



**the bank
designed
around you.**

Annual Report **2025**



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Managing Board Letter

The year 2025 marked an important chapter in the evolution of Nexent Bank N.V. (the 'Bank' or 'Nexent Bank'). It was defined by strategic transformation, disciplined execution, and continued progress in strengthening the Bank'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 upgrade of the Bank's credit ratings 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.

Nexent Bank proactively incorporated this interest rate environment into its 2025 budget and financial forecasts. As a result, the Bank performed in line with management expectations and budgeted targets. Disciplined balance sheet management, a conservative risk appetite, and a diversified business model enabled the Bank 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 Nexent Bank's strategy. In 2025, the Dutch Central Bank acknowledged the progress in our risk profile by lowering our 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 our sustained efforts to reduce credit risk concentrations—both at the individual borrower level and across countries and sectors—while maintaining strong asset quality. Our NPL ratio of 1.1%, together with 0.3% of repossessed assets as a share of total assets, highlights the continued effectiveness of our risk management and recovery frameworks.

Our strengthened financial position has also been recognized externally. 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 our dividend credit profile, with a clear ambition to achieve investment-grade status over the medium term.

Credit Europe Bank Becomes Nexent Bank

One of the most significant milestones in 2025 was the successful completion of the Bank's rebranding 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 Nexent Bank reflects the Bank's evolution into a modern, forward-looking European financial institution, underpinned by a clear strategic focus and strong governance.



Managing Board Letter

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 Nexent Bank. The Bank achieved its financial objectives and delivered its budgeted profit. Net profit amounted to EUR 59.9 million, representing a budgeted decrease of 19% compared to the prior year (2024: EUR 74.5 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 Bank’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 Bank’s international trade finance volumes reached EUR 31.2 billion. To further strengthen its trade finance franchise in key growth regions, the 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 Bank 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 Bank 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 Bank’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 Bank 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 subsequent conversion of the Romanian operations into a branch of Nexent Bank. Effective 1 January 2025, Nexent Bank 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 our 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.



Managing Board Letter

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 Nexent Bank’s strategic ambitions. In 2025, we established a dedicated Technology and Digital Transformation division 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 Nexent Bank remains agile and resilient in an increasingly digital financial landscape.

Optimising Nexent Bank’s Management Structure

In 2025, Nexent Bank further optimised its management structure to support unified leadership and consistent execution across the group. 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 in 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 Nexent Bank’s strategy. In line with ECB expectations and Pillar 3 requirements, the Bank continued to link its risk and impact assessments to its strategic objectives.

In 2025, the Bank’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, Nexent Bank remains firmly focused on achieving investment-grade status, 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.

A Word of Thanks

On behalf of the Managing Board, we would like to express our sincere appreciation to our colleagues for their professionalism, dedication, and continued commitment. We also thank our 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 Nexent Bank.

Amsterdam, 7 April 2026

Senol Aloglu

Umut Bayoglu

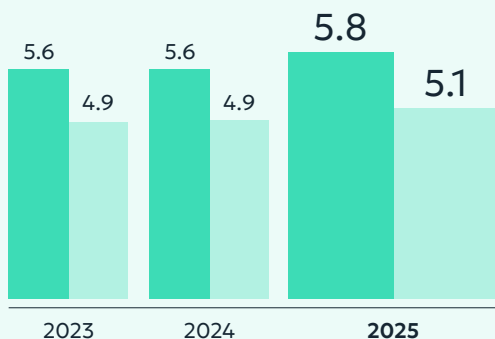
Batuhan Yalniz



Financial Highlights

Total Assets & Liabilities

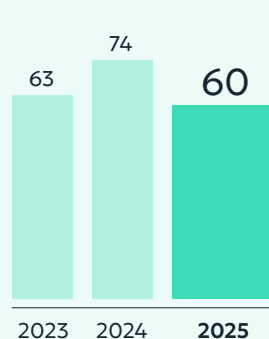
€ Billion



■ Total Assets ■ Total Liabilities

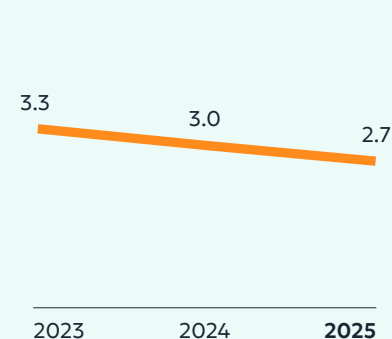
Net Result for the Year

€ Million



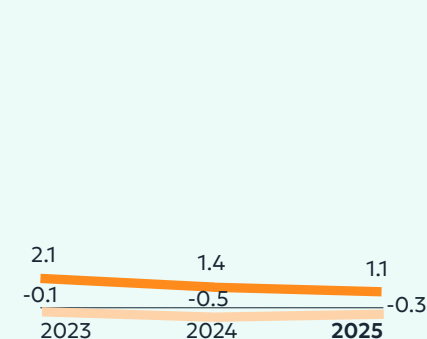
NIM

In %



Cost of Credit / NPL Ratio

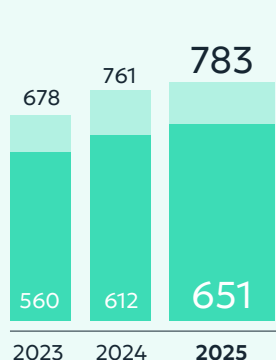
In %



■ Gross NPL ■ Cost of credit

Capital

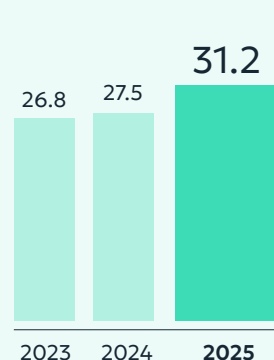
€ Million



■ CET1 ■ Total Own Funds

TF Volume

€ Billion



Capital Ratios

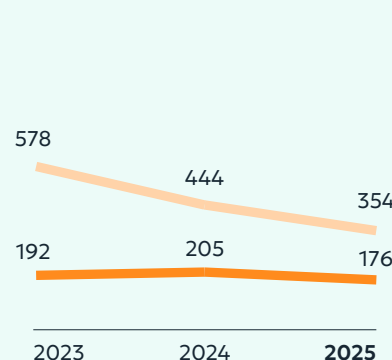
In %



■ CET1 ■ Total Capital ratio

Liquidity Ratios

In %



■ NSFR ■ LCR

Leverage

In %



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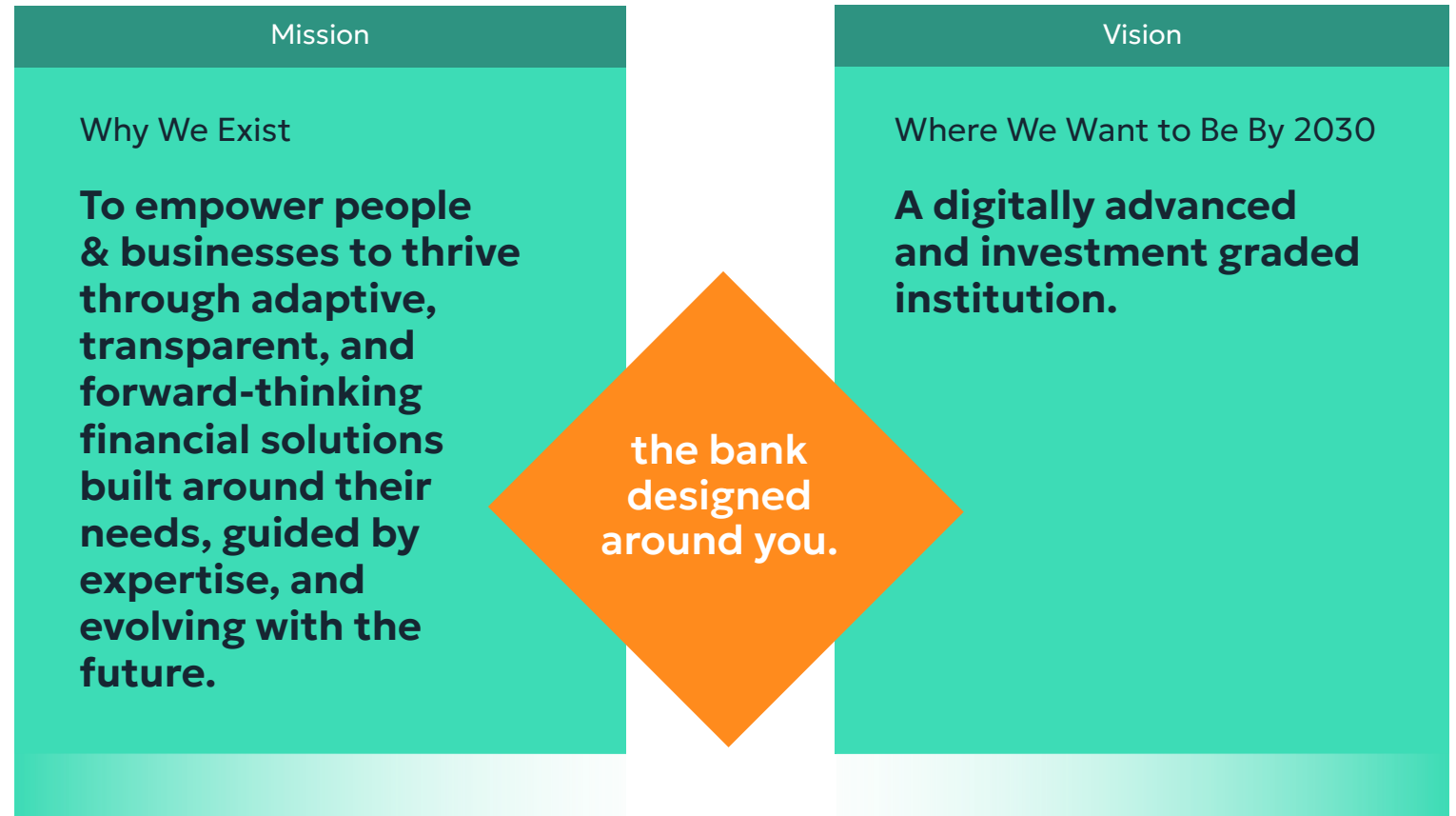
Profile

About the Bank, Vision and Mission

Nexent Bank N.V. (the 'Bank' or 'Nexent Bank') is a public limited company with a full banking license, established in 1994 in the Netherlands. The Bank has its headquarters in Amsterdam and has around 900 employees in eight countries. It operates 14 branches/agencies, 39 ATMs, and around 9,700 point-of-sale terminals. Around 400,000 retail and corporate customers entrust their financial affairs to the Bank.

Our Vision & Mission

- Our 2030 vision is to be a digitally advanced and investment graded institution.
- Our mission is to empower people & businesses to thrive through adaptive, transparent, and forward-thinking financial solutions built around their needs, guided by expertise, and evolving with the future.





Profile

Core Values

The Bank's core values are dynamism, diversity and expertise.



Dynamism

With passion and energy, we are agile in responding to challenges and changes. Our 'can do' attitude enables us to deliver solutions and meet the expectations of our stakeholders.



Diversity

We promote diversity as a key aspect of our corporate culture. Our diverse background and international footprint allow us to think creatively and innovatively.



Expertise

We are experts in selected markets and products. Our expertise enables us to provide tailored solutions that meet our customers' needs.



Profile

What We Do

Nexent Bank is a niche bank that has developed a unique identity over the past 30+ years.

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 the 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.

"Banking in its purest form is our business. We serve our international customer base with a differentiated approach."



Profile

Where We Operate

Top 10 Country Exposure

	Country	Gross Exposure
1	Netherlands	1,412,730
2	Switzerland	901,304
3	Romania	845,480
4	Turkey	658,691
5	United Arab Emirates	404,211
6	United Kingdom	291,745
7	United States	283,142
8	China	148,418
9	Germany	148,175
10	Malta	135,775

in thousands of EUR

Western Europe

- Corporate banking and trade & commodity finance services in the Netherlands and Switzerland
- Marine finance and corporate lending services in Malta
- Online retail savings accounts in Germany and the Netherlands

Ukraine

- Corporate and commercial banking services

Romania

- Retail and commercial banking services
- 12 agencies in three cities
- With 200,900 active credit cards, one of the top market players
- Strong merchant network with around 9,700 point-of-sale terminals

Turkey

- Liaison office in Istanbul

Our Credit Ratings
(As of March 2026)

BB	Ba2
Stable Outlook	Positive Outlook
Fitch Long Term Issuer Default Rating	Moody's Long Term Credit Risk rating

In July 2025 Nexent Bank opened a liaison office in UAE (DIFC).



Profile

Major Business Lines

Retail Banking

The Bank acts as a trusted partner for its retail customers, supporting them in building 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 the 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, the 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, the 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 modernisation 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 optimisation efforts, laying the foundation for sustainable growth in 2026.



Profile > Major Business Lines

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 31.2 billion (+13% 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 organisational 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 the Bank's broader positioning in sustainable finance.

Marine Finance

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



Strategy and Value Creation

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Strategy and Value Creation

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, macro-economic 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.



Strategy and Value Creation > Trends and Developments 2025

In this evolving macroeconomic environment, Nexent Bank 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 Bank to mitigate concentration risks, sustain profitability, preserve asset quality, and reinforce capital buffers, supporting our medium-term objective of achieving an investment-grade credit profile.

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 localised 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 macro-economic 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 Dutch bank 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, Nexent Bank 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. The Bank also invested in organisational awareness and targeted training programs to prepare for broader AI adoption in the coming years.

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



Strategy and Value Creation > Trends and Developments 2025

From a non-financial risk perspective, the Bank 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 frameworks are expected to influence us in the years ahead, and the Bank 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, the Bank 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 operationalise 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.



Strategy and Value Creation > Trends and Developments 2025

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

In this context, Nexent Bank 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 Bank aims to support sustainable growth while preserving asset quality, profitability and capital resilience.



Strategy and Value Creation

Mission

To empower people and businesses to thrive through adaptive, transparent, and forward-thinking financial solutions built around their needs, guided by expertise, and evolving with the future.

Vision

By 2030 Nexent Bank wants to be a digitally advanced and investment graded institution.

Core Values

Dynamism

With passion and energy, we are agile in responding to challenges and changes. Our ‘can do’ attitude enables us to deliver solutions and meet the expectations of our stakeholders.

Diversity

We promote diversity as a key aspect of our corporate culture. Our diverse background and international footprint allow us to think creatively and innovatively.

Expertise

We are experts in selected markets and products. Our expertise enables us to provide tailored solutions that meet our customers’ needs.

Key Objectives

One Bank

Create a unified culture and operating model that transcend borders. We act as one team sharing knowledge, goals, and accountability, to deliver a consistent and seamless customer experience everywhere we operate.

Grow to Strength

Achieving the scale needed for sustainable growth, higher efficiency, and a stronger foundation for future investments.

Strengthen Core

We will strengthen our core, improve efficiency, and leverage synergies across all business lines and locations.

Main Enablers

Earn Investment Grade Rating

Further strengthen our capital position, governance, and risk management to achieve investment grade status.

Drive Digital Transformation

Modernise how we work and serve, by embedding digital tools, data, and automation across the bank. Our goal is to deliver faster, simpler, and more seamless experiences for both customers and employees.

Human Capital Strength

Attract, grow, and retain skilled professionals who bring strong knowledge, judgment, and relationships to our bank. Their expertise is essential for delivering tailored solutions and strengthening our position in the markets we serve.



Strategy and Value Creation

How We Create Value

Introduction to our Value Creation Model

At the Bank, we are committed to delivering sustainable value for our stakeholders by leveraging and transforming resources across various forms of capital. The Capitals Value Creation Model provides a framework to articulate how we create and preserve value, emphasizing the interconnectedness of financial, social, environmental, and intellectual factors.

As a financial institution, our ability to deliver long-term value depends on the effective use of six interdependent capitals:

Financial Capital: As the cornerstone of our operations, financial capital represents the funds entrusted to us by shareholders, depositors, and creditors. We responsibly allocate and manage these resources to generate sustainable returns, ensuring resilience in a rapidly evolving economic and regulatory landscape.

Manufactured Capital: Our infrastructure, such as digital banking platforms, branch networks, and IT systems plays a critical role in delivering efficient and accessible financial services.

Intellectual Capital: Our expertise in financial products, risk management, and regulatory compliance ensures we remain competitive and innovative. This includes our capacity to integrate sustainability into decision-making processes, guided by the evolving ESG frameworks and stakeholder expectations.

Human Capital: Our people are at the heart of our success. We invest in their skills, diversity, and well-being to foster a high-performing, inclusive workforce that is equipped to navigate complex challenges and deliver exceptional service to our customers.

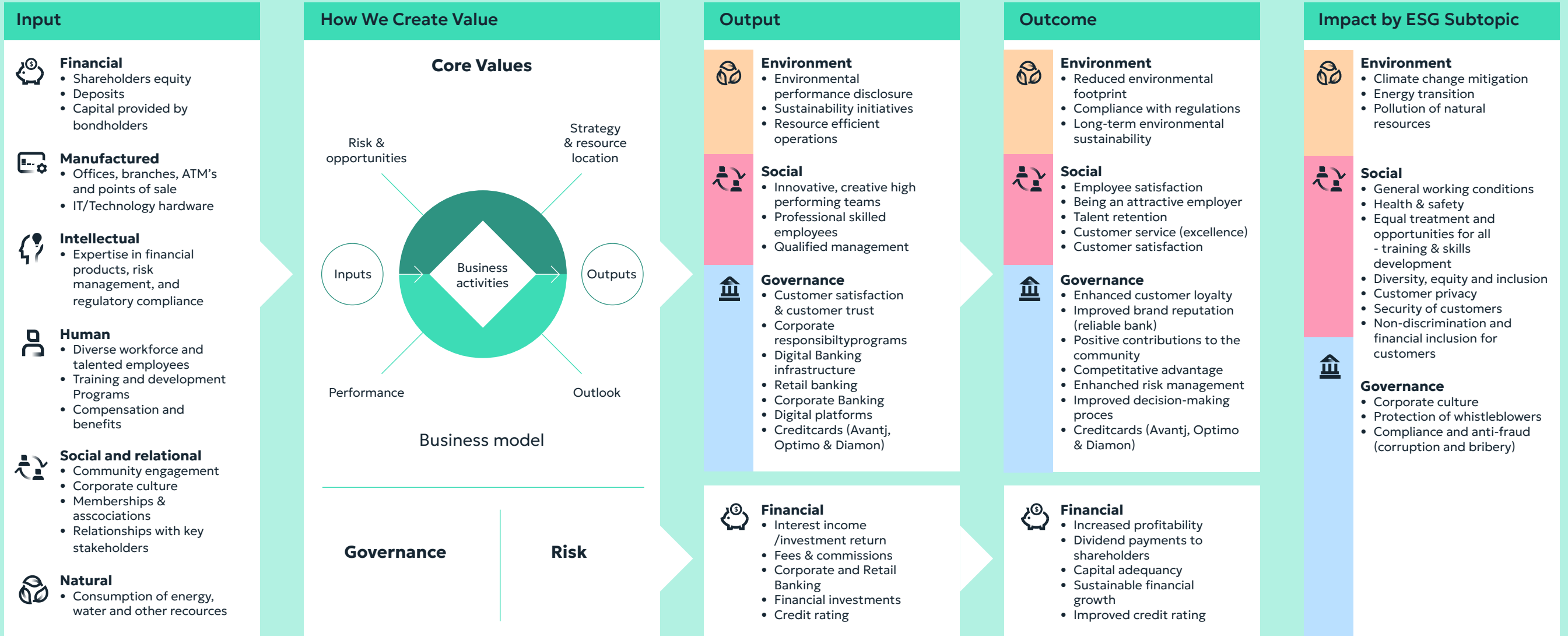
Social and Relationship Capital: Building trust and maintaining long-term relationships with our stakeholders, including customers, regulators, investors, and communities are central to our value creation strategy. We prioritize ethical conduct, transparency, and stakeholder engagement to uphold our reputation and societal impact.

