaluation surplus to retained earnings in full, upon disposal of the asset. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Other property and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

Borrowing costs, if any, are included in the cost of property and equipment in case they are directly attributable to the acquisition, construction or production of the asset. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated on property and equipment using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	40-60 years
Furniture and fixtures	3-20 years
IT equipment	2-6 years
Vehicles	4-9 years
Leasehold improvements	Over the term of respective leases or 3-5 years

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in ‘other operating income’ in the income statement.

### 3.13 Intangible Assets

#### Software and other intangible assets

Intangible assets mainly include the value of computer software. Software acquired by the Group is measured on initial recognition at cost. Following initial recognition, software is carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over the useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. The amortization expense on intangible assets is recognized in the income statement in ‘depreciation and amortization’.

Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete development. The capitalized costs of internally developed software include all costs directly attributable to developing the software and are amortized

over its useful life. Internally developed software is stated at capitalized cost, less accumulated amortization and any accumulated impairment losses.

Amortization is calculated using the straight-line method over their estimated useful life of software, from the date it is available to use. The estimated useful life of software is three to ten years.

### 3.14 Inventories

Inventories, which include repossessed assets, are measured at the lower of cost and net realizable value.

### 3.15 Impairment of Non-Financial Assets

At each reporting date, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, the Group assesses whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The 'recoverable amount' of an asset is the greater of its value in use and its fair value, less cost to sell. In assessing 'value in use', the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. Impairment losses for goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

### 3.16 Deposits, Issued Debt Securities and Subordinated Liabilities

Deposits, which include due to banks and due to customers, issued debt securities and subordinated liabilities are the Group's sources of debt funding.

Deposits, issued debt securities and subordinated liabilities are initially measured at fair value, less directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that is an integral part of the effective interest rate.

### 3.17 Financial Guarantees, Letters of Credit and Undrawn Loan Commitments

The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL provision under IFRS 9 – as set out in Note 18.

The premium received is recognised in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position except for the following cases:

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- if the Group designates the loan commitments as financial liabilities at fair value through profit or loss,
- if the Group has a practice of selling the assets resulting from its loan commitments shortly after origination, then the loan commitments in the same class are treated as derivative instruments,
- if the loan commitments can be settled net in cash or by delivering or issuing another financial instrument,
- if the commitments are to provide a loan at a below-market interest rate.

### 3.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate (including risks and uncertainties) of the expenditure required to settle the present obligation and reflects the present value of expenditures required to settle the obligation where the time value of money is material.

### 3.19 Employee Benefits

#### Defined Contribution Plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognized as 'personnel expenses' in the statement of income.

### 3.20 Income Taxes

#### i. Current Tax

Current tax is comprised of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received and reflects any uncertainty related to income taxes, if applicable.

Current tax is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if allowable in the related tax jurisdiction.

#### ii. Deferred Income Tax

Deferred corporate income tax is recorded, using the liability method, on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for differences not deductible for tax purposes and initial recognition of assets and liabilities that affect neither accounting nor taxable profit.

Deferred tax liabilities and assets are recognized when it is probable that the future economic benefits resulting from the reversal of taxable temporary differences will flow to or from the Group. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the income statement. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3.21 Recognition of Income and Expenses

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group measures disaggregated revenue categories in note 22 'Net fee and commission income' and revenues from shipbuilding activities in note 26 'Other operating income' according to IFRS 15 'Revenue from Contracts with Customers'. Relevant items in note 21 'Net interest income' and note 23 'Valuation results and net trading income' are measured in accordance with IFRS 9 'Financial Instruments'.

#### i. Interest Income and Expenses

Interest income and expenses are recognized in the statement of income using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

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

Interest results on instruments classified at amortised cost and assets measured at FVOCI is presented in 'Interest income/ using effective interest rate method'. Interest result on instruments designated and mandatorily at fair value, derivatives held as economic hedge but not designated in a hedge accounting relationship are presented in 'other Interest income/expense'. Interest on derivatives used in hedge accounting are presented in line with the underlying asset/liability.

Interest paid on assets with a negative interest yield is classified as interest expense. Interest received from liabilities with a negative interest yield is classified as interest income.

#### ii. Fees and Commissions Income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fees and commissions for the provision of services over a period are generally recognized on an accrual basis. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and are recognized as an adjustment to the effective interest rate of the loan.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction. Management and service fees are recognized based on the applicable service contracts. Fees for bank transfers and other banking transaction services are recorded as income when collected.

#### iii. Valuation Results and Net Trading Income

'Valuation results and net trading income' comprises gains and losses arising from changes in the fair value and disposal of financial assets and liabilities held for trading, changes in the fair value of loans to customers that are reclassified as financial assets mandatorily at fair value through profit and loss, and dividends received from trading instruments. Realized and unrealized gains and losses on derivative financial instruments not designated in a hedge accounting relationship are recognized under 'valuation results and net trading income' as well as any ineffectiveness recorded on hedge accounting.

#### iv. Net Results from financial assets measured at FVOCI

Net results from financial assets measured at FVOCI securities include gains and losses on the sale of financial instruments classified as measured at fair value through other comprehensive income. Dividend income from financial investments is recognized when entitlement is established.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 3.22 Dividends on Ordinary Shares

Dividends on ordinary shares of the Group are recognized as a liability and they are deducted from equity when the Group's shareholders declare them. Interim dividends are deducted from equity when they are declared.

Dividends for the year that are approved after the balance sheet date are dealt with in the 'subsequent events' note.

### 3.23 Equity Components

#### Foreign Currency Translation Reserve

The currency translation account comprises all currency differences arising from translating the financial statements of foreign operations, net of the translation impact on foreign currency liabilities. These currency differences are included in the income statement on disposal or partial disposal of the operation.

#### Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in hedges of net investment in foreign operations and in cash flow hedges.

The Group uses mixture of forward foreign-exchange contracts to hedge the foreign currency translation risk on its net investments in foreign subsidiaries.

When a financial instrument is designated as the hedging instrument to hedge a carrying value of net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognized directly in equity, in the 'net investment hedge reserve'. The hedge reserve includes interest elements of the forward contract, which for hedge effectiveness is excluded from the hedge effectiveness test. Any ineffective portion of changes in the fair value of the derivative as determined by hedge effectiveness testing is recognized immediately in

income statement. The amount recognized in equity is removed and included in the income statement on disposal of the foreign operation.

The Group uses currency swaps and FX forwards to hedge its foreign currency exposure. These instruments allow the Group to lock in exchange rates and eliminate cash flow variability for external parties (both borrowers and lenders) caused by currency fluctuations. Hedge accounting is applied when the underlying economic hedge relationships meet the relevant accounting criteria.

#### Fair Value Reserve

In this component, gains and losses arising from a change in the fair value of financial assets measured at fair value through other comprehensive income are recognized, net of taxes. Expected credit loss allowances for debt securities are also recorded to fair value reserves. When the relevant assets are sold, impaired or disposed of the related cumulative gain or loss recognized in equity is transferred to the income statement except for the equity instruments. Cumulative gain or loss recognized for equity instruments are not recycled to income statement upon derecognition.

#### Tangible Revaluation Reserve

The tangible revaluation reserve includes the cumulative net revaluation surpluses arising from the revaluation of land and buildings. Please refer to Note 13 'Property and equipment' for details.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 4 Segment Information

Segment information is presented in respect of the Group's operating segments, for which the Group assesses performance and accordingly makes resource allocations.

The Group has four (2024: four) reportable segments (described below), which are the Group's strategic areas of operation. The strategic areas offer banking and banking related products and are managed separately to take account of local economic environments, which require different risk management and pricing strategies. For each of the strategic areas, the CFO reviews internal management reports on at least a monthly basis. The following summary describes the operation of each of the Group's reportable segments:

- Western Europe wholesale: includes loans to retail and non-retail customers and funds entrusted by retail and non-retail customers in the Netherlands, Germany, Malta and Switzerland.
- Romania retail: includes retail loans and funds entrusted from retail customers in Romania.
- Romania wholesale: includes loans to non-retail customers and funds entrusted from non-retail customers in Romania.
- Other: includes Bank's operations in Ukraine and Turkey.

Measurement of segment assets and liabilities, and segment income and results are based on the Group's accounting policies. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

	2025					2024					
	West Europe Wholesale	Romania Retail	Romania Wholesale	Other	Total	West Europe Wholesale	Romania Retail	Romania Wholesale	Other	Total	
Interest income – external	551,886	21,354	6,718	3,235	583,193	554,668	30,794	11,675	3,806	600,943	
Interest income – other segments	17,077	-	3,345	-	20,422	14,558	-	1,825	-	16,383	
<b>Interest revenue</b>	<b>568,963</b>	<b>21,354</b>	<b>10,063</b>	<b>3,235</b>	<b>603,615</b>	<b>569,226</b>	<b>30,794</b>	<b>13,500</b>	<b>3,806</b>	<b>617,326</b>	
Interest expenses – external	(427,948)	(7,433)	(4,675)	(1,325)	(441,381)	(423,271)	(11,696)	(4,460)	(1,248)	(440,675)	
Interest expense – other segments	(17,788)	-	(2,613)	(21)	(20,422)	(15,696)	-	(687)	-	(16,383)	
<b>Interest expense</b>	<b>(445,736)</b>	<b>(7,433)</b>	<b>(7,288)</b>	<b>(1,346)</b>	<b>(461,803)</b>	<b>(438,967)</b>	<b>(11,696)</b>	<b>(5,147)</b>	<b>(1,248)</b>	<b>(457,058)</b>	
<b>Net interest income</b>	<b>123,227</b>	<b>13,921</b>	<b>2,775</b>	<b>1,889</b>	<b>141,812</b>	<b>130,259</b>	<b>19,098</b>	<b>8,353</b>	<b>2,558</b>	<b>160,268</b>	
Net commission income – external	33,424	5,965	799	7	40,195	40,533	5,307	598	10	46,448	
Net commission income – other segments	(202)	98	104	-	-	-	7	(7)	-	-	
Revenue from repossessed assets	753	89	22	-	864	41	816	273	22,297	23,427	
Trading and other income	18,601	-	2,373	267	21,241	11,644	378	3,784	113	15,919	
Net impairment loss on financial assets	7,977	1,410	(370)	192	9,209	10,922	(427)	1,092	1,129	12,716	
Depreciation and amortization expense	(3,829)	(3,373)	(1,796)	(62)	(9,060)	(3,940)	(2,890)	(1,586)	(87)	(8,503)	
Operating expenses	(90,006)	(18,338)	(12,475)	(1,460)	(122,279)	(86,781)	(17,683)	(13,578)	(1,726)	(119,768)	
Expenses related to repossessed assets	417	(91)	(3)	-	323	(3,142)	(242)	(336)	(22,297)	(26,017)	
<b>Operating profit before taxes</b>	<b>90,362</b>	<b>(319)</b>	<b>(8,571)</b>	<b>833</b>	<b>82,305</b>	<b>99,536</b>	<b>4,364</b>	<b>(1,407)</b>	<b>1,997</b>	<b>104,490</b>	
Income tax expense	(20,530)	201	168	(150)	(20,311)	(27,678)	(840)	275	(1,175)	(29,418)	
<b>Profit for the year</b>	<b>69,832</b>	<b>(118)</b>	<b>(8,403)</b>	<b>683</b>	<b>61,994</b>	<b>71,858</b>	<b>3,524</b>	<b>(1,132)</b>	<b>822</b>	<b>75,072</b>	
<b>Other information at 31 December 2025</b>						<b>Other information at 31 December 2024</b>					
<b>- Financial position</b>						<b>- Financial position</b>					
Total assets	5,238,022	256,786	310,294	30,479	5,835,581	5,022,200	279,451	285,221	31,102	5,617,974	
Total liabilities	4,540,692	200,942	359,545	20,523	5,121,702	4,511,236	223,111	186,932	20,525	4,941,804	
Assets held for sale	-	-	-	-	-	977	-	-	-	977	
<b>Other information at 31 December 2025</b>						<b>Other information at 31 December 2024</b>					
<b>- Income statement</b>						<b>- Income statement</b>					
Reversal of impairment allowances no longer required	1,823	1,283	137	-	3,243	5,520	1,168	432	1,072	8,192	

**Information about Major Customers**

As of December 31, 2025, no single customer revenue individually exceeded 10% of total revenue (December 31, 2024: None).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 5 Cash and Balances at Central Banks

This item includes cash on hand and deposits with central banks in countries in which the Group has a presence.

	December 31, 2025	December 31, 2024
Balances with central banks	748,949	1,254,448
Cash on hand and other cash equivalents	10,120	12,670
<b>Total</b>	<b>759,069</b>	<b>1,267,118</b>

Deposits at central banks include reserve deposits of EUR 42,995 (2024: EUR 41,119), representing mandatory deposits held with central banks in the countries where the Group operates.

## 6 Financial Assets at Fair Value through Profit or Loss

	December 31, 2025	December 31, 2024
<b>Financial assets designated at FVTPL</b>		
Government bonds	-	1,972
Bank bonds	1,599	29,335
Trading loans	94,607	53,755
<b>Total financial assets designated at FVTPL</b>	<b>96,206</b>	<b>85,062</b>
<b>Non- trading financial assets mandatorily at FVTPL</b>		
Loans to customers	-	13,756
Equity instruments	4,617	4,723
<b>Total non-trading financial assets mandatorily at FVTPL</b>	<b>4,617</b>	<b>18,479</b>
<b>Total financial assets at FVTPL</b>	<b>100,823</b>	<b>103,541</b>

As of December 31, 2025, EUR 6,216 (2024: EUR 36,031) are listed financial instruments and EUR 94,607 (2024: EUR 67,510) are non-listed financial instruments.

As of December 31, 2025, there are no financial asset that have been sold or re-pledged under repurchase agreements (2024: None).

Gains and losses on changes in fair value of trading and non-trading instruments are recognized in 'Valuation results and net trading income'.

The Group does not apply the fair value option.

### Movement Explanation

FVTPL assets decreased from EUR 104 million to EUR 101 million during the period. The movement is primarily attributable to disposals amounting to EUR 828 million, which were partially offset by additions of EUR 823 million. No other significant fair value movements or reclassifications impacted the balance for the period.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 7 Financial Investments

	December 31, 2025	December 31, 2024
Financial investments at FVOCI	425,360	315,262
Financial investments at amortized cost	407,536	129,396
<b>Total</b>	<b>832,896</b>	<b>444,658</b>

As of December 31, 2025, no financial assets have been sold or re-pledged under repurchase agreements (2024: None). These transactions are conducted under terms that are normal and customary to standard lending, and securities borrowing and lending activities, as well as requirements determined by exchange markets where the Group acts as an intermediary.

	December 31, 2025	December 31, 2024
Government bonds	450,914	284,799
Bank bonds	39,126	14,657
Equities	13,300	12,142
Corporate bonds	56,347	17,384
Loans and advances	273,209	115,676
<b>Total</b>	<b>832,896</b>	<b>444,658</b>

As of December 31 2024, EUR 554,794 (2024: EUR 324,334) of the total are listed financial instruments and EUR 278,102 (2024: EUR 120,324) are non-listed financial instruments.

As of December 31, 2025, the Group recognized EUR 816 dividend (2024: EUR 799) from equities during the year. The valuation of listed equities is made based on market prices and of not-listed equities is made based on net asset value.

## Movement Explanation

Financial investments at FVOCI increased from EUR 315 million to EUR 425 million during the period. The movement is primarily due to additions amounting to EUR 465 million which were partially offset by disposals of EUR 352 million. In addition, there is EUR 1.1 million positive changes in fair value (2024: EUR 0.8 million positive) and EUR 0.6 million amortization (2024: EUR 2.6 million).

Financial investments at amortized cost increased from EUR 129 million to EUR 408 million during the period. The movement is primarily due to additions amounting to EUR 348 million, which were partially offset by redemption of EUR 67 million.

## 8 Loans and Receivables – Banks

	December 31, 2025	December 31, 2024
Placements with other banks	424,234	560,710
Reverse repo transactions	200,418	121,969
Loans and advances	197,399	286,590
<b>Subtotal</b>	<b>822,051</b>	<b>969,269</b>
Allowances for expected credit losses	(447)	(622)
<b>Total</b>	<b>821,604</b>	<b>968,647</b>

Placements with other banks that serve as collateral for derivative transactions and are not freely disposable amount to EUR 23,891 (2024: EUR 56,412).

The contractual terms of all loans and receivables to banks give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Accordingly, these loans meet the SPPI criterion.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Changes in loans, impairment charges and allowances are summarized as follows:

	Stage 1			Stage 1	
	Gross loans	ECL		Gross loans	ECL
<b>At January 1, 2025</b>	<b>969,269</b>	<b>(622)</b>	<b>At January 1, 2024</b>	<b>321,511</b>	<b>(161)</b>
Originated or purchased	306,303	(180)	Originated or purchased	778,617	(510)
Matured or sold	(454,953)	357	Matured or sold	(131,730)	49
Exchange differences	1,432	(2)	Exchange differences	871	-
<b>At December 31, 2025</b>	<b>822,051</b>	<b>(447)</b>	<b>At December 31, 2024</b>	<b>969,269</b>	<b>(622)</b>

No bank loans fall under Stage 2 or Stage 3 classification.

## 9 Derivative Financial Instruments

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments depend on movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures, credit default swaps, commodity swaps and options.

The table below shows the fair values of derivative financial instruments, recorded as assets and liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index, and is the basis on which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are indicative of neither the market nor the credit risk.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

	December 31, 2025			December 31, 2024		
	Notional amount	Carrying value assets	Carrying value liabilities	Notional amount	Carrying value assets	Carrying value liabilities
<b>Derivatives held for trading</b>						
Interest rate swaps	294,951	3,414	3,343	272,134	4,706	4,620
Interest rate futures	-	-	-	31,391	180	-
Interest rate options (purchased)	154,539	445	-	110,478	254	-
Interest rate options (sold)	(232,688)	-	577	(131,958)	-	230
Credit default swaps	-	-	-	14,431	97	5
Foreign currency swaps	2,069,870	102,377	97,941	1,387,251	81,212	81,885
Foreign currency forwards	753,120	53,393	56,865	411,135	12,778	13,157
Foreign currency futures	163,093	2	-	-	-	-
Foreign currency options (purchased)	99,312	1,657	-	191,104	5,474	-
Foreign currency options (sold)	(99,312)	-	1,659	(191,104)	-	5,497
Commodity options (purchased)	168,916	10,766	-	240,502	11,240	-
Commodity options (sold)	(168,916)	-	10,759	(240,502)	-	11,231
Commodity swaps	90,716	8,262	7,809	85,120	1,963	1,425
<b>Total</b>	<b>3,293,601</b>	<b>180,316</b>	<b>178,953</b>	<b>2,179,982</b>	<b>117,904</b>	<b>118,050</b>
<b>Derivatives in economic hedge relationship</b>						
Interest rate swaps	152,890	416	2,460	510,947	1,742	7,072
Foreign currency swaps	2,893,001	44,215	17,719	2,096,023	16,634	73,865
Credit default swaps	22,142	37	6	9,159	-	739
<b>Total</b>	<b>3,068,033</b>	<b>44,668</b>	<b>20,185</b>	<b>2,616,129</b>	<b>18,376</b>	<b>81,676</b>
<b>Derivatives in fair value hedge accounting relationships</b>						
Interest rate swaps	1,315,922	14,205	10,157	1,517,961	23,278	20,078
<b>Total</b>	<b>1,315,922</b>	<b>14,205</b>	<b>10,157</b>	<b>1,517,961</b>	<b>23,278</b>	<b>20,078</b>
<b>Derivatives in cash flow hedge accounting relationship</b>						
Foreign currency swaps	736,849	16,086	20,107	-	-	-
Foreign currency forwards	10,335	443	636	-	-	-
<b>Total</b>	<b>747,184</b>	<b>16,529</b>	<b>20,743</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivatives in net investment hedge accounting relationship</b>						
Foreign currency swaps	182,776	1,707	3,496	347,473	5,400	9,538
<b>Total</b>	<b>182,776</b>	<b>1,707</b>	<b>3,496</b>	<b>347,473</b>	<b>5,400</b>	<b>9,538</b>
<b>Total Derivatives</b>	<b>8,607,516</b>	<b>257,425</b>	<b>233,534</b>	<b>6,661,545</b>	<b>164,958</b>	<b>229,342</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**Fair value hedge**

December 31, 2025	Carrying amount of hedged items	Accumulated amount of fair value adj. on the hedged items	Gains/(losses) attributable to the hedged risk		Hedge ineffectiveness
	Assets(Liability)	Assets(Liability)	Hedged Items	Hedging Instruments <sup>1</sup>	
<b>Micro fair value hedges</b>					
Fixed rate corporate loans	22,034	48	(142)	188	45
Fixed rate FVOCI debt instruments	38,339	(1,292)	(446)	26	(420)
Fixed rate investment securities	107,314	663	663	(591)	72
Fixed rate subordinated liabilities	(132,285)	(2,691)	(2,799)	2,885	85
<b>Subtotal</b>	<b>35,402</b>	<b>(3,272)</b>	<b>(2,724)</b>	<b>2,508</b>	<b>(218)</b>
<b>Portfolio fair value hedges</b>					
Fixed rate customer deposits	(1,007,273)	1,088	3,593	(3,502)	88
<b>Subtotal</b>	<b>(1,007,273)</b>	<b>1,088</b>	<b>3,593</b>	<b>(3,502)</b>	<b>88</b>
<b>Total</b>	<b>(971,871)</b>	<b>(2,184)</b>	<b>869</b>	<b>(994)</b>	<b>(130)</b>