Natural Capital: As adepts of sustainable banking, we aim to reduce socio-environmental impact by prioritising to finance transactions that support a low-carbon economy. Through incorporating sustainability into our decision-making, we facilitate our customer's sustainable economic activities while mitigating ESG-related risks.

Our Value Creation Model is dynamic, adapting to the evolving economic, social, and regulatory environment. By transparently reporting on our performance across these capitals, we strive to provide stakeholders with a holistic view of how we create, sustain, and share value in a way that aligns with our core values and principles of Corporate Social Responsibility.



Strategy and Value Creation > How We Create Value





Strategy and Value Creation

Impact in the Chain

Description of the Bank's Value Chain

The Bank operates an extensive value chain that incorporates a variety of stakeholders, each playing a role in achieving the Bank's mission to empower people & businesses to thrive through adaptive, transparent, and forward-thinking financial solutions built around their needs, guided by expertise, and evolving with the future while adhering to high standards of ESG compliance. The Bank's value chain spans from its corporate structure and supply chain relationships to its customer base and regulatory bodies, encompassing a dynamic interaction of entities that contribute to its operations, risk management practices, and commitment to sustainability. Hereinbelow an expanded overview of the the Bank's value chain is reflected, including key stakeholders and due diligence across the customer relationship lifecycle.

Core Stakeholders in the Value Chain

Customers (Corporate and Retail)

The Bank serves a wide range of customers, from corporate entities needing specialized financing (e.g., trade and commodity finance, project finance) to retail customers seeking straightforward savings and credit products. Each customer segment undergoes a stringent onboarding and monitoring process to meet the Bank's compliance and ESG requirements:

- **Corporate Customers:** the Bank specialises in offering structured finance solutions tailored to corporate needs. These customers undergo rigorous KYC (Know Your Customer) and AML (Anti-Money Laundering) checks, with due diligence for ESG and tax integrity to ensure alignment with the Bank's values. The Bank's due diligence assesses customers' exposure to risks related to sanctions, ethical business practices, and sustainability.
- **Retail Customers:** the Bank offers simple, transparent savings, credit cards, and mortgage products. The retail segment is managed with an emphasis on regulatory compliance and data security, with continuous monitoring to safeguard customer data and privacy in compliance with GDPR (General Data Protection Regulation).

Customer interactions include informal touchpoints throughout project lifecycles and formal, structured meetings. Additionally, we conduct an annual customer satisfaction survey (NPS) for our most significant customer engagements across our entities. Industry insights and discussions with customers about their risks and opportunities also inform us of the interests and views of end-users.

Suppliers and Service Providers

The Bank relies on a network of suppliers and service providers, particularly in digital services, IT, and operational support. The Bank's procurement policies emphasise supplier compliance with ESG standards, anti-bribery measures, and data protection policies. Each supplier relationship is assessed for risks related to cybersecurity, data security, and ethical labor practices. For example, the Bank maintains stringent controls to ensure that suppliers align with the Bank's cloud infrastructure and cybersecurity protocols to secure sensitive customer and operational data.



Strategy and Value Creation > Impact in the Chain

Regulatory and Compliance Bodies

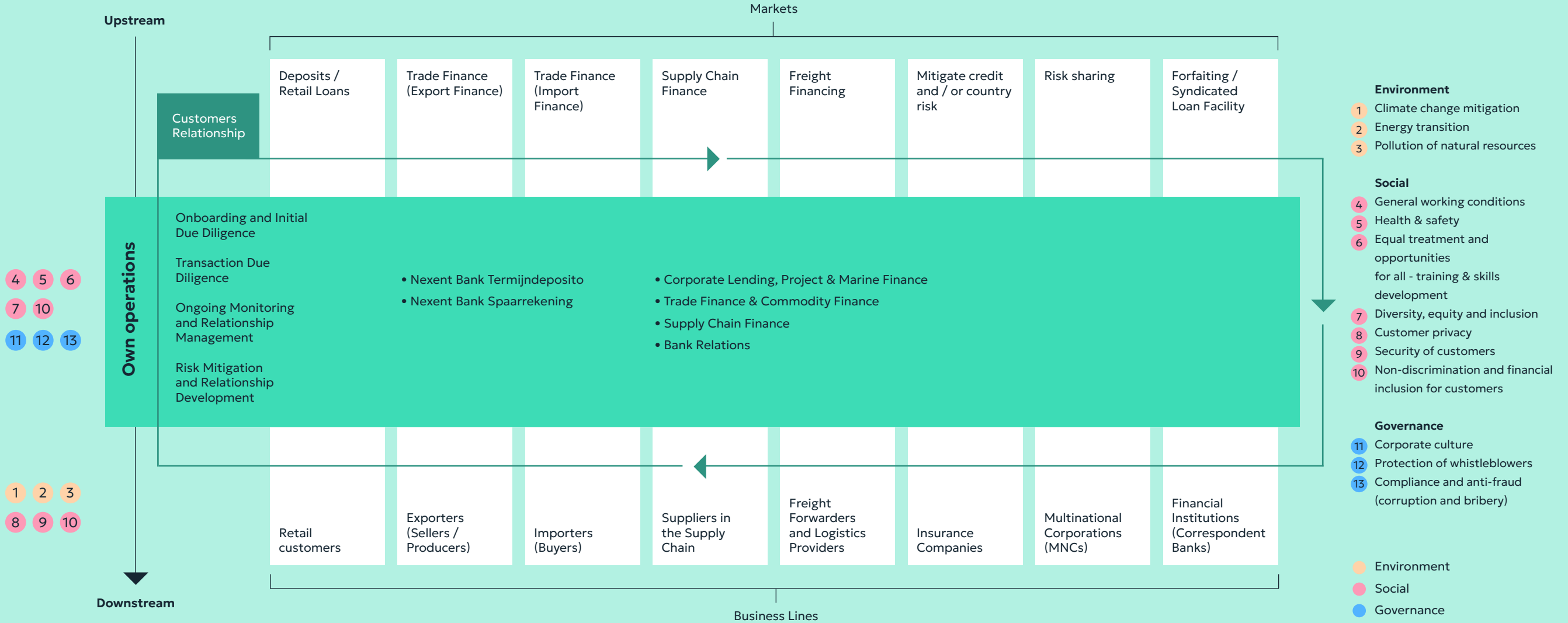
As a Dutch bank operating across Europe and in emerging markets, the Bank is closely aligned with local and international regulatory standards, including the ECB, DNB, and various national financial authorities.

Human Capital

Employees are fundamental to the Bank's operational success, contributing to its value chain through customer service, risk management, technology, and innovation. The Bank emphasises diversity, inclusion, and continuous professional development as essential to fostering a resilient and adaptive workforce. The Bank offers its employees competitive remuneration, family-related leave, mental health support, and training on unwanted behavior to enhance employee well-being. The hybrid work model and training on AML/CTF ensure that employees are equipped to manage compliance and operational risks effectively.



Strategy and Value Creation > Impact in the Chain





Performance ESG+F

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Performance ESG+F

Performance on ESG

For the Bank's performance in ESG reference is made to the Sustainability Statements included in this annual report.



Performance ESG+F

Financial Performance

In 2025, Nexent Bank delivered a solid financial performance in a more normalized interest rate environment and amid continued geopolitical and market uncertainty. The Bank successfully repositioned its balance sheet toward productive growth while maintaining strong capital, sound asset quality, and stable funding.

Net profit for the year amounted to EUR 59.9 million (2024: EUR 74.4 million). While lower than the exceptional result achieved in the prior year, profitability remained robust and sustainable, supported by disciplined cost management, diversified income sources, and continued strengthening of the credit portfolio.

Total assets increased by 4.0% to EUR 5.8 billion (2024: EUR 5.6 billion). Excess liquidity accumulated in previous periods was actively redeployed into higher-yielding assets, leading to a reduction in balances at central banks and strong growth in customer lending and financial investments.

Customer loans increased by 16.1% to EUR 3.0 billion, driven primarily by strong growth in commercial lending of 18.16%. This expansion was supported by further improvements in asset quality, with the vast majority of exposures concentrated in Stage 1 (EUR 2.83 billion) and Stage 3 loans decreasing to EUR 48.0 million. Allowances for expected credit losses decreased to

EUR 27.2 million (2024: EUR 35.1 million), reflecting improved borrower performance and effective portfolio management.

Customer deposits remained stable at EUR 4.2 billion, demonstrating strong confidence from both retail and corporate customers. The deposit mix shifted toward higher corporate term deposits, while retail deposits moderated in a competitive market environment. This balanced funding strategy supported asset growth while preserving liquidity strength and margin discipline.

Net interest income amounted to EUR 141.8 million, reflecting margin normalisation in a changing rate environment, partly offset by higher lending volumes and proactive asset-liability management. Net fee and commission income totalled to EUR 40.2 million, remaining a solid contributor. Market-related income improved, supported by higher valuation and trading results.

Credit performance remained a key strength, with net impairment releases of EUR 9.2 million, underscoring the continued enhancement of portfolio quality.

Total operating expenses declined significantly to EUR 130.9 million (2024: EUR 154.3 million), mainly due to the absence of elevated costs related to repossessed assets recorded in

the previous year. This was achieved while maintaining strong underlying cost control, despite ongoing investments in technology and infrastructure.

Operating profit before tax reached EUR 82.5 million, resulting in solid profitability for the year.

The Bank continued to strengthen its capital base in 2025, with total equity increasing by 5.2% to EUR 711.9 million, supported by strong retained earnings generation alongside ongoing shareholder distributions. Risk-weighted assets increased to EUR 4.16 billion in line with renewed lending growth, while capital ratios remained comfortably above regulatory requirements, with a total capital ratio of 18.8%, a Tier I ratio of 16.7%, and a Core Tier I ratio of 15.6%, reflecting the Bank's solid capital resilience.

Overall, 2025 was characterised by core business growth, improving asset quality, stable funding, disciplined cost management, and strong capital resilience. Nexent Bank enters the next financial year well positioned to pursue sustainable growth while maintaining a robust financial foundation.



Performance ESG+F

Five-Year Key Figures

€ millions	2025	2024	2023	2022	2021
Total assets	5,836	5,618	5,589	4,866	5,105
Cash and balances at central banks	759	1,267	1,639	1,104	935
Loans and receivables – banks	822	969	321	461	283
Loans and receivables – customers	2,962	2,551	2,711	2,459	2,753
Securities	566	365	381	363	573
Due to banks	480	285	505	441	799
Due to customers	4,217	4,204	4,031	3,395	3,326
Equity	712	677	658	620	652
Total Income	204	244	243	200	179
Provision Income	74	92	88	53	30
Result for the year	60	74	63	39	37
Common Equity Tier 1 ratio %	15.6%	15.8%	15.9%	15.2%	15.1%
Tier 1 ratio %	16.7%	17.1%	17.2%	16.6%	16.2%
Total capital ratio %	18.8%	19.7%	19.3%	19.8%	19.7%
LCR - Liquidity coverage ratio %	354%	444%	578%	524%	397%
Non-performing exposure %	1.1%	1.4%	2.1%	5.7%	5.2%
Non-performing loans coverage ratio %	123%	109%	149%	140%	117%



Risk Management and Business Control





Risk Management and Business Control

Risk Management and Business Control

Risk management and business controls are directly anchored in the Bank’s strategy and embedded in its organisation. The Bank implemented a risk management and internal control framework in line with the Bank’s business activities and geographical organisation. 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 Bank’s strategic goals.

Risk and Control Framework

The Bank 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 the Bank’s head office and each 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.

The Bank’s risk management and internal control framework enables the Managing Board to control the financial and non-financial risks arising from the Bank’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 Bank’s risk appetite. The risk appetite has been approved by the Supervisory Board and is designed to i) set the maximum level of risk the Bank is willing to accept to achieve its business objectives and ii) protect the Bank’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, the Bank 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 the Bank. Our

corporate website also provides information on risk management and compliance.

Key Developments in 2025 in Risk & Compliance in the Bank and Regulatory Environment

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

Mandatory Integrity-Related Risk Training

To ensure the Bank’s employees remained informed and updated about compliance-related risks, the 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, Nexent Bank reaffirmed its strong commitment to combating financial economic crime, maintaining this as a central priority within its compliance and risk management framework. The Bank 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, Nexent Bank strengthened its preventive, detective, and corrective measures



Risk Management and Business Control

to ensure 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 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.

Nexent Bank remains committed to safeguarding fair and non-discriminatory treatment of all its customers. The 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, the Bank 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 Bank's compliance framework.

As part of its ongoing development, the Bank 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, the Bank 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 Bank continued to closely monitor regulatory developments relevant to it and to align its operations with the evolving regulatory framework. During 2025, the Bank finalized system enhancements to enable the automation of COREP reporting in accordance with CRR3 requirements. Furthermore, the 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, the 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, Nexent Bank implemented a new set of Sustainability Policies, including the Sectorial Carbon Policy (Fossil Fuel Policy) and the umbrella Sustainability Policy, which establishes the Bank's Transition Plan and new Impact Assessment Methodology. The latter enables the Bank 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 environmentally sustainable under



Risk Management and Business Control

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

Non-Financial Risk Management (NFRM) Framework

In 2025, the 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 the Bank's Swiss subsidiary and its Romanian branch, supporting incident management and Risk and Control Self-Assessments (RCSA), while the Bank's Swiss subsidiary also extended its use to independent control testing and second-line recommendation follow-up. The 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 the Bank's Bank Relations team was updated.

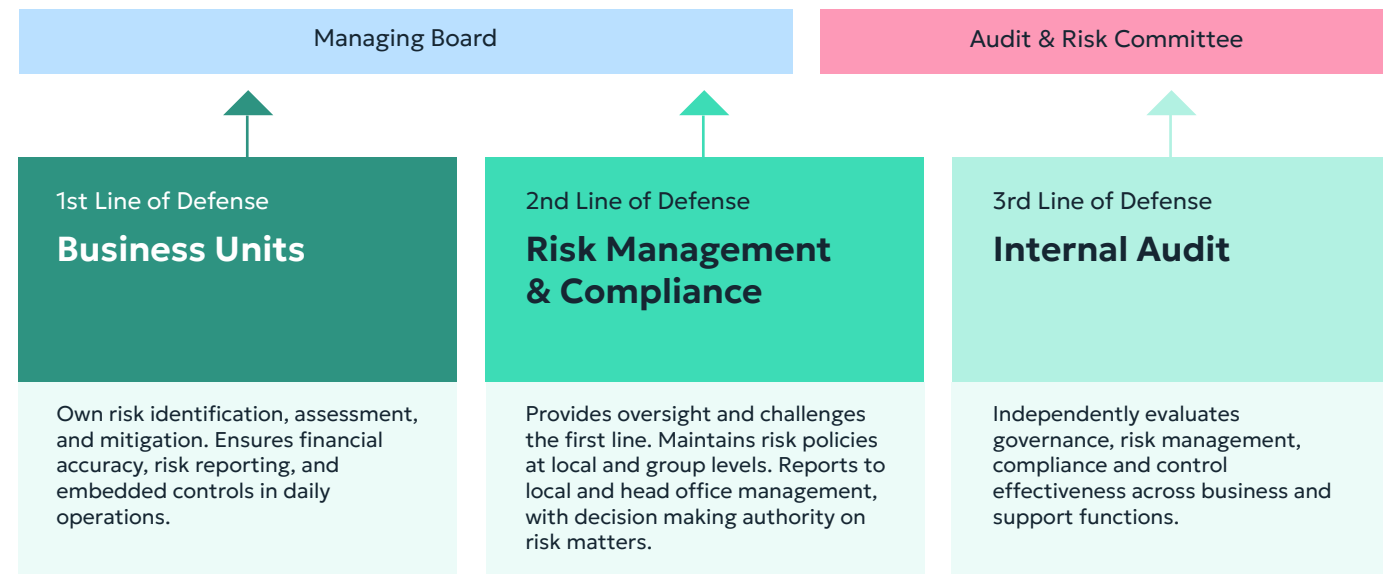
During 2025, the Bank completed its first year of operational implementation and regulatory reporting under DORA. The ICT risk and control framework, established in 2024, was fully embedded across relevant processes, with cyclical control execution and aggregated reporting to the management. Initial DORA regulatory submissions were completed, including reporting on critical and important ICT service providers (CIFs). Exit strategies for

CIFs were finalised, and performance monitoring via defined KRIs was initiated, with ongoing oversight to address contractual gaps. The 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.

Nexent Bank's Three Lines of Defense Model





Risk Management and Business Control

Areas of Improvement for 2026

In 2026, the Bank will continue to prioritise proactive measures to address evolving regulatory requirements and ensure full compliance with upcoming changes. Through the initiatives mentioned below, the Bank 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 the Bank and its subsidiaries and further adoption of data-driven solutions to meet regulatory requirements efficiently and effectively.

Regulatory Monitoring

The Bank 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 Bank has a presence to anticipate and prepare for changes effectively throughout the organisation. 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

The Bank continues to enhance its credit risk assessment framework on an ongoing basis. The Bank has progressed with updates to the Balance Sheet Lending scorecard model, with implementation planned for 2026. In addition, the 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

The Bank 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, the Bank will intensify its assessment of the new requirements, evaluate necessary enhancements to the Bank'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 Nexent Bank N.V.

Effectiveness of Risk Management and Internal Controls

Nexent Bank 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 Bank's 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



Risk Management and Business Control

internal control systems. The design of the risk management and control systems are based on the Bank'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 Nexent Bank 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 the Nexent Bank 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 Nexent Bank 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 Nexent Bank 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.

Nexent Bank 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 Nexent Bank 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 Nexent Bank 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 Nexent Bank N.V. is facing.

Leadership & Governance

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Corporate Governance

Governance is the cornerstone of the Bank'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

Nexent Bank N.V. is a public limited company (naamloze vennootschap), has registered shares and is not listed on any stock exchange.

Share Capital

The total issued and paid-up share capital of the Bank amounts to EUR 563,802,677. As at 3 April 2026, the shares of the Bank are for 99.86 % owned by CEG N.V. (CEG), a holding company established in the Netherlands. The remaining shares are owned by minority shareholders. The Bank makes up more than 99% of CEG's assets. CEG's shares are ultimately owned by Mr. Husnu M. Ozyegin through, inter alia, the investment company Fiba Holding A.S. in Turkey.

Nexent Bank N.V. as a Parent Bank

The Bank directly owns two banking subsidiaries in Switzerland and Ukraine.

To underpin the central position of the Bank as the parent, the Bank applies a dual reporting structure across its second- and third line of defense functions: local audit and risk managers in the subsidiaries maintain a functional reporting line to the group head of the respective division of the Bank. This structure has been implemented for the divisions Compliance, Financial and Non-Financial Risk Management, Corporate- and FI Credits, and Internal Audit. Moreover, the first line functions in the Bank's banking subsidiaries report to their respective general managers, who in turn report directly to the Bank's CEO. In addition, regularly the general managers of the Bank's subsidiaries join the meetings of the Bank's Managing Board. The main purpose of this is to share knowledge and experience, to align group policies, and to consider the Bank's strategy and budgets. Throughout 2025, the Managing Board members and the general managers met both in person and digitally.

Compliance and Regulation

The Bank has a full banking license in the Netherlands since 1994. The Dutch Central Bank (De Nederlandsche Bank N.V. or DNB) is the consolidated prudential supervisor; its supervision extends to the Bank's banking activities in the Netherlands and the banking activities of its branches and subsidiaries.

Not only is the Dutch Central Bank the supervisor of the Bank, but it is also the Bank's regulator, applying the provisions of its supervisory regulations and policy rules. Furthermore, the international standards and guidelines from European and other relevant authorities are used by the Bank as tools to substantiate its due compliance to these regulations.

The 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. The sector-wide principles of the Banking Code were announced by the Dutch Bankers' Association (Nederlandse Vereniging van Banken) with effect from January 1, 2010, and most recently updated in 2023. The Banking Code forms part of the set of documents titled Future Oriented Banking. This package comprises the Social Charter, the Banking Code and the Bankers' Oath (with associated Rules of Conduct and a disciplinary system). All the Bank's current employees working in the Netherlands (including board members) have taken the Bankers' Oath or Affirmation. A full report on the Bank's compliance with the Banking Code can be found on www.nexentbank.com

The statutory corporate rules in the Netherlands are laid down in the Bank's articles of association (statuten). The Managing Board, Supervisory Board and each subcommittee have their own



> Corporate Governance

charters (reglementen), which are published on the Bank's corporate website.

Boards

The Bank has a two-tier board structure, with an executive Managing Board and a non-executive Supervisory Board. In order to ensure a proper governance structure, the Bank has instituted several committees besides the Managing Board and Supervisory Board (and its 4 sub-committees), such as the Executive Committee, Asset and Liability Committee, IT Steering Committee, Credit Committees, and Risk and Compliance Committees, which all meet regularly. In addition, weekly management team meetings are taking place. These committees and meetings support the Managing Board in its daily management of the Bank.

Managing Board

Composition

The Managing Board consists of three board members. 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 the Bank, which includes realising the Bank'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 banking activities and the Bank's funding. The members of the Managing Board take the social role of the Bank and the interests of the Bank's various stakeholders into account when performing their management functions.

The Bank's CRO does not bear any individual responsibility for commercial areas and operates independently from them.

The CEO of the Bank ensures that a continuing education program is in place to maintain the expertise of the members of the Managing Board at the required level and, if necessary, expand it. All members of the Managing Board participate in the continuing education program and have attended the required number of training sessions.

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

Senol Aloglu, CEO

Wholesale Banking¹, Bank Relations & Supply Chain Finance¹, Treasury¹, Retail Banking¹, 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 Management² and Compliance.

Selection and Appointment Process

The rules and procedures for the appointment and reappointment of Managing Board members are set out in the Bank's internal policies and charters, such as the Recruitment and Selection Policy covering inter alia the Managing Board. Managing Board members are appointed for 4-year periods. A succession planning document for the Bank's senior management (including the Managing Board) has been prepared and is regularly reviewed considering the latest diversity targets. At the same time, this document is key in enabling the Bank to meet its (future) diversity targets. The functioning of the Managing Board and its individual members is evaluated annually.

¹ The heads of these business lines are Executive Committee members.

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



> Corporate Governance

Board Evaluation

The Managing Board performed an annual self-evaluation for 2025, considering the functioning of the Managing Board and its individual members, its committees, cooperation amongst the board members and cooperation with the Supervisory Board and the effectiveness of the education program. The outcome of the evaluation is discussed in a separate meeting of the Managing Board. In 2025 also the yearly suitability assessment was executed. The 2025 results of the suitability matrix of the Managing Board show a stable picture compared to the 2024 outcome. In general, the Managing Board as a collective has sufficient knowledge and experience on all competences to effectively manage the organisation.

In addition, the Supervisory Board evaluated the functioning of the Managing Board and its individual members. The outcome of this evaluation was discussed with the members of the Managing Board individually.

Supervisory Board

Composition

For details on the composition of the Supervisory Board, please see the section 'Report of the Supervisory Board'.

Responsibilities

In line with corporate rules in the Netherlands, and as set out in the Bank'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 Bank and to support the Managing Board with advice. Overall, the Supervisory Board is very much involved in the general affairs of the Bank and its strategy. In annual strategy sessions, the strategy for the coming period is presented to the Supervisory Board for review and approval. Any interim material changes to the strategy are also submitted for approval by the Supervisory Board, and the execution of the Bank's strategy is discussed in its quarterly meetings.

Selection and Appointment Process

The rules and procedures for the appointment and reappointment of the Supervisory Board are set out in the Bank's internal policies and charters, such as the Recruitment and Selection Policy. Also, a position profile for Supervisory Board members has been prepared. The Bank's Supervisory Board members are appointed for a maximum of two periods of four (4) years. Thereafter, reappointment is only allowed for two times two (2) years for specific reasons to be included in the report of the Supervisory Board.

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 the Bank'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 the Bank maintains an adequate risk management system and internal control system. In addition, the committee performs a review of the Bank'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 the Bank.

HR, Remuneration & Nomination Committee

This committee advises the Supervisory Board in all areas of remuneration -in general and pertaining to (individual members of) the Bank's Identified Staff-, nomination of Supervisory Board and Managing Board members and key function holders of the Bank. The committee also advises the Supervisory Board on general HR matters, if and where necessary (including but not limited to organisation 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 the Bank's overall compliance risk management framework. This framework is designed to address the wide range of compliance (i.e. integrity) risks the Bank



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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 the Bank. Additionally, it provides guidance to the Managing Board on enhancing the Bank’s overall compliance risk management framework.

Information Technology Committee

The Information Technology Committee assists the Supervisory Board in advising and overseeing the Bank’s group (i) IT strategy and strategic IT projects and alignment thereof with the Bank’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.

Executive Committee

An Executive Committee (ExCo) has been established to further safeguard and enhance the commercial and customer-facing roles at the executive level. The ExCo also creates more synergy and efficiency among the Bank’s major business lines. The Managing Board is fully responsible for the management and decision-making in relation to the Bank, in accordance with the Bank’s Articles of Association, the applicable rules and regulations, and the Managing Board Charter. The Managing Board takes its decisions on a discretionary and autonomous basis.

Composition

In 2025 the ExCo consisted of the Bank’s three Managing Board members and the heads of the following Bank’s main business lines and IT (so-called non-Managing Board ExCo members):

- Head of Wholesale Banking
- Head of Bank Relations and Supply Chain Finance
- Head of Retail Banking and Treasury
- Head of Technology & Digital Transformation

Purpose

The main purpose of the ExCo is to function as a platform for information-sharing and constructive discussions in relation to the Bank’s daily commercial business, its strategy and topics indirectly related to the Bank’s business/strategy. The non-Managing Board members of the ExCo functionally and hierarchically report to the CEO, except for the Head of Technology & Digital Transformation who reports to the CFO. Through regular formal and informal meetings/updates and contacts, the Supervisory Board remains informed about the focus areas of the ExCo and all related developments.

Internal Audit

The internal audit function (IAD) provides independent and objective assurance, advice, insight and foresight to the board and management as third line. Through the application of a risk-based methodology, the IAD evaluates and examines whether proper measures are taken to ensure control within the organisation and its activities to strengthen

the Bank’s ability to create, protect, and sustain value. It helps the Bank’s successful achievement of its objectives, risk management, control, and governance processes. The Head of Internal Audit reports functionally to the Audit & Risk Committee and administratively (i.e., day-to-day operations) to the CEO.

External Auditor

KPMG Accountants N.V. has been appointed as external auditor since 2021. Exchange of information between the Audit & Risk Committee, internal audit function and external auditor inter alia takes place through meetings of the Audit & Risk Committee, during which e.g., the risk analysis, audit plan, audit reports and findings are discussed. Outside these meetings, the members of the Audit & Risk Committee, IAD and the external auditor have regular contact to share information and consult on specific topics. At least once a year, a tripartite meeting is organized between representatives of DNB, external auditor and IAD, in which the risk analysis, findings, and each other’s audit plans are discussed.

Integrity and Ethical Behaviour

Risk Management

Risk management plays a central role in the Bank’s managerial decision-making process and is strongly supported by both the Managing Board and Supervisory Board. The Managing Board is responsible for implementing and maintaining the risk management policies within



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the organisation and monitoring the risk exposure to ensure that the Bank’s activities and portfolios are not exposed to unacceptable potential losses or reputational damage. The Supervisory Board oversees the risk policy pursued by the Managing Board via its Audit & Risk Committee, which reviews and discusses the Bank’s risk profile, capital management, and funding policies, as well as financial- and non-financial risks in view of the pre-defined risk appetite. The CRO and Risk Management are the main sponsors of the Bank’s consolidated-level risk appetite, Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), Recovery Plan, and other internal guidance documents. The Managing Board sets the Bank’s risk appetite. The Bank’s risk appetite statement is discussed, reviewed, and approved annually in the relevant Supervisory Board meeting, and any material interim changes to the risk appetite are also subject to the approval of the Supervisory Board. More information on the Bank’s risk management can be found in the Risk Management and Business Control chapter of this annual report and in note 34 of the consolidated financial statements.

Code of Conduct and Banker’s Oath

For employees and others working with the Bank, a code of conduct has been established to set standards for professional conduct. Furthermore, an extensive set of internal governance-related policies and procedures apply to our employees, ranging from “whistle-blower” procedures to policies relating to expenses. As mentioned

hereinabove the Banker’s Oath is part of the Dutch Banking Code. The Banker’s Oath has associated Rules of Conduct and a disciplinary system. All the Bank’s current employees working in the Netherlands (including board members) have taken the Bankers’ Oath or Affirmation. In principle quarterly Banker’s Oath sessions are organized for new joiners.

Integrity

The Bank endeavors to maintain a company culture and business strategy whereby the Bank’s values and standards of professional conduct are maintained at every business level and within all its activities. These standards include domestic and international legislation, regulations issued by local competent authorities, industry standards and best practices, and the Bank’s own internal standards, including ethical principles.

Failure to recognize and address compliance (i.e. integrity) related risks can result in reputational risk that can harm the Bank’s financial standing. For this reason, the Bank makes utmost efforts to adhere to its integrity and ethical standards and its compliance risks are identified and managed in a timely manner.

Diversity, Equity and Inclusion

The Bank’s employees are essential to meeting its business objectives. To foster a safe and thriving work environment, the bank remains focused on advancing diversity, equity, and inclusion (DEI) throughout the organization.

Diversity is among the Bank’s three core values. Our diverse background and international footprint allow us to think creatively and innovatively. This is a crucial component of our ability to attract talent and meet our strategic targets. A diverse workforce, inter alia, helps us to fulfill our purpose, as different perspectives drive innovation, accelerate growth, and lead to more robust decisions and outcomes.

Within the Bank, we aim to safeguard equity through unbiased assessment of an individual’s potential and performance, based on the knowledge, skills, behaviours and experience as relevant to the role’s requirements. An inclusive culture is fostered, where our people can safely share their perspectives, skills and experience. We aim to take fair, inclusive and equity-based decisions with regard to, among others, recruitment, performance evaluation, remuneration, development opportunities and career progression. Following the introduction of the Gender Balance Act, the Bank determined appropriate and ambitious targets to promote gender diversity on its boards; in certain categories of managerial functions, targets were set, and actions are being taken to achieve these targets. In addition, the Bank has started to prepare and take measures to be compliant with the European Pay Transparency Directive (to be implemented in Dutch law) in 2026, making sure to have equal pay for work of equal value in place.

Through its Diversity and Inclusion Policy, the Bank sets out its commitment to DEI. The



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Bank has continued its efforts in this area by supporting the voluntary and employee-led working group, Nexent Bank United. Although this group works independently, the Managing Board is the main sponsor.

Please refer to the Sustainability Statements for more information on Diversity, Equity and Inclusion.

Conflicts of Interest

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

The 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.

Whistleblower Channel

Nexent Bank employees are expected to address misconduct and irregularities within the Bank, whether actual or suspected. Such matters can inter alia be reported through the whistleblower channel. Via its Compliance Oversight Committee, the Supervisory Board is informed about the functioning of the whistleblower channel, how the Bank addresses signs of misconduct or irregularities, and the adequacy of follow-up on any recommendations for remedial actions.



Managing Board Biographies

Senol Aloglu (1965, Male)
**Chief Executive Officer¹/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 the 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. 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 Officer²/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 the 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 the 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 Management³ and Compliance.

¹ Also Chair of the ExCo.

² Also, Vice-chair of the Managing Board (Deputy CEO) in accordance with article 3.1 of the Charter governing the Managing Board and Vice-chair of the Executive Committee.

³ Financial Risk Management (including Corporate Credit Risk and Financial Institution (FI) Credit Risk & Sovereign Risk, all 2nd line), Information Risk 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 the Bank 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.



> Supervisory Board Biographies

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.

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 the Bank 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 Nexent Bank. 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 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 Nexent Bank 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 Bank's credit policies, portfolio diversification and recovery efforts. The Dutch Central Bank's decision to lower the Bank's minimum capital requirements for the third consecutive year is a clear external validation of these efforts. Moreover, the one-notch upgrades by both Fitch and Moody's represent an important milestone on the Bank's path toward its medium-term ambition of achieving investment-grade status.

The Supervisory Board closely monitored developments across the Bank'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 Bank's presence 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 Bank's risk appetite and expertise.

In Retail Banking, the Supervisory Board recognises 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 Bank'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, recognising 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 Bank'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 Bank'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 Board's agenda. During the year, we closely



> Report of the Supervisory Board

followed the development and implementation of the Bank’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 Bank’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 Bank 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 the Bank’s 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 Bank’s performance in 2026. We do believe that the conservative risk profile, strong capitalisation and ample liquidity, position the Bank 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 Bank 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.

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



> Report of the Supervisory Board

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, 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 internal and external audit plans, reports, findings, recommendations, and subsequent follow-up actions. Additionally, the committee conducted closed meetings with both the internal audit function and external auditor. 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 the Bank’s fixed and variable remuneration packages), the Bank’s newly launched talent program, 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/CEO) 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



> Report of the Supervisory Board

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 Bank and relevant Bank 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 Bank.

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 Bank'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 Bank's long-term objectives.

2025 Financial Statements and Result Allocation

The Supervisory Board has reviewed the Report of the Managing Board and the financial statements for 2025, including the report of the external auditor, KPMG Accountants N.V., for the year ending December 31, 2025.

During 2025, the Bank made interim dividend payments over the financial year 2025 of in total EUR 22,664,000 to shareholders and EUR 22,664,000 was added to the Bank'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 7,309,000 of the net result for the year to our main shareholder, CEG N.V., and the Bank's minority shareholders and add the remainder of the net result, being EUR 7,309,000 to the Bank's retained earnings, thereby discharging 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 Governance & Leadership chapter is deemed to be incorporated herein by reference.

Amsterdam, 7 April 2026

Wilfred Nagel, Chairperson
Aysecan Ozyegin Oktay, Vice-Chairperson
Seha Ismen Ozgur
Ali Fuat Erbil
Johan Smessaert



Remuneration Report

Decision-Making Process to Determine the Remuneration

By virtue of the 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 Bank's internal and external stakeholders.

Remuneration of Identified Staff (defined in the 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, the 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 the 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 the 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 the 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 the 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%) 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".



> Remuneration Report

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, the Bank's Group Remuneration Policy also incorporates rules and guidelines for the setting and determination of fixed and variable remuneration of employees.

In the 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, the 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, the Bank's 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 the 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.

The 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 the Bank's performance in a year. Additionally, the granting of variable remuneration may not restrict the Bank's ability to reinforce its regulatory capital, solvency ratio, or funds. The Bank has no other non-cash benefits or variable remuneration elements.

Aggregate Quantitative Information on Remuneration Per Business Segment

In 2025, the 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.



> Remuneration Report

Aggregate Quantitative Information on Remuneration for Identified Staff

The Bank has identified 26 Identified Staff members. In 2025, the total amount 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, the Bank on a consolidated basis paid EUR 152,297 in severance payments to Identified Staff. The 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 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).

Sustainability Statements

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Sustainability Statements

Sustainability Statements of Nexent Bank for the year concluding on December 31, 2025, covers information for the Bank, its subsidiaries and branches that are considered within the consolidation scope of the annual financial statements.

No activities are claimed as being associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (Taxonomy Regulation). Nexent Bank is exercising the 'no-claim' option because the Bank is not claiming that it invests in or finances Taxonomy aligned activities as per the Article 7(9) of the Disclosures Delegated Act, as amended by the Omnibus Delegated Act during the financial year of 2025. The Bank is not planning to issue any green bonds in 2026 or 2027, or the Bank is not planning to claim in 2026 or 2027 that the proceeds of any bonds issued will finance any Taxonomy-aligned activity. The Bank has not participated as an advisor or facilitated the issuance of Taxonomy-aligned green bonds issued by third parties.

The Bank has not and will not manage or offer financial products that claim positive Taxonomy-alignment ratios under Articles 8 or 9 SFDR, nor has ever and will never provide portfolio or risk management services under delegation with respect of such products. While we are utilizing the 'no claim' option for this reporting period, our internal Impact Assessment continues to leverage certain universal sustainability aspects —such as substantial contribution, Do No Significant Harm¹ (DNSH), Minimum Safeguards² (MS), and Technical Screening Criteria (TSC)— used to ensure the robustness of our evaluations.

¹“Green oath: do no harm” in the European Green Deal

²Alignment with the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGP).



Sustainability Governance

Sustainability is embedded in Nexent Bank’s existing governance framework.