1 All fair value hedging instruments consist of interest rate swaps.

December 31, 2024	Carrying amount of hedged items	Accumulated amount of fair value adj. on the hedged items	Gains/(losses) attributable to the hedged risk		Hedge ineffectiveness
	Assets(Liability)	Assets(Liability)	Hedged Items	Hedging Instruments	
<b>Micro fair value hedges</b>					
Fixed rate corporate loans	43,539	191	285	(313)	(28)
Fixed rate FVOCI debt instruments	89,343	(869)	(134)	386	252
Fixed rate subordinated liabilities	(149,484)	108	(375)	322	(53)
<b>Subtotal</b>	<b>(16,602)</b>	<b>(570)</b>	<b>(224)</b>	<b>395</b>	<b>171</b>
<b>Portfolio fair value hedges</b>					
Fixed rate customer deposits	(1,204,007)	(2,504)	(7,111)	7,243	132
<b>Subtotal</b>	<b>(1,204,007)</b>	<b>(2,504)</b>	<b>(7,111)</b>	<b>7,243</b>	<b>132</b>
<b>Total</b>	<b>(1,220,609)</b>	<b>(3,074)</b>	<b>(7,335)</b>	<b>7,638</b>	<b>303</b>

The following table sets out the outcome of the Group's hedging strategy set out in Note 3.9 'Derivatives held as economic hedge and hedge accounting', in particular to changes in the fair value of the hedged items and hedging instruments used as the basis for recognising ineffectiveness. Ineffectiveness has been recognised under PL line 'Net trading result'. Main source of ineffectiveness are the minor notional/schedule/interest rate differences of hedged and hedging items, floating leg of hedging item and the differences in yield curves used for hedged and hedging items during hedge ineffectiveness tests.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The maturity profile of notional amounts of the Group's hedging instruments used in fair value hedge relationships is as follows:

<b>December 31, 2025</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Fixed rate corporate loans</b>				
Interest rate swaps	6,250	60,780	-	67,030
<b>Fixed rate investment securities</b>				
Interest rate swaps	-	61,830	-	61,830
<b>Fixed rate FVOCI debt instruments</b>				
Interest rate swaps	5,706	-	32,524	38,230
<b>Fixed rate subordinated liabilities</b>				
Interest rate swaps	-	131,999	-	131,999
<b>Fixed rate customer deposits</b>				
Interest rate swaps	799,600	141,565	75,668	1,016,833
<b>Total</b>	<b>811,556</b>	<b>396,174</b>	<b>108,192</b>	<b>1,315,922</b>
<b>December 31, 2024</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Fixed rate corporate loans</b>				
Interest rate swaps	5,309	37,775	-	43,084
<b>Fixed rate FVOCI debt instruments</b>				
Interest rate swaps	-	81,126	9,022	90,148
<b>Fixed rate subordinated liabilities</b>				
Interest rate swaps	-	149,124	-	149,124
<b>Fixed rate customer deposits</b>				
Interest rate swaps	796,050	289,859	149,696	1,235,605
<b>Total</b>	<b>801,359</b>	<b>557,884</b>	<b>158,718</b>	<b>1,517,961</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Net investment hedge

Information regarding the foreign currency derivatives used as hedging instruments and hedge effectiveness is as follows:

December 31, 2025	Carrying amount of hedging instruments				Changes in fair value of hedging instruments used for net investment hedge			Total
	Notional amount	Assets	Liabilities	Translation reserve	Effective portion recognized in OCI	Hedge ineffectiveness recognized in income statement		
<b>Net investment hedges</b>								
USD swaps	101	1	-	(18)	10	-	10	
RON swaps	5,193	1	4	(129)	(50)	-	(50)	
CHF swaps	177,482	1,705	3,492	1,979	1,628	-	1,628	
<b>Total</b>	<b>182,776</b>	<b>1,707</b>	<b>3,496</b>	<b>1,832</b>	<b>1,588</b>	<b>-</b>	<b>1,588</b>	

December 31, 2024	Carrying amount of hedging instruments				Changes in fair value of hedging instruments used for net investment hedge			Total
	Notional amount	Assets	Liabilities	Translation reserve	Effective portion recognized in OCI	Hedge ineffectiveness recognized in income statement		
<b>Net investment hedges</b>								
USD swaps	19	616	1,381	(8)	52	-	52	
RON swaps	177,276	2,002	4,078	64	(3,303)	-	(3,303)	
CHF swaps	170,178	2,782	4,079	(2,278)	5,817	-	5,817	
<b>Total</b>	<b>347,473</b>	<b>5,400</b>	<b>9,538</b>	<b>(2,222)</b>	<b>2,566</b>	<b>-</b>	<b>2,566</b>	

The notional amounts of the Group's hedging instruments designated in net investment hedge relationships have a maturity of less than one year.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Cash flow hedge

As at 31 December 2025, the Group held the following instruments to hedge its exposures to foreign currency risk.

2025

Foreign Currency Risk	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Currency derivatives (EUR:USD-USD:TRY)</b>						
Nominal Amount	507,646	232,302	7,236	-	-	<b>747,184</b>

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

2025	Carrying amount of hedging instruments			Line item in the statement of financial position where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognised in OCI in the period	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
	Foreign Currency Risk	Notional amount	Assets					
Currency derivatives (EUR:USD-USD:TRY)	747,184	16,529	20,744	Derivative financial instruments	(372)	(370)	(3)	Valuation results and net trading income

The amounts relating to items designated as hedged items were as follows:

2025

Currency Risk	Line item in the statement of financial position in which the hedged item is included	Change in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve
TRY - Loans	Loans and receivables - customers		307
TRY - Reverse Repo	Loans and receivables - banks		65



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 10 Loans and Receivables – Customers

	December 31, 2025	December 31, 2024
Commercial loans	2,710,781	2,303,073
Consumer loans	139,933	169,250
Public sector loans	19,980	-
Credit card loans	116,717	111,190
Finance lease receivables, net	1,695	2,611
<b>Subtotal</b>	<b>2,989,106</b>	<b>2,586,124</b>
<b>Allowances for expected credit losses</b>	<b>(27,217)</b>	<b>(35,074)</b>
-Commercial loans	(12,434)	(19,436)
-Consumer loans	(11,379)	(13,160)
-Public sector loans	(20)	-
-Credit card loans	(3,384)	(2,478)
<b>Total</b>	<b>2,961,889</b>	<b>2,551,050</b>

No individual loan or receivable has terms and conditions that materially affect the amount, timing or certainty of the consolidated cash flows of the Group. The contractual terms of all loans and receivables to customers give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Accordingly, these loans meet the SPPI criterion.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 11 Loans to Customers, Impairment Charges and Allowances

	Stage 1		Stage 2		Stage 3		Total	
	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL
<b>December 31, 2025</b>								
Balance at 1 January	2,420,201	(7,876)	106,317	(4,602)	59,606	(22,596)	2,586,124	(35,074)
Originated or purchased	1,802,142	(2,786)	442	(80)	-	-	1,802,584	(2,866)
Matured or sold	(1,317,557)	1,575	(7,587)	202	(4,065)	1,108	(1,329,209)	2,885
Transfers to Stage 1	14,245	(866)	(12,598)	225	(1,647)	641	-	-
Transfers to Stage 2	(38,323)	395	40,772	(1,198)	(2,449)	803	-	-
Transfers to Stage 3	(1,438)	12	(1,589)	141	3,027	(153)	-	-
Re-measurement	(54,019)	2,512	(10,653)	2,862	(908)	(852)	(65,580)	4,522
Amounts written off	-	-	-	-	(5,176)	5,176	(5,176)	5,176
Exchange differences	1,199	(26)	(403)	(37)	(434)	(1,797)	362	(1,860)
<b>Balance at year end</b>	<b>2,826,450</b>	<b>(7,060)</b>	<b>114,701</b>	<b>(2,487)</b>	<b>47,954</b>	<b>(17,670)</b>	<b>2,989,105</b>	<b>(27,217)</b>
<b>December 31, 2024</b>								
Balance at 1 January	2,489,245	(8,937)	201,339	(14,514)	79,584	(25,536)	2,770,168	(48,987)
Originated or purchased	1,550,803	(4,935)	-	-	-	-	1,550,803	(4,935)
Matured or sold	(1,554,616)	2,962	(47,620)	886	(25,855)	4,295	(1,628,091)	8,143
Transfers to Stage 1	74,880	(7,725)	(72,914)	7,017	(1,966)	708	-	-
Transfers to Stage 2	(40,145)	813	44,405	(2,232)	(4,260)	1,419	-	-
Transfers to Stage 3	(13,428)	2,157	(5,749)	365	19,177	(2,522)	-	-
Re-measurement	(83,093)	7,771	(12,937)	3,813	3,167	(11,225)	(92,863)	359
Amounts written off	-	-	-	-	(10,168)	10,168	(10,168)	10,168
Exchange differences	(3,445)	18	(207)	63	(73)	97	(3,724)	178
<b>Balance at year end</b>	<b>2,420,201</b>	<b>(7,876)</b>	<b>106,317</b>	<b>(4,602)</b>	<b>59,606</b>	<b>(22,596)</b>	<b>2,586,124</b>	<b>(35,074)</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Expected credit loss charges on financials instruments included in profit or loss are as follows:

	2025	2024
Loans to customers at amortized cost <sup>1</sup>	9,314	13,319
Loans to banks at amortized cost	19	(147)
Debt securities	(480)	39
Credit related commitments (non-cash loans)	356	(495)
<b>Net impairment loss on financial instruments</b>	<b>9,209</b>	<b>12,716</b>

1 The amount includes recoveries from previously written-off loans.

There is no 'Loans and receivables' amount written off during the year (2024: None),

which is still subject to enforcement activity.

## 12 Other Assets and Inventories

	December 31, 2025	December 31, 2024
POS, plastic cards and ATM related receivables	3,832	1,321
Prepayments to suppliers	4,836	4,013
Materials and supplies	1,143	1,284
Accounts receivable	151	169
Repossessed assets classified as inventories <sup>1</sup>	14,226	24,361
Other assets <sup>2</sup>	7,255	7,168
<b>Total</b>	<b>31,443</b>	<b>38,316</b>

1 Repossessed assets classified as inventories includes land, commercial and residential real estate amounting to EUR 14.1 million (2024: EUR 19.3 million), and other non-real estate assets amounting to EUR 0.1 million (2024: EUR 5.1 million).

2 Includes EUR 1.6 million (2024: EUR 2.2 million) "Cash collateral given" and EUR 1.8 million (2024: EUR: 2.2 million) "Operational tax receivables".

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 13 Property and Equipment

The movement of property and equipment is summarized as follows:

	Land and Buildings	Furniture and Fixtures	Vehicles and Vessels	Leasehold improvements	Machinery	Artworks <sup>1</sup>	Right-of-use assets	Total
Balance at January 1, 2025	19,187	5,664	53	1,625	-	-	8,068	34,597
Additions	871	1,591	-	6	-	-	720	3,188
Disposals	99	(3)	-	-	-	-	(701)	(605)
Transfer from other assets class	-	-	-	-	-	974	-	974
Depreciation	(978)	(1,356)	(25)	(349)	-	-	(2,135)	(4,843)
Currency translation differences	(133)	(77)	1	11	-	-	(85)	(283)
<b>Balance at December 31, 2025</b>	<b>19,046</b>	<b>5,819</b>	<b>29</b>	<b>1,293</b>	<b>-</b>	<b>974</b>	<b>5,867</b>	<b>33,028</b>
Cost	44,544	35,353	268	4,507	-	974	19,959	105,605
Cumulative depreciation and impairment	(25,498)	(29,534)	(239)	(3,214)	-	-	(14,092)	(72,577)
<b>Balance at December 31, 2025</b>	<b>19,046</b>	<b>5,819</b>	<b>29</b>	<b>1,293</b>	<b>-</b>	<b>974</b>	<b>5,867</b>	<b>33,028</b>

1 Artworks are reclassified from 'Assets held for sale' to 'Property and Equipment'.

	Land and Buildings	Furniture and Fixtures	Vehicles and Vessels	Leasehold improvements	Machinery	Artworks <sup>1</sup>	Right-of-use assets	Total
Balance at January 1, 2024	38,755	8,218	463	1,673	844	-	9,933	59,886
Additions	1,083	2,541	3	326	-	-	1,414	5,367
Disposals	(19,991)	(3,861)	(389)	-	(844)	-	(983)	(26,068)
Revaluation <sup>2</sup>	272	-	-	-	-	-	-	272
Depreciation	(938)	(1,247)	(27)	(374)	-	-	(2,224)	(4,810)
Currency translation differences	6	13	3	-	-	-	(72)	(50)
<b>Balance at December 31, 2024</b>	<b>19,187</b>	<b>5,664</b>	<b>53</b>	<b>1,625</b>	<b>-</b>	<b>-</b>	<b>8,068</b>	<b>34,597</b>
Cost	43,591	34,125	259	4,465	-	-	20,492	102,932
Cumulative depreciation and impairment	(24,404)	(28,461)	(206)	(2,840)	-	-	(12,424)	(68,335)
<b>Balance at December 31, 2024</b>	<b>19,187</b>	<b>5,664</b>	<b>53</b>	<b>1,625</b>	<b>-</b>	<b>-</b>	<b>8,068</b>	<b>34,597</b>

1 Artworks are reclassified from 'Assets held for sale' to 'Property and Equipment'.

2 The Bank is using revaluation model for fair value measurement of its buildings. If the properties were continued to be measured using the cost model, the carrying amounts would have been EUR 18,508.

Fair value measurement disclosures for the revalued buildings are provided in Note 30.

The Group does not have any restrictions on title, and property and equipment pledged as security for liabilities (2024: None). The Group does not have any contractual commitments for the acquisition of property and equipment.

As of December 31, 2025, there is no collateral repossessed in property and equipment (2024: None).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

As of December 31, 2025 the Group recognised rent expense from short-term leases at amount of EUR 131 (2024: EUR 123). There is EUR 2 rent expense from leases of low value assets (2024: None).

## 14 Intangible Assets

The movement of intangibles is summarized as follows:

	December 31, 2025	December 31, 2024
<b>Software and licenses</b>		
Balance at January 1	11,892	9,919
Additions	13,258	6,075
Disposal	(45)	(298)
Amortization	(4,217)	(3,693)
Currency translation differences	(123)	(111)
<b>Balance at December 31</b>	<b>20,765</b>	<b>11,892</b>
Cost	40,803	27,590
Cumulative amortization	(20,038)	(15,698)
<b>Balance at December 31</b>	<b>20,765</b>	<b>11,892</b>

## 15 Due to Banks

	December 31, 2025	December 31, 2024
Time deposits	452,389	234,354
Current accounts	27,439	50,489
<b>Total</b>	<b>479,828</b>	<b>284,843</b>

There is EUR 78.3 million repo transaction in time deposits (2024: None).

## 16 Due to Customers

	December 31, 2025	December 31, 2024
Retail time deposits	1,640,556	1,902,158
Retail saving and demand deposits	923,970	960,086
Corporate time deposits	1,065,500	674,396
Corporate demand deposits	584,827	665,402
<b>Total</b>	<b>4,214,853</b>	<b>4,202,042</b>

As of December 31, 2025, the Group maintained customer deposit balances of EUR 65,605 (2024: EUR 30,552), which were pledged to the Group as collateral for loans and off-balance sheet credit instruments granted by the Group.

As of December 31, 2025, EUR 938,441 (2024: EUR 1,044,125) of deposits from customers are expected to be settled in more than 12 months after the balance sheet date.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 17 Other Liabilities

	December 31, 2025	December 31, 2024
Accrued expenses	3,890	6,863
Items in the course of settlement	2,786	1,627
Credit card payables	236	2,062
Lease liabilities	6,429	7,911
Other liabilities <sup>1</sup>	10,357	12,543
<b>Total</b>	<b>23,698</b>	<b>31,006</b>

<sup>1</sup> Includes EUR 5.7 million (2024: EUR 6.4 million) "Operational tax payables".

Set out below, are the carrying amounts of the Group's lease liabilities and the movements:

	December 31, 2025	December 31, 2024
<b>As at 1 January</b>	<b>7,911</b>	<b>9,688</b>
Additions	1,340	1,450
Disposals	(104)	(418)
Interest expense	196	183
Payments	(2,864)	(2,942)
Currency translation differences	(50)	(50)
<b>As at 31 December</b>	<b>6,429</b>	<b>7,911</b>

## 18 Provisions

	December 31, 2025	December 31, 2024
Litigation <sup>1</sup>	1,466	2,446
Staff related	6,640	7,360
- Employee termination benefits	748	1,252
- Variable remunerations	4,480	4,519
- Vacation pay liability	1,412	1,589
Credit related commitments	2,304	2,836
Other	22	300
<b>Total</b>	<b>10,432</b>	<b>12,942</b>

<sup>1</sup> Includes a provision of EUR 1,141 (2024: EUR 1,845) related to abusive clauses in residential mortgage contracts.

The table below presents movement in total provisions:

	December 31, 2025			
	Litigation	Staff related	Credit related commitments	Other
<b>At January 1, 2025</b>	<b>2,446</b>	<b>7,360</b>	<b>2,836</b>	<b>300</b>
Addition	575	4,084	1,028	-
Provisions used during the year	-	(4,356)	-	-
Reversal	(1,534)	(453)	(1,404)	-
Currency translation differences	(21)	5	(156)	(5)
Other	-	-	-	(273)
<b>At December 31, 2025</b>	<b>1,466</b>	<b>6,640</b>	<b>2,304</b>	<b>22</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 19 Subordinated Liabilities

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of, respectively, the Group and other Group companies.

	<b>Maturity Date</b>	<b>First possible call date</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
USD 105 million subordinated notes with a fixed interest rate of 9.75 % p.a.	May 2034	May 2029	92,000	101,651
USD 50 million AT1 instrument with a fixed interest rate of 10.27% p.a.	Perpetual	June 2025	42,977	47,725
<b>Total</b>			<b>134,977</b>	<b>149,376</b>

Changes in liabilities arising from financial activities

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Subordinated loans</b>		
Balance at the beginning of the year	149,376	169,650
<b>Changes in cash flow</b>		
Proceeds	-	96,284
Repayments	-	(124,712)
<b>Other changes</b>		
Interest expense	13,690	19,715
Interest paid	(13,369)	(18,984)
Change in fair value	2,799	375
Foreign exchange movement	(17,519)	7,048
<b>Balance at year end</b>	<b>134,977</b>	<b>149,376</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 20 Equity

	December 31, 2025	December 31, 2024
Share capital	550,000	550,000
Retained earnings <sup>1</sup>	325,770	290,171
Fair value reserve	(598)	(1,391)
Tangible revaluation reserve	340	348
Foreign currency translation reserve	(52,732)	(53,475)
Hedging reserve	(109,916)	(110,949)
<b>Equity attributable to owners of the Parent Company</b>	<b>712,864</b>	<b>674,704</b>
Equity attributable to non-controlling interests	1,015	1,466
<b>Total equity</b>	<b>713,879</b>	<b>676,170</b>

<sup>1</sup> In March, the Group paid a EUR 3.9 million dividend to its direct shareholders, based on Q4'24 performance. In May, September and December 2025 the Group paid interim dividends amounting to EUR 9.6, EUR 5.5 and EUR 7.4 million respectively to its shareholder.

As of December 31, 2025, the authorized share capital is EUR 1,000 million (2024: EUR 1,000 million) and consists of EUR 1,000 million (2024: EUR 1,000 million) ordinary shares with a face value of EUR 1. The called-up and paid-in capital consists of 550 million (2024: 550 million) ordinary shares with a face value of EUR 1.

## 21 Net Interest Income

	2025	2024
<b>Interest income using effective interest rate method</b>	<b>494,766</b>	<b>498,684</b>
Loans and receivables – customers	338,012	351,324
Financial investments	31,013	34,417
Interest on financial lease	63	92
Loans and receivables – banks	104,484	61,383
Cash and balances at central banks	21,194	51,468
<b>Other interest income</b>	<b>88,427</b>	<b>102,259</b>
Derivatives in economic hedge relationships	63,998	87,765
Derivatives in cash flow hedge relationships	8,360	-
Financial assets held for trading	15,940	13,722
Non-trading financial assets mandatorily at FVTPL	129	772
<b>Subtotal</b>	<b>583,193</b>	<b>600,943</b>
<b>Interest expense using effective interest rate method</b>	<b>124,417</b>	<b>171,003</b>
Due to customers	100,177	137,982
Due to banks	9,912	11,198
Subordinated liabilities	14,132	21,640
Lease liabilities	196	183
<b>Other interest expense</b>	<b>316,964</b>	<b>269,672</b>
Derivatives in economic hedge relationships	265,863	269,672
Derivatives in cash flow hedge relationships	51,101	-
<b>Subtotal</b>	<b>441,381</b>	<b>440,675</b>
<b>Total</b>	<b>141,812</b>	<b>160,268</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 22 Net Fee and Commission Income

	2025	2024
<b>Fee and commission income</b>		
Credit card fees	9,636	7,505
Cash loan fees	667	2,352
Financial guarantees and other commitments	12,878	15,779
Brokerage and advisory fees	13,545	16,740
Commission on account maintenance	1,463	1,784
Other fees and commissions	7,542	7,105
<b>Subtotal</b>	<b>45,731</b>	<b>51,265</b>
<b>Fee and commission expense</b>		
Credit card fees	3,929	3,136
Other fee and commission expenses	1,607	1,681
<b>Subtotal</b>	<b>5,536</b>	<b>4,817</b>
<b>Total</b>	<b>40,195</b>	<b>46,448</b>

## 23 Valuation Results and Net Trading Income

	2025	2024
Foreign exchange	4,619	7,714
Debt securities	874	263
Derivative financial instruments - hedge accounting <sup>1</sup>	(130)	303
Derivative financial instruments – FVTPL	4,506	(4,233)
Interest rate derivatives	330	99
Other derivatives	(569)	(519)
Trading loans	2,897	2,138
Non trading financial assets mandatorily at FVTPL	828	1,763
<b>Total</b>	<b>13,355</b>	<b>7,528</b>

<sup>1</sup> Hedge ineffectiveness . Refer to Note 9 ‘Derivatives’ for details.