- Supervisory Board**
 Supervisory Board oversees the overall management and proper organization of Nexent Bank’s activities including ESG. They supervise the Managing Board to ensure long-term value creation for the benefit of the Bank and its stakeholders.
- Managing Board**
 Managing Board of Nexent Bank is the primary body responsible for ESG strategy approval, risk appetite, transition plan, and key performance targets. Managing Board confirms ESG pricing parameters, financial guardrails, and ensures compliance with all relevant Dutch and EU sustainability disclosure requirements.
- Sustainability Committee**
 Chaired by the CEO, the Sustainability Committee acts as an advisor to the Managing Board and is the ultimate developer and owner of this Policy. The Committee is also responsible for overseeing the Bank’s sustainability activities including regulatory compliance on applicable ESG matters and assessment of environmental, social and governance (ESG) risks and opportunities independently from the other lines of defense.
- Sustainability Department**
 The Sustainability Department is responsible for annual Sustainability Policy review, transaction screening, classification, ongoing KPI monitoring, and regulatory/internal ESG reporting.
- 1st Line of Defense**
 1st Line of Defense is primarily responsible for adequate compliance with this Policy as this Line is where ESG impact (predominantly) manifests and can be influenced.
- 2nd Line of Defense**
 Risk Management is responsible for monitoring the progress and the execution of adapting Sustainability Policy into the processes of corresponding business lines.
- 3rd Line of Defense**
 Independently evaluates governance, risk management, compliance and control effectiveness across business and support functions[CD1]

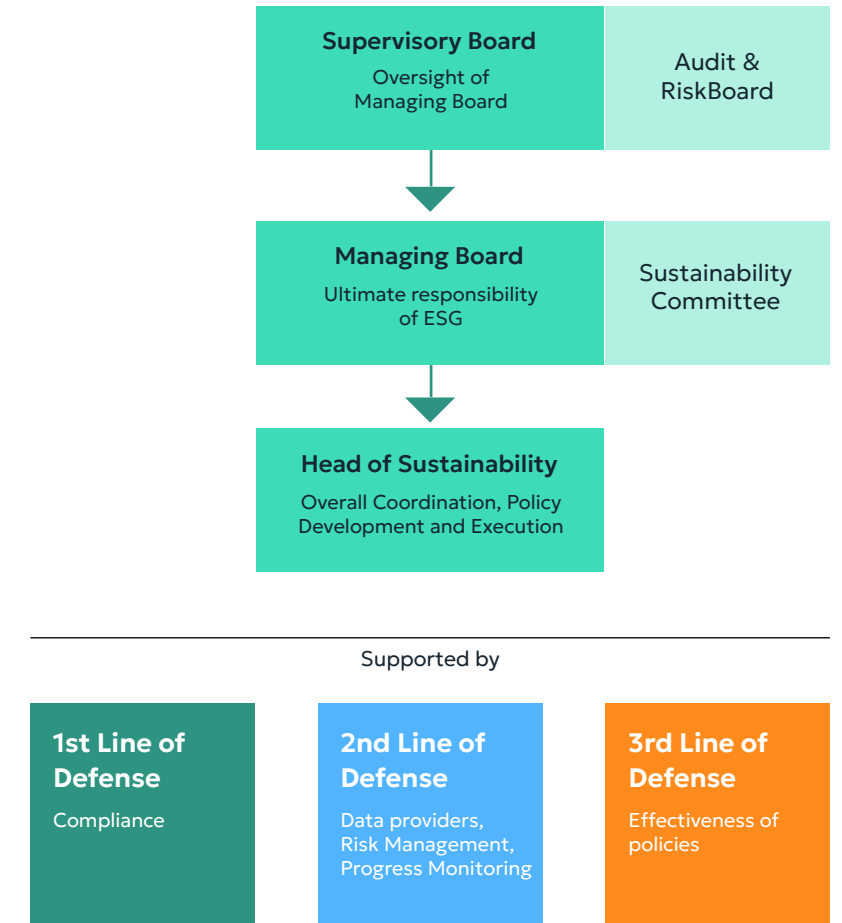
Within the Managing Board, the topic of Sustainability is overseen by the CRO, who is supported by the Head of Sustainability

The Managing Board review and approve the Sector Exclusion List, Sustainability Policy, Fossil Fuel Policy, and sector-specific ESG guidelines, and sets ESG limits on sector exposures. The Managing Board receive regular updates from the Sustainability Committee and the Sustainability Department on material impacts, risks, and opportunities, as well as the results and effectiveness of policies, actions, metrics, and targets.

The Supervisory Board and/or Managing Board members discussed various sustainability matters in 2025 such as:

- Transition Plan
- Transaction Classification Methodology
- Fossil Fuel Policy
- Sustainability Policy
- Social & Governance topics such as Remuneration, Equal Pay, AML
- Diversity & Inclusion

Sustainability Governance Overview





Sustainability Strategy

We integrate ESG in our sustainability strategy to ensure comprehensive value creation. At Nexent Bank, we leverage six interdependent capitals -financial, manufactured, intellectual, human, social and relationship, and natural- to create and preserve value. This model emphasizes the interconnectedness of financial, social, environmental, and intellectual factors.

Further information about the Nexent Bank's strategy, business model and value chain can be found in the Profile and Strategy and Value Creation sub sections.

Nexent Bank's climate strategy is translated into a transition plan designed as an adaptive framework that integrates risk assessment, data management and business strategy, supported by regular monitoring, reporting and adjustment as regulatory, scientific and market developments evolve. The transition plan is intended to support the Bank's commitment to achieve net-zero emissions across its financed and operational activities by 2050, including through the gradual reduction of exposure to high-carbon sectors and an increase in sustainable assets within the portfolio. It also incorporates traffic light portfolio segmentation, scenario planning and sector-specific approaches to address transition risks and opportunities, while embedding climate objectives into strategic, financial and operational decision-making.

Double Materiality Assessment (DMA)

The Bank's climate strategy and transition plan are based on the findings of its DMA, which ensures that material impacts, risks and opportunities are considered in the context of the Bank's overall strategy and business model. By identifying which ESG factors are material, the Bank ensures that its strategic priorities and resource allocation address both current and future sustainability challenges and opportunities.

In 2023, Nexent Bank carried out its DMA using a structured, multi-step approach. The process began with a review of the bank's organisational context and stakeholder engagement, involving surveys, interviews, and desktop research with both internal and external parties such as the Supervisory Board, directors, employees, shareholders, suppliers, regulators, the business community, society, and customers. The bank then classified and assessed actual and potential impacts on people and the environment, considering factors like scale, scope, remediability, and likelihood. Materiality thresholds were applied to determine which topics were significant for sustainability disclosures. Financial materiality was also evaluated, focusing on effects on cash flow, resource availability, and stakeholder relationships. The DMA process adhered to the principles of quality information, with ongoing

reviews to ensure continuous improvement. In 2024, the Bank built upon the existing DMA, revising it to reflect its evolving understanding of its operations and their impact. In 2025, the methodology was further refined with the introduction of a new customer and transaction-level impact and ESG risk assessment approach.



> Sustainability Strategy

Impact Materiality

Bank evaluates the potential environmental and social impacts of its financing activities to identify which impacts are material for our business model and strategy. This assessment follows an ESG classification framework that applies several criteria:

- **Sector and activity type** – Whether the financed activity belongs to sectors contribute to sustainability objectives (e.g., renewable energy) or high-impact sectors in transition.
- **Use of proceeds** – How funds are allocated, including whether they support green or social projects, transition measures, or business-as-usual activities.
- **Environmental and social impacts** – Assessment of emissions, pollution, and compliance with minimum social safeguards.
- **Borrower ESG profile** – Governance quality, transparency, and commitment to sustainability improvements.

Transactions are classified as Green, Amber, or Red based on these criteria. This classification helps identify where the Bank's activities may have significant positive or negative impacts on people and the environment, guided by the foundational concepts of 'do no harm' and the OECD Guidelines and UNDP.

The Bank's latest assessment has identified ongoing associations between its activities and material impacts across several ESG areas. Specifically, the evaluation highlights concern in relation to climate change-demonstrated by elevated Global Warming Potential-as well as issues surrounding pollution and the Bank's broader effects on consumers and end users.



> Sustainability Strategy

Financial Materiality

This dimension focuses on the effect of climate and environmental (C&E) risks on the bank’s operations. Specifically, it assesses how these risks may alter asset values, affect the creditworthiness of borrowers, and impact on the Bank’s overall financial performance.

The Bank has assessed C&E risks across key portfolios, including second-hand vessel financing, trade finance, and corporate lending, encompassing 100% of the credit lending exposure. These portfolios were selected due to their significance in Nexent Bank’s balance sheet, sensitivity to transition and physical climate risks, regulatory developments, and market shifts.

Key risk drivers were identified across sectors and asset classes:

- **Transition Risks:** Stricter emissions regulations, carbon pricing, fuel transition costs, technological shifts, and ESG disclosure requirements.
- **Physical Risks:** Acute events such as storms and floods, and chronic risks like rising temperatures and sea-level rise.
- **Environmental Risks:** Matters related to other climate objectives, such as biodiversity, water, and pollution regulations; end-of-life liabilities for assets. These risks transmit to financial impacts through increased operating costs, asset devaluation, stranded assets, and reputational pressures.

The analysis evaluates how these risks affect credit risk metric under short-, medium-, and long-term horizons.

Sector-level aggregation highlights concentrated risks:

- **Shipping:** High exposure to transition costs and retrofitting.
- **Trade Finance:** Vulnerability in Oil & Gas, Chemicals, Mining, and Soft Commodities due to decarbonization and physical hazards.
- **Corporate Lending:** Diverse sectors face combined transition and physical risks, with carbon-intensive industries most affected.
- **Mortgages:** Regional climate hazards and energy inefficiency drive PD and LGD increases, especially under disorderly transition or extreme physical events.

Based on current portfolio composition and risk management measures, these risks are not considered financially material at this stage. All identified risk categories were assessed as non-material across short-, medium-, and long-term horizons, due to portfolio composition and existing risk management measures. The Bank will continue to monitor these exposures as part of its ongoing risk management and materiality review processes.



> Sustainability Strategy

Outcome of the DMA

Nexent Bank applies the concept of double materiality by considering both the financial risks arising from C&E factors and the impacts of its own activities on people and the environment.

	Topic Cluster	Subtopic	Nexent Bank Definition	Value Chain	Materiality
1	Climate change	Climate change mitigation	The efforts and investments made by Nexent Bank to reduce greenhouse gas emissions, support the transition to a low carbon economy, and minimize its environmental impact to combat climate change	Downstream	Impact
2	Climate change	Energy transition	The efforts to support the shift from reliance on fossil fuels to the adoption of renewable and sustainable energy sources, technologies, and practices, reflecting a commitment to address climate change and create long-term value through Nexent Bank's direct and indirect activities	Downstream	Impact
3	Pollution	Pollution of natural resources	The contamination or degradation of essential environmental resources, such as air, water, and soil, which can have adverse effects on Nexent Bank's investments, risk exposure, and sustainability goals	Downstream	Impact
4	Own workforce	General working conditions	The overall work environment, policies, and protections established by Nexent Bank to ensure fair treatment, safety/privacy, and equitable opportunities for its employees, reflecting the Bank's commitment to ethical and responsible employment practices	Own Operations	Impact
5	Own workforce	Health & Safety	The implementation of measures, policies, and practices aimed at safeguarding the well-being and physical integrity of employees during their work activities, demonstrating Nexent Bank's commitment to a secure and responsible workplace	Own Operations	Impact
6	Own workforce	Equal treatment and opportunities for all - training & skills development	Nexent Bank's commitment to providing a level playing field for all employees, fostering inclusive access to training and skill enhancement programs to support professional growth and diversity within the organization	Own Operations	Impact
7	Own workforce	Diversity, Equity and Inclusion	Nexent Bank's ongoing efforts to create a work environment that values and respects differences among employees, ensures fairness in opportunities and treatment, and fosters a sense of belonging for individuals of all backgrounds, ultimately promoting a more innovative and resilient organization	Own Operations	Impact
8	Consumers and end-users	Customer privacy	Nexent Bank's duty to protect and respect the confidentiality of customer information and data, ensuring that sensitive personal and financial details are secure and used only for authorized purposes, in compliance with relevant privacy regulations and the Bank's own policies	Downstream	Impact
9	Consumers and end-users	Security of customers	Nexent Bank's commitment to safeguarding the personal and financial information, assets, and transactions of its customers from unauthorized access, fraud, or any potential threats, ensuring their trust and confidence in the Bank's services	Downstream	Impact
10	Consumers and end-users	Non-discrimination and financial inclusion for customers	Nexent Bank's dedication to providing equitable access to financial services and products without bias, ensuring that all individuals, regardless of their background or circumstances, have the opportunity to participate in the financial system and benefit from its offerings	Own Operations & Downstream	Impact
11	Business conduct	Corporate Culture	The shared values, beliefs, norms, and behaviors that shape the overall work environment, ethics, and identity of Nexent Bank, influencing how employees interact, make decisions, and contribute to the institution's mission and goals	Own Operations	Impact
12	Business conduct	Protection of whistleblowers	Establishing mechanisms and policies to ensure that individuals who report misconduct or unethical behavior within the Bank are shielded from retaliation and can disclose concerns safely and confidentially, promoting transparency and accountability within the organization	Own Operations	Impact
13	Business conduct	Compliance and anti-fraud (corruption and bribery)	Nexent Bank's approach to ensuring adherence to legal and ethical standards, proactively identifying and addressing fraudulent activities, and providing ongoing education and awareness to employees to mitigate risks and maintain trust and integrity in its operations	Own Operations	Impact



Material Sustainability Matters

Environment

Climate Change

- **Climate Change mitigation:** Climate change has been identified as a material matter due to its significant impact on both the environment and society. Although it does not have a material financial impact for Nexent Bank, the importance of this issue warrants its inclusion in our reporting. The Bank's own operations contribute only a limited impact to climate change mitigation; however, there is a moderate effect resulting from the investments made by the Bank (financing and facilitating transactions).
- **Energy Transition:** The transition towards sustainable energy is recognized as having a material impact on environmental and societal outcomes. Nexent Bank's direct operations have a low impact in this area, but we observe a moderate influence through our role in financing energy transitions. Despite the low financial materiality associated with this topic, the environmental and social significance means it is an important aspect of our sustainability disclosures.

Nexent Bank supports climate change mitigation and energy transition through a policy framework comprising its Sustainability Policy and Fossil Fuel Policy, complemented by climate-related risk acceptance criteria embedded in its Marine Finance and Commercial Real Estate business plans. These frameworks are applied across the Bank's business lines, subsidiaries and branches and integrate climate considerations into lending, investment, risk management and portfolio management processes. They also include exclusions for certain activities, sector-specific risk limits and phase-out measures for fossil fuel-related financing. Oversight of these policies rests with the Managing Board, supported by the Sustainability Committee and the Sustainability Department, with regular review and monitoring in place.

To implement these policies, Nexent Bank introduced an ESG risk classification system for new and existing transactions. During the reporting year, the Bank also conducted quarterly reviews of ESG metrics and policy effectiveness at Managing Board level, enhanced sectoral exclusion policies, strengthened governance capacity through dedicated sustainability roles, client engagement and investment in ESG data systems.

Pollution

- **Pollution of Natural Resources:** Nexent Bank's involvement in structured trade and commodity finance, marine finance, and corporate lending makes oil spill pollution relevant. These sectors often deal with high-risk industries like shipping and energy. While oil spills are relatively rare, their impact can be significant, affecting financial stability, customer operations, loan performance, and the value of financed assets. The Bank recognizes that addressing these impacts is crucial to its broader environmental responsibilities.

Nexent Bank manages pollution-related impacts through its Sustainability Policy. The policy is designed to prevent, mitigate and, where relevant, remediate pollution impacts associated with financed activities, with requirements linked to Do No Significant Harm criteria. It is supported by transaction classification, sector exclusions and restrictions.



> Material Sustainability Matters

Social

Own Workforce

- **General Working Conditions:** The Bank recognizes that general working conditions have a medium impact on the well-being of employees and the broader communities in which we operate. Ensuring appropriate workplace standards contributes significantly to employee satisfaction and the overall health of our workforce, while also fostering positive relationships with local communities.
- **Health & Safety:** Health and safety are identified as areas with medium impact, particularly regarding the mental health and safety of employees. The Bank is committed to maintaining a safe working environment and supporting the mental well-being of its staff, recognising the importance of these factors in sustaining a healthy and productive workforce.
- **Equal Treatment and Opportunities for All:** Providing equal treatment and opportunities to all employees is of high impact and medium scope, with the positive effects being non-remediable. The Bank's commitment to fairness ensures that all members of our workforce benefit from equal access to opportunities, fostering a culture of respect and inclusivity that cannot be undone once established.

- **Diversity, Equity and Inclusion:** The Bank places a high emphasis on diversity, equity and inclusion, recognising their significant impact both within the workforce and through wider external influence. The scope of these efforts is medium, and the outcomes are positive, reflecting our dedication to creating an environment where all individuals feel valued and are empowered to contribute.

To manage its material own-workforce matters, Nexent Bank has established a set of policies that cover working conditions, health and safety, equal treatment, and diversity, equity and inclusion. These include the Staff Handbook, Risk Appetite Policy, Diversity & Inclusion Policy, Code of Conduct, Group Remuneration Policy, Internal Alert System Policy, Unwanted Intimacies Procedure, and Hybrid Working Policy. Together, these frameworks set out employment terms, training support, conduct expectations, gender-neutral remuneration principles, HR risk monitoring, reporting channels for misconduct, and arrangements intended to support employee wellbeing. The policies apply across the group and are made available to employees through the intranet and Policy Hub.

The Bank supports these policies through ongoing workforce engagement and practical measures. These include employee engagement and diversity surveys, quarterly staff events, intranet and newsletter communications, a 360-degree feedback tool, management development programmes, a personal health support such as risk assessments, mental coaching and psychological support. Nexent Bank also maintains grievance channels through its whistleblower system and direct reporting to managers or HR, with defined assessment, investigation, resolution and follow-up processes, alongside regular training on workplace conduct and harassment prevention.

The characteristics of Nexent Bank employees at group level, broken down by gender, are as follows:

As of 31 December, 2025	Total HC	% of Total
Female	487	52.9%
Male	433	47.1%
Not Reported	0	0.0%
Total	920	



> Material Sustainability Matters

Gender distribution by level at Nexent Bank, broken down by country, is as follows:

As of 31 December, 2025	Gender	Germany	Malta	Netherlands	Romania	Switzerland	Ukraine	Turkiye
SB	Female	0	0	2	0	1	2	0
MB	Female	0	0	0	0	0	1	0
Senior Management	Female	0	0	7	0	1	6	0
SB	Male	0	0	3	0	5	3	0
MB	Male	0	0	3	0	4	2	0
Senior Management	Male	1	1	10	1	3	5	1

SB refers to the Supervisory Board and includes all Supervisory Board members, including any external members where applicable; **MB** refers to the Managing Board; **Senior Management** refers to direct reports of a Managing Board member (either the Nexent Bank N.V. Managing Board or a local Managing Board); and **Managers** refers to all other managers with one or more direct reports, excluding Supervisory Board members, Managing Board members, and Senior Management.



> Material Sustainability Matters

Consumers and End-Users

- **Customer Privacy:** Safeguarding the privacy of our customers is paramount, as breaches can have a profound and lasting impact. The consequences of any privacy violation are severe, with effects that are not easily reversible. The scope of this risk is concentrated, affecting those whose data is compromised. Ensuring robust privacy measures is a core aspect of our commitment to maintaining customer trust and upholding the Bank's reputation.
- **Security of Customers:** The security of our customers is of high importance, particularly in relation to protecting them from any failures in safeguarding their assets or personal information. Should such failures occur, the repercussions are significant and concentrated, but they can be addressed over time through dedicated effort and investment. The Bank is committed to implementing effective security protocols and continuously improving our systems to minimise risks and ensure the safety of all customers.
- **Non-Discrimination and Financial Inclusion:** Promoting non-discrimination and financial inclusion for all customers remains a central principle. Any lapses in equal treatment or inclusive practices carry a high impact, especially within the concentrated scope of those affected. The Bank strives to ensure that every customer has fair access to our financial services, reinforcing our dedication to equality and inclusion across our operations.

Nexent Bank manages customer privacy, customer security, and non-discrimination and financial inclusion through a defined set of policies, procedures, and control frameworks with clear responsibilities for implementation and oversight.

For privacy, the Privacy Charter and Framework assign overall accountability to the Managing Board, oversight to the Data Protection Officer (DPO), and day-to-day management to the Managing Board Office. The Personal Data Protection Policy sets requirements for lawful, fair and transparent processing, privacy-by-design and privacy-by-default, data accuracy and security, and customers' rights to access, rectify and erase personal data.

For fraud prevention, the Anti-Fraud Policy is overseen by the Managing Board, with day-to-day responsibility assigned to the Non-Financial Risk Management function. For non-discrimination and financial inclusion, the Product Approval and Review Process Policy require social and governance considerations to be incorporated into the approval, development and review of products, with Operational Risk Management responsible for day-to-day oversight. Customer complaints are managed under the Customer Complaint Handling Policy, for which the Managing Board is accountable and the Compliance Division is responsible for ongoing oversight.

Nexent Bank supports these policies through specific operational measures and monitored outcomes. In information security, the Bank applies a continuous cycle of risk identification, assessment, control implementation and monitoring, supported by internal and external risk assessments across channels including SWIFT and third-party provider channels.

In 2025, Nexent Bank continued regular phishing simulations and awareness training, continued brand-abuse monitoring, and recorded one takedown site for brand abuse. The Bank also continued strengthening cybersecurity, operational resilience, information security, data protection and business continuity, and operationalized the implementation of DORA during the year. In privacy management, customer requests relating to access, rectification, portability, deletion and restriction of processing are handled under DPO oversight and are to be addressed within 30 days, with extensions possible for complex cases. In complaint handling, complaints are acknowledged in writing within two weeks, customers are informed of a response timeframe of up to 12 weeks, and complaints related to payment services are subject to a 15-working-day response time.



> Material Sustainability Matters

Customer feedback is tracked through the NPS survey, which collected around 1,750 responses per quarter and 6,954 responses during the year; the overall NPS score was 39. The highest number of responses were mainly collected on the money transfer transactions screen, which also achieved the highest NPS-score of 41. In addition, the Bank completed a discrimination risk assessment in January 2025, with further follow-up actions in progress to strengthen its approach to financial inclusion.



> Material Sustainability Matters

Governance

Business Conduct

- **Corporate Culture:** The Bank recognizes that corporate culture has a medium impact on both employees and customers. A strong and positive culture supports engagement, productivity, and customer satisfaction. However, any deficits in this area are challenging to address and require sustained effort to remedy. The Bank remains committed to nurturing a workplace environment that fosters integrity, respect, and excellence, understanding that improvements in culture are gradual but vital to long-term success.
- **Protection of Whistleblowers:** Safeguarding those who raise concerns is crucial for maintaining transparency and accountability. The impact of insufficient whistleblower protection is considered medium, as it directly affects the safety of individuals and the Bank's ability to prevent wrongdoing. Once trust is lost in this area, it is particularly difficult to restore. As such, the Bank prioritizes robust mechanisms and support systems to ensure whistleblowers feel secure and protected when coming forward.

- **Compliance and Anti-Fraud:** Adherence to compliance and anti-fraud measures is essential for upholding ethical standards throughout the organization. The risks associated with unmanaged compliance and fraud are significant but can be mitigated with dedicated time and resources. The Bank's ongoing commitment to rigorous compliance procedures and anti-fraud protocols underpins the integrity of its operations and supports stakeholder confidence.

Business conduct is underpinned by a framework of policies and controls covering anti-money laundering, counter-terrorism financing, sanctions compliance, anti-bribery and corruption, conflicts of interest, and standards of employee conduct. Key documents include the AML/CTF Policy and Sanctions Compliance Statement, the Anti-Bribery and Corruption Policy, the Code of Conduct, the Staff Handbook, the Conflicts of Interest Handling Policy, and the Related Party Transactions Policy. Together, these set out the standards and procedures applied across the Bank to support compliance with legal and regulatory requirements and to manage the risk of financial crime and misconduct.

The Bank supports its corporate culture through the Staff Handbook, the Code of Conduct, induction training for new employees, regular thematic awareness sessions, and quarterly staff events. Following a company-wide engagement survey, it also launched a cultural transformation programme focused on people first, empowerment and collaboration, supported by a management development programme for leaders. To support transparency and accountability, the Bank has established an internal alert system under its Whistleblower Policy, which enables confidential reporting of misconduct and includes safeguards against retaliation for reporting persons and others involved in the reporting process.



> Material Sustainability Matters

To prevent and detect corruption and bribery, the Bank applies pre-employment screening, customer due diligence, enhanced due diligence in higher-risk situations, and mandatory training for new employees within three months of joining, alongside ongoing refresher and topical

training for employees and relevant third parties. Concerns can be reported through management, Compliance or the internal alert system, including on an anonymous basis. Oversight of the anti-corruption framework sits with the Compliance Division, which is responsible

for monitoring, investigations, and reporting material matters to the Managing Board, the Supervisory Board and, where relevant, the Non-Financial Risk Committee.

	Managers	Other /employees
Training coverage		
Total	66	209
Total receiving training	66	200
Delivery method and duration		
Computer-based training	1 hours	N/A
Frequency		
How often training is required	Biannually	N/A
Topics covered		
The training covered various compliance related topics including FEC topics. Focus was placed on those key topics included in the Bank's Code of Conduct.	<p>Summary of the topics discussed:</p> <ul style="list-style-type: none"> • The role of Nexent Bank as gatekeeper; • Financial Economic Crime Prevention and Detection. This section includes a section dedicated to: <ul style="list-style-type: none"> • Money Laundering risks and threats as well as controls to mitigate ML risks. Case study also included. • Terrorism financing methodologies and case study. • Tax integrity (tax avoidance/tax evasion) as well as key tax risk indicators and a case study. • Bribery and Corruption recap as well as a section on how to assess corruption risk during the KYC process and a section which highlights corruption red flags. A case study has also been included. • Countering discrimination by Banks; <p>Quiz questions were also included after each topic.</p>	



> Material Sustainability Matters

Other Governance related information

Responsible Tax Strategy

Nexent Bank, including its branches and subsidiaries, has transparent tax procedures and policies in place to strive for compliance with all relevant local tax regulations and global tax guidelines set by the OECD.

The most material tax topics within Nexent Bank are:

- **Responsible Approach:** Nexent Bank only uses processes that meet the intentions and/or the spirit of laws and where the commercial motives are in line with the tax standards.
- **Relationship with Tax Authorities:** Nexent Bank maintains transparent relationships with the tax authorities of the countries in which it operates, collaborating with them to meet its responsibilities as a taxpayer. Nexent Bank engages with tax authorities prior to undertaking any transaction where there is significant uncertainty in relation to the interpretation of the applicable tax law(s).

- **Transfer Pricing:** Nexent Bank follows the arm's length principle as well as other principles and obligations set by the OECD. Reports under base erosion and profit shifting (BEPS) Action 13 are prepared on time each year, and the Bank's tax team pursues relevant BEPS action plans in order to strive for compliance with recent developments in international tax law.
- **Tax Risk and Controls:** Nexent Bank has its own risk matrixes for each tax field and measures possible risky areas within those tax fields. The Bank's Internal Audit Department monitors (while the first line owns/controls) and comments on those risky areas, and keeps in contact with relevant tax authorities as necessary. Nexent Bank engages external advisors to file advance pricing agreements and advance tax rulings.

Further tax-related information is available in the Notes to Consolidated Financial Statements.

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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
Assets				Liabilities			
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	4,216,798	4,203,909
Loans and receivables - banks	8	821,608	968,650	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	27,180
Deferred tax assets	29	15,552	30,934	Sub-total liabilities (excluding subordinated liabilities)		4,988,670	4,792,080
Other assets	12	31,433	38,314	Subordinated liabilities	19	134,977	149,376
Property and equipment	13	33,028	34,597	Total liabilities		5,123,647	4,941,456
Investment property		1,028	768	Equity			
Intangible assets	14	20,765	11,892	Equity attributable to owners of the Company		711,927	675,052
Assets held for sale		-	977	Equity attributable to non-controlling interests		1	1,467
Total assets		5,835,575	5,617,975	Total equity	20	711,928	676,519
				Total equity and liabilities		5,835,575	5,617,975



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	497,486	Personnel expenses	27	(78,619)	(77,139)
Other interest income		88,427	102,259	Operating expenses	28	(42,727)	(41,651)
Interest expense using effective interest rate method		(124,417)	(170,626)	Depreciation and amortization	13,14	(9,060)	(8,503)
Other interest expense		(316,964)	(269,671)	Expenses related to repossessed assets	26	323	(26,018)
Net interest income	21	141,812	159,448	Other impairment losses		(769)	(973)
Fees and commissions income		45,731	51,266	Total operating expenses		(130,852)	(154,284)
Fees and commissions expense		(5,536)	(4,817)	Operating profit before tax		82,472	103,676
Net fee and commission income	22	40,195	46,449	Income tax expense	29	(22,526)	(29,228)
Revenue from repossessed assets	26	864	23,427	Net result for the year		59,946	74,448
Valuation results and net trading income	23	13,358	7,529	Net result for the year attributable to:			
Net results on derecognition of financial assets measured at amortized cost	24	(96)	111	Equity owners of the Company		59,946	74,446
Net results from financial assets measured at FVOCI	25	4,948	1,737	Non-controlling interests		-	2
Other operating income	26	3,034	6,543				
Total operating income		204,115	245,244				
Net impairment result on financial assets	11	9,209	12,716				
Net operating income		213,324	257,960				



Consolidated Financial Statements 2025

Consolidated Statement of Comprehensive Income

In thousands of EUR	2025	2024	In thousands of EUR	2025	2024
Net result for the year	59,946	74,448	Other comprehensive income that will not be reclassified to the income statement		
Other comprehensive income that will subsequently be reclassified to the income statement			Tangible revaluation reserves:		
Foreign currency translation:			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	778	(2,744)	Net change on tangible revaluation reserves	(8)	54
Net change on foreign currency translation	2,097	3,198	Other reserves:	33	(8,762)
Cash flow hedges:			Equity instruments at FVOCI		
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)
Net change on cash flow hedges	(286)	-	Net change on equity instruments at FVOCI	622	1,007
Debt instruments at fair value through other comprehensive income			Other comprehensive income for the year, net of tax	2,611	(1,635)
Net change in fair value during the year	290	3,483	Total comprehensive income for the year, net of tax	62,557	72,813
Changes in allowances for expected credit losses	583	166	Attributable to:		
Income tax relating to the above	(720)	(781)	Equity holders of the parent	62,610	73,041
Net change on debt instruments at FVOCI	153	2,868	Non-controlling interest	(53)	(228)



Consolidated Financial Statements 2025

Consolidated Statement of Changes in Equity

In thousands of EUR	Issued capital	Share premium	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
At January 1, 2025	563,000	163,748	125,256	(1,640)	(111,096)	348	(64,564)	675,052	1,467	676,519
Total comprehensive income										
Change in fair value reserve	-	-	-	172	-	-	-	172	(19)	153
Change in foreign currency translation reserve	-	-	-	-	-	-	743	743	35	778
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	-	-	59,946	-	-	-	-	59,946	-	59,946
Total comprehensive income	-	-	60,049	793	1,033	(8)	743	62,610	(53)	62,557
Transactions with owners of the Bank										
Decrease in equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	(365)	(365)
Equity change resulting from cross border merger	803	-	-	-	-	-	-	803	(1,048)	(245)
Dividends declared and paid	-	-	(26,538)	-	-	-	-	(26,538)	-	(26,538)
At December 31, 2025	563,803	163,748	158,767	(847)	(110,063)	340	(63,821)	711,927	1	711,928



Consolidated Financial Statements 2025 > Consolidated Statement of Changes in Equity

In thousands of EUR	Issued capital	Share premium	Retained	Fair value reserve	Hedging reserve	Tangible	Foreign currency	Total equity	Non-controlling	Total equity
			earnings			revaluation	translation	attributable to equity owners of the company		
At January 1, 2024	563,000	163,748	100,588	(5,632)	(117,038)	(92)	(62,002)	642,572	15,280	657,852
Total comprehensive income										
Change in fair value reserve	-	-	-	2,864	-	-	-	2,864	4	2,868
Change in foreign currency translation reserve	-	-	-	-	-	-	(2,562)	(2,562)	(182)	(2,744)
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	-	-	74,446	-	-	-	-	74,446	2	74,448
Total comprehensive income	-	-	65,229	3,992	5,942	440	(2,562)	73,041	(228)	72,813
Transactions with owners of the Bank										
Decrease in equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	(13,585)	(13,585)
Dividends declared and paid	-	-	(40,561)	-	-	-	-	(40,561)	-	(40,561)
At December 31, 2024	563,000	163,748	125,256	(1,640)	(111,096)	348	(64,564)	675,052	1,467	676,519



Consolidated Financial Statements 2025

Consolidated Statement of Cash Flows

In thousands of EUR	Notes	2025	2024
Profit for the year		59,946	74,448
Adjustments for:			
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	22,526	29,228
Net interest income		(141,812)	(159,448)
Effect of exchange rate differences		(15,059)	8,015
Provisions		(1,714)	(3,102)
Loss on disposal of subsidiaries		(254)	5,003
		(135,693)	(123,544)
Changes in:			
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)	164,300
Other assets		(62,079)	5,390
Due to banks		194,985	(220,632)
Due to customers		12,889	172,669
Other liabilities		(11,782)	68,782
		(118,024)	(457,651)
Net acquisition/proceeds of financial assets at fair value through profit or loss	6	3,534	95,771
Interest received		556,785	600,028
Interest paid		(421,211)	(432,088)
Income taxes paid		(15,631)	(1,815)
Net cash used in operating activities		(70,293)	(244,851)

In thousands of EUR	Notes	2025	2024
Cash flows from investing activities			
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
Net cash used in investing activities		(409,826)	(57,760)
Cash flows from financing activities			
Proceeds from subordinated liabilities	19	-	96,284
Repayment of subordinated liabilities	19	-	(124,712)
Dividends paid to shareholders		(26,538)	(40,561)
Payment of lease liabilities		(2,864)	(2,942)
Net cash from financing activities		(29,402)	(71,931)
Net cash from operations		(509,520)	(374,542)
Net change in cash and cash equivalents			
Cash and cash equivalents at January 1		1,225,999	1,603,050
Effect of exchange rate fluctuations on cash and cash equivalents held		(405)	(2,510)
Cash and cash equivalents excluding reserve deposits at central banks at December 31	5	716,074	1,225,999
Reserve deposits at central banks	5	42,995	41,119
Cash and cash equivalents at December 31	5	759,069	1,267,118



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(For the year ended December 31, 2025)

1 Corporate Information

General

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

The Bank’s Parent Company is CEG N.V., The Netherlands, and the Ultimate Parent Company is FİBA Holding A.Ş., Turkey, both ultimately controlled by Özyeğin family.

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

The Bank’s registered office is Karspeldreef 6A, 1101 CJ Amsterdam, Netherlands and Chamber of Commerce registration number is 33256675.

As of June 27, 2025, Credit Europe Bank N.V. has been renamed Nexent Bank N.V. Below is the list of other name changes within the Group:

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

Changes to the Bank

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 Nexent Bank N.V. and all its subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and



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have been approved by the Managing Board and the Supervisory Board on April 7, 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 Bank'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 Bank'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 Bank. 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 Bank 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.



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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 Bank 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 Bank.

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 Bank 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



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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 Bank. The Bank 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 Bank 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 Bank 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 Bank 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 Bank 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



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- 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 Bank 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 Bank 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 Bank 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 Bank recognizes due to customer balances when funds reach to the Bank. 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 Bank 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, as explained in Note 3.4)
- FVOCI, as explained in Note 3.6)
- FVTPL The Bank classifies and measures its derivative and trading portfolio at FVTPL.



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The Bank 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 Bank 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 Bank 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 Bank 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:



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- 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 Bank 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 Bank considers the obligor to be unlikely to pay (UTP) its credit obligations

The UTP definition at the Bank 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 Bank 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 Bank 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.



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Calculation Method - Performing Loans

In order to compute ECL amounts for IFRS9, the Bank 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 Bank 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	Balance Sheet Lending & Commercial Real Estate - Turkey	Turkey Real GDP (% , yearly)
		Turkey Unemployment Rate (%)
	Balance Sheet Lending & Commercial Real Estate - Romania	Romania Real GDP (% , yearly)
		Romania Unemployment Rate (%)
	Marine Finance - Tanker Segment	Eurozone Real GDP (% , yearly)
		Eurozone Unemployment Rate (%)
		Exports, goods, and services (World, % , yearly)
		Brent Crude Price Index (% change)
	Marine Finance - Other Vessel Types	Exports, goods and services (World, % , yearly)
		Baltic Dry Index (% change)
Exports, goods and services (World, % , yearly)		
Trade Finance -All	World Real GDP (% , yearly)	
	Brent Crude Price Index (% change)	

For corporate LGD estimates, the Bank 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 Bank 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



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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 Bank 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 individually¹ 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 Bank determines time-to-sell period based on asset type, quality, geographical area located, current and expected market conditions. The Bank 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 Bank 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 Bank' 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 Bank 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 Bank 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 Bank considers very unlikely to be able to recover funds from the borrower or any third party via sale or appropriate of any collateral.

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



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Financial Liabilities

The Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank 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 Bank 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 Bank enters into master netting arrangements with counterparties wherever possible, and when appropriate, obtains collateral. The Bank 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 Bank:

- 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 Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank 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 Bank 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 Bank, 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 Bank 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 Bank entity and the counterparty where appropriate. Fair value



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estimates obtained from models are adjusted for any other factors, such as liquidity risk; to the extent that the Bank 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 Bank 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 Bank'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 Bank 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;



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- 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 Bank 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 Bank 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 Bank 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 Bank also offers products that are traded on the financial markets.