## 24 Net Results on Derecognition of Financial Assets Measured at Amortized Cost

As of December 31, 2025, EUR 96 (2024: 111 gain) transaction loss is recognized.

## 25 Net Results from Financial Assets Measured at FVOCI

	2025	2024
Net gain/loss from disposal of debt instruments at FVOCI	1,240	(576)
Trading loans measured at FVOCI	3,708	2,313
<b>Total</b>	<b>4,948</b>	<b>1,737</b>

Net results from financial assets measured at FVOCI include amounts transferred from equity to the income statement on derecognition of debt instruments at FVOCI and gains and losses recognized from the difference between the carrying amount and the consideration received upon derecognition.

## 26 Revenue from Repossessed Assets and other Operating Income

### i. Revenue from Repossessed Assets

	2025	2024
Revenue from shipbuilding activities	-	22,297
Gain on disposal of repossessed assets	864	1,130
<b>Total</b>	<b>864</b>	<b>23,427</b>

The revenue in the table above relates to assets that the Group has repossessed as part of the foreclosure of collateral. In the efforts to

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

maximize the proceeds, the Group operates these assets while optimizing their performance before selling them.

The table below includes an overview of revenue and expenses associated with repossessed assets.

	2025	2024
Revenue from repossessed assets	864	23,427
Direct materials used in shipbuilding activities	-	14,031
Other expenses associated with shipbuilding activities	-	3,358
Employee expenses	-	4,908
Other (Incl. losses from disposal of repossessed assets)	(323)	3,721
<b>Expenses related to repossessed assets</b>	<b>(323)</b>	<b>26,018</b>
Net impairment result	769	973
<b>Expenses related to repossessed assets recognized in other PL items</b>	<b>769</b>	<b>973</b>
<b>Net result (pre-tax)</b>	<b>418</b>	<b>(3,564)</b>

**ii. Other Operating Income**

	2025	2024
Dividend income	816	799
Recovery from DSB case	766	3,702
Change in fair value of investment property	260	-
Other income	1,192	2,042
<b>Total</b>	<b>3,034</b>	<b>6,543</b>

**27 Personnel Expenses**

	2025	2024
Wages and salaries	62,079	61,357
Social security payments	6,186	4,748
Retirement benefit costs	2,560	3,386
Other employee costs	7,794	7,648
<b>Total</b>	<b>78,619</b>	<b>77,139</b>
<b>Average number of employees</b>	<b>889</b>	<b>914</b>
– Netherlands	259	242
– Foreign countries	630	672

The retirement benefit costs of EUR 3,073 (2024: EUR 2,795) relates to a defined contribution plan. The Group has no defined benefit program. The assets of the schemes are held separately from those of the Group in funds under the control of insurance companies.

**28 Operating Expenses**

	2025	2024
Rent and maintenance expenses	3,172	3,160
Communication and information expenses	3,943	3,675
Taxes other than income	4,313	4,147
Professional fees and consultancy	9,048	8,677
Information technology expenses	2,368	2,853
Contributions and subscriptions	4,866	3,763
Supervision fees	2,061	1,978
Legal services expenses	771	1,991
Other expenses <sup>1</sup>	12,349	11,411
<b>Total</b>	<b>42,891</b>	<b>41,655</b>

<sup>1</sup> Other operating expenses mainly consist of security, insurance, advertising & marketing, cleaning, travel & transport related expenses. In addition, in the course of 2024, EUR 2.6 million loss was recognized as result of the recycling of foreign exchange reserve following the liquidation of Cirus Holding B.V. and Ikano Finance Holding B.V.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

## 29 Taxation

In the Netherlands, corporate income tax (CIT) for 2025 is charged at 19% on the first EUR 200,000 of taxable profit and 25.8% on any amount above this threshold. Resident companies are taxed on their worldwide income, which is determined by adjusting accounting profit for tax-deductible items and non-deductible items. In 2007, the Group formed a Dutch fiscal unity with its parent company, CEG N.V., which serves as the head of the fiscal unity. Under this structure, the Dutch profits and losses of member companies are consolidated for corporate income tax purposes. The corporate income tax for Romanian branch of the Group is 16%. In Switzerland, cantonal and federal taxes are levied at the combined effective rate of 14.7%. In the financials, the deferred tax amounts have been calculated with the prospective effective tax rate of 15%.

The Group remains committed to adhering to all regulatory requirements and will provide updates as more information becomes available. The Pillar Two model rules were adopted at the end of 2023 and are applicable starting from 1 January 2024. The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on 2024 country-by-country reporting and 2025 financial information for the jurisdictions where the Group operates and expects that all jurisdictions will meet the effective tax rates above the 15% minimum threshold. The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on its results and financial position.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The tax income and expenses are as follows:

	2025	2024		2025	2024
Effective tax rate	24.68%	28.15%	<b>Income tax reported in income statement</b>	<b>(20,311)</b>	<b>(29,418)</b>
<b>Income tax recognized in the income statement</b>				<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Current income tax</b>	<b>(18,428)</b>	<b>(4,855)</b>	<b>Income tax recognized in equity</b>		
Current income tax charge	(18,428)	(4,855)	Fair value reserve	(881)	(1,041)
<b>Deferred income tax</b>	<b>(1,883)</b>	<b>(24,563)</b>	Cash flow hedge reserve	83	-
Relating to origination and reversal of temporary differences	(1,883)	(23,605)	Tangible revaluation reserve	28	(10)
The effect of change in tax rate	-	(958)	Other	0	(8,762)
			<b>Income tax reported in equity</b>	<b>(770)</b>	<b>(9,813)</b>
<b>Deferred tax assets and liabilities</b>					
			<b>December 31, 2025</b>		<b>December 31, 2024</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>
Tax losses carried forward	11,446	-	11,446	24,734	(2,215)
Loans and receivables	1,660	(19)	1,641	2,532	(11,300)
Property, plant and equipment	58	(494)	(436)	121	-
General risk provision	-	(15,343)	(15,343)	-	(15,174)
Debt securities	1,346	(665)	681	1,955	(234)
Other	1,042	(66)	976	1,592	(472)
<b>Total</b>	<b>15,552</b>	<b>(16,587)</b>	<b>(1,035)</b>	<b>30,934</b>	<b>(29,395)</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**The movement of net current tax asset/liability is as follows:**

	December 31, 2025	December 31, 2024
<b>Opening balance as at January 1</b>	(2,340)	(4,042)
Current period taxation charge in the statement of profit and loss	(18,428)	(4,727)
Advance tax paid during the period	12,860	6,429
Other	174	-
<b>Closing balance as at December 31</b>	<b>(7,734)</b>	<b>(2,340)</b>

<b>Reconciliation of income tax</b>	<b>2025</b>	<b>2024</b>
Operating profit before tax	82,305	104,490
Statutory tax rate	25.8%	25.8%
<b>At statutory income tax</b>	<b>(21,235)</b>	<b>(26,958)</b>
Income not subject to tax	89	77
Expenditure not allowable for income tax purposes	(1,271)	(654)
Effect of different income tax rates in other countries	(392)	269
The effect of change in tax rate	-	(958)
Other	2,498	(1,194)
<b>Income tax</b>	<b>(20,311)</b>	<b>(29,418)</b>

**The movement of net deferred tax asset/liability is as follows:**

	December 31, 2025	December 31, 2024
<b>Opening balance as at January 1</b>	1,539	35,627
Deferred tax benefit/(charge) in the statement of profit and loss	(1,883)	(24,563)
Deferred tax benefit/(charge) in the statement of other comprehensive income	(770)	(9,813)
Other	78	288
<b>Closing balance as at December 31</b>	<b>(1,035)</b>	<b>1,539</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**Country by country reporting**

The table below provides an overview of main activity, turnover, PBT (profit or loss before tax excluding intercompany losses), tax on profit or loss and average number of FTEs per principal subsidiary in each country. There is no public subsidies received in 2025 and 2024.

December 31, 2025						
Country	Name	Nature of activities	Turnover (in millions) <sup>1</sup>	PBT (in millions)	Tax (in millions)	Average FTE
The Netherlands	CEG N.V., Nexent Bank N.V.,	Wholesale banking Retail banking	124	60	(13)	259
Germany	Nexent Bank N.V.	Retail banking	2	(0.1)	0.1	33
Malta	Nexent Bank N.V.	Wholesale banking Retail banking	12	14	(5)	30
United Arab Emirates	Credit Europe (Dubai) Ltd	Asset management	0.05	(0.04)	-	-
Switzerland	Nexent Bank (Suisse) SA	Wholesale banking	36	15	(2)	67
	Nexent Bank N.V. Amsterdam Sucursala Bucuresti <sup>2</sup>	Wholesale banking				
Romania	Credit Europe Asset Management S.A.	Asset management	27	(8)	0.1	469
	Credit Europe Ipotecar S.A.	Retail banking				
	JSC Nexent Bank (Ukraine),	Wholesale banking				
Ukraine	Credit Europe Leasing (Ukraine) LLC	Retail banking	2	1	(0.2)	31
		Leasing				
Turkey	Seyir Gayrimenkul Yatirim A.S.	Repossessed assets management	0.3	0.3	-	-
<b>Total</b>			203	82	(20)	889

1 Turnover is calculated as sum of net interest income, net fee and commission income and operating income.

2 Please refer to 'Changes to the Group'.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

<b>December 31, 2024</b>						
<b>Country</b>	<b>Name</b>	<b>Nature of activities</b>	<b>Turnover (in millions)<sup>1</sup></b>	<b>PBT (in millions)</b>	<b>Tax (in millions)</b>	<b>Average FTE</b>
The Netherlands	Credit Europe Group N.V., Credit Europe Bank N.V.,	Wholesale banking Retail banking	128	64	(18)	242
Germany	Credit Europe Bank N.V.	Retail banking	2	(0.1)	0.4	33
Malta	Credit Europe Bank N.V.	Wholesale banking Retail banking	16	17	(6)	28
United Arab Emirates	Credit Europe (Dubai) Ltd	Asset management	-	(0)	-	-
Switzerland	Credit Europe Bank (Suisse) SA	Wholesale banking	36	16	(3)	63
	Credit Europe Bank (Romania) SA,	Wholesale banking				
Romania	Credit Europe Asset Management S.A.	Retail banking	38	5	(1)	519
		Asset management				
	JSC Credit Europe Bank (Ukraine),	Wholesale banking				
Ukraine	Credit Europe Leasing (Ukraine) LLC	Retail banking	3	3	(1)	29
		Leasing				
Malta	Angora Yacht Ltd.,	Repossessed assets management	-	(0.2)	-	-
Turkey	Seyir Gayrimenkul Yatirim A.S.	Repossessed assets management	0.01	(0.04)	-	-
	Atlas Tersanecilik A.S.	Shipbuilding	22	(0)	-	-
<b>Total</b>			<b>246</b>	<b>104</b>	<b>(29)</b>	<b>914</b>

1 Turnover is calculated as sum of net interest income, net fee and commission income and operating income.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### **30 Fair Value Information**

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realizable in an immediate sale of the assets or transfer of liabilities.

Fair value of financial assets that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

The estimated fair values of trading financial assets (excluding loans) at fair value through profit or loss, financial investments and debt securities issued are based on quoted market prices at the reporting date without any deduction for transaction costs.

The estimated fair values of all other financial assets and liabilities are calculated using discounted cash flow techniques based on expected future cash flows and discount rates for similar instruments.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**Classification of Financial Assets and Liabilities**

The table below provides reconciliation between line items in the statement of financial position and categories of financial instruments.

	<b>December 31, 2025</b>					
	<b>Trading</b>	<b>Designated at FVTPL</b>	<b>Measured mandatorily at FVTPL</b>	<b>Measured at amortized cost</b>	<b>Measured at FVOCI</b>	<b>Total carrying amount</b>
Cash and balances at central banks	-	-	-	759,069	-	759,069
Financial assets at FVTPL	-	96,206	4,617	-	-	100,823
Financial investments	-	-	-	407,536	425,360	832,896
Loans and receivables - banks	-	-	-	821,604	-	821,604
Loans and receivables - customers	-	-	-	2,961,889	-	2,961,889
Derivative financial instruments	257,425	-	-	-	-	257,425
<b>Total assets</b>	<b>257,425</b>	<b>96,206</b>	<b>4,617</b>	<b>4,950,098</b>	<b>425,360</b>	<b>5,733,706</b>
Due to banks	-	-	-	479,828	-	479,828
Due to customers	-	-	-	4,214,853	-	4,214,853
Derivative financial instruments	233,534	-	-	-	-	233,534
Subordinated liabilities	-	-	-	134,977	-	134,977
<b>Total liabilities</b>	<b>233,534</b>	<b>-</b>	<b>-</b>	<b>4,829,658</b>	<b>-</b>	<b>5,063,192</b>

  

	<b>December 31, 2024</b>					
	<b>Trading</b>	<b>Designated at FVTPL</b>	<b>Measured mandatorily at FVTPL</b>	<b>Measured at amortized cost</b>	<b>Measured at FVOCI</b>	<b>Total carrying amount</b>
Cash and balances at central banks	-	-	-	1,267,118	-	1,267,118
Financial assets at FVTPL	-	85,062	18,479	-	-	103,541
Financial investments	-	-	-	129,396	315,262	444,658
Loans and receivables - banks	-	-	-	968,647	-	968,647
Loans and receivables - customers	-	-	-	2,551,050	-	2,551,050
Derivative financial instruments	164,958	-	-	-	-	164,958
<b>Total assets</b>	<b>164,958</b>	<b>85,062</b>	<b>18,479</b>	<b>4,916,211</b>	<b>315,262</b>	<b>5,499,972</b>
Due to banks	-	-	-	284,843	-	284,843
Due to customers	-	-	-	4,202,042	-	4,202,042
Derivative financial instruments	229,342	-	-	-	-	229,342
Subordinated liabilities	-	-	-	149,376	-	149,376
<b>Total liabilities</b>	<b>229,342</b>	<b>-</b>	<b>-</b>	<b>4,636,261</b>	<b>-</b>	<b>4,865,603</b>

### Fair Value Hierarchy

The fair value hierarchy consists of three levels, depending upon whether fair values are determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have significant impact on the fair value of the instrument (Level 3):

### Valuation Models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: This category includes inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: This category includes inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: This category includes all instruments where the valuation technique uses inputs based on unobservable data, which could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant, unobservable adjustments or assumptions are required to reflect differences between instruments.

Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived.

Transfers into and transfers out of fair value hierarchy levels are made on a quarterly basis.

The Group uses following assumptions to estimate the fair value of financial instruments:

**Equity securities:** Fair values of publicly traded equity securities are based on quoted market prices where available. In the case of where no quoted market is available, fair value is determined based on quoted prices for similar securities or other valuation techniques. Valuation techniques include discounted cash flow models and transaction multiple methods.

**Debt securities:** Fair values are based on quoted market prices, where available. Quoted market prices may be obtained from an exchange market, dealer, broker, pricing service or regulatory service. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which may include values obtained from one or more pricing services or by a valuation technique that discounts expected future cash flows using a market interest rate curves, referenced credit spreads and maturity of the investment.

**Derivative assets and liabilities:** Derivatives are valued using valuation techniques. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instruments. Observable prices or model inputs are usually available in the market for exchange-traded derivatives and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The principal techniques used to value these instruments are based on discounted cash flows,



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Black-Scholes option models and Monte Carlo simulation. These valuation models calculate the present value of expected future cash flows. Inputs to valuation models are determined from observable market data where possible. The inputs used include prices available from exchanges, dealers, brokers or providers of consensus pricing, yield curves, credit spreads, default rates, recovery rates, volatility of underlying interest rates, equity prices and foreign currency exchange rates. These inputs are determined with reference to quoted prices, recently executed trades, independent market quotes, where available.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes that, a third-party market participant consider them in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. For measuring derivatives, fair values take into account both credit valuation adjustments (CVA) and debit valuation adjustments (DVA). In assessing the counterparty risk the Group accounts for the following aspects: the default probability of the counterparty, the default probability of the Group itself, the nature of transactions and the impact of risk mitigants such as netting and collateralisation for each counterparty individually.

**Trading loans measured at fair value through profit or loss:** Fair values of loans are determined by reference to similar instruments trading in active markets and valuation models where inputs are unobservable. These models calculate the present value of expected future cash flows. The inputs used include prices available from dealers, brokers or providers of consensus pricing, yield rates and currency exchange rates.

**Loans mandatorily at fair value through profit or loss:** All financial assets that do not meet a 'solely payment of principal and interest' (SPPI) criterion, are classified at initial recognition as fair value through profit or loss.

In 2025, there has been no change in valuation techniques and models.

#### Valuation Framework

The Group has an established control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- analysis and investigation of significant daily valuation movements

Significant valuation issues are reported to the Asset Liability Committee (ALCO).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The table below analyses financial instruments measured at fair value, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

<b>December 31, 2025</b>	Note	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
Trading assets	6	1,599	-	94,607	96,206
Derivative financial assets	9	181	257,207	37	257,425
Equity instruments measured at FVOCI	7	8,407	-	4,893	13,300
Non-trading assets mandatorily at FVTPL	6	254	-	4,363	4,617
Other financial investments	7	114,059	24,792	273,209	412,060
<b>Total</b>		<b>124,500</b>	<b>281,999</b>	<b>377,109</b>	<b>783,608</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	9	311	233,220	4	233,535
<b>Total</b>		<b>311</b>	<b>233,220</b>	<b>4</b>	<b>233,535</b>
<b>December 31, 2024</b>					
<b>Financial assets</b>					
Trading assets	6	21,521	9,787	53,754	85,062
Derivative financial assets	9	42	164,819	97	164,958
Equity instruments measured at FVOCI	7	7,493	-	4,649	12,142
Non-trading assets mandatorily at FVTPL	6	232	-	18,247	18,479
Other financial investments	7	172,901	14,543	115,676	303,120
<b>Total</b>		<b>202,189</b>	<b>189,149</b>	<b>192,423</b>	<b>583,761</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	9	18	229,319	5	229,342
<b>Total</b>		<b>18</b>	<b>229,319</b>	<b>5</b>	<b>229,342</b>

No financial instruments were transferred from Level 1 to neither Level 2 nor Level 3 in 2025 (2024: None).

No financial instruments were transferred from Level 2 to Level 3 in 2025 (2024: None).

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Level 3 Financial Assets and Liabilities

Security fair value measurements using significant inputs that are unobservable in the market due to limited activity or an illiquid market are classified as Level 3 in the fair value hierarchy. Such measurements include securities valued using internal models or a combination of multiple valuation techniques, such as weighting of internal models and vendor or broker pricing, where the unobservable inputs are significant to the overall fair value measurement. As of December 31, 2025, EUR 9,256 (2024: EUR 9,140) securities were classified as Level 3.

During 2025, there were no financial instruments transferred out of Level 3 to Level 2 due to change in inputs used in measuring the fair value of the assets. (2024: None) Loans and receivable classified under Level 3 consist of trading loans valued using discounted cash flow technique that incorporate brokers' quotes as indicative value with no attached commitment to transact at that price.

Changes in the unobservable inputs used in the valuation of Level 3 financial assets would not have a significant impact on equity and net income.

Non trading assets consist of loans mandatorily at fair value through profit or loss, that are measured in line with IFRS 13 requirements using the valuation techniques described in the following table.

### Fair Value Measurement of Non-Financial Assets and Liabilities

Non-financial assets for which fair value is taken into account as measurement basis comprise of investment properties, land and buildings. Assets held for sale is measured at lower of the carrying amount or fair value less cost to sell.

Independent appraisal reports are used for determination of fair values of those assets that are classified as Level 3 of the fair value hierarchy since the valuation techniques used are mostly based on unobservable inputs.

Unrealised gains and losses during the year that relate to Level 3 non-financial assets have been recognised in the statement of income as follows:

- Changes in fair value of investment properties are included in other impairment loss.
- Changes in fair value of assets held for sale are included in other impairment loss.

In 2025 there has been no change in valuation techniques.

As at December 31, 2025 the Group has no non-financial liabilities measured at fair value (2024: None).