A financial asset is held for trading if the Bank 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 Bank 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 Bank 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



other comprehensive income continue to be deferred in equity until the related cash flows occur. If the Bank 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 Bank 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 Bank's risk management objectives. The main sources of hedge ineffectiveness include (i) the impact of the Bank'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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank's loan book and funding sources. In line with its risk management practices, the Bank 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 Bank 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 Bank'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 Bank 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 Bank 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 Bank 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 Bank 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.



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Short-Term Leases and Leases of Low-Value Assets

The Bank 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 Bank 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 Bank 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 Bank 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 Bank 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



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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 Bank 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 Bank 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 Bank'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 Bank 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 Bank'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 Bank 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:

- if the Bank designates the loan commitments as financial liabilities at fair value through profit or loss,



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- if the Bank 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 Bank 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 Bank. 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 Bank recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which



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the Bank 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 Bank 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 Bank 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 Bank 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.



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3.22 Dividends on Ordinary Shares

Dividends on ordinary shares of the Bank are recognized as a liability and they are deducted from equity when the Bank'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 Bank 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 Bank uses currency swaps and FX forwards to hedge its foreign currency exposure. These instruments allow the Bank 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-a 'Property and equipment' for details.



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4 Segment Information

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

The Bank has four (2024: four) reportable segments (described below), which are the Bank'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 Bank'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 Bank'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.



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	2025				
	West Europe Wholesale	Romania Retail	Romania Wholesale	Other	Total
Interest income – external	551,886	21,354	6,718	3,235	583,193
Interest income – other segments	3,388	-	3,345	-	6,733
Interest revenue	555,274	21,354	10,063	3,235	589,926
Interest expenses – external	(427,948)	(7,433)	(4,675)	(1,325)	(441,381)
Interest expense – other segments	(4,099)	-	(2,613)	(21)	(6,733)
Interest expense	(432,047)	(7,433)	(7,288)	(1,346)	(448,114)
Net interest income	123,227	13,921	2,775	1,889	141,812
Net commission income – external	33,424	5,965	799	7	40,195
Net commission income – other segments	(202)	98	104	-	-
Revenue from repossessed assets	753	89	22	-	864
Trading and other income	18,604	-	2,373	267	21,244
Net impairment loss on financial assets	7,977	1,410	(370)	192	9,209
Depreciation and amortization expense	(3,829)	(3,373)	(1,796)	(62)	(9,060)
Operating expenses	(89,842)	(18,338)	(12,475)	(1,460)	(122,115)
Expenses related to repossessed assets	417	(91)	(3)	-	323
Operating profit before taxes	90,529	(319)	(8,571)	833	82,472
Income tax expense	(22,745)	201	168	(150)	(22,526)
Profit for the year	67,784	(118)	(8,403)	683	59,946
Other information at 31 December 2025					
- Financial position					
Total assets	5,238,016	256,786	310,294	30,479	5,835,575
Total liabilities	4,542,637	200,942	359,545	20,523	5,123,647
Assets held for sale	-	-	-	-	-
Other information at 31 December 2025					
- Income statement					
Reversal of impairment allowances no longer required	1,823	1,283	137	-	3,243

	2024				
	West Europe Wholesale	Romania Retail	Romania Wholesale	Other	Total
Interest income – external	553,470	30,794	11,675	3,806	599,745
Interest income – other segments	4,082	-	1,825	-	5,907
Interest revenue	557,552	30,794	13,500	3,806	605,652
Interest expenses – external	(422,893)	(11,696)	(4,460)	(1,248)	(440,297)
Interest expense – other segments	(5,220)	-	(687)	-	(5,907)
Interest expense	(428,113)	(11,696)	(5,147)	(1,248)	(446,204)
Net interest income	129,439	19,098	8,353	2,558	159,448
Net commission income – external	40,534	5,307	598	10	46,449
Net commission income – other segments	-	7	(7)	-	-
Revenue from repossessed assets	41	816	273	22,297	23,427
Trading and other income	11,645	378	3,784	113	15,920
Net impairment loss on financial assets	10,922	(427)	1,092	1,129	12,716
Depreciation and amortization expense	(3,940)	(2,890)	(1,586)	(87)	(8,503)
Operating expenses	(86,777)	(17,683)	(13,578)	(1,726)	(119,764)
Expenses related to repossessed assets	(3,142)	(242)	(336)	(22,297)	(26,017)
Operating profit before taxes	98,722	4,364	(1,407)	1,997	103,676
Income tax expense	(27,488)	(840)	275	(1,175)	(29,228)
Profit for the year	71,234	3,524	(1,132)	822	74,448
Other information at 31 December 2024					
- Financial position					
Total assets	5,022,201	279,451	285,221	31,102	5,617,975
Total liabilities	4,510,828	223,111	186,933	20,584	4,941,456
Assets held for sale	977	-	-	-	977
Other information at 31 December 2024					
- Income statement					
Reversal of impairment allowances no longer required	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).



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5 Cash and Balances at Central Banks

This item includes cash on hand and deposits with central banks in countries in which the Bank 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
Total	759,069	1,267,118

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 Bank operates.

6 Financial Assets at Fair Value through Profit or Loss

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

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 Bank 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.



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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
Total	832,896	444,658

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 Bank 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
Total	832,896	444,658

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 Bank 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	424,238	560,713
Reverse repo transactions	200,418	121,969
Loans and advances	197,399	286,590
Subtotal	822,055	969,272
Allowances for expected credit losses	(447)	(622)
Total	821,608	968,650

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.



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

	Stage 1			Stage 1	
	Gross loans	ECL		Gross loans	ECL
At January 1, 2025	969,272	(622)	At January 1, 2024	321,514	(161)
Originated or purchased	306,303	(180)	Originated or purchased	778,617	(510)
Matured or sold	(454,952)	357	Matured or sold	(131,730)	49
Exchange differences	1,432	(2)	Exchange differences	871	-
At December 31, 2025	822,055	(447)	At December 31, 2024	969,272	(622)

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

9 Derivative Financial Instruments

In the ordinary course of business, the Bank 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.



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	December 31, 2025			December 31, 2024		
	Notional amount	Carrying value assets	Carrying value liabilities	Notional amount	Carrying value assets	Carrying value liabilities
Derivatives held for trading						
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
Total	3,293,601	180,316	178,953	2,179,982	117,904	118,050
Derivatives in economic hedge relationship						
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
Total	3,068,033	44,668	20,185	2,616,129	18,376	81,676
Derivatives in fair value hedge accounting relationships						
Interest rate swaps	1,315,922	14,205	10,157	1,517,961	23,278	20,078
Total	1,315,922	14,205	10,157	1,517,961	23,278	20,078
Derivatives in cash flow hedge accounting relationship						
Foreign currency swaps	736,849	16,086	20,107	-	-	-
Foreign currency forwards	10,335	443	636	-	-	-
Total	747,184	16,529	20,743	-	-	-
Derivatives in net investment hedge accounting relationship						
Foreign currency swaps	182,776	1,707	3,496	347,473	5,400	9,538
Total	182,776	1,707	3,496	347,473	5,400	9,538
Total Derivatives	8,607,516	257,425	233,534	6,661,545	164,958	229,342



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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 ¹	
Micro fair value hedges					
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
Subtotal	35,402	(3,272)	(2,724)	2,508	(218)
Portfolio fair value hedges					
Fixed rate customer deposits	(1,007,273)	1,088	3,593	(3,502)	88
Subtotal	(1,007,273)	1,088	3,593	(3,502)	88
Total	(971,871)	(2,184)	869	(994)	(130)

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

The following table sets out the outcome of the Bank'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.

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	
Micro fair value hedges					
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)
Subtotal	(16,602)	(570)	(224)	395	171
Portfolio fair value hedges					
Fixed rate customer deposits	(1,204,007)	(2,504)	(7,111)	7,243	132
Subtotal	(1,204,007)	(2,504)	(7,111)	7,243	132
Total	(1,220,609)	(3,074)	(7,335)	7,638	303



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

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



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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		
Net investment hedges								
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	
Total	182,776	1,707	3,496	1,832	1,588	-	1,588	

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		
Net investment hedges								
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	
Total	347,473	5,400	9,538	(2,222)	2,566	-	2,566	

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



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Cash flow hedge

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

2025	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Foreign Currency Risk						
Currency derivatives (EUR:USD-USD:TRY)						
Nominal Amount	507,646	232,302	7,236	-	-	747,184

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	Liabilities					
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	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
Currency Risk			
TRY - Loans	Loans and receivables - customers	307	307
TRY - Reverse Repo	Loans and receivables - banks	65	65



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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
Credit card loans	116,717	111,190
Finance lease receivables, net	1,695	2,611
Subtotal	2,989,106	2,586,124
Allowances for expected credit losses	(27,217)	(35,074)
-Commercial loans	(12,434)	(19,436)
-Consumer loans	(11,379)	(13,160)
-Credit card loans	(3,384)	(2,478)
Total	2,961,889	2,551,050

No individual loan or receivable has terms and conditions that materially affect the amount, timing or certainty of the consolidated cash flows of the Bank. 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.



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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
December 31, 2025								
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	1,200	(26)	(403)	(37)	(434)	(1,797)	363	(1,860)
Balance at year end	2,826,451	(7,060)	114,701	(2,487)	47,954	(17,670)	2,989,106	(27,217)
December 31, 2024								
Balance at 1 January	2,489,248	(8,937)	201,339	(14,514)	69,528	(25,536)	2,760,115	(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	(15,796)	4,294	(1,618,032)	8,142
Transfers to Stage 1	74,880	(7,725)	(72,914)	7,017	(1,966)	708	-	-
Transfers to Stage 2	(40,144)	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	(3,448)	18	(207)	63	(76)	98	(3,731)	179
Balance at year end	2,420,201	(7,876)	106,317	(4,602)	59,606	(22,596)	2,586,124	(35,074)



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

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

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 ¹	14,226	24,361
Other assets ²	7,245	7,166
Total	31,433	38,314

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”.



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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	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)
Balance at December 31, 2025	19,046	5,819	29	1,293	-	974	5,867	33,028
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)
Balance at December 31, 2025	19,046	5,819	29	1,293	-	974	5,867	33,028
	Land and Buildings	Furniture and Fixtures	Vehicles and Vessels	Leasehold improvements	Machinery	Artworks	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 ¹	272	-	-	-	-	-	-	272
Depreciation	(938)	(1,247)	(27)	(374)	-	-	(2,224)	(4,810)
Currency translation differences	6	13	3	-	-	-	(72)	(50)
Balance at December 31, 2024	19,187	5,664	53	1,625	-	-	8,068	34,597
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)
Balance at December 31, 2024	19,187	5,664	53	1,625	-	-	8,068	34,597

1 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 Bank does not have any restrictions on title, and property and equipment pledged as security for liabilities (2024: None). The Bank 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).

As of December 31, 2025 the Bank 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).



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14 Intangible Assets

The movement of intangibles is summarized as follows:

	December 31, 2025	December 31, 2024
Software and licenses		
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)
Balance at December 31	20,765	11,892
Cost	40,803	27,590
Cumulative amortization	(20,038)	(15,698)
Balance at December 31	20,765	11,892

15 Due to Banks

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

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

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	586,772	667,269
Total	4,216,798	4,203,909

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

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.



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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 ¹	10,357	12,543
Total	23,698	31,006

¹ Includes EUR 5.7 million (2024: EUR 6.4 million) "Operational tax payables".

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

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

18 Provisions

	December 31, 2025	December 31, 2024
Litigation ¹	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
- Other	-	-
Credit related commitments	2,304	2,836
Other	22	300
Total	10,432	12,942

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

	Litigation	Staff related	Credit related commitments	December 31, 2025 Other
At January 1, 2025	2,446	7,360	2,836	300
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)
At December 31, 2025	1,466	6,640	2,304	22



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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 Bank and other Group companies.

	Maturity Date	First possible call date	December 31, 2025	December 31, 2024
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
Total			134,977	149,376

Changes in liabilities arising from financial activities

	December 31, 2025	December 31, 2024
Subordinated loans		
Balance at the beginning of the year	149,376	169,650
Changes in cash flow		
Proceeds	-	96,284
Repayments	-	(124,712)
Other changes		
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
Balance at year end	134,977	149,376



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20 Equity

	December 31, 2025	December 31, 2024
Share capital	563,803	563,000
Share premium	163,748	163,748
Retained earnings ¹	158,767	125,256
Fair value reserve	(847)	(1,640)
Tangible revaluation reserve	340	348
Foreign currency translation reserve	(63,821)	(64,564)
Hedging reserve	(110,063)	(111,096)
Equity attributable to owners of the Parent Company	711,927	675,052
Equity attributable to non-controlling interests	1	1,467
Total equity	711,928	676,519

¹ In March 2025 the Bank paid a dividend of EUR 3.9 million to its direct shareholders, based on previous year's last quarter performance. In May, September and December 2025 the Bank paid interim dividends amounting to EUR 9.7, EUR 5.5 and EUR 7.4 million respectively to its direct shareholders.

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 563.8 million (2024: 563 million) ordinary shares with a face value of EUR 1.

21 Net Interest Income

	2025	2024
Interest income using effective interest rate method	494,766	497,486
Loans and receivables – customers	338,012	350,126
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
Other interest income	88,427	102,259
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
Subtotal	583,193	599,745
Interest expense using effective interest rate method	124,417	170,626
Due to customers	100,177	137,982
Due to banks	9,912	10,821
Subordinated liabilities	14,132	21,640
Lease liabilities	196	183
Other interest expense	316,964	269,671
Derivatives in economic hedge relationships	265,863	269,671
Derivatives in cash flow hedge relationships	51,101	-
Subtotal	441,381	440,297
Total	141,812	159,448



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22 Net Fee and Commission Income

	2025	2024
Fee and commission income		
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	7,106
Subtotal	45,731	51,266
Fee and commission expense		
Credit card fees	3,929	3,136
Other fee and commission expenses	1,607	1,681
Subtotal	5,536	4,817
Total	40,195	46,449

23 Valuation Results and Net Trading Income

	2025	2024
Foreign exchange	4,622	7,715
Debt securities	874	263
Derivative financial instruments - hedge accounting ¹	(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
Total	13,358	7,529

¹ 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
Total	4,948	1,737

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
Total	864	23,427

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



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maximize the proceeds, the Bank 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
Expenses related to repossessed assets	(323)	26,018
Net impairment result	769	973
Expenses related to repossessed assets recognized in other PL items	769	973
Net result (pre-tax)	418	(3,564)

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
Total	3,034	6,543

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
Total	78,619	77,139
Average number of employees	889	914
- 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 Bank has no defined benefit program. The assets of the schemes are held separately from those of the Bank 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 ¹	12,185	11,407
Total	42,727	41,651

¹ 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.



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 Bank 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 Bank 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 Bank operates and expects that all jurisdictions will meet the effective tax rates above the 15% minimum threshold. The Bank continues to follow Pillar Two legislative developments to evaluate the potential future impact on its results and financial position.



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The tax income and expenses are as follows:

	2025	2024		December 31, 2025	December 31, 2024
Effective tax rate	27.31%	28.19%	Income tax recognized in equity		
Income tax recognized in the income statement			Fair value reserve	(881)	(1,041)
Current income tax	(18,428)	(4,855)	Cash flow hedge reserve	83	-
Current income tax charge	(18,428)	(4,855)	Tangible revaluation reserve	28	(10)
Deferred income tax	(4,098)	(24,373)	Other	-	(8,762)
Relating to origination and reversal of temporary differences	(4,098)	(23,415)	Income tax reported in equity	(770)	(9,813)
The effect of change in tax rate	-	(958)			
Income tax reported in income statement	(22,526)	(29,228)			
Deferred tax assets and liabilities					
			December 31, 2025		December 31, 2024
	Assets	Liabilities	Net	Assets	Liabilities
Tax losses carried forward	11,446	-	11,446	24,734	-
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)
Total	15,552	(16,587)	(1,035)	30,934	(27,180)
					Net
					24,734
					(8,768)
					121
					(15,174)
					1,721
					1,120
					3,754



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

	December 31, 2025	December 31, 2024
Opening balance as at January 1	(2,340)	(4,042)
Current period taxation charge in the statement of profit and loss	(18,428)	(4,855)
Advance tax paid during the period	12,860	6,429
Other	174	128
Closing balance as at December 31	(7,734)	(2,340)

Reconciliation of income tax	2025	2024
Operating profit before tax	82,472	103,676
Statutory tax rate	25.8%	25.8%
At statutory income tax	(21,278)	(26,748)
Income not subject to tax	89	77
Expenditure not allowable for income tax purposes	(1,210)	(674)
Effect of different income tax rates in other countries	(392)	269
The effect of change in tax rate	-	(958)
Other	265	(1,194)
Income tax	(22,526)	(29,228)

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

	December 31, 2025	December 31, 2024
Opening balance as at January 1	3,754	37,652
Deferred tax benefit/(charge) in the statement of profit and loss	(4,098)	(24,373)
Deferred tax benefit/(charge) in the statement of other comprehensive income	(770)	(9,813)
Other	78	288
Closing balance as at December 31	(1,035)	3,754



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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 Bank 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.



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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.

	December 31, 2025					
	Trading	Designated at FVTPL	Measured mandatorily at FVTPL	Measured at amortized cost	Measured at FVOCI	Total carrying amount
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	-	-	-	821,608	-	821,608
Loans and receivables - customers	-	-	-	2,961,889	-	2,961,889
Derivative financial instruments	257,425	-	-	-	-	257,425
Total assets	257,425	96,206	4,617	4,950,102	425,360	5,733,710
Due to banks	-	-	-	479,828	-	479,828
Due to customers	-	-	-	4,216,798	-	4,216,798
Derivative financial instruments	233,534	-	-	-	-	233,534
Subordinated liabilities	-	-	-	134,977	-	134,977
Total liabilities	233,534	-	-	4,831,603	-	5,065,137

	December 31, 2024					
	Trading	Designated at FVTPL	Measured mandatorily at FVTPL	Measured at amortized cost	Measured at FVOCI	Total carrying amount
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	-	-	-	968,650	-	968,650
Loans and receivables - customers	-	-	-	2,551,050	-	2,551,050
Derivative financial instruments	164,958	-	-	-	-	164,958
Total assets	164,958	85,062	18,479	4,916,214	315,262	5,499,975
Due to banks	-	-	-	284,843	-	284,843
Due to customers	-	-	-	4,203,909	-	4,203,909
Derivative financial instruments	229,342	-	-	-	-	229,342
Subordinated liabilities	-	-	-	149,376	-	149,376
Total liabilities	229,342	-	-	4,638,128	-	4,867,470



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 Bank 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 Bank 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,



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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 Bank 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 Bank 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 Bank accounts for the following aspects: the default probability of the counterparty, the default probability of the Bank 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 Bank 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).



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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.