### Significant unobservable inputs used in determination of Level 3 fair values

The following table presents the valuation techniques and the significant inputs used in determination of fair values in Level 3 measurements.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Category	Carrying amount/fair value(in Eur)	Valuation Technique	Input	Range
<b>Financial assets</b>				
Romania- Visa shares	4,363	Third party pricing	Broker price	n.a
<b>Non-trading assets mandatorily at FVTPL</b>	<b>4,363</b>			
<b>Trading assets</b> - Trading loans at FVTPL	<b>94,607</b>	Third party pricing	Broker price	n.a
<b>Other financial investments</b> - Trading loans at FVOCI	<b>273,209</b>	Third party pricing	Broker price	n.a
<b>Equity instruments measured at FVOCI</b>				
- <b>Investment fund</b>	<b>4,893</b>	Net asset value	n.a	n.a
<b>Total- Level 3 financial assets<sup>1</sup></b>	<b>377,072</b>			
<b>Non-financial assets</b>				
Western Europe- land/buildings	11,951	Market comparison approach - Income capitalization	Price per square meter IRR/Yield	Rent Price :19 / IRR Yield : %8.10
Romania- land/ buildings	5,777	Market comparison approach - Income capitalization	Price per square meter	400-2,300 Eur/sqm/month
Turkey- commercial properties	1,028	Market comparison approach	Price per square meter	2577 Eur/sqm
Western Europe- artworks	977	Market comparison approach	n.a	n.a
<b>Total Level 3 non-financial assets</b>	<b>19,733</b>			

1 Level 3 derivatives are excluded.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Reconciliation of Level 3 financial assets

The following table shows a reconciliation for fair value measurements in the Level 3 of the fair value hierarchy.

	December 31, 2025				December 31, 2024			
	Financial Assets at		Financial Assets at		Financial Assets at		Financial Assets at	
	Financial Assets- FVOCI	FVTPL-Non- Trading	Financial Assets at FVTPL-Trading	Total	Financial Assets- FVOCI	FVTPL-Non- Trading	Financial Assets at FVTPL-Trading	Total
Balance at January 1	120,325	18,247	53,754	192,326	43,639	25,728	138,290	207,657
Total gains and losses								
- in net trading income	3,975	828	2,910	7,713	2,201	1,763	2,144	6,108
- in net interest income	-	129	10,196	10,325	-	772	8,965	9,737
- in OCI	(10)	-	-	(10)	(18)	-	-	(18)
Purchases/additions	336,535	-	618,408	954,943	150,436	-	364,242	514,678
Settlements/Collections/Sales	(182,697)	(14,734)	(590,661)	(788,092)	(79,475)	(10,028)	(459,887)	(549,390)
Transfers to Level 3	-	-	-	-	3,540	-	-	3,540
Exchange differences	(26)	(107)	-	(133)	2	12	-	14
<b>Balance at the year end</b>	<b>278,102</b>	<b>4,363</b>	<b>94,607</b>	<b>377,072</b>	<b>120,325</b>	<b>18,247</b>	<b>53,754</b>	<b>192,326</b>

### Reconciliation of Level 3 non-financial assets

The following table shows a reconciliation for fair value measurements in the Level 3 of the fair value hierarchy.

December 31, 2025	Property and equipment	Investment properties	Assets held for sale
<b>Balance at the beginning of the year</b>	<b>18,495</b>	<b>768</b>	<b>977</b>
Depreciation	(618)	-	-
Change in fair value	-	260	-
Transfers into other non-financial asset classes	977	-	(977)
Exchange differences	(149)	-	-
<b>Balance at the year end</b>	<b>18,705</b>	<b>1,028</b>	<b>-</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**Financial instruments not measured at fair value**

The following table compares the carrying amount of financial assets and liabilities not measured at fair value and analyses them by the level in the fair value hierarchy. Cash and balances at central banks are excluded from the table as it's carrying value approximates the fair value.

<b>December 31, 2025</b>	Note	Level 1	Level 2	Level 3	Total fair Values	Total carrying amount
<b>Financial assets</b>						
Loans and receivables - banks	8	-	822,014	-	822,014	821,604
Loans and receivables - customers	10	-	-	2,964,334	2,964,334	2,961,889
<b>Total</b>		-	<b>822,014</b>	<b>2,964,334</b>	<b>3,786,348</b>	<b>3,783,493</b>
<b>Financial liabilities</b>						
Due to banks	15	-	480,170	-	480,170	479,828
Due to customers	16	-	4,249,248	-	4,249,248	4,214,853
Subordinated liabilities	19	-	136,370	-	136,370	134,977
<b>Total</b>		-	<b>4,865,788</b>	-	<b>4,865,788</b>	<b>4,829,658</b>
<b>December 31, 2024</b>						
<b>Financial assets</b>						
Loans and receivables - banks	8	-	968,650	-	968,650	968,647
Loans and receivables - customers	10	-	-	2,545,404	2,545,404	2,551,050
<b>Total</b>		-	<b>968,650</b>	<b>2,545,404</b>	<b>3,514,054</b>	<b>3,519,697</b>
<b>Financial liabilities</b>						
Due to banks	15	-	284,843	-	284,843	284,843
Due to customers	16	-	4,239,000	-	4,239,000	4,202,042
Subordinated liabilities	19	-	149,373	-	149,373	149,376
<b>Total</b>		-	<b>4,673,216</b>	-	<b>4,673,216</b>	<b>4,636,261</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### **31 Offsetting Financial Assets and Financial Liabilities**

The following table includes financial assets and liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position. The table shows the potential effect on the Group's statement of financial position on financial instruments that have been shown in a gross position where right of set-off exists under certain circumstances that do not qualify for netting on the statement of financial position.

Similar agreements include derivative clearing agreements, master repurchase agreements and master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, securities borrowing and lending agreements. Loans and deposits are not disclosed in the below table, unless they are offset in the statement of financial position.

The Group uses the ISDA (International Swaps and Derivatives Association) master netting arrangements for derivatives to mitigate the credit risk. The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties of the agreement a right of set-off recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties.

The Group receives and gives collateral in the form of cash and marketable securities in respect of derivatives, reverse repo agreements, repo agreements and securities lending and borrowing transactions.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

				Related Amounts Not Offset in the Statement of Financial Position			December 31, 2025
	Gross Amounts	Offsetting Counterparty Position in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Financial Instruments	Cash Collaterals Received/ Pledged	Financial Instrument Collaterals Recognized in the Off Balance Sheet	Net Amount
<b>Assets</b>							
Derivative assets	257,425	-	257,425	(86,614)	(12,292)	-	158,519
Reverse repo agreements	200,418	-	200,418	-	-	(200,418)	-
<b>Total</b>	<b>457,843</b>	<b>-</b>	<b>457,843</b>	<b>(86,614)</b>	<b>(12,292)</b>	<b>(200,418)</b>	<b>158,519</b>
<b>Liabilities</b>							
Derivative liabilities	233,534	-	233,534	(86,614)	(9,493)	-	137,427
Repo agreements <sup>1</sup>	99,885	-	99,885	-	-	(99,629)	256
<b>Total</b>	<b>333,419</b>	<b>-</b>	<b>333,419</b>	<b>(86,614)</b>	<b>(9,493)</b>	<b>(99,629)</b>	<b>137,683</b>

1 Please refer to Note 15: 'Due to Banks'.

				Related Amounts Not Offset in the Statement of Financial Position			December 31, 2024
	Gross Amounts	Offsetting Counterparty Position in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position	Financial Instruments	Cash Collaterals Received/ Pledged	Financial Instrument Collaterals Recognized in the Off Balance Sheet	Net Amount
<b>Assets</b>							
Derivative assets	164,958	-	164,958	(77,120)	(17,351)	-	70,487
Reverse repo agreements	121,969	-	121,969	-	-	(121,969)	-
<b>Total</b>	<b>286,927</b>	<b>-</b>	<b>286,927</b>	<b>(77,120)</b>	<b>(17,351)</b>	<b>(121,969)</b>	<b>70,487</b>
<b>Liabilities</b>							
Derivative liabilities	229,342	-	229,342	(77,120)	(35,137)	-	117,085
<b>Total</b>	<b>229,342</b>	<b>-</b>	<b>229,342</b>	<b>(77,120)</b>	<b>(35,137)</b>	<b>-</b>	<b>117,085</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 32 Commitments and Contingencies

To meet the financial needs of customers, the Group issues various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Group. In many instances, the amount recognized on the statement of financial position for incurred obligations does not represent the loss potential of the arrangement in full.

Letters of credit, guarantees and acceptances commit the Group to make payments on behalf of customers, contingent on the failure of the customer to perform under the terms of the contract. Guarantees carry the same credit risk as loans. Credit guarantees can be in the form of bills of exchange, irrevocable letters of credit, advance payment guarantees, or endorsement liabilities from bills rediscounted.

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiration dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements. With respect to credit risk on commitments to extend the credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments.

However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

	December 31, 2025	December 31, 2024
Contingent liabilities with respect to irrevocable letters of credit - import	744,327	630,632
Contingent liabilities with respect to letters of guarantee granted - corporates	48,954	66,972
Contingent liabilities with respect to irrevocable letters of credit - export	203,210	267,174
Contingent liabilities with respect to letters of guarantee granted - banks	131,986	24,445
Contingent liabilities with respect other guarantees	14	14
<b>Total non-cash loans</b>	<b>1,128,491</b>	<b>989,237</b>
Credit-line commitments	78,002	170,990
Credit-card limits	255,931	229,909
<b>Total</b>	<b>1,462,424</b>	<b>1,390,136</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 33 Related Parties

The Group's Parent Company is FİBA Holding A.Ş., Türkiye, ultimately controlled by Özyeğin family.

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in financial and operating decisions. The Group enters into transactions with its Parent company and other related parties controlled by Özyeğin family in the ordinary course of business at commercial interest and commission rates.

The Group provides general banking services to related parties including current accounts, time deposits, fx transactions, fiduciary transactions, brokerage activities and custodian services. All loans and advances to related parties are performing advances.

All amounts in the table below relate to the Group's related parties:

	December 31, 2025		December 31, 2024	
	Parent Company	Other Related Parties	Parent Company	Other Related Parties
<b>Assets</b>				
Loans and receivables – banks	-	537	-	441
Loans and receivables – customers	-	126,077	-	125,879
Derivative financial instruments	-	5,842	-	2,004
<b>Liabilities</b>				
Due to banks	-	949	-	769
Due to customers	675	120,126	492	63,645
Derivative financial instruments	-	7,375	-	3,412
Subordinated liabilities	-	42,977	-	47,725
Commitment and contingencies	-	4,772	-	1,005

All credit risk exposures related to derivate financial instruments are fully collateralized through pledge agreements. As of December 31, 2025, the Group does not have any stage 3 provisions regarding related party balances (2024: None).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The income and expenses in respect of related parties included in the financial statements are as follows:

	2025		2024	
	Parent Company	Other Related Parties	Parent Company	Other Related Parties
Interest income	-	25,098	-	27,898
Interest expense	(387)	(24,489)	-	(21,346)
Commission income	2	521	-	3,990
Valuation results and net trading income	-	(583)	-	(4,180)
Other operating income	-	177	-	218
Operating expenses	-	(954)	-	(1,062)

In the course of 2025, there are no loans sold to related parties (2024: None).

Key management is defined as those persons in the Group's Supervisory and Managing Board. The number of key management personnel is 8 (2024: 8). Key management personnel and their immediate relatives have transactions in the ordinary course of business at commercial interest and commission rates with the Group. There is no loan granted to key management as of December 31, 2025. (2024: None)

As of December 31, 2025, the Group does not have any provisions regarding the balances with key management personnel (2024: None). Key management costs, including remuneration and fees for the year ended December 31, 2025 amounted to EUR 3,870 (2024: EUR 3,490). Pension plan contribution amounted to EUR 206 (2024: EUR 206).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34 Risk Management

CEG has set policy-level standards in accordance with the regulations of the Dutch Central Bank (De Nederlandsche Bank – DNB) and the guidelines published by the Basel Committee and the European Banking Authority (EBA).

The core elements of the Group’s risk management and control framework are:

- Adhering to the risk appetite and strategy set
- Periodically assessing the risk governance structure
- Maintaining capital management in line with the capital strategy
- Managing financial and non-financial risks in line with the risk appetite and strategy

#### Risk Appetite and Risk Governance

The risk management philosophy requires direct reporting lines and a clear division of tasks and responsibilities. At the same time, it ensures that bank-wide criteria for acceptance, monitoring, control and management of risks are deeply rooted. We clearly separate risk ownership from business activities.

Main pillars of the risk appetite are illustrated below:

QUALITATIVE	QUANTITATIVE
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Standardized policies, guidelines and limits</li> <li>• Risk tolerance is proposed and executed by the Managing Board upon the approval of the Supervisory Board</li> <li>• Risk appetite in certain geographies and segments is determined in accordance with local presence and expertise</li> <li>• Risk management is centralized and functions independently from the business lines</li> </ul> <p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>• Ensure high financial reporting transparency and efficient external communications</li> </ul>	<p><b>Credit risk concentration</b></p> <ul style="list-style-type: none"> <li>• Diversified exposure within different geographies and sectors through retail, SME and corporate clients.</li> <li>• Low sovereign exposure</li> </ul> <p><b>Liquidity</b></p> <ul style="list-style-type: none"> <li>• Low risk appetite for liquidity risk consistently maintaining robust liquidity buffers and a diversified funding base.</li> <li>• Insignificant liability concentration</li> </ul> <p><b>Trading and ALM</b></p> <ul style="list-style-type: none"> <li>• Limited sensitivity to trading risk and interest rate mismatches in the Banking book</li> <li>• No exposure to securitized/re-securitized assets or CDOs</li> </ul>

Nexent Bank exercises full control over its subsidiaries’ business performance and steers their risk appetite. In addition, we employ the following governance structure of risk management:

- Audit & Risk Committees at subsidiary as well as consolidated level;
- Direct reporting of general managers of the Groups' subsidiaries to the CEO of the Group;



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- Presence of a global CRO function on the Managing Board;
- A uniform credit committee structure at both local and the consolidated level.

The Audit and Risk Committee (ARC) at the consolidated level plays a pivotal role in the Group's risk governance framework. ARC meets four times a year, receives regular reports, and updates on the Group's actual risk appetite with respect to the approved risk appetite statement. The Committee reviews and monitors the limits for individual types of risks and takes decisions whether principal risks have been properly identified and are being appropriately managed. ARC also makes assessments on the existing risk management capacity / expertise of the Group and raises action items / investment plans –where necessary- to reach the desired level.

### Capital Management

A capital level commensurate with the Group's risk profile is the key to financial resilience. The Group's capital-management objectives are to:

- Achieve adequate capital levels to support the Group's risk appetite and to operate with a sizeable buffer above DNB's minimum regulatory capital requirements.
- Ensure that locally regulated subsidiaries can meet their minimum capital requirements.
- Maintain a strong capital base to reassure investors, creditors and markets, and to sustain future business development.

### Regulatory Capital

The Group follows Capital Requirement Directive and Capital Requirement Regulation for Capital Requirement calculation. Related documents are following:

#### CRD

- Directive 2013/36/EU on access to the activity of credit institution and the prudential supervision of credit institutions and investment firms (CRD IV), 26 June 2013<sup>1</sup>
- DIRECTIVE (EU) 2019/878 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures<sup>2</sup>

#### CRR

- Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR)<sup>3</sup>
- REGULATION (EU) 2019/876 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012<sup>4</sup>

The Group applies the standardized approach for credit risk, market risks and operational risk. Banks are expected to meet the capital-requirements constraints imposed by the Basel III accord.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The Group's total own funds consist of Core Tier I capital (also named as common Equity Tier I, CET 1), Additional Tier I capital (AT 1) and Tier II capital. The various elements making up both components are presented in the table below:

	December 31, 2025	December 31, 2024 <sup>1</sup>
<b>Total Equity<sup>2</sup></b>	<b>713,879</b>	<b>676,169</b>
- Current year profit <sup>3</sup>	(16,831)	(3,846)
- Non-eligible minority interest <sup>4</sup>	(1,014)	(1,225)
<b>Prudential filters</b>		
- Cash flow hedge reserve	286	-
- Prudent valuation	(663)	(608)
- Intangible asset <sup>4</sup>	(20,765)	(11,892)
- Deferred tax assets that rely on future profitability and do not arise from temporary differences <sup>4</sup>	(11,446)	(24,734)
- CIU Investment deductions	(3,811)	(3,540)
- Backstop deductions <sup>5</sup>	(3,347)	(8,696)
- Repossessed Assets deduction <sup>6</sup>	(7,029)	(6,326)
<b>Core Tier I</b>	<b>649,259</b>	<b>615,302</b>
Perpetual Tier I capital	42,977	47,725
<b>Additional Tier I</b>	<b>42,977</b>	<b>47,725</b>
<b>Total Tier I capital</b>	<b>692,236</b>	<b>663,027</b>
Tier II capital		
Subordinated capital	89,419	101,020
<b>Total Tier II capital</b>	<b>89,419</b>	<b>101,020</b>
<b>Total own funds</b>	<b>781,655</b>	<b>764,047</b>

1 Comparative figures have been updated to improve consistency and comparability with the current period disclosure.

2 Different consolidation scopes account for the deference between equity and intangible in own funds from the consolidated financial statements. Own funds are determined using the prudential consolidation scope, which solely combines financial institutions and excludes SPV companies in accordance with prudential supervision regulations.

3 Based on article 26, point 2 of CRR IV , CEG start to include interim year profit into Common Equity Tier 1 Capital. DNB granted permission to include 2025 Q3 interim profits in CET1 capital. Therefore , only Q4 interim profit is excluded from common Equity Tier 1 Capital as of yearend 2025.

4 Under CRD IV frame, additional items listed below shall be deducted fully to enhance own funds quality:

- Non-eligible minority interest
- Other intangible asset (Non-solvency deductible under Basel II framework)
- Deferred tax assets that rely on future profitability and do not arise from temporary differences

5 According to CRR, Prudential NPE backstop deduction is applicable for NPLs that were originated after April 2019, whereas CEG conservatively applies this guidance retrospectively to its entire NPL portfolio and deduct the relevant capital amount from its total own funds under the Group's own initiative in accordance with Article 3 of the CRR as of 2023 June-end.

6 The aging of repossessed assets is addressed through capital deductions from CEG's own funds under the Group's own initiative in accordance with Article 3 of the CRR as of 2023 June-end. CEG applies maximum holding periods for repossessed assets and determined specific applicable amount of deduction from CET1 capital separately for each repossessed asset based on CEG's NPE strategy policy.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The Group and its individually supervised subsidiaries have complied with all externally imposed capital requirements throughout the reporting period and maintained their capital ratios above the regulatory minimum ratios.

	December 31, 2025	December 31, 2024
<b>Solvency ratio</b>		
Capital ratio	18.79%	19.77%
Tier I ratio	16.64%	17.16%
Core Tier I	15.61%	15.92%
<b>RWA</b>	<b>4,158,989</b>	<b>3,864,311</b>

### Credit Risk

Credit risk is defined as the current or prospective threat to the Group's earnings and capital because of counterparty's failure to comply with financial or other contractual obligations.

Credit risk constitutes the most significant risk of the Group and arises mainly from its trade-finance, corporate lending, treasury and mortgage businesses.

### Concentration Limits

The Group has established maximum concentration limits –in terms of both nominal and loss given default based- over country, industry and single-name concentrations to manage concentration risk in its loan portfolio.

Credit risk is managed by following tools and principles:

### Risk Mitigation

The Group employs credit risk mitigation strategies to lower the credit risk connected to its credit exposures. These methods generally include the management of collateral and guarantees, the offsetting of financial assets and liabilities, and the enforcement of master netting agreements or comparable instruments by the Group's banking system with means of collateral-transaction linkages.

The conditions that collateral must satisfy in order to qualify for capital reduction are set forth in the Capital Requirements Regulation. The successful and prompt realization of collateral is the goal of these criteria, which include legal certainty for enforceability, collateral assessment, and collateral monitoring. The Group established its Collateral Management Policy that provides a single-view on collateral management within Nexent Bank, which contains the eligibility of collateral for risk mitigation as well as certain collateral-related processes such as collateral (re-)valuation, administration and liquidation as well as postmortem analyses.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

- For legal certainty for enforceability, Legal department conducts in-depth legal review confirming the enforceability of the collateral arrangements under the law applicable to these arrangements in all relevant jurisdictions.
- For collateral assessment, The Collateral Management Unit monitors timely revaluations according to the specific requirements decided by the Credit Committee and informs Corporate Banking and Corporate Credits to initiate revaluations. The market value of the collateral should be appraised at least annually or more often whenever there is a reason to believe that a significant decrease in its market value has occurred.
- For collateral administration, The Collateral Management Unit, in consultation with Corporate Marketing, Corporate Credits, Treasury and Legal as well as Trade Finance Services and Central Registry. Collateral Management prepares collaterals documentation, maintains collateral bookings for establishing the linkage between risks and collaterals, ensures timely revaluations and insurance coverage of the collateral, is responsible for the release of collateral when advised by Corporate Banking, and facilitates the margin call process for financial institutions.

### Internal Rating Models and Scorecards

The Group borrower rating systems require fundamental credit analysis (corporate) and behavioural inputs (retail) and supplemented by statistical models.

The obligor rating framework integrates both qualitative and quantitative risk drivers to ensure a comprehensive assessment of corporate default risk. The Internal Rating System for corporate portfolio comprises balance sheet lending and specialized lending models, enabling robust estimation of risk parameters for transactional portfolios. Seven specialized lending sub-classes are separately identified within the corporate asset class in line with the Group's lending practices and rating criteria. The Internal Rating System for retail portfolio comprises of application and behavioral scorecard models for mortgage and credit card portfolios. A unified 21-grade master scale is applied consistently across corporate and retail portfolios.

### Stress testing

The Group puts stress-testing and capital planning at the centre of its internal capital assessment process. The factual starting point of the capital planning process is the three-year business plan, which reflects the baseline assumptions on the global economy. Macroeconomic assumptions are mainly based on a survey of multiple sources to ensure objectivity and consistency. Then, the Group identifies the potential threats to its business plan and capital adequacy based on a set of adverse scenarios.

Having a hypothetical stress testing framework, the Group's stress-testing methodology discourages both under-and over-reliance on internal data. The magnitude of the shocks varied across different portfolios based on their expected default correlation with the systematic risks, which materialize under the adverse scenario.

The Group's credit-risk stress tests shock both default- and recovery-related risk parameters. In particular, risk concentrations in the portfolio are penalized with harsher shocks. The Group's stress-testing methodology does not aim to make accurate forecasts of the downturns, but instead aims to capture the tail loss by simulating the unexpected and the undesirable.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.1 Credit Exposure

#### Maximum Credit-Risk Exposure

The Group identifies its maximum credit exposure as the sum of all transactions that may potentially expose the Group to credit losses, should the counterparty not fulfil its contractual obligations. The maximum credit exposure presented in the table below comprises on- and off-balance sheet items. Credit exposure is measured without taking account of any collateral held or other credit enhancements.

#### Maximum Credit-Risk Exposure, Net of Impairment Allowances

On-balance sheet items are presented at their gross carrying amount, gross of impairment allowances. Derivative financial instruments are assessed at fair value of future cash flows.

The off-balance credit risk exposure comprises:

- Letters of guarantee granted and letters of credit issued or confirmed, shown at the maximum amount that the Group would have to pay if the guarantees or letters of credit are called upon; and,
- Undrawn credit-card limits
- Revocable credit line commitments are excluded, as they do not create credit risk.
- Back-to-back letter of credits are excluded.

	December 31, 2025	December 31, 2024
<b>Balance sheet items</b>		
Balances with central banks	748,949	1,254,448
Financial assets measured at FVTPL	100,823	103,541
Financial investments	832,896	444,658
Loans and receivables - banks	822,051	969,269
Loans and receivables - customers	2,989,106	2,586,124
Derivative financial instruments	257,425	164,958
<b>Subtotal</b>	<b>5,751,250</b>	<b>5,522,998</b>
<b>Off-balance sheet items</b>		
Issued letters of guarantee	180,954	91,430
Issued irrevocable letters of credit	909,915	763,110
Undrawn credit-card limits	255,931	229,909
Other commitments and contingent liabilities	78,002	170,990
<b>Total off-balance sheet</b>	<b>1,424,802</b>	<b>1,255,439</b>
<b>Maximum credit risk exposure</b>	<b>7,176,052</b>	<b>6,778,437</b>



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### **Concentration of Credit Exposure**

Concentration risk normally arises when number of counterparties operates in the same geographical region or within the same economic sector and thus is affected to the same extent as economic, political and other conditions.

#### **34.2 Sector Concentration**

The Group monitors its credit exposure within the following counterparty groups: banks and central governments, financial investments, derivatives, corporate customers, retail customers, residential mortgage loans and SME customers. Exposure to corporate customers is presented, broken down by industry, according to the internal sector definitions.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

	December 31, 2025				December 31, 2024	
	On-balance sheet	Off-balance sheet	Total exposure	% of total exposure	Total exposure	% of total exposure
<b>Balances with central banks</b>	748,949	1,500	750,449	10.5%	1,255,948	18.5%
<b>Financial assets measured at fair value through profit or loss</b>	100,823	-	100,823	1.4%	103,541	1.5%
<b>Financial investments</b>	832,896	-	832,896	11.6%	444,658	6.6%
<b>Loans and receivables - banks</b>	822,051	335,145	1,157,196	16.1%	1,360,888	20.1%
<b>Loans and receivables - customers</b>	2,989,105	1,088,157	4,077,262	56.8%	3,448,444	50.9%
<b>Loans and receivables - corporate</b>	<b>2,703,167</b>	<b>813,641</b>	<b>3,516,808</b>	<b>49.0%</b>	<b>2,877,019</b>	<b>42.4%</b>
Oil & Derivatives	397,646	556,743	954,389	13.3%	602,127	8.9%
Iron-Steel-Metals & Alloys	442,913	156,976	599,889	8.4%	525,855	7.8%
Financial Service & Investment	379,422	9,812	389,234	5.4%	354,861	5.2%
Soft Commodities & Agricultural Products	282,430	23,116	305,546	4.3%	234,755	3.5%
Energy & Coal	251,366	10,016	261,382	3.6%	152,208	2.2%
Shipping & Shipyard	234,803	116	234,919	3.3%	272,533	4.0%
Real Estate	171,279	-	171,279	2.4%	157,380	2.3%
Transportation, Logistics & Warehousing	125,101	-	125,101	1.7%	61,744	0.9%
Fertilizers	83,256	11,807	95,063	1.3%	58,498	0.9%
Leisure & Tourism	84,044	-	84,044	1.2%	139,696	2.1%
Technology, IT & Electronic Equipment	74,558	-	74,558	1.0%	97,812	1.4%
Paper and Pulp & Forestry	24,158	16,330	40,488	0.6%	40,528	0.6%
Food, Beverage & Tobacco	37,936	-	37,936	0.5%	31,046	0.5%
Holding	34,568	78	34,646	0.5%	11,024	0.2%
Petrochemical, Plasticizers & Derivatives	9,397	23,369	32,766	0.5%	27,233	0.4%
Automotive & Derivatives	13,320	75	13,395	0.2%	8,157	0.1%
Construction & Installation	8,253	2,973	11,226	0.2%	39,076	0.6%
Media & Publishing	9,503	-	9,503	0.1%	10,124	0.1%
Public loans	19,980	2,218	22,198	0.3%	-	-
Other	19,234	12	19,246	0.3%	52,362	0.8%
<b>Loans and receivables - retail customers and SMEs</b>	<b>285,938</b>	<b>274,516</b>	<b>560,454</b>	<b>7.8%</b>	<b>571,425</b>	<b>8.4%</b>
Retail customers	116,751	255,931	372,682	5.2%	342,145	5.0%
Secured by residential real estate	139,899	-	139,899	1.9%	168,222	2.5%
SME	29,288	18,585	47,873	0.7%	61,058	0.9%
<b>Derivative financial instruments</b>	257,425	-	257,425	3.6%	164,958	2.4%
<b>Total credit risk exposure</b>	<b>5,751,249</b>	<b>1,424,802</b>	<b>7,176,051</b>	<b>100.0%</b>	<b>6,778,437</b>	<b>100.0%</b>

The top five industries account for 71.38% (2024: 69.17%) of the total corporate portfolio, reflecting the traditional business areas of the Group where it possesses strong expertise and profound industry practice.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.3 Geographical Concentration

The following table provides the distribution of the Group's credit exposure by risk country as of December 31, 2025 and December 31, 2024.

							December 31, 2025
	Netherlands	Turkey	Romania	Switzerland	Other countries - Non - investment grade	Other countries - Investment grade	Total exposure
<b>Balance sheet items</b>							
Demand deposits with central banks	527,188	-	27,076	161,274	17,576	15,835	748,949
Financial assets measured at FVTPL	-	14,088	-	-	52,676	34,059	100,823
Financial investments	247,546	43,565	15,710	18,543	145,824	361,708	832,896
Loans and receivables - banks	68,907	24,407	110,852	1,746	207,828	408,311	822,051
Loans and receivables - customers	326,749	521,177	403,063	480,555	302,071	955,491	2,989,106
Derivative financial instruments	196,948	15,211	-	38,453	-	6,813	257,425
<b>Total balance sheet</b>	<b>1,367,338</b>	<b>618,448</b>	<b>556,701</b>	<b>700,571</b>	<b>725,975</b>	<b>1,782,217</b>	<b>5,751,250</b>
Off-balance sheet items	45,386	40,243	288,779	200,733	169,274	680,387	1,424,802
<b>Total credit-risk exposure</b>	<b>1,412,724</b>	<b>658,691</b>	<b>845,480</b>	<b>901,304</b>	<b>895,249</b>	<b>2,462,604</b>	<b>7,176,052</b>

  

							December 31, 2024
	Netherlands	Turkey	Romania	Switzerland	Other countries - Non - investment grade	Other countries - Investment grade	Total exposure
<b>Balance sheet items</b>							
Demand deposits with central banks	921,126	-	144,408	154,172	18,977	15,765	1,254,448
Financial assets measured at FVTPL	13,284	10,170	472	-	32,465	47,150	103,541
Financial investments	136,412	956	14,642	18,529	63,014	211,105	444,658
Loans and receivables - banks	29,640	17,834	5,239	28,578	293,921	594,057	969,269
Loans and receivables - customers	286,388	535,739	357,717	186,011	253,277	966,992	2,586,124
Derivative financial instruments	142,699	4,718	-	16,808	-	733	164,958
<b>Total balance sheet</b>	<b>1,529,549</b>	<b>569,417</b>	<b>522,478</b>	<b>404,098</b>	<b>661,654</b>	<b>1,835,802</b>	<b>5,522,998</b>
Off-balance sheet items	59,570	33,809	235,579	101,766	162,980	661,735	1,255,439
<b>Total credit-risk exposure</b>	<b>1,589,119</b>	<b>603,226</b>	<b>758,057</b>	<b>505,864</b>	<b>824,634</b>	<b>2,497,537</b>	<b>6,778,437</b>

The Group's credit risk exposures in Russia and Ukraine are very limited and under continuous monitoring.

As of December 31, 2025, the Group's credit risk exposure in Russia is EUR 6,772 (2024: EUR 7,509).

As of December 31, 2025, the Group's credit risk exposure in Ukraine is EUR 26,910 (2024: EUR 27,292).

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The following table provides the distribution of the Group’s liabilities including due to banks, due to customers and derivative financial instruments by risk country:

<b>LIABILITY</b>	<b>Netherlands</b>	<b>Romania</b>	<b>Turkey</b>	<b>Switzerland</b>	<b>Other countries - Non - investment grade</b>	<b>Other countries - Investment grade</b>	<b>Total exposure</b>
December 31, 2025	1,105,524	601,228	433,143	384,754	197,574	2,206,862	<b>4,929,085</b>
December 31, 2024	1,250,382	446,978	254,726	371,267	143,881	2,250,860	<b>4,718,094</b>

### 34.4 Collaterals and other Credit Enhancements Obtained

The Group’s credit policy requires that the loan extension process be conducted with strong evidence of the customer’s ability to repay the loan. Collaterals are also actively used for the purposes of credit risk mitigation.

In the tables below, collaterals are aggregated into two groups:

- Financial collaterals, which includes any kind of documentary collateral, such as bills of exchange or trade-related promissory notes. Cash collaterals, credit derivatives and other guarantees are also part of this group.
- Physical collaterals mainly comprised of commercial and residential mortgages.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Although the Group accepts personal and corporate guarantees as collateral, they are not included in the tables below, due to their limited credit risk mitigation ability.

Breakdown of collateralized exposure by collateral type						December 31, 2025
	Total exposure, net	Fair value of financial collaterals	Fair value of physical collaterals	Total collaterals obtained	Collaterals to total net exposure	
<b>Balance sheet</b>						
Demand deposits with central banks	748,949	-	-	-	-	-
Financial assets measured at fair value through profit or loss	100,823	2,186	-	2,186	2%	
Financial investments	832,896	52,974	-	52,974	6%	
Loans and receivables - banks	822,051	232,815	-	232,815	28%	
Loans and receivables - customers	2,989,106	451,373	817,935	1,269,308	42%	
Derivative financial instruments	257,425	-	-	-	-	
<b>Total balance sheet</b>	<b>5,751,250</b>	<b>739,348</b>	<b>817,935</b>	<b>1,557,283</b>	<b>27%</b>	
Off-balance sheet	1,424,802	72,369	36,662	109,031	8%	
<b>Total credit risk exposure</b>	<b>7,176,052</b>	<b>811,717</b>	<b>854,597</b>	<b>1,666,314</b>	<b>23%</b>	

Breakdown of collateralized exposure by collateral type						December 31, 2024
	Total exposure, net	Fair value of financial collaterals	Fair value of physical collaterals	Total collaterals obtained	Collaterals to total net exposure	
<b>Balance sheet</b>						
Demand deposits with central banks	1,254,448	-	-	-	-	
Financial assets measured at fair value through profit or loss	103,541	34,148	569	34,717	34%	
Financial investments	444,658	58,769	-	58,769	13%	
Loans and receivables - banks	969,269	211,425	-	211,425	22%	
Loans and receivables - customers	2,586,124	417,557	911,825	1,329,382	51%	
Derivative financial instruments	164,958	-	-	-	-	
<b>Total balance sheet</b>	<b>5,522,998</b>	<b>721,899</b>	<b>912,394</b>	<b>1,634,293</b>	<b>30%</b>	
Off-balance sheet	1,255,439	65,115	71,340	136,455	11%	
<b>Total credit risk exposure</b>	<b>6,778,437</b>	<b>787,014</b>	<b>983,734</b>	<b>1,770,748</b>	<b>26%</b>	

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.5 Credit Quality of Financial Assets

The following table presents the credit quality of the Group's financial assets per external mapped to the Fitch's credit rating scale, as of December 31, 2025 and 2024.

	External rating class						December 31, 2025	
	AAA / AA-	A+ / A-	BBB+ / BBB-	BB+ / B-	Below B-	No rating	Total	
Demand deposits with central banks	703,197	1,100	27,076	-	-	17,576	-	748,949
Financial assets measured at fair value through profit or loss	6,216	2,186	8,255	84,166	-	-	-	100,823
Financial investments	514,006	40,384	44,565	153,565	8,262	72,114	-	832,896
Loans and receivables - banks	155,319	195,426	159,810	173,913	-	137,583	-	822,051
Loans and receivables - customers	24,980	6,516	-	106,046	-	2,851,563	-	2,989,105
Derivative financial instruments	46,000	78,448	240	13,853	-	118,884	-	257,425
Off-balance sheet	7,621	149,027	102,069	64,674	-	1,101,411	-	1,424,802
<b>Total</b>	<b>1,457,339</b>	<b>473,087</b>	<b>342,015</b>	<b>596,217</b>	<b>25,838</b>	<b>4,281,555</b>	<b>-</b>	<b>7,176,051</b>

	External rating class						December 31, 2024	
	AAA / AA-	A+ / A-	BBB+ / BBB-	BB+ / B-	Below B-	No rating	Total	
Demand deposits with central banks	1,090,033	1,030	144,408	-	-	18,977	-	1,254,448
Financial assets measured at fair value through profit or loss	10,842	13,046	3,905	51,821	-	23,927	-	103,541
Financial investments	215,763	43,296	45,037	101,159	6,802	32,601	-	444,658
Loans and receivables - banks	62,390	227,466	124,543	327,187	-	227,683	-	969,269
Loans and receivables - customers	-	-	95,077	120,295	-	2,370,752	-	2,586,124
Derivative financial instruments	50,367	41,857	-	5,622	-	67,112	-	164,958
Off-balance sheet	6,769	215,311	12,843	134,767	568	885,181	-	1,255,439
<b>Total</b>	<b>1,436,164</b>	<b>542,006</b>	<b>425,813</b>	<b>740,851</b>	<b>26,347</b>	<b>3,607,256</b>	<b>-</b>	<b>6,778,437</b>

### Credit Risk Rating Process

In principle, all risk ratings are based on a Risk Rating (PD) Model. The Group's PD master scale consists of 21 grades (1=highest credit quality, 21=lowest credit quality) for performing loans, and 1 grade (D) for default.

The grades are composed of the following categories:

- Investment grade (1 to 10) - (Corresponds AAA to BB+) \
- Non-investment grade (11 to 16) - (Corresponds BB to CCC+)
- Sub-standard (17 to 21) - (Corresponds CCC to C)
- Non-performing (D)



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The following tables present the credit quality of the Group's 'loans to customers' exposures (including off-balance sheet exposure) by credit risk rating grade, as of December 31, 2025 and 2024.

<b>December 31, 2025</b>	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>TOTAL</b>	
Loans and receivables - customers	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>
Investment grade	1,765,790	(638)	18,298	(152)	-	-	1,784,088	(790)
Non-investment grade	2,038,589	(5,899)	97,744	(2,019)	-	-	2,136,333	(7,918)
Sub-standard	28,301	(263)	8,639	(316)	-	-	36,940	(579)
Non-performing	-	-	-	-	49,277	(17,670)	49,277	(17,670)
Non rated	70,624	(260)	-	-	-	-	70,624	(260)
<b>Total</b>	<b>3,903,304</b>	<b>(7,060)</b>	<b>124,681</b>	<b>(2,487)</b>	<b>49,277</b>	<b>(17,670)</b>	<b>4,077,262</b>	<b>(27,217)</b>

<b>December 31, 2024</b>	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>TOTAL</b>	
Loans and receivables - customers	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>	<b>Gross loans</b>	<b>ECL</b>
Investment grade	1,546,772	(871)	12,436	(39)	-	-	1,559,208	(910)
Non-investment grade	1,659,084	(6,595)	78,425	(3,611)	-	-	1,737,509	(10,206)
Sub-standard	34,249	(196)	24,553	(952)	-	-	58,802	(1,148)
Non-performing	-	-	-	-	60,920	(22,596)	60,920	(22,596)
Non rated	32,004	(213)	-	-	-	-	32,004	(213)
<b>Total</b>	<b>3,272,109</b>	<b>(7,875)</b>	<b>115,414</b>	<b>(4,602)</b>	<b>60,920</b>	<b>(22,596)</b>	<b>3,448,443</b>	<b>(35,073)</b>

### 34.6 Credit Quality of Financial Investments, Loans and receivables - banks and Loans and Advances to Customers

#### Loans and Receivables - Customers

The next section provides a detailed overview of the credit quality of the Group's loans and advances portfolio.

The Group has Corporate Credit Exposure Treatment Policy according to the EBA's technical standards. Corporate Credit Exposure Treatment Policy defines the minimum standards for, and establishes a single view, on identification and treatment of non-performing corporate credit exposures in CEG N.V. and all of its subsidiaries. This policy also sets minimum standards and explains the processes to be followed for the identification and treatment of corporate obligors whose creditworthiness and repayment capacity of their performing exposures may potentially deteriorate or have already deteriorated, even though their credit exposures are still performing. Next to that, it describes the processes regarding restructuring, collateral valuation, disposal, provisioning and the write-off of non-performing corporate exposures. The new policy has replaced the existing Loan Assessment and Impairment Policy, the Credit Risk Monitoring Policy and the Write-off Policy.

The Group differentiates between the following categories of assets in the loan portfolio:

- Fully performing: Fully performing exposures are defined as credit exposures that are not past-due or exposures past-due up to 30 days, if there is no significant increase in credit risk since origination. An exposure is past-due when any amount of principal, interest or fee has not been paid at the date it was due. Fully performing exposures correspond to the IFRS 9 Stage 1 classification.
- Underperforming: Underperforming exposures belong to a sub-category of the performing asset class, where the Group observes a significant increase in credit risk since origination. Underperformance might become evident if an exposure is past-due more than 30 days, subject to forbearance measures, or the assigned PD has increased significantly since the origination of the exposure (measured by the Group's internal PD Master Scale). Underperforming exposures correspond to the IFRS 9 Stage 2 classification.
- Non-performing: Non-performing loans (NPL) are defined as exposures that satisfy either or both of the following criteria:
  - 1. exposures which are more than 90 days past-due;
  - 2. the obligor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of past-due days.

An exposure is past-due only if there is a legal obligation to make a payment and this payment is compulsory. The counting of days past-due starts as soon as any amount of principal, interest or fee has not been paid to the Group at the date this obligation was due.

A non-performing exposure corresponds to the IFRS 9 Stage 3 classification.

Definitions of asset classifications, entry criteria, additional indicators and exit criteria are strengthened and brought in line with the latest regulatory requirements.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The following tables provide a breakdown of the Group's loans and advances to customers per creditquality group, defined above. It also shows the allocation of impairments and collaterals obtained per group.