December 31, 2025	Note	Level 1	Level 2	Level 3	Total
Financial assets					
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
Total		124,500	281,999	377,109	783,608
Financial liabilities					
Derivative financial liabilities	9	311	233,220	4	233,535
Total		311	233,220	4	233,535
December 31, 2024					
Financial assets					
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
Total		202,189	189,149	192,423	583,761
Financial liabilities					
Derivative financial liabilities	9	18	229,319	5	229,342
Total		18	229,319	5	229,342

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).



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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 Bank 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.



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Category	Carrying amount/fair value(in Eur)	Valuation Technique	Input	Range
Financial assets				
Romania- Visa shares	4,363	Third party pricing	Broker price	n.a
Non-trading assets mandatorily at FVTPL	4,363			
Trading assets - Trading loans at FVTPL	94,607	Third party pricing	Broker price	n.a
Other financial investments - Trading loans at FVOCI	273,209	Third party pricing	Broker price	n.a
Equity instruments measured at FVOCI				
- Investment fund	4,893	Net asset value	n.a	n.a
Total- Level 3 financial assets¹	377,072			
Non-financial assets				
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
Total Level 3 non-financial assets	19,733			

1 Level 3 derivatives are excluded.



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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	Total	Financial Assets at		Financial Assets at	Total
	Financial Assets- FVOCI	FVTPL-Non- Trading	FVTPL-Trading		Financial Assets- FVOCI	FVTPL-Non- Trading	FVTPL-Trading	
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
Balance at the year end	278,102	4,363	94,607	377,072	120,325	18,247	53,754	192,326

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	Land&Buildings	Investment properties	Assets held for sale
Balance at the beginning of the year	18,495	768	977
Disposals	-	-	-
Depreciation	(618)	-	-
Change in fair value	-	260	-
Transfers into other non-financial asset classes	977	-	(977)
Exchange differences	(149)	-	-
Balance at the year end	18,705	1,028	-



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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.

	Note	Level 1	Level 2	Level 3	Total fair Values	Total carrying amount
December 31, 2025						
Financial assets						
Loans and receivables - banks	8	-	822,014	-	822,014	821,608
Loans and receivables - customers	10	-	-	2,964,334	2,964,334	2,961,889
Total		-	822,014	2,964,334	3,786,348	3,783,497
Financial liabilities						
Due to banks	15	-	480,170	-	480,170	479,828
Due to customers	16	-	4,251,193	-	4,251,193	4,216,798
Subordinated liabilities	19	-	136,370	-	136,370	134,977
Total		-	4,867,733	-	4,867,733	4,831,603
December 31, 2024						
Financial assets						
Loans and receivables - banks	8	-	968,650	-	968,650	968,650
Loans and receivables - customers	10	-	-	2,545,404	2,545,404	2,551,050
Total		-	968,650	2,545,404	3,514,054	3,519,700
Financial liabilities						
Due to banks	15	-	284,843	-	284,843	284,843
Due to customers	16	-	4,240,883	-	4,240,883	4,203,909
Subordinated liabilities	19	-	149,373	-	149,373	149,376
Total		-	4,675,099	-	4,675,099	4,638,128



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 Bank'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 Bank 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 Bank or the counterparties.

The Bank 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.



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				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	
Assets								
Derivative assets	257,425	-	257,425	(86,614)	(12,292)	-	158,519	
Reverse repo agreements	200,418	-	200,418	-	-	(200,418)	-	
Total	457,843	-	457,843	(86,614)	(12,292)	(200,418)	158,519	
Liabilities								
Derivative liabilities	233,534	-	233,534	(86,614)	(9,493)	-	137,427	
Repo agreements ¹	99,885	-	99,885	-	-	(99,629)	256	
Total	333,419	-	333,419	(86,614)	(9,493)	(99,629)	137,683	

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	
Assets								
Derivative assets	164,958	-	164,958	(77,120)	(17,351)	-	70,487	
Reverse repo agreements	121,969	-	121,969	-	-	(121,969)	-	
Total	286,927	-	286,927	(77,120)	(17,351)	(121,969)	70,487	
Liabilities								
Derivative liabilities	229,342	-	229,342	(77,120)	(35,137)	-	117,085	
Total	229,342	-	229,342	(77,120)	(35,137)	-	117,085	



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32 Commitments and Contingencies

To meet the financial needs of customers, the Bank 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 Bank. 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 Bank 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 Bank 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 Bank 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
Total non-cash loans	1,128,491	989,237
Credit-line commitments	78,002	170,990
Credit-card limits	255,931	229,909
Total	1,462,424	1,390,136



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33 Related Parties

The Bank's Parent Company is CEG N.V., The Netherlands, and the Ultimate Parent Company is FİBA Holding A.Ş., Turkey, both 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 Bank enters into transactions with its Parent company, ultimate parent company and other related parties controlled by Özyeğin family in the ordinary course of business at commercial interest and commission rates.

The Bank 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 Bank's related parties:

	December 31, 2025			December 31, 2024		
	Parent Company	Ultimate Parent Company	Other Related Parties	Parent Company	Ultimate Parent Company	Other Related Parties
Assets						
Loans and receivables – banks	-	-	537	-	-	441
Loans and receivables – customers	-	-	126,077	-	-	125,879
Derivative financial instruments	-	-	5,842	-	-	2,004
Liabilities						
Due to banks	-	-	949	-	-	769
Due to customers	1,887	675	120,126	1,808	492	63,645
Derivative financial instruments	-	-	7,375	-	-	3,412
Subordinated liabilities	134,977	-	-	149,376	-	-
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 Bank does not have any stage 3 provisions regarding related party balances (2024: None).



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

	2025			2024		
	Parent Company	Ultimate Parent Company	Other Related Parties	Parent Company	Ultimate Parent Company	Other Related Parties
Interest income	-	-	25,098	-	-	27,898
Interest expense	(13,690)	(387)	(19,929)	(10,476)	-	(16,637)
Commission income	-	2	521	1	-	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 Bank'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 Bank. There is no loan granted to key management as of December 31, 2025. (2024: None)

As of December 31, 2025, the Bank 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).



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34 Risk Management

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

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



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The Audit and Risk Committee (ARC) at the consolidated level plays a pivotal role in NXT's risk governance framework. ARC meets four times a year, receives regular reports, and updates on the Bank'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 Bank and raises action items / investment plans –where necessary- to reach the desired level.

Capital Management

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

- Achieve adequate capital levels to support the bank'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 Bank 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 2013¹
- 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 measures²

CRR

- Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR)³
- 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 648/2012⁴

The Bank 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.



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The Bank'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 ¹
Total Equity²	711,929	676,519
- Current year profit ³	(14,619)	(7,747)
- Non-eligible minority interest ⁴	(1)	(1,227)
Prudential filters		
- Cash flow hedge reserve	286	-
- Prudent valuation	(663)	(608)
- Intangible asset ⁴	(20,765)	(11,892)
- Deferred tax assets that rely on future profitability and do not arise from temporary differences ⁴	(11,446)	(24,078)
- CIU Investment deductions	(3,811)	(3,540)
- Backstop deductions ⁵	(3,347)	(8,696)
- Repossessed Assets deduction ⁶	(7,029)	(6,326)
Core Tier I	650,534	612,405
Perpetual Tier I capital	42,977	47,725
Additional Tier I	42,977	47,725
Total Tier I capital	693,511	660,130
Tier II capital		
Subordinated capital	89,419	101,020
Total Tier II capital	89,419	101,020
Total own funds	782,930	761,150

- 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, the Bank starts 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 the Bank conservatively applies this guidance retrospectively to its entire NPL portfolio and deduct the relevant capital amount from its total own funds under the Bank'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 the Bank's own funds under the Bank's own initiative in accordance with Article 3 of the CRR as of 2023 June-end. The Bank applies maximum holding periods for repossessed assets and determined specific applicable amount of deduction from CET1 capital separately for each repossessed asset based on the Bank NPE strategy policy.



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The Bank 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
Solvency ratio		
Capital ratio	18.83%	19.67%
Tier I ratio	16.68%	17.06%
Core Tier I	15.64%	15.83%
RWA	4,158,695	3,868,737

Credit Risk

Credit risk is defined as the current or prospective threat to the Bank’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 bank and arises mainly from its trade-finance, corporate lending, treasury and mortgage businesses.

Concentration Limits

The Bank 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 Bank 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 bank’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 Bank 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.



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- 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 Bank 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 Bank'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 Bank 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 Bank 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 bank'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 Bank'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 Bank'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.



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34.1 Credit Exposure

Maximum Credit-Risk Exposure

The Bank identifies its maximum credit exposure as the sum of all transactions that may potentially expose the Bank 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 Bank 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
Balance sheet items		
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	822,055	969,272
Loans and receivables - customers	2,989,106	2,586,124
Derivative financial instruments	257,425	164,958
Subtotal	5,751,254	5,523,001
Off- balance sheet items		
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
Total off-balance sheet	1,424,802	1,255,439
Maximum credit risk exposure	7,176,056	6,778,440



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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 Bank 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.



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	December 31, 2025				December 31, 2024	
	On-balance sheet	Off-balance sheet	Total exposure	% of total exposure	Total exposure	% of total exposure
Balances with central banks	748,949	1,500	750,449	10.5%	1,255,948	18.5%
Financial assets measured at fair value through profit or loss	100,823	-	100,823	1.4%	103,541	1.5%
Financial investments	832,896	-	832,896	11.6%	444,658	6.6%
Loans and receivables - banks	822,055	335,145	1,157,200	16.1%	1,360,891	20.1%
Loans and receivables - customers	2,989,106	1,088,157	4,077,263	56.8%	3,448,444	50.9%
Loans and receivables - corporate	2,703,168	813,641	3,516,809	49.0%	2,877,019	42.4%
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	19,235	12	19,247	0.3%	52,362	0.8%
Loans and receivables - retail customers and SMEs	285,938	274,516	560,454	7.8%	571,425	8.4%
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%
Derivative financial instruments	257,425	-	257,425	3.6%	164,958	2.4%
Total credit risk exposure	5,751,254	1,424,802	7,176,056	100.0%	6,778,440	100.0%

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



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34.3 Geographical Concentration

The following table provides the distribution of the Bank'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
Balance sheet items							
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	68,911	24,407	110,852	1,746	207,828	408,311	822,055
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
Total balance sheet	1,367,342	618,448	556,701	700,571	725,975	1,782,217	5,751,254
Off-balance sheet items	45,386	40,243	288,779	200,733	169,274	680,387	1,424,802
Total credit-risk exposure	1,412,728	658,691	845,480	901,304	895,249	2,462,604	7,176,056

							December 31, 2024
	Netherlands	Turkey	Romania	Switzerland	Other Countries - Non investment grade	Other Countries - Investment grade	Total exposure
Balance sheet items							
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	29,643	17,834	5,239	28,578	293,921	594,057	969,272
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
Total balance sheet	1,529,552	569,417	522,478	404,098	661,654	1,835,802	5,523,001
Off-balance sheet items	59,570	33,809	235,579	101,766	162,980	661,735	1,255,439
Total credit-risk exposure	1,589,122	603,226	758,057	505,864	824,634	2,497,537	6,778,440

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

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

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



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

LIABILITY	Netherlands	Romania	Turkey	Switzerland	Non - investment grade	Investment grade	Total exposure
December 31, 2025	1,106,599	601,228	433,143	384,754	197,574	2,206,862	4,930,160
December 31, 2024	1,250,382	446,978	254,726	371,267	143,881	2,250,860	4,718,094



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34.4 Collaterals and other Credit Enhancements Obtained

The Bank'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.

Although the Bank 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
Balance sheet					
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	822,055	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	-	-	-	-
Total balance sheet	5,751,254	739,348	817,935	1,557,283	27%
Off-balance sheet	1,424,802	72,369	36,662	109,031	8%
Total credit risk exposure	7,176,056	811,717	854,597	1,666,314	23%

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
Balance sheet					
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	969,272	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	-	-	-	-
Total balance sheet	5,523,001	721,899	912,394	1,634,293	30%
Off-balance sheet	1,255,439	65,115	71,340	136,455	11%
Total credit risk exposure	6,778,440	787,014	983,734	1,770,748	26%



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34.5 Credit Quality of Financial Assets

The following table presents the credit quality of the Bank'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	-
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	173,917	-	137,583	-	822,055
Loans and receivables - customers	24,980	6,516	-	106,046	-	2,851,564	-	2,989,106
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
Total	1,457,339	473,087	342,015	596,221	25,838	4,281,556	-	7,176,056

	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	-
Financial assets measured at fair value through profit or loss	10,842	13,046	3,905	51,821	-	23,927	-	103,541
Financial investments	217,190	41,870	45,037	101,159	6,802	32,600	-	444,658
Loans and receivables - banks	62,390	228,014	124,543	327,190	-	227,135	-	969,272
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	8,291	215,322	248,243	134,844	570	648,169	-	1,255,439
Total	1,439,113	541,139	661,213	740,931	26,349	3,369,695	-	6,778,440

Credit Risk Rating Process

In principle, all risk ratings are based on a Risk Rating (PD) Model. The Bank'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)



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

December 31, 2025	Stage 1		Stage 2		Stage 3		TOTAL	
	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL
Loans and receivables - customers								
Investment grade	1,765,791	(638)	18,298	(152)	-	-	1,784,089	(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)
Total	3,903,305	(7,060)	124,681	(2,487)	49,277	(17,670)	4,077,263	(27,217)

December 31, 2024	Stage 1		Stage 2		Stage 3		TOTAL	
	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL	Gross loans	ECL
Loans and receivables - customers								
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)
Total	3,272,109	(7,875)	115,414	(4,602)	60,920	(22,596)	3,448,443	(35,073)



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 Bank's loans and advances portfolio.

The Bank 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 Nexent Bank 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 Bank 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 Bank 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 Bank'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 Bank 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.



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The following tables provide a breakdown of the Bank'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
Corporate loans	2,703,168	-10,446	2,692,722	447,201	669,287	1,116,488	41%
Stage 1	2,611,252	-6,107	2,605,145	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%
Retail loans (incl. mortgages)	256,650	-14,763	241,887	1,985	123,963	125,948	52%
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%
SME loans	29,288	-2,008	27,280	2,187	24,685	26,872	99%
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%
Total exposure	2,989,106	-27,217	2,961,889	451,373	817,935	1,269,308	43%
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
Corporate loans	2,249,970	(17,274)	2,232,696	409,109	714,170	1,123,279	50%
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%
Retail loans (incl. mortgages)	280,440	(15,637)	264,803	2,137	150,811	152,948	58%
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%
SME loans	55,714	(2,163)	53,551	6,311	46,844	53,155	99%
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%
Total exposure	2,586,124	(35,074)	2,551,050	417,557	911,825	1,329,382	52%
Total Stage 3 (NPLs)	59,606	(22,596)	37,010	1,304	28,570	29,874	81%

The Bank 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%).



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Further credit quality breakdown of retail loans is as below:

				December 31, 2025	
	Gross loans	ECL	Net loans	Total collateral	Collateral to net loans
Credit cards	116,717	(3,384)	113,333	-	-
Stage 1	103,492	(260)	103,232	-	-
Stage 2	9,046	(270)	8,776	-	-
Stage 3	4,179	(2,854)	1,325	-	-
Mortgage	139,900	(11,379)	128,521	125,948	98%
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%
Other retail	33	-	33	-	-
Stage 1	31	-	31	-	-
Stage 2	2	-	2	-	-
Stage 3	-	-	-	-	-
Total retail exposure	256,650	(14,763)	241,887	125,948	52%
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
Credit cards	111,190	(2,478)	108,712	-	-
Stage 1	100,862	(377)	100,485	-	-
Stage 2	7,357	(225)	7,132	-	-
Stage 3	2,971	(1,876)	1,095	-	-
Mortgage	168,223	(12,754)	155,469	150,811	97%
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%
Other retail	1,027	(405)	622	2,137	344%
Stage 1	364	-	364	1,957	538%
Stage 2	18	-	18	158	878%
Stage 3	645	(405)	240	22	9%
Total retail exposure	280,440	(15,637)	264,803	152,948	58%
Total Stage 3 (NPLs)	28,385	(13,255)	15,130	16,505	109%

Strong collateralization forms a major component of the Bank's risk appetite lending criteria and we believe this substantially mitigates the losses the Bank might incur otherwise. The table above shows the collaterals held by the Bank 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 Bank could employ internal appraisers but ensure that all internal valuations are benchmarked against market prices.



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The following tables provide a summary of the Bank'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 ¹	Refinancing	Modification to T&Cs ¹	Refinancing	TOTAL
Loans and receivables – banks	-	-	-	-	-
Loans and receivables – customers	18,559	217	21,035	7,749	47,560
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
Total exposure	18,559	217	21,035	7,749	47,560

1 Terms and conditions

	Stage 2		Stage 3		December 31, 2024
Gross Exposure	Modification to T&Cs ¹	Refinancing	Modification to T&Cs ¹	Refinancing	TOTAL
Loans and receivables – banks	-	-	-	-	-
Loans and receivables – customers	8,711	96	22,420	8,883	40,110
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
Total exposure	8,711	96	22,420	8,883	40,110

1 Terms and conditions



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NPL Ratio

Gross NPL ratio of the Bank 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
Gross exposure	273,209	-	745,185	2,989,106	-		4,007,500
NPLs (Gross)	-	-	-	47,954	(3,346)		44,608
Gross NPL ratio							1.1%
ECL	-	-	(447)	(27,217)	-		(27,664)
NPLs (Net)	-	-	(447)	20,737	(3,346)		16,944
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
Gross exposure	115,676	13,850	870,339	2,586,124	-		3,585,989
NPLs (Gross)	-	566	-	59,606	(8,696)		51,476
Gross NPL ratio							1.4%
ECL	-	(94)	(622)	(35,074)	-		(35,790)
NPLs (Net)	-	472	(622)	24,532	(8,696)		15,686
Net NPL ratio							0.4%



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34.7 Aging of Loans and Advances to Customers

The tables below present the Bank'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	2,692,523	8,169	-	-	2,476	2,703,168	
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	
Total loans and advances to customers	2,934,871	20,970	5,160	1,861	26,244	2,989,106	

							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	
Total loans and advances to customers	2,525,146	24,357	3,847	1,298	31,476	2,586,124	

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.