	Gross loans	ECL	Net loans	Financial collateral	Physical collateral	Total collateral	December 31, 2025 Collateral to net loans
<b>Corporate loans</b>	<b>2,703,167</b>	<b>-10,446</b>	<b>2,692,721</b>	<b>447,201</b>	<b>669,287</b>	<b>1,116,488</b>	<b>41%</b>
Stage 1	2,611,251	-6,107	2,605,144	434,799	597,885	1,032,684	40%
Stage 2	74,341	-1,584	72,757	2,619	63,621	66,240	91%
Stage 3	17,575	-2,755	14,820	9,783	7,781	17,564	119%
<b>Retail loans (incl. mortgages)</b>	<b>256,650</b>	<b>-14,763</b>	<b>241,887</b>	<b>1,985</b>	<b>123,963</b>	<b>125,948</b>	<b>52%</b>
Stage 1	206,197	-901	205,296	1,772	98,800	100,572	49%
Stage 2	25,379	-449	24,930	213	14,827	15,040	60%
Stage 3	25,074	-13,413	11,661	-	10,336	10,336	89%
<b>SME loans</b>	<b>29,288</b>	<b>-2,008</b>	<b>27,280</b>	<b>2,187</b>	<b>24,685</b>	<b>26,872</b>	<b>99%</b>
Stage 1	9,002	-52	8,950	2,187	6,711	8,898	99%
Stage 2	14,981	-454	14,527	-	14,170	14,170	98%
Stage 3	5,305	-1,502	3,803	-	3,804	3,804	100%
<b>Total exposure</b>	<b>2,989,105</b>	<b>-27,217</b>	<b>2,961,888</b>	<b>451,373</b>	<b>817,935</b>	<b>1,269,308</b>	<b>43%</b>
Total Stage 3 (NPLs)	47,954	-17,670	30,284	9,783	21,921	31,704	105%

	Gross loans	ECL	Net loans	Financial collateral	Physical collateral	Total collateral	December 31, 2024 Collateral to net loans
<b>Corporate loans</b>	<b>2,249,970</b>	<b>(17,274)</b>	<b>2,232,696</b>	<b>409,109</b>	<b>714,170</b>	<b>1,123,279</b>	<b>50%</b>
Stage 1	2,167,527	(6,231)	2,161,296	406,827	661,628	1,068,455	49%
Stage 2	55,623	(2,904)	52,719	1,000	43,655	44,655	85%
Stage 3	26,820	(8,139)	18,681	1,282	8,887	10,169	54%
<b>Retail loans (incl. mortgages)</b>	<b>280,440</b>	<b>(15,637)</b>	<b>264,803</b>	<b>2,137</b>	<b>150,811</b>	<b>152,948</b>	<b>58%</b>
Stage 1	217,648	(1,482)	216,166	1,957	110,616	112,573	52%
Stage 2	34,407	(900)	33,507	158	23,712	23,870	71%
Stage 3	28,385	(13,255)	15,130	22	16,483	16,505	109%
<b>SME loans</b>	<b>55,714</b>	<b>(2,163)</b>	<b>53,551</b>	<b>6,311</b>	<b>46,844</b>	<b>53,155</b>	<b>99%</b>
Stage 1	35,026	(163)	34,863	6,295	28,537	34,832	100%
Stage 2	16,287	(798)	15,489	16	15,107	15,123	98%
Stage 3	4,401	(1,202)	3,199	-	3,200	3,200	100%
<b>Total exposure</b>	<b>2,586,124</b>	<b>(35,074)</b>	<b>2,551,050</b>	<b>417,557</b>	<b>911,825</b>	<b>1,329,382</b>	<b>52%</b>
Total Stage 3 (NPLs)	59,606	(22,596)	37,010	1,304	28,570	29,874	81%

The Group ensures that it allocates sufficient reserves to maintain a high level of provisioning coverage for its non-performing loans (NPL) after taking into account the fair value of collaterals obtained.

Thus, the total coverage for Bank's NPL as of December 31, 2025 is 123% (2024: 109%).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Further credit quality breakdown of retail loans is as below:

				December 31, 2025	
	Gross loans	ECL	Net loans	Total collateral	Collateral to net loans
<b>Credit cards</b>	<b>116,717</b>	<b>(3,384)</b>	<b>113,333</b>	-	-
Stage 1	103,492	(260)	103,232	-	-
Stage 2	9,046	(270)	8,776	-	-
Stage 3	4,179	(2,854)	1,325	-	-
<b>Mortgage</b>	<b>139,900</b>	<b>(11,379)</b>	<b>128,521</b>	<b>125,948</b>	<b>98%</b>
Stage 1	102,674	(641)	102,033	100,572	99%
Stage 2	16,331	(179)	16,152	15,040	93%
Stage 3	20,895	(10,559)	10,336	10,336	100%
<b>Other retail</b>	<b>33</b>	<b>-</b>	<b>33</b>	-	-
Stage 1	31	-	31	-	-
Stage 2	2	-	2	-	-
Stage 3	-	-	-	-	-
<b>Total retail exposure</b>	<b>256,650</b>	<b>(14,763)</b>	<b>241,887</b>	<b>125,948</b>	<b>52%</b>
Total Stage 3 (NPLs)	25,074	(13,413)	11,661	10,336	89%

				December 31, 2024	
	Gross loans	ECL	Net loans	Total collateral	Collateral to net loans
<b>Credit cards</b>	<b>111,190</b>	<b>(2,478)</b>	<b>108,712</b>	-	-
Stage 1	100,862	(377)	100,485	-	-
Stage 2	7,357	(225)	7,132	-	-
Stage 3	2,971	(1,876)	1,095	-	-
<b>Mortgage</b>	<b>168,223</b>	<b>(12,754)</b>	<b>155,469</b>	<b>150,811</b>	<b>97%</b>
Stage 1	116,422	(1,105)	115,317	110,616	96%
Stage 2	27,032	(675)	26,357	23,712	90%
Stage 3	24,769	(10,974)	13,795	16,483	119%
<b>Other retail</b>	<b>1,027</b>	<b>(405)</b>	<b>622</b>	<b>2,137</b>	<b>344%</b>
Stage 1	364	-	364	1,957	538%
Stage 2	18	-	18	158	878%
Stage 3	645	(405)	240	22	9%
<b>Total retail exposure</b>	<b>280,440</b>	<b>(15,637)</b>	<b>264,803</b>	<b>152,948</b>	<b>58%</b>
Total Stage 3 (NPLs)	28,385	(13,255)	15,130	16,505	109%

Strong collateralization forms a major component of the Group's risk appetite lending criteria and we believe this substantially mitigates the losses the Group might incur otherwise. The table above shows the collaterals held by the Group against credit exposures. These valuations are renewed at least annually and conducted mostly by third party appraisers. In certain cases, particularly residential mortgage loans, the Group could employ internal appraisers but ensure that all internal valuations are benchmarked against market prices.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The following tables provide a summary of the Group's forbore assets as of December 31, 2025 and December 31, 2024:

	Stage 2		Stage 3		December 31, 2025
Gross Exposure	Modification to T&Cs <sup>1</sup>	Refinancing	Modification to T&Cs <sup>1</sup>	Refinancing	TOTAL
<b>Loans and receivables – banks</b>	-	-	-	-	-
<b>Loans and receivables – customers</b>	<b>18,559</b>	<b>217</b>	<b>21,035</b>	<b>7,749</b>	<b>47,560</b>
Corporate loans	12,940	-	9,906	7,659	30,505
Retail loans (incl. mortgage)	5,277	217	8,931	90	14,515
SME	342	-	2,198	-	2,540
<b>Total exposure</b>	<b>18,559</b>	<b>217</b>	<b>21,035</b>	<b>7,749</b>	<b>47,560</b>

1 Terms and conditions

	Stage 2		Stage 3		December 31, 2024
Gross Exposure	Modification to T&Cs <sup>1</sup>	Refinancing	Modification to T&Cs <sup>1</sup>	Refinancing	TOTAL
<b>Loans and receivables – banks</b>	-	-	-	-	-
<b>Loans and receivables – customers</b>	<b>8,711</b>	<b>96</b>	<b>22,420</b>	<b>8,883</b>	<b>40,110</b>
Corporate loans	6,780	-	12,076	8,656	27,512
Retail loans (incl. mortgage)	1,713	96	8,221	227	10,257
SME	218	-	2,123	-	2,341
<b>Total exposure</b>	<b>8,711</b>	<b>96</b>	<b>22,420</b>	<b>8,883</b>	<b>40,110</b>

1 Terms and conditions



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

**NPL Ratio**

Gross NPL ratio of the Group defined according to the EBA guideline (EBA/GL/2018/06). For the NPL ratio, the gross carrying amount of NPLs and advances is divided by the gross carrying amount of total loans and advances subject to the NPL definition.

						December 31, 2025	
	Financial investments at FVOCI - Loans	Non- trading financial assets mandatorily at FVTPL	Loans and receivables - banks	Loans and receivables - customers	NPL deduction from CET1 (Art.3 of CRR)	TOTAL	
<b>Gross exposure</b>	273,209	-	745,185	2,989,105	-	<b>4,007,499</b>	
<b>NPLs (Gross)</b>	-	-	-	47,954	(3,346)	<b>44,608</b>	
Gross NPL ratio						1.1%	
<b>ECL</b>	-	-	(447)	(27,217)	-	<b>(27,664)</b>	
<b>NPLs (Net)</b>	-	-	(447)	20,737	(3,346)	<b>16,944</b>	
Net NPL ratio						0.4%	

  

						December 31, 2024	
	Financial investments at FVOCI - Loans	Non- trading financial assets mandatorily at FVTPL	Loans and receivables - banks	Loans and receivables - customers	NPL deduction from CET1 (Art.3 of CRR)	TOTAL	
<b>Gross exposure</b>	115,676	13,850	870,339	2,586,124	-	<b>3,585,989</b>	
<b>NPLs (Gross)</b>	-	566	-	59,606	(8,696)	<b>51,476</b>	
Gross NPL ratio						1.4%	
<b>ECL</b>	-	(94)	(622)	(35,074)	-	<b>(35,790)</b>	
<b>NPLs (Net)</b>	-	472	(622)	24,532	(8,696)	<b>15,686</b>	
Net NPL ratio						0.4%	



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.7 Aging of Loans and Advances to Customers

The tables below present the Group's portfolio of loans and advances to customers, broken down by delinquency bucket:

							December 31, 2025
Gross Exposure	Loans that are not past due	Loans less than 30 days past due	Loans 30 or more but less than 60 days past due	Loans 60 or more but less than 90 days past due	Loans 90 days or more past due	Total loans to customers	
Corporate loans	2,692,522	8,169	-	-	2,476	2,703,167	
Retail loans and residential mortgage loans	218,511	12,656	5,160	1,662	18,661	256,650	
SME loans	23,837	145	-	199	5,107	29,288	
<b>Total loans and advances to customers</b>	<b>2,934,870</b>	<b>20,970</b>	<b>5,160</b>	<b>1,861</b>	<b>26,244</b>	<b>2,989,105</b>	

  

							December 31, 2024
Gross Exposure	Loans that are not past due	Loans less than 30 days past due	Loans 30 or more but less than 60 days past due	Loans 60 or more but less than 90 days past due	Loans 90 days or more past due	Total loans to customers	
Corporate loans	2,236,877	10,014	-	-	3,079	2,249,970	
Retail loans and residential mortgage loans	237,211	14,343	3,591	1,298	23,997	280,440	
SME loans	51,058	-	256	-	4,400	55,714	
<b>Total loans and advances to customers</b>	<b>2,525,146</b>	<b>24,357</b>	<b>3,847</b>	<b>1,298</b>	<b>31,476</b>	<b>2,586,124</b>	

As of December 31, 2025, EUR 2,923,667 (2024: EUR 2,506,932) of total exposure is neither past due nor impaired, EUR 17,486 (2024: EUR 19,586) of total exposure is past due but not impaired.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.8 Geographical Concentration of Loans Advanced to Customers, Broken Down by Counterparty Type

The following tables breaks down customers' loans and receivables by risk country:

							December 31, 2025
Gross exposure	Netherlands	Romania	Turkey	Switzerland	Other countries - Non - investment grade	Other countries - Investment grade	Total exposure
<b>Corporate loans</b>	<b>326,726</b>	<b>120,361</b>	<b>521,070</b>	<b>480,447</b>	<b>302,069</b>	<b>952,494</b>	<b>2,703,167</b>
Stage 1	296,639	118,320	484,654	473,235	294,743	943,660	2,611,251
Stage 2	30,087	2,041	35,001	7,212	-	-	74,341
Stage 3	-	-	1,415	-	7,326	8,834	17,575
<b>Retail loans (incl. mortgages)</b>	<b>23</b>	<b>253,414</b>	<b>107</b>	<b>108</b>	<b>1</b>	<b>2,997</b>	<b>256,650</b>
Stage 1	23	202,990	103	108	-	2,973	206,197
Stage 2	-	25,351	3	-	1	24	25,379
Stage 3	-	25,073	1	-	-	-	25,074
<b>SME loans</b>	<b>-</b>	<b>29,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,288</b>
Stage 1	-	9,002	-	-	-	-	9,002
Stage 2	-	14,981	-	-	-	-	14,981
Stage 3	-	5,305	-	-	-	-	5,305
<b>Total exposure</b>	<b>326,749</b>	<b>403,063</b>	<b>521,177</b>	<b>480,555</b>	<b>302,070</b>	<b>955,491</b>	<b>2,989,105</b>

							December 31, 2024
Gross exposure	Netherlands	Romania	Turkey	Switzerland	Other countries - Non - investment grade	Other countries - Investment grade	Total exposure
<b>Corporate loans</b>	<b>286,310</b>	<b>25,304</b>	<b>535,643</b>	<b>185,739</b>	<b>253,246</b>	<b>963,728</b>	<b>2,249,970</b>
Stage 1	279,530	22,425	492,988	174,775	244,643	953,166	2,167,527
Stage 2	6,780	2,879	35,001	10,964	-	(1)	55,623
Stage 3	-	-	7,654	-	8,603	10,563	26,820
<b>Retail loans (incl. mortgages)</b>	<b>78</b>	<b>276,700</b>	<b>96</b>	<b>272</b>	<b>31</b>	<b>3,263</b>	<b>280,440</b>
Stage 1	78	214,211	95	177	-	3,087	217,648
Stage 2	-	34,159	-	95	-	153	34,407
Stage 3	-	28,330	1	-	31	23	28,385
<b>SME loans</b>	<b>-</b>	<b>55,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>55,714</b>
Stage 1	-	35,026	-	-	-	-	35,026
Stage 2	-	16,287	-	-	-	-	16,287
Stage 3	-	4,400	-	-	-	1	4,401
<b>Total exposure</b>	<b>286,388</b>	<b>357,717</b>	<b>535,739</b>	<b>186,011</b>	<b>253,277</b>	<b>966,992</b>	<b>2,586,124</b>

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.9 Liquidity Risk

The Group defines liquidity risk as the current or prospective risk to earnings and capital arising from an institution's inability to meet its liabilities when they come due. The Group considers funding and liquidity as a major source of risk. The Group's low risk appetite towards liquidity risk is explicitly reflected in its stress-testing and funding plan framework.

#### Structure and organisation of the liquidity risk management function

Managing Board sets strategies regarding the Group's liquidity risk management framework through the Risk Appetite statement, which is approved and endorsed by the Supervisory Board. Managing Board delegates the execution, monitoring and oversight of the funding and liquidity strategy to the Asset Liability Management Committee (the ALCO), a sub-committee of the Managing Board. This Committee executes the board-approved strategies within the principles outlined in ILAAP. Treasury in CEG N.V. is responsible for the operational and day-to-day execution of this strategy. Risk Management Division is segregated from the operational functions and provides independent monitoring function. Risk Management regularly updates the Audit & Risk Committee (a sub-committee of the Supervisory Board) over the Group's liquidity risk profile, for supervision and oversight of the Managing Board purposes. The checks and balances in the form of segregation of duties between operational departments and the different systems, control procedures, limits monitoring and reconciliations ensure the integrity of the Group's liquidity risk management. The integrity of liquidity risk management is further safeguarded by the Internal Audit Department and through its independent regular reviews.

#### Stress-Test Scenarios

The Group uses stress testing to verify that its liquidity buffer is adequate to withstand severe but plausible funding conditions. The outcome of the stress testing shows the Group the level of required liquidity across different time horizons. In this respect, the design and frequency of the stress test scenarios reveal the Group's risk appetite and preparedness to withstand a liquidity crisis. The main components of the required liquidity are as follows:

- The duration of the stress-tests.
- Run-off rates on retail and wholesale funding.
- Erosion in the value of liquid assets.
- The liquidity-related consequences of market risks.
- Additional margin calls / collaterals required.
- Restrictions in respect of the availability of assets.
- Increased transfer and convertibility risk.
- Higher default rates.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The Group maintains a buffer of ‘readily available liquid assets’ to prevent mismatches between the inflow and outflow of the Group as a consequence of both foreseen and unforeseen circumstances.

The definition of this liquidity cushion and the principles regarding its size and composition are directly linked to the Group’s ‘low risk appetite’:

- The list of eligible liquid assets.
- Liquidity value of liquid assets (i.e. haircuts) and the time-to-liquidity period.
- The assumptions made in respect of the possibilities for rolling over the various funding lines such as wholesale and retail funding.
- The assumptions made in respect of the possibilities for rolling over the maturing assets.
- The use of secured / unsecured central bank facilities.

The Group ensures that its available liquidity is larger than the required amount implied by its stress scenarios at all times.

#### **Funding Plan & Strategy**

The Group’s key funding principles also form an essential part of its liquidity risk appetite:

- Alignment with the asset profile and asset strategy
- Alignment with the liquidity risk appetite
- Minimizing any funding deficit risk by ensuring granular and stable funding
- Support the Group’s overall objective of achieving an investment grade rating
- Satisfy any minimum requirements from regulatory authorities
- Management of asset encumbrance
- Self-funded subsidiary structures



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### High Quality Liquid Asset (HQLA) Composition

The HQLA portfolio consists of cash, withdrawable central bank reserves and unencumbered high-quality securities.

(in EUR million)	Total HQLA (Market Value)	Level 1 (Market Value)	Level 2 (Market Value)	Liquidity Value in LCR
<b>Coins and banknotes</b>	5.5	5.5	-	5.5
<b>Withdrawable central bank reserves</b>	517.7	517.7	-	517.7
<b>Central government assets</b>	483.9	483.9	-	483.9
<b>Multilateral development bank and international organisations assets</b>	10.2	10.2	-	10.2
<b>Corporate debt securities</b>	21.0	-	21.0	10.5
<b>Total Liquidity Buffer</b>	<b>1,038.2</b>	<b>1,017.2</b>	<b>21.0</b>	<b>1,027.7</b>

### Liquidity Risk Indicators

As of December 31, 2025, both the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) stand above 100%, meeting the minimum regulatory requirement for these ratios.

	December 31, 2025	December 31, 2024
NSFR	176%	205%
LCR	354%	444%

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Discounted amounts based on remaining contractual maturity							December 31, 2025	
	Up to 1 month <sup>1</sup>	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Total	
<b>Assets</b>								
Cash and balances at central banks	759,069	-	-	-	-	-	759,069	
Financial assets measured at FVTPL	-	-	31,247	63,360	1,599	4,617	100,823	
Financial investments	62,603	307,173	22,176	344,708	82,936	13,300	832,896	
Loans and receivables – banks	456,877	174,772	167,890	22,065	-	-	821,604	
Loans and receivables – customers	1,534,394	423,729	266,089	472,818	234,575	30,284	2,961,889	
Tangible and intangible assets	-	-	-	-	-	54,821	54,821	
Other assets	88,499	54,922	100,546	41,421	4,679	14,412	304,479	
<b>Total assets</b>	<b>2,901,442</b>	<b>960,596</b>	<b>587,948</b>	<b>944,372</b>	<b>323,789</b>	<b>117,434</b>	<b>5,835,581</b>	
<b>Liabilities</b>								
Due to banks	316,646	101,105	62,077	-	-	-	479,828	
Due to customers	1,793,483	352,676	1,130,253	650,538	287,903	-	4,214,853	
Other liabilities	93,150	58,279	72,177	32,182	951	35,305	292,044	
Subordinated liabilities	-	-	42,977	92,000	-	-	134,977	
<b>Total liabilities</b>	<b>2,203,279</b>	<b>512,060</b>	<b>1,307,484</b>	<b>774,720</b>	<b>288,854</b>	<b>35,305</b>	<b>5,121,702</b>	
<b>Cumulative liquidity gap</b>	<b>698,163</b>	<b>1,146,699</b>	<b>427,163</b>	<b>596,815</b>	<b>631,750</b>	<b>713,879</b>	<b>713,879</b>	
Discounted amounts based on remaining contractual maturity							December 31, 2024	
	Up to 1 month <sup>1</sup>	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Total	
<b>Assets</b>								
Cash and balances at central banks	1,267,118	-	-	-	-	-	1,267,118	
Financial assets measured at FVTPL	742	24,452	21,273	33,074	19,277	4,723	103,541	
Financial investments	10,205	83,855	64,514	221,933	52,009	12,142	444,658	
Loans and receivables – banks	524,170	328,158	116,319	-	-	-	968,647	
Loans and receivables – customers	1,195,339	318,332	112,269	638,204	249,896	37,010	2,551,050	
Tangible and intangible assets	-	-	-	-	-	47,257	47,257	
Other assets	45,787	23,167	88,665	60,722	4,692	12,670	235,703	
<b>Total assets</b>	<b>3,043,361</b>	<b>777,964</b>	<b>403,040</b>	<b>953,933</b>	<b>325,874</b>	<b>113,802</b>	<b>5,617,974</b>	
<b>Liabilities</b>								
Due to banks	206,798	13,274	64,771	-	-	-	284,843	
Due to customers	2,354,182	453,459	831,413	508,782	54,206	-	4,202,042	
Other liabilities	77,877	42,332	78,888	59,459	3,051	43,936	305,543	
Subordinated liabilities	-	-	47,725	101,651	-	-	149,376	
<b>Total liabilities</b>	<b>2,638,857</b>	<b>509,065</b>	<b>1,022,797</b>	<b>669,892</b>	<b>57,257</b>	<b>43,936</b>	<b>4,941,804</b>	
<b>Cumulative liquidity gap</b>	<b>404,504</b>	<b>673,403</b>	<b>53,646</b>	<b>337,687</b>	<b>606,304</b>	<b>676,170</b>	<b>676,170</b>	

1 As at December 31, 2025, total on demand assets amount to EUR 1,238,958 (2024: EUR 1,481,712) and total on demand liabilities amount to EUR 486,185 (2024: EUR 492,958) are disclosed under “Up to 1 month” column



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

The tables below include all financial liabilities by maturity based on contractual, undiscounted cash flows:

<b>Undiscounted amounts based on remaining contractual maturity</b>								<b>December 31, 2025</b>
	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 Year</b>	<b>Over 5 years</b>	<b>Maturity not applicable</b>	<b>Adjustments<sup>1</sup></b>	<b>Total</b>
Due to banks	316,734	101,862	63,039	-	-	-	(1,807)	<b>479,828</b>
Due to customers	1,786,221	353,563	1,155,843	670,109	294,803	-	(45,686)	<b>4,214,853</b>
Other liabilities	93,152	58,283	72,143	33,861	951	35,358	(1,703)	<b>292,045</b>
Subordinated liabilities	-	-	56,069	126,873	-	-	(47,965)	<b>134,977</b>
<b>Total liabilities</b>	<b>2,196,107</b>	<b>513,708</b>	<b>1,347,094</b>	<b>830,843</b>	<b>295,754</b>	<b>35,358</b>	<b>(97,161)</b>	<b>5,121,703</b>
<b>Off-balance sheet liabilities</b>								
Credit-line commitments	78,002	-	-	-	-	-	-	<b>78,002</b>
Irrevocable letters of credit	947,537	-	-	-	-	-	-	<b>947,537</b>
Guarantees	180,954	-	-	-	-	-	-	<b>180,954</b>
Other	255,931	-	-	-	-	-	-	<b>255,931</b>
<b>Total off-balance</b>	<b>1,462,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,462,424</b>
<b>Undiscounted amounts based on remaining contractual maturity</b>								<b>December 31, 2024</b>
	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 Year</b>	<b>Over 5 years</b>	<b>Maturity not applicable</b>	<b>Adjustments<sup>1</sup></b>	<b>Total</b>
Due to banks	197,340	7,675	66,198	-	-	-	13,630	<b>284,843</b>
Due to customers	1,583,500	527,647	1,079,778	679,066	320,377	-	11,674	<b>4,202,042</b>
Other liabilities	77,877	42,332	78,888	61,432	3,051	43,936	(1,973)	<b>305,543</b>
Subordinated liabilities	-	-	61,212	125,658	-	-	(37,494)	<b>149,376</b>
<b>Total liabilities</b>	<b>1,858,717</b>	<b>577,654</b>	<b>1,286,076</b>	<b>866,156</b>	<b>323,428</b>	<b>43,936</b>	<b>(14,163)</b>	<b>4,941,804</b>
<b>Off-balance sheet liabilities</b>								
Credit-line commitments	170,990	-	-	-	-	-	-	<b>170,990</b>
Irrevocable letters of credit	897,807	-	-	-	-	-	-	<b>897,807</b>
Guarantees	91,430	-	-	-	-	-	-	<b>91,430</b>
Other	229,909	-	-	-	-	-	-	<b>229,909</b>
<b>Total off-balance</b>	<b>1,390,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,390,136</b>

1 This column reconciles the contractual undiscounted cash flows on financial liabilities to the statement of financial position values.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.10 Market Risks

Market risk is defined as the current or prospective threat to the Group's earnings and capital because of adverse market movements in market prices (security and derivative prices, as well as interest rates and foreign exchange rates) or in parameters such as volatility and correlations.

The trading portfolio includes financial instruments, such as securities, derivatives and loans to financial institutions, which are exposed to short-term price/interest-rate fluctuations. Eligible positions should be in line with the guidelines and principles set out in the market-risk policy. Not eligible positions and financial instruments approved by ALCO are monitored within the scope of the Banking book.

In line with its business plan, the Group has a 'limited' risk appetite in market risk. The Group aims to regularly measure and monitor its market risk associated with adverse market movements affecting the trading components of its Treasury and FI portfolio. It measures its market risk using different approaches -standard and internal models.

The Group's risk tolerance in the form of limits is determined to manage market risk efficiently and keep it within these limits. Risk limits, such as the Value-at-Risk (VaR) limit, notional limits, and sensitivity limits are set by considering the primary risk factors. In case of a limit breach, ALCO is convened to determine strategy and take necessary actions to restore the outstanding exposure within limits in a certain period.

The Group measures the market risk of its trading book and the foreign-exchange risk of its banking book by using an internal historical simulation method, based on VaR methodology. VaR defines the maximum loss not exceeded with a given probability over a given period under normal market conditions.

The internal historical simulation method of VaR model is used for risk-monitoring purposes and whereas regulatory capital for market risk is calculated and reported quarterly according to the Standard Approach, as specified in the DNB's market-risk regulations.

The internal historical simulation method is used starting from January 2013. The last 250 historical daily returns of market risk factors are used to stress the current trading positions to estimate possible fluctuations caused by market movements while keeping the portfolio fixed.

The internal limit for the 10-day VaR of trading FX positions and treasury products, measured at 99% confidence interval, is EUR 2 million. This implies that diversified VaR from foreign-exchange risk and interest-rate risk in the trading book should not exceed this level.

The Group also measures the market risk of its loan trading portfolio in the trading book via the internal historical simulation method, based also on VaR methodology since March 2021. As of December 31, 2025, VaR has been calculated as EUR 0.5 million for the loan trading portfolio in the trading book.

The internal limit for the 10-day VaR of the loan trading portfolio, measured at 95% confidence interval, is EUR 2 million.

Other market risks such as liquidity, re-pricing and interest-rate risk in the Banking book are measured and monitored through sensitivity and gap analyses, detailed in subsequent sections.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### Structure and organisation of the market risk management function

The market risk framework is subject to the approval of Managing Board and reviewed annually by Risk Management Division. Audit & Risk Committee is informed about the level of limits and utilization at least on a quarterly basis. Being the owner of the market risk policy, Managing Board determines the main pillars of trading book and banking book management. The ALCO bears the responsibility to monitor and control the composition, characteristics and diversification of the Group’s regulatory books in line with the overall strategic objectives, the current limit utilization and compliance with the limits. The Risk Management Division establishes and maintains systems and controls to manage the risks associated with the regulatory books, monitors all the limits defined in the market risk policy are complied with, and builds and maintains efficient and accurate risk measurement systems for daily risk monitoring and ICAAP purposes. The Treasury and Bank Relations departments follow the principles laid down in the market risk policy during the assignment of financial instruments to regulatory books and in coordination with Risk Management, ensure that all trading and banking book positions are within the limits.

<b>Value-at-risk figures - Trading Book (2025)</b>	<b>Total</b>	<b>Diversification effect</b>	<b>Interest-rate risk</b>	<b>Foreign-exchange risk</b>
<b>Average</b>	1,949	100%	1,165	784
Maximum	2,459	100%	1,930	1,902
Minimum	676	100%	398	178
Year-end	676	100%	398	279

<b>Value-at-risk figures - Trading Book (2024)</b>	<b>Total</b>	<b>Diversification effect</b>	<b>Interest-rate risk</b>	<b>Foreign-exchange risk</b>
<b>Average</b>	1,823	100%	1,695	128
Maximum	2,529	100%	2,509	392
Minimum	844	100%	754	8
Year-end	1,951	100%	1,930	21

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.11 Interest-Rate Risk in the Banking Book

One of the Group's major risks under Pillar II is the interest-rate risk on the Banking book. The Group defines interest-rate risk as the current or prospective risk to earnings and capital arising from adverse movements in interest rates. The trading book is also subject to interest-rate risk, but this type of risk is dealt with under the Market Risk: Value-at-Risk section. The Group has a 'limited' risk appetite towards interest-rate risk in its banking book.

The Group's interest-rate risk is monitored for the Banking book by means of static re-pricing gap and interest rate sensitivity analyses once a month at all levels and for each major currency in use. Interest rate sensitivity in the Banking book is calculated according to the economic-value approach. All future cash flows, arising solely from on- and off- balance sheet assets and liabilities are discounted back to their present values with zero-coupon yield curves to see the impact of interest-rate changes on the economic value of the Group. The impact of the curve with the maximum net gain or loss compared to a benchmark curve is then analysed.

The Group applies six interest rate shock scenarios according to EBA guidelines to capture parallel and nonparallel gap risks for Economic Value of Equity (EVE). The capital requirement is based on the maximum EVE impact under all these scenarios. As of December 31, 2025, EVE drops by EUR 11.7 million in case of a parallel down scenario (2024: EUR 4.4 million in case of a parallel down scenario).

Additionally, the Group calculates the projected net interest income for parallel up and down shifts of the yield curve. As of 31 December 2025, NII drops by EUR 9 million in case of parallel down scenario. (2024: EUR 5.9 million in case of parallel down scenario).

The interest rate repricing gap table below is prepared to determine the Group's exposure to interest rate risk because of maturity mismatches in its balance sheet. Repricing is based on remaining days to maturity for fixed rate instruments and next repricing date for floating rate instruments.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

							December 31, 2025	
	Up to 1 month	1-3 months	3-12 months	1-5 Year	Over 5 years	Non-interest-bearing items <sup>1</sup>	Total	
<b>Assets</b>								
Cash and balances at central banks	724,393	-	-	-	-	34,676	759,069	
Financial assets measured at FVTPL	12,800	41,948	39,859	-	1,599	4,617	100,823	
Financial investments	212,615	113,726	84,966	322,533	81,296	17,760	832,896	
Loans and receivables - banks	418,868	154,668	186,055	22,062	-	39,951	821,604	
Loans and receivables - customers	1,933,157	687,401	248,616	72,686	742	19,287	2,961,889	
Tangible and intangible assets	-	-	-	-	-	54,821	54,821	
Other assets	-	-	-	-	-	304,479	304,479	
<b>Total assets</b>	<b>3,301,833</b>	<b>997,743</b>	<b>559,496</b>	<b>417,281</b>	<b>83,637</b>	<b>475,591</b>	<b>5,835,581</b>	
<b>Liabilities</b>								
Due to banks	314,799	92,136	70,999	-	-	1,894	479,828	
Due to customers	1,389,384	446,723	1,157,569	689,214	52,065	479,898	4,214,853	
Other liabilities	-	-	-	-	-	292,044	292,044	
Subordinated liabilities	-	-	134,977	-	-	-	134,977	
<b>Total liabilities</b>	<b>1,704,183</b>	<b>538,859</b>	<b>1,363,545</b>	<b>689,214</b>	<b>52,065</b>	<b>773,836</b>	<b>5,121,702</b>	
Off-balance interest-sensitivity gap	217,301	28,275	(18,005)	(196,463)	-	-	31,108	
<b>Net gap</b>	<b>1,814,951</b>	<b>487,159</b>	<b>(822,054)</b>	<b>(468,396)</b>	<b>31,572</b>	<b>(298,245)</b>	<b>1,043,232</b>	

1 Non-interest-bearing items are not taken into account in the net gap



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

							December 31, 2024	
	Up to 1 month	1-3 months	3-12 months	1-5 Year	Over 5 years	Non-interest-bearing items <sup>1</sup>	Total	
<b>Assets</b>								
Cash and balances at central banks	1,247,920	-	-	-	-	19,198	1,267,118	
Financial assets measured at FVTPL	14,069	49,433	29,197	1,861	4,258	4,723	103,541	
Financial investments	49,994	16,177	100,997	212,189	53,159	12,142	444,658	
Loans and receivables - banks	495,333	326,799	115,680	-	-	30,835	968,647	
Loans and receivables - customers	1,675,360	544,396	187,968	106,925	2,065	34,336	2,551,050	
Tangible and intangible assets	-	-	-	-	-	47,257	47,257	
Other assets	-	-	-	-	-	235,703	235,703	
<b>Total assets</b>	<b>3,482,676</b>	<b>936,805</b>	<b>433,842</b>	<b>320,975</b>	<b>59,482</b>	<b>384,194</b>	<b>5,617,974</b>	
<b>Liabilities</b>								
Due to banks	188,137	13,075	64,669	-	-	18,962	284,843	
Due to customers	1,058,465	732,823	1,141,478	589,634	57,652	621,990	4,202,042	
Other liabilities	-	-	-	-	-	305,543	305,543	
Subordinated liabilities	-	-	149,376	-	-	-	149,376	
<b>Total liabilities</b>	<b>1,246,602</b>	<b>745,898</b>	<b>1,355,523</b>	<b>589,634</b>	<b>57,652</b>	<b>946,495</b>	<b>4,941,804</b>	
Off-balance interest-sensitivity gap	46,826	73,195	(28,615)	(143,862)	-	-	(52,456)	
<b>Net gap</b>	<b>2,282,900</b>	<b>264,102</b>	<b>(950,296)</b>	<b>(412,521)</b>	<b>1,830</b>	<b>(562,301)</b>	<b>1,186,015</b>	

1 Non-interest-bearing items are not taken into account in the net gap

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.12 Currency Risk

The Group is exposed to foreign currency risk arising from open currency positions determined by the Group's internal risk appetite framework and applicable regulatory requirements. Foreign currency risk refers to the potential variability in fair value or future cash flows due to movements in exchange rates relative to the Group's functional currency (Euro).

The Group uses derivative financial instruments—primarily currency swaps and forward contracts—to manage its on-balance sheet currency exposures. The credit risk of these instruments is managed together with the other market risks. The Group monitors open currency positions through ALCO and takes appropriate actions where necessary.

The Group differentiates between trading and structural currency positions. Structural currency positions—arising from net investments in foreign subsidiaries and branches—are monitored separately, and any related net investment hedges are recognized in equity (see Note 9).

Trading-related currency positions are measured using VaR methodology and are reported daily at the Group level and monthly on a consolidated basis. Market risks, including foreign-exchange risk, are monitored by the Risk Management Department and reviewed regularly in ALCO meetings. The Group's VaR limit (see Note 34.10) includes foreign-exchange risk.

The VaR limit (see Note 34.10.) is inclusive of the foreign-exchange risk.

The Group maintains a limited open FX position, and the resulting sensitivity is also immaterial. A 100 bps increase in the RON, the Group's largest non-EUR exposure, yields a EUR 103k sensitivity, which remains non-material relative to the Group's balance sheet and risk appetite.

Cash flow hedges are established to hedge highly probable forecast transactions, predominantly foreign-currency-denominated cash flows of TRY loans.

For derivative contracts designated as hedging instruments under cash flow hedge accounting, refer to the Cash Flow Hedge note (see Note 9).



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

Currency analysis for the year ended December 31, 2025 and 2024:

	EUR <sup>1</sup>	USD	CHF	RON	RUB	UAH	TRY	Others	December 31, 2025
									Total
Cash and balances with central banks	562,974	295	161,818	16,330	-	17,576	-	76	<b>759,069</b>
Financial assets measured at FVTPL	15,623	85,200	-	-	-	-	-	-	<b>100,823</b>
Financial investments	410,246	330,019	18,543	12,352	-	8,262	53,474	-	<b>832,896</b>
Loans and receivables – banks	181,537	455,727	1,690	35,685	390	-	142,811	3,764	<b>821,604</b>
Loans and receivables – customers	913,938	1,370,419	48,252	187,168	-	742	438,637	2,733	<b>2,961,889</b>
Derivative financial instruments	234,935	22,490	-	-	-	-	-	-	<b>257,425</b>
Property and equipment	16,703	-	3,959	13,378	-	16	-	-	<b>34,056</b>
Intangible assets	1,611	-	2,095	16,985	-	74	-	-	<b>20,765</b>
Other assets	23,879	3,827	1,554	17,188	-	540	66	-	<b>47,054</b>
<b>Total assets</b>	<b>2,361,446</b>	<b>2,267,977</b>	<b>237,911</b>	<b>299,086</b>	<b>390</b>	<b>27,210</b>	<b>634,988</b>	<b>6,573</b>	<b>5,835,581</b>
Due to banks	291,904	125,015	130	62,378	-	-	116	285	<b>479,828</b>
Due to customers	3,014,079	920,496	29,266	149,896	296	17,426	67,961	15,433	<b>4,214,853</b>
Derivative financial instruments	208,927	24,010	-	20	-	-	577	-	<b>233,534</b>
Other liabilities	21,205	2,457	22,016	12,330	-	502	-	-	<b>58,510</b>
Subordinated liabilities	-	134,977	-	-	-	-	-	-	<b>134,977</b>
<b>Total liabilities</b>	<b>3,536,115</b>	<b>1,206,955</b>	<b>51,412</b>	<b>224,624</b>	<b>296</b>	<b>17,928</b>	<b>68,654</b>	<b>15,718</b>	<b>5,121,702</b>
<b>Net on-balance sheet position</b>	<b>-</b>	<b>1,061,022</b>	<b>186,499</b>	<b>74,462</b>	<b>94</b>	<b>9,282</b>	<b>566,334</b>	<b>(9,145)</b>	<b>1,888,548</b>
<b>Off-balance sheet net position</b>	<b>-</b>	<b>(1,068,606)</b>	<b>(185,520)</b>	<b>(84,782)</b>	<b>(51)</b>	<b>-</b>	<b>(569,830)</b>	<b>9,361</b>	<b>(1,899,428)</b>
<b>Net open position</b>	<b>-</b>	<b>(7,584)</b>	<b>979</b>	<b>(10,320)</b>	<b>43</b>	<b>9,282</b>	<b>(3,496)</b>	<b>216</b>	<b>(10,880)</b>

1 Euros are not included in the total net position, since it is the functional currency of the parent.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

	December 31, 2024								
	EUR <sup>1</sup>	USD	CHF	RON	RUB	UAH	TRY	Others	Total
Cash and balances with central banks	986,699	3,301	154,365	103,683	-	18,988	-	82	<b>1,267,118</b>
Financial assets measured at FVTPL	34,771	59,751	-	-	-	-	9,019	-	<b>103,541</b>
Financial investments	311,092	82,294	18,529	11,398	-	6,802	14,543	-	<b>444,658</b>
Loans and receivables – banks	359,344	488,398	1,701	607	308	-	102,656	15,633	<b>968,647</b>
Loans and receivables – customers	841,883	1,093,000	57,180	197,184	-	1,138	340,925	19,740	<b>2,551,050</b>
Derivative financial instruments	148,995	15,922	-	-	-	-	41	-	<b>164,958</b>
Property and equipment	16,007	-	4,801	14,476	-	77	4	-	<b>35,365</b>
Intangible assets	2,299	-	2,487	7,076	-	30	-	-	<b>11,892</b>
Other assets	42,410	6,325	1,405	19,271	-	773	91	470	<b>70,745</b>
<b>Total assets</b>	<b>2,743,500</b>	<b>1,748,991</b>	<b>240,468</b>	<b>353,695</b>	<b>308</b>	<b>27,808</b>	<b>467,279</b>	<b>35,925</b>	<b>5,617,974</b>
Due to banks	135,321	147,848	166	1,307	-	-	164	37	<b>284,843</b>
Due to customers	3,132,307	689,492	126,906	183,546	301	16,135	35,861	17,494	<b>4,202,042</b>
Derivative financial instruments	212,161	16,348	-	-	-	-	833	-	<b>229,342</b>
Other liabilities	25,069	6,916	23,975	18,577	-	1,662	2	-	<b>76,201</b>
Subordinated liabilities	-	149,376	-	-	-	-	-	-	<b>149,376</b>
<b>Total liabilities</b>	<b>3,504,858</b>	<b>1,009,980</b>	<b>151,047</b>	<b>203,430</b>	<b>301</b>	<b>17,797</b>	<b>36,860</b>	<b>17,531</b>	<b>4,941,804</b>
<b>Net on-balance sheet position</b>	<b>-</b>	<b>739,011</b>	<b>89,421</b>	<b>150,265</b>	<b>7</b>	<b>10,011</b>	<b>430,419</b>	<b>18,394</b>	<b>1,437,528</b>
<b>Off-balance sheet net position</b>	<b>-</b>	<b>(745,280)</b>	<b>(89,168)</b>	<b>(168,522)</b>	<b>-</b>	<b>-</b>	<b>(433,126)</b>	<b>(17,854)</b>	<b>(1,453,950)</b>
<b>Net open position</b>	<b>-</b>	<b>(6,269)</b>	<b>253</b>	<b>(18,257)</b>	<b>7</b>	<b>10,011</b>	<b>(2,707)</b>	<b>540</b>	<b>(16,422)</b>

1 Euros are not included in the total net position, since it is the functional currency of the parent.

Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 34.13 Operational Risk

The Group's Non-Financial Risk Management (NFRM) function operates as the second line of defence within the Group's three lines of defence model. Its primary objective is to strengthen the Group's operational and ICT (Information and Communication Technology) risk culture through the development, implementation, and ongoing oversight of the Operational Risk Management Framework and the ICT Risk Management Framework, the latter of which was developed and implemented in 2024–2025 in accordance with the Digital Operational Resilience Act (DORA).

The operational and ICT risk appetite is defined at business-line and subsidiary levels and is monitored quarterly by NFRM. Early-warning thresholds for key operational and ICT risk metrics are in place to trigger enhanced monitoring and timely management actions. NFRM also performs quarterly assessments of a comprehensive set of Key Risk Indicators (KRIs).

NFRM plays a central role in the oversight of operational and ICT risk incidents, facilitating their registration, assessment, escalation, and reporting. This ensures timely incident response, supports loss minimisation, and maintains compliance with regulatory expectations.

The Group conducts an annual Risk and Control Self-Assessment (RCSA) across critical processes. Risks exceeding the defined appetite are addressed through mitigation, transfer, acceptance, or avoidance. In 2024–2025, ICT risks and assessments were enhanced to ensure full alignment with the DORA rules. NFRM also performs independent control testing to validate the effectiveness of key controls and to support RCSA outcomes. Control testing was implemented for the Switzerland subsidiary in 2024, with implementation for Romania branch (based on Head Quarter methodology) planned for 2026.

Operational and ICT risk appetite thresholds, together with KRI results, RCSA outcomes, and control testing findings, are reported regularly to the Non-Financial Risk Committee and the Audit & Risk Committee.

The Group maintains a comprehensive Business Continuity Management (BCM) programme, including annual Business Impact Analyses and continuity testing. In 2025, operational and ICT resilience were strengthened through enhanced scenarios.

The Product Approval and Review Process (PARP) ensures systematic assessment of operational and ICT risks for new and existing products. In 2025, NFRM coordinated the review of existing Corporate Banking and Bank Relations products.

NFRM continued to harmonise operational and ICT risk practices across subsidiaries in 2025, prioritising alignment with Group standards and DORA obligations. Targeted training and awareness initiatives delivered during the year further reinforced the Group's risk culture and strengthened non-financial risk capabilities across the Group.

### 35 Subsequent Events

There has been no significant subsequent event between the balance sheet date and the date of approval of these accounts, which would be reported by the Group.



Consolidated Financial Statements 2025 > Notes to Consolidated Financial Statements

### 36 List of Participations

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Parent Company in the form of cash dividends or to repay loans or advances.

Name	Place	Country	Interest December 31, 2025	Interest December 31, 2024
Nexent Bank N.V.	Amsterdam	The Netherlands	100.00%	100.00%
JSC Nexent Bank (Ukraine)	Kiev	Ukraine	0.01%	0.01%

Amsterdam, March 13, 2026

#### Supervisory Board:

Aysecan Ozyegin Oktay  
Seha Ismen Ozgur  
Wilfred Nagel  
Ali Fuat Erbil  
Johan Smessaert

#### Managing Board:

Senol Aloglu  
Umut Bayoglu  
Batuhan Yalniz



# Parent Company Financial Statements 2025

<b>Parent Company Statement of Financial Position</b>	<b>140</b>
<b>Parent Company Statement of Profit or Loss</b>	<b>141</b>
<b>Parent Company Statement of Changes in Equity</b>	<b>142</b>
<b>Notes to the Parent Company Financial Statement</b>	<b>143</b>



Parent Company Financial Statements 2025

# Parent Company Statement of Financial Position

In thousands of EUR - before profit appropriation	Notes	December 31, 2025	December 31, 2024
<b>Assets</b>			
Investments in group companies	1	710,918	675,052
<b>Fixed assets</b>		<b>710,918</b>	<b>675,052</b>
Receivables from group companies	2	136,918	151,240
Other assets		4	2
<b>Current assets</b>		<b>136,922</b>	<b>151,242</b>
<b>Total assets</b>		<b>847,840</b>	<b>826,294</b>
<b>Equity</b>			
Share capital	3	550,000	550,000
Share premium		-	-
Legal reserves	4	267,208	225,947
-Capitalized development costs reserve		12,557	2,218
-Other legal reserves		254,651	223,729
Other reserves		(106,395)	(101,868)
Unappropriated result		2,049	624
<b>Total equity</b>		<b>712,863</b>	<b>674,703</b>
<b>Liabilities</b>			
Provisions	5	-	2,215
Subordinated loans	6	134,977	149,376
<b>Non-current liabilities</b>		<b>134,977</b>	<b>151,591</b>
<b>Total equity and liabilities</b>		<b>847,840</b>	<b>826,294</b>



Parent Company Financial Statements 2025

# Parent Company Statement of Profit or Loss

In thousands of EUR - before profit appropriation	Notes	2025	2024
Interest and similar income		13,690	11,673
Interest expense and similar charges		(13,690)	(10,853)
<b>Net interest income</b>	7	-	<b>820</b>
Results from participating interests	8	59,861	74,446
Fees and commissions income		-	(1)
<b>Net fee and commission income</b>		-	<b>(1)</b>
Valuation results and net trading income		(3)	(1)
<b>Net interest and other financial income</b>		<b>59,858</b>	<b>75,264</b>
Other expenses		(164)	(4)
<b>Total other expenses</b>		<b>(164)</b>	<b>(4)</b>
<b>Result before tax</b>		<b>59,694</b>	<b>75,260</b>
Income tax expense <sup>1</sup>	5	2,215	(190)
<b>Result after tax</b>		<b>61,909</b>	<b>75,070</b>

<sup>1</sup> The Company's tax position and fiscal unity information are explained in the consolidated disclosure, 'Note: 29 'Taxation'.

Parent Company Financial Statements 2025

# Parent Company Statement of Changes in Equity

In thousands of EUR	Legal Reserves								Total
	Issued capital	Fair value reserve	Affiliated companies	Currency translation differences	Hedging reserves	Capitalized Development Costs Reserve	Other reserves	Unappropriated results	
<b>At January 1, 2025</b>	550,000	(1,391)	389,544	(53,475)	(110,949)	2,218	(101,868)	624	674,703
Change in fair value reserve	-	793	-	-	-	-	-	-	793
Change in foreign currency translation reserve	-	-	-	743	-	-	-	-	743
Change in other reserve	-	-	(5,094)	-	-	10,339	(5,151)	-	94
Change in net investment hedge reserve	-	-	-	-	1,319	-	-	-	1,319
Change in cash flow hedge reserve	-	-	-	-	(286)	-	-	-	(286)
<b>Total income and expense for the year recognized directly in equity</b>	-	793	(5,094)	743	1,033	10,339	(5,151)	-	2,663
Dividends declared and paid	-	-	(26,413)	-	-	-	-	-	(26,413)
Profit for the year	-	-	59,860	-	-	-	-	2,049	61,909
Transfer from retained earnings	-	-	-	-	-	-	624	(624)	-
<b>At December 31, 2025</b>	550,000	(598)	417,897	(52,732)	(109,916)	12,557	(106,395)	2,049	712,863

In thousands of EUR	Legal Reserves								Total
	Issued capital	Fair value reserve	Affiliated companies	Currency translation differences	Hedging reserves	Capitalized Development Costs Reserve	Other reserves	Unappropriated results	
<b>At January 1, 2024</b>	550,000	(5,383)	355,683	(50,913)	(116,891)	(92)	(89,172)	(1,609)	641,623
Change in fair value reserve	-	3,992	-	-	-	-	(124)	-	3,868
Change in foreign currency translation reserve	-	-	-	(2,562)	-	-	-	-	(2,562)
Change in tangible revaluation reserve	-	-	-	-	-	2,310	(2,256)	-	54
Change in other reserve	-	-	-	-	-	-	(8,707)	-	(8,707)
Change in net investment hedge reserve	-	-	-	-	5,942	-	-	-	5,942
<b>Total income and expense for the year recognized directly in equity</b>	-	3,992	-	(2,562)	5,942	2,310	(11,087)	-	(1,405)
Dividends declared and paid	-	-	(40,585)	-	-	-	-	-	(40,585)
Profit for the year	-	-	74,446	-	-	-	-	624	75,070
Transfer from retained earnings	-	-	-	-	-	-	(1,609)	1,609	-
<b>At December 31, 2024</b>	550,000	(1,391)	389,544	(53,475)	(110,949)	2,218	(101,868)	624	674,703



Parent Company Financial Statements 2025

# Notes to the Parent Company Financial Statement

## Basis of Preparation

The Parent Company financial statements of CEG N.V. (the Group) have been prepared in accordance with accounting principles in the Netherlands as embodied in Part 9 of Book 2 of the Netherlands Civil Code. Based on article 2:362.8 of the Netherlands Civil Code, the valuation principles applied in the Parent Company financial statements are based on International Financial Reporting Standards as adopted by the European Union (EU IFRS), as used for the preparation of the Consolidated Financial Statements of the Group.

The additional accounting policies that are specific to the Parent Company Financial Statements of the Group are set out below.

## Financial Instruments

Classification and measurement of loans and receivables from intra group companies is based on accounting policy consistent with the one used in preparation of consolidated financial statements.

The Group applied expected credit loss model under IFRS 9 in parent company financial statements.

The Group applies paragraph 108 of the Dutch Accounting Standard 100. Under this paragraph, the Group eliminates the expected credit losses on loans to subsidiaries in the same line item.

## Investment in Subsidiaries

The Group companies are stated at their net asset value, determined based on IFRS, as applied in the Consolidated Financial Statements of the Group. For details on the accounting policies applied for the Group companies, refer

to the notes to the Consolidated Financial Statements as shown earlier in this document.

The accounting policies that are used in the preparation of these parent financial statements are consistent with the accounting policies used in preparation of the Consolidated Financial Statements of the Group, as set out in those financial statements.

## Going Concern

Having made appropriate enquiries, the Board is satisfied that the Group as a whole have adequate resources to continue operational businesses for the foreseeable future and therefore continued to adopt the going concern basis in preparing the financial statements.



Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

## Corporate Information

CEG N.V., herein after ‘the Group’, is domiciled in Amsterdam, the Netherlands. The Group's subsidiary Nexent Bank N.V. comprises four branches in the Netherlands, Germany, Malta and Romania. The Group was founded as a specialized trade-finance bank, which aimed to participate actively in the wholesale financing of international trade. In later years, the Group started retail-banking activities, including savings accounts, mortgage loans and consumer loans. The Group’s registered office is Karspeldreef 6A, 1101 CJ Amsterdam, Netherlands and Chamber of Commerce registration number is 34106005.

### 1 Investments in Group Companies and Associates

For 2025, the movement of participating interests in Group companies and associates is as follows:

	Balance at 1 Jan- 2025	Additions/ (Disposals)	Change in reserves	Result for the year	Dividend paid	Translation difference	Balance at 31-Dec-2025
Nexent Bank N.V.	675,052	(158)	1,921	59,861	(26,501)	743	710,918
<b>Total</b>	<b>675,052</b>	<b>(158)</b>	<b>1,921</b>	<b>59,861</b>	<b>(26,501)</b>	<b>743</b>	<b>710,918</b>

For 2024, the movement of participating interests in Group companies and associates is as follows:

	Balance at 1 Jan-2024	Additions/ (Disposals)	Change in reserves	Result for the year	Dividend paid	Translation difference	Balance at 31-Dec-2024
Credit Europe Bank N.V. <sup>1</sup>	642,572	-	1,157	74,446	(40,561)	(2,562)	675,052
<b>Total</b>	<b>642,572</b>	<b>-</b>	<b>1,157</b>	<b>74,446</b>	<b>(40,561)</b>	<b>(2,562)</b>	<b>675,052</b>

1 Please refer to 'Corporate Information'

Investments other than associates are fully consolidated.

The parent company is liable for the liabilities of the above subsidiaries.

Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

## 2 Receivables from group companies

Receivables from group companies consists of placements amounting to EUR 136,918 (2024: EUR 151,240). As of December 31, 2025, EUR 92,000 receivables from group companies amount (2024: EUR 101,651) is not expected to mature within one year.

## 3 Share Capital

The authorized share capital is EUR 1,000 million (2024: EUR 1,000 million) and comprises 1,000 million (2024: 1,000 million) ordinary shares with a face value of EUR 1.

The called-up and paid-in capital consists of 550 million (2024: 550 million) ordinary shares with a face value of EUR 1.

## 4 Legal Reserves

Under Dutch law, legal reserves are required in certain circumstance. The objective of these legal reserves is to protect the creditors (i.e. The Group is only allowed to pay out profits to its shareholders that it has realized or can be realized when the Group wants to). Legal reserves only relate to the Group Financial Statements and are not applicable to the Consolidated Financial Statements. Reserves of participations cannot be paid out to the Group due to local legal requirements.

For the Group, the following legal reserves are important:

- Participations reserve
- Currency translation differences reserve
- Fair value reserve
- Hedging reserves (including net investment hedge reserve and cash flow hedge reserve)

- Capitalized development costs reserve (Including tangible revaluation reserve and reserves regarding capitalized development costs reserve)

In determining legal reserves, deferred taxes on debt and equity instruments at FVOCI are taken into account. Deferred taxes attributable to equity are calculated on the difference between IFRS and tax values of debt and equity instruments at FVOCI. Hedge accounting reserves are subject to the participation exemption regime according to Dutch tax laws. Accordingly, profits and losses from participations are not taxable in The Netherlands. Due to the participation exemption regime, in practice, the participation hedge results are carried into statement of income for tax purposes and then exempted from taxable profit.

## 5 Provisions

	December 31, 2025	December 31, 2024
Deferred tax liability	-	2,215
<b>Total</b>	-	2,215

	Deferred tax liability
<b>Opening balance as at January 1</b>	<b>2,215</b>
Deferred tax benefit in the statement of profit and loss	(2,215)
<b>Closing balance as at December 31</b>	<b>-</b>



Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

## 6 Subordinated Liabilities

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of the Group. This liability qualifies as capital, taking into account remaining maturities, for determining the consolidated capital adequacy ratio for the Dutch Central Bank (De Nederlandsche Bank - DNB).

	<b>Maturity Date</b>	<b>First possible call date</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
USD 105 million subordinated notes with a fixed interest rate of 9.75 % p.a.	May 2034	May 2029	92,000	101,651
USD 50 million AT1 instrument with a fixed interest rate of 10.27% p.a.	Perpetual	June 2025	42,977	47,725
<b>Total</b>			<b>134,977</b>	<b>149,376</b>

The Group had not any defaults neither on principal nor interest or other breaches with respect to its subordinated liabilities during the years ended 2025 and 2024.

## 7 Net Interest Income

	<b>2025</b>	<b>2024</b>
<b>Interest income using effective interest rate method</b>	<b>13,690</b>	<b>11,673</b>
Loans and receivables – customers	-	1,197
Loans and receivables – banks	13,690	10,476
<b>Subtotal</b>	<b>13,690</b>	<b>11,673</b>
<b>Interest expense using effective interest rate method</b>	<b>13,690</b>	<b>10,853</b>
Due to banks	-	377
Subordinated liabilities	13,690	10,476
<b>Subtotal</b>	<b>13,690</b>	<b>10,853</b>
<b>Total</b>	<b>-</b>	<b>820</b>

## 8 Results from Participating Interests

	<b>2025</b>	<b>2024</b>
<b>Net result from participating interests</b>	<b>59,861</b>	<b>74,446</b>
- Group companies	59,861	74,446
<b>Total</b>	<b>59,861</b>	<b>74,446</b>



Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

## 9 Remuneration

Key management costs including remuneration and fees:

	December 31, 2025	December 31, 2024
Short-term employee benefits	2,866,287	2,566,067
Post-employment benefits	224,389	220,559
Share-based payment	556,430	496,352
<b>Total</b>	<b>3,647,106</b>	<b>3,282,978</b>

These transactions were concluded at staff terms and market rates. There is no loan provided to Managing Board in 2025 (2024: None). There is no guarantee provided to Managing and Supervisory Board members.

## 10 Fees of the Auditor

With reference to Section 2:382a (1) and (2) of the Netherlands Civil Code, the following fees have been.

The audit fees relate to the financial year to which the financial statements pertain, regardless of whether the external auditor and the audit firm performed the work during the financial year.

	December 31, 2025			December 31, 2024		
	KPMG NL	KPMG-Other	Total <sup>1</sup>	KPMG NL	KPMG-Other	Total <sup>1</sup>
Statutory audit of annual accounts	728	299	1,027	699	225	924
Other assurance services	509	211	720	519	283	802
<b>Total</b>	<b>1,237</b>	<b>510</b>	<b>1,747</b>	<b>1,218</b>	<b>508</b>	<b>1,726</b>

<sup>1</sup> The amounts exclude VAT

‘Other assurance services’ fees comprise services for among others regulatory audits (e.g. COREP/ FINREP), regulatory assurance engagements (e.g. segregation of assets, ISAE 3402 on the DGS), fee for voluntary CSRD limited assurance engagement which is ceased as CSRD has not yet been transposed into Dutch law, and review of the interim financial statements.



Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

## 11 Proposed profit appropriation

It is proposed to appropriate net profit pursuant to the Articles of Association, as follows:

<b>Net profit .....</b>	<b>61,909</b>
Q1 interim dividend distributed in May 2025 .....	9,583
Q2 interim dividend distributed in September 2025 ...	5,528
Q3 interim dividend distributed in December 2025.....	7,428
Q4 dividend distribution of Euro 0.0165 per share ....	9,049

## 12 Subsequent Events

There has been no significant subsequent event between the balance sheet date and the date of approval of these accounts, which would be reported by the Group.

Amsterdam, March 13, 2026

### Supervisory Board:

Aysecan Ozyegin Oktay  
Seha Ismen Ozgur  
Wilfred Nagel  
Ali Fuat Erbil  
Johan Smessaert

### Managing Board:

Senol Aloglu  
Umut Bayoglu  
Batuhan Yalniz

# Other Information

Profit Appropriation	150
Independent auditor's report	151



# Profit Appropriation

The profit is appropriated pursuant to Article 31 of the Articles of Association of the Group; the relevant stipulations are as follows:

- The profits shall be at the disposal of the General Meeting of Shareholders.
- Dividends may be paid only up to an amount that does not exceed the distributable part of net assets.
- Dividends shall be paid after adoption of the annual accounts from which it appears that payment of dividends is permissible.

## Independent auditor's report

To: the General Meeting and the Supervisory Board of CEG N.V.

### Report on the audit of the financial statements included in the annual report

#### *Our opinion*

We have audited the financial statements 2025 of CEG N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the parent company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of CEG N.V. as at 31 December 2025 and of its result and its cash flows for the year 2025 in accordance with International Financial Reporting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of CEG N.V. as at 31 December 2025 and of its result for the year 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at 31 December 2025;
- 2 the following statements for the year 2025: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- 3 the notes comprising material accounting policy information and other explanatory information.

The parent company financial statements comprise:

- 1 the parent company statement of financial position as at 31 December 2025;
- 2 the parent company statement of profit or loss for the year 2025;
- 3 the parent company statement of changes in equity; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

#### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of CEG N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

## Information in support of our opinion

### **Audit response to the risk of fraud and non-compliance with laws and regulations**

In chapter 'Risk Management and Business Control' of the annual report, the Managing Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and assessed the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit, Legal and Compliance and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit by, amongst others, making use of random selected items for substantive testing and perform additional testing of recoveries of previously written-off loans.

As a result of our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Act on Financial Supervision (WfT).
- General Data Protection Regulation (GDPR).
- Laws and regulations on Anti-Money Laundering and Financial Economic Crime and Sanction Law.
- Capital Requirements Directive (CRD).

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Further, we assessed the presumed fraud risk on revenue recognition as not to be relevant for revenue generated from the Company's core activities; specifically interest income and commission income because the accounting of interest income and commission income is based on automatically generated accruals, based on static data taken from the loan source system. This therefore concerns routine transactions not subject to management judgement.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

#### *Management override of controls (a presumed fraud risk)*

##### *Risk:*

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, such as management override of controls for specific provisioning (Expected Credit Loss, ECL).

##### *Responses:*

In response to the identified fraud risk of management override of controls, we performed among other things the following procedures:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- We perform a data analysis of high-risk journal entries and where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We evaluated key estimates and judgments for bias by the Bank's management, including retrospective reviews of prior year's estimates with respect to the specific provisioning for stage 3 loans.

Our evaluation of procedures performed to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to management and the Audit and Risk Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

### ***Audit response to going concern***

The Managing Board has performed its going concern assessment and has not identified any going concern risks. To evaluate the Managing Board's assessment, we have performed, inter alia, the following procedures:

- We considered whether the Managing Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit and inquired the Managing Board about the underlying key assumptions and principles.
- We considered whether the company's operations exposed to volatile markets indicate a going concern risk.
- We analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks.
- We inspected regulatory correspondence to obtain an understanding of the Company's capital position that underpins management's assessment of the going concern assumption for financial reporting.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Managing Board's going concern assessment.

### **Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited**

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR domain for the Trade Register (including the applied eXtensible Business Reporting Language (XBRL) tags) was not part of the statutory audit.

### **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Managing Board is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

### **Description of responsibilities regarding the financial statements**

#### ***Responsibilities of the Managing Board and the Supervisory Board for the financial statements***

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Managing Board is responsible for such internal control as the Managing Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting unless the Managing Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Managing Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: [https://www.nba.nl/siteassets/tools-en-ondersteuning/standaardpassages/eng\\_algemeen\\_20241203.pdf](https://www.nba.nl/siteassets/tools-en-ondersteuning/standaardpassages/eng_algemeen_20241203.pdf)

This description forms part of our independent auditor's report.

Amstelveen, 13 March 2026

KPMG Accountants N.V.

W.G. Bakker RA