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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
Corporate loans	326,726	120,361	521,070	480,447	302,070	952,494	2,703,168
Stage 1	296,639	118,320	484,654	473,235	294,744	943,660	2,611,252
Stage 2	30,087	2,041	35,001	7,212	-	-	74,341
Stage 3	-	-	1,415	-	7,326	8,834	17,575
Retail loans (incl. mortgages)	23	253,414	107	108	1	2,997	256,650
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
SME loans	-	29,288	-	-	-	-	29,288
Stage 1	-	9,002	-	-	-	-	9,002
Stage 2	-	14,981	-	-	-	-	14,981
Stage 3	-	5,305	-	-	-	-	5,305
Total exposure	326,749	403,063	521,177	480,555	302,071	955,491	2,989,106

							December 31, 2024
Gross exposure	Netherlands	Romania	Turkey	Switzerland	Other Countries - Non investment grade	Other Countries - Investment grade	Total exposure
Corporate loans	286,310	25,304	535,643	185,739	253,246	963,728	2,249,970
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
Retail loans (incl. mortgages)	78	276,700	96	272	31	3,263	280,440
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
SME loans	-	55,713	-	-	-	1	55,714
Stage 1	-	35,026	-	-	-	-	35,026
Stage 2	-	16,287	-	-	-	-	16,287
Stage 3	-	4,400	-	-	-	1	4,401
Total exposure	286,388	357,717	535,739	186,011	253,277	966,992	2,586,124



34.9 Liquidity Risk

The Bank 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 Bank considers funding and liquidity as a major source of risk. The Bank'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 Bank'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 Nexent Bank 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 Bank'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 Bank'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 Bank 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 Bank the level of required liquidity across different time horizons. In this respect, the design and frequency of the stress test scenarios reveal the Bank'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.



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The Bank maintains a buffer of ‘readily available liquid assets’ to prevent mismatches between the inflow and outflow of the Bank 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 Bank’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 Bank ensures that its available liquidity is larger than the required amount implied by its stress scenarios at all times.

Funding Plan & Strategy

The Bank’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 Bank’s overall objective of achieving an investment grade rating
- Satisfy any minimum requirements from regulatory authorities
- Management of asset encumbrance
- Self-funded subsidiary structures



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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
Coins and banknotes	5.5	5.5	-	5.5
Withdrawable central bank reserves	517.7	517.7	-	517.7
Central government assets	483.9	483.9	-	483.9
Multilateral development bank and international organisations assets	10.2	10.2	-	10.2
Corporate debt securities	21.0	-	21.0	10.5
Total Liquidity Buffer	1,038.2	1,017.2	21.0	1,027.7

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%



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Discounted amounts based on remaining contractual maturity							December 31, 2025	
	Up to 1 month ¹	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Total	
Assets								
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	456,881	174,772	167,890	22,065	-	-	821,608	
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	14,402	304,469	
Total assets	2,901,446	960,596	587,948	944,372	323,789	117,424	5,835,575	
Liabilities								
Due to banks	316,646	101,105	62,077	-	-	-	479,828	
Due to customers ²	1,795,428	352,676	1,130,253	650,538	287,903	-	4,216,798	
Other liabilities	93,150	58,279	72,177	32,182	951	35,305	292,044	
Subordinated liabilities	-	-	42,977	92,000	-	-	134,977	
Total liabilities	2,205,224	512,060	1,307,484	774,720	288,854	35,305	5,123,647	
Cumulative liquidity gap	696,222	1,144,758	425,222	594,874	629,809	711,928	711,928	
Discounted amounts based on remaining contractual maturity							December 31, 2024	
	Up to 1 month ¹	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Total	
Assets								
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	524,173	328,158	116,319	-	-	-	968,650	
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	12,668	235,701	
Total assets	3,043,364	777,964	403,040	953,933	325,874	113,800	5,617,975	
Liabilities								
Due to banks	206,798	13,274	64,771	-	-	-	284,843	
Due to customers ²	1,603,027	528,295	1,028,462	725,105	319,020	-	4,203,909	
Other liabilities	77,877	42,332	78,888	57,244	3,051	43,936	303,328	
Subordinated liabilities	-	-	47,725	101,651	-	-	149,376	
Total liabilities	1,887,702	583,901	1,219,846	884,000	322,071	43,936	4,941,456	
Cumulative liquidity gap	1,155,662	1,349,725	532,919	602,852	606,655	676,519	676,519	

1 As at December 31, 2025, total on demand assets amount to EUR 1,238,962 (2024: EUR 1,481,715) and total on demand liabilities amount to EUR 487,055 (2024: EUR 494,825) are disclosed under “Up to 1 month” column

2 Management expects that the cash flows from certain financial assets and liabilities will deviate from their contractual terms, either due to its discretionary ability to manage the cash flows or because experience suggests such differences.



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The tables below include all financial liabilities by maturity based on contractual, undiscounted cash flows:

	Undiscounted amounts based on remaining contractual maturity						December 31, 2025	
	Up to 1 month	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Adjustments ¹	Total
Due to banks	316,734	101,862	63,039	-	-	-	(1,807)	479,828
Due to customers	1,788,166	353,563	1,155,843	670,109	294,803	-	(45,686)	4,216,798
Other liabilities	93,152	58,283	72,143	33,861	951	35,358	(1,703)	292,045
Subordinated liabilities	-	-	56,069	126,873	-	-	(47,965)	134,977
Total liabilities	2,198,052	513,708	1,347,094	830,843	295,754	35,358	(97,161)	5,123,648
Off-balance sheet liabilities								
Credit-line commitments	78,002	-	-	-	-	-	-	78,002
Irrevocable letters of credit	947,537	-	-	-	-	-	-	947,537
Guarantees	180,954	-	-	-	-	-	-	180,954
Other	255,931	-	-	-	-	-	-	255,931
Total off-balance	1,462,424	-	-	-	-	-	-	1,462,424
Undiscounted amounts based on remaining contractual maturity								
	December 31, 2024						December 31, 2024	
	Up to 1 month	1-3 months	3-12 months	1-5 Year	Over 5 years	Maturity not applicable	Adjustments ¹	Total
Due to banks	197,340	7,675	66,198	-	-	-	13,630	284,843
Due to customers	1,585,366	527,647	1,027,630	728,737	322,855	-	11,674	4,203,909
Other liabilities	77,877	42,332	78,888	59,217	3,051	43,936	(1,973)	303,328
Subordinated liabilities	-	-	61,212	125,658	-	-	(37,494)	149,376
Total liabilities	1,860,583	577,654	1,233,928	913,612	325,906	43,936	(14,163)	4,941,456
Off-balance sheet liabilities								
Credit-line commitments	170,990	-	-	-	-	-	-	170,990
Irrevocable letters of credit	897,807	-	-	-	-	-	-	897,807
Guarantees	91,430	-	-	-	-	-	-	91,430
Other	229,909	-	-	-	-	-	-	229,909
Total off-balance	1,390,136	-	-	-	-	-	-	1,390,136

1 This column reconciles the contractual undiscounted cash flows on financial liabilities to the statement of financial position values.



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34.10 Market Risks

Market risk is defined as the current or prospective threat to the Bank'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 Bank has a 'limited' risk appetite in market risk. The Bank 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 Bank'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 Bank 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 Bank 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 99% 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 Bank’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.

Value-at-risk figures - Trading Book (2025)	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	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

Value-at-risk figures - Trading Book (2024)	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	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 Bank's major risks under Pillar II is the interest-rate risk on the banking book. The Bank 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 Bank has a 'limited' risk appetite towards interest-rate risk in its banking book.

The Bank'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 Bank. The impact of the curve with the maximum net gain or loss compared to a benchmark curve is then analysed.

The Bank 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 Bank 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 Bank'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 ¹	Total	
Assets								
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	-	39,955	821,608	
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	-	-	-	-	-	304,469	304,469	
Total assets	3,301,833	997,743	559,496	417,281	83,637	475,585	5,835,575	
Liabilities								
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	481,843	4,216,798	
Other liabilities	-	-	-	-	-	292,044	292,044	
Subordinated liabilities	-	-	134,977	-	-	-	134,977	
Total liabilities	1,704,183	538,859	1,363,545	689,214	52,065	775,781	5,123,647	
Off-balance interest-sensitivity gap	217,301	28,275	(18,005)	(196,463)	-	-	31,108	
Net gap	1,814,951	487,159	(822,054)	(468,396)	31,572	(300,196)	1,043,232	

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 ¹	Total	
Assets								
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	-	-	30,838	968,650	
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	-	-	-	-	-	235,701	235,701	
Total assets	3,482,676	936,805	433,842	320,975	59,482	384,195	5,617,975	
Liabilities								
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	623,857	4,203,909	
Other liabilities	-	-	-	-	-	303,328	303,328	
Subordinated liabilities	-	-	149,376	-	-	-	149,376	
Total liabilities	1,246,602	745,898	1,355,523	589,634	57,652	946,147	4,941,456	
Off-balance interest-sensitivity gap	46,826	73,195	(28,615)	(143,862)	-	-	(52,456)	
Net gap	2,282,900	264,102	(950,296)	(412,521)	1,830	(561,952)	1,186,015	

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 Bank is exposed to foreign currency risk arising from open currency positions determined by the Bank'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 Bank's functional currency (Euro).

The Bank 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 Bank monitors open currency positions through ALCO and takes appropriate actions where necessary.

The Bank 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 Bank 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 Bank'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 Bank maintains a limited open FX position, and the resulting sensitivity is also immaterial. A 100 bps increase in the RON, the Bank's largest non-EUR exposure, yields a EUR 103k sensitivity, which remains non-material relative to the Bank'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 ¹	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	759,069
Financial assets measured at FVTPL	15,623	85,200	-	-	-	-	-	-	100,823
Financial investments	410,246	330,019	18,543	12,352	-	8,262	53,474	-	832,896
Loans and receivables – banks	181,541	455,727	1,690	35,685	390	-	142,811	3,764	821,608
Loans and receivables – customers	913,938	1,370,419	48,252	187,168	-	742	438,637	2,733	2,961,889
Derivative financial instruments	234,935	22,490	-	-	-	-	-	-	257,425
Property and equipment	16,703	-	3,959	13,378	-	16	-	-	34,056
Intangible assets	1,611	-	2,095	16,985	-	74	-	-	20,765
Other assets	23,869	3,827	1,554	17,188	-	540	66	-	47,044
Total assets	2,361,440	2,267,977	237,911	299,086	390	27,210	634,988	6,573	5,835,575
Due to banks	291,904	125,015	130	62,378	-	-	116	285	479,828
Due to customers	3,016,024	920,496	29,266	149,896	296	17,426	67,961	15,433	4,216,798
Derivative financial instruments	208,927	24,010	-	20	-	-	577	-	233,534
Other liabilities	21,205	2,457	22,016	12,330	-	502	-	-	58,510
Subordinated liabilities	-	134,977	-	-	-	-	-	-	134,977
Total liabilities	3,538,060	1,206,955	51,412	224,624	296	17,928	68,654	15,718	5,123,647
Net on-balance sheet position	-	1,061,022	186,499	74,462	94	9,282	566,334	(9,145)	1,888,548
Off-balance sheet net position	-	(1,068,606)	(185,520)	(84,782)	(51)	-	(569,830)	9,361	(1,899,428)
Net open position	-	(7,584)	979	(10,320)	43	9,282	(3,496)	216	(10,880)

1 Euros are not included in the total net position, since it is the functional currency of the parent.



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	December 31, 2024								
	EUR ¹	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	1,267,118
Financial assets measured at FVTPL	34,771	59,751	-	-	-	-	9,019	-	103,541
Financial investments	311,092	82,294	18,529	11,398	-	6,802	14,543	-	444,658
Loans and receivables – banks	359,347	488,398	1,701	607	308	-	102,656	15,633	968,650
Loans and receivables – customers	841,883	1,093,000	57,180	197,184	-	1,138	340,925	19,740	2,551,050
Derivative financial instruments	148,995	15,922	-	-	-	-	41	-	164,958
Property and equipment	16,007	-	4,801	14,476	-	77	4	-	35,365
Intangible assets	2,299	-	2,487	7,076	-	30	-	-	11,892
Other assets	42,408	6,325	1,405	19,271	-	773	91	470	70,743
Total assets	2,743,501	1,748,991	240,468	353,695	308	27,808	467,279	35,925	5,617,975
Due to banks	135,321	147,848	166	1,307	-	-	164	37	284,843
Due to customers	3,134,146	689,519	126,906	183,547	301	16,135	35,861	17,494	4,203,909
Derivative financial instruments	212,161	16,348	-	-	-	-	833	-	229,342
Other liabilities	22,854	6,916	23,975	18,577	-	1,662	2	-	73,986
Subordinated liabilities	-	149,376	-	-	-	-	-	-	149,376
Total liabilities	3,504,482	1,010,007	151,047	203,431	301	17,797	36,860	17,531	4,941,456
Net on-balance sheet position	-	738,984	89,421	150,264	7	10,011	430,419	18,394	1,437,500
Off-balance sheet net position	-	(745,280)	(89,168)	(168,522)	-	-	(433,126)	(17,854)	(1,453,950)
Net open position	-	(6,296)	253	(18,258)	7	10,011	(2,707)	540	(16,450)

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 Bank's Non-Financial Risk Management (NFRM) function operates as the second line of defence within the Bank's three lines of defence model. Its primary objective is to strengthen the Bank'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 Bank 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 Bank 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 Bank's risk culture and strengthened non-financial risk capabilities across the Bank.

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 Bank.



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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
		United Arab		
Credit Europe (Dubai) Ltd	Dubai	Emirates	100.00%	100.00%
Nexent Bank (Suisse) SA	Geneva	Switzerland	100.00%	100.00%
Credit Europe Leasing (Ukraine) LLC	Kiev	Ukraine	100.00%	100.00%
Credit Europe Asset Management S.A.	Bucharest	Romania	100.00%	100.00%
Angora Yacht Ltd	Msida	Malta	-	100.00%
JSC Nexent Bank (Ukraine)	Kiev	Ukraine	99.99%	99.99%
Nexent Bank N.V. Amsterdam				
Sucursala Bucuresti*	Bucharest	Romania	-	99.37%
Seyir Gayrimenkul Yatirim A.S.	Istanbul	Turkey	100.00%	53.00%

(*) Please refer to 'Changes to the Bank'.

Participations other than associates are fully consolidated.

Amsterdam, April 7, 2026

Supervisory Board:

Aysecan Ozyegin Oktay
Seha Ismen Ozgur
Wilfred Nagel
Ali Fuat Erbil
Johan Smessaert

Managing Board:

Senol Aloglu
Umut Bayoglu
Batuhan Yalniz



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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	In thousands of EUR - before profit appropriation	Notes	December 31, 2025	December 31, 2024
Assets				Liabilities			
Cash and balances with central banks	1	579,985	936,896	Amount due to banks	10	275,656	197,399
Short-dated government paper	4	206,085	53,932	Amount due to customers	11	3,671,249	3,438,482
Amount due from banks	2	752,193	903,256	Derivative financial instruments	5	183,419	199,237
Loans and advances to customers	3	2,376,028	1,854,633	Other liabilities	12	21,240	11,098
Debt instruments	4	585,861	369,967	Accrued liabilities		3,082	1,381
Equity instruments	4	17,917	7,507	Provisions	13	9,422	7,918
Derivative financial instruments	5	207,777	142,095	Subordinated loans	14	134,977	149,376
Investments in group companies	6	195,594	349,476	Total liabilities		4,299,045	4,004,891
Intangible assets	7	18,585	2,299	Equity			
Property and equipment	8	29,032	16,220	Share capital	15	563,803	563,000
Other assets	9	41,482	43,386	Share premium		163,748	163,748
Accrued assets		432	276	Legal reserves	16	157,055	135,706
Total assets		5,010,971	4,679,943	-Capitalized development costs reserve		12,557	2,218
				-Other legal reserves		144,498	133,488
				Other reserves		(219,091)	(244,692)
				Unappropriated result		46,411	57,290
				Total equity		711,926	675,052
				Total equity and liabilities		5,010,971	4,679,943



Parent Company Financial Statements 2025

Parent Company Statement of Profit or Loss

In thousands of EUR	Notes	2025	2024
Interest and similar income		486,580	456,933
Interest expense and similar charges		(368,245)	(346,877)
Net interest income	17	118,335	110,056
Investment income and results from participating interests	18	14,024	17,156
Fees and commissions income		33,509	28,452
Fees and commissions expense		(5,336)	(1,606)
Net fee and commission income	19	28,173	26,846
Results from financial transactions	20	14,773	5,340
Other income	21	3,494	4,759
Total income		178,799	164,157

In thousands of EUR	Notes	2025	2024
Personnel expenses	22	(62,160)	(42,096)
Depreciation, amortisation and impairments		(8,238)	(3,420)
Operating expenses	23	(36,584)	(27,400)
Net impairment result on financial assets	24	8,254	6,825
Total expenses		(98,728)	(66,091)
Result before tax		80,071	98,066
Income tax expense ¹		(20,125)	(23,620)
Result after tax		59,946	74,446

¹ 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	Share premium	Fair value reserve	Affiliated companies	Currency translation differences	Hedging reserves	Capitalized Development Costs Reserve	Other reserves	Unappropriated results	
At January 1, 2025	563,000	163,748	(1,640)	310,788	(64,564)	(111,096)	2,218	(244,692)	57,290	675,052
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)	-	95
Change in net investment hedge reserve	-	-	-	-	-	1,319	-	-	-	1,319
Change in cash flow hedge reserve	-	-	-	-	-	(286)	-	-	-	(286)
Total income and expense for the year recognized directly in equity	-	-	793	(5,094)	743	1,033	10,339	(5,151)	-	2,664
Increase in share capital	803	-	-	-	-	-	-	-	-	803
Dividends declared and paid	-	-	-	-	-	-	-	(26,538)	-	(26,538)
Profit for the year	-	-	-	13,535	-	-	-	-	46,411	59,946
Transfer to other reserves	-	-	-	-	-	-	-	57,290	(57,290)	-
At December 31, 2025	563,803	163,748	(847)	319,229	(63,821)	(110,063)	12,557	(219,091)	46,411	711,926

In thousands of EUR	Legal Reserves									Total
	Issued capital	Share premium	Fair value reserve	Affiliated companies	Currency translation differences	Hedging reserves	Capitalized Development Costs Reserve	Other reserves	Unappropriated results	
At January 1, 2024	563,000	163,748	(5,632)	302,339	(62,002)	(117,038)	2,370	(251,874)	47,661	642,572
Change in fair value reserve	-	-	3,992	-	-	-	-	468	-	4,460
Change in foreign currency translation reserve	-	-	-	-	(2,562)	-	-	-	-	(2,562)
Change in other reserve	-	-	-	(8,707)	-	-	(152)	(386)	-	(9,245)
Change in net investment hedge reserve	-	-	-	-	-	5,942	-	-	-	5,942
Total income and expense for the year recognized directly in equity	-	-	3,992	(8,707)	(2,562)	5,942	(152)	82	-	(1,405)
Dividends declared and paid	-	-	-	-	-	-	-	(40,561)	-	(40,561)
Profit for the year	-	-	-	17,156	-	-	-	-	57,290	74,446
Transfer to other reserves	-	-	-	-	-	-	-	47,661	(47,661)	-
At December 31, 2024	563,000	163,748	(1,640)	310,788	(64,564)	(111,096)	2,218	(244,692)	57,290	675,052



Parent Company Financial Statements 2025

Notes to the Parent Company Financial Statement

Basis of Preparation

The Parent Company financial statements of Nexent Bank N.V. (the Bank) 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 Bank.

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 Bank, as set out in those financial statements.

The additional accounting policies that are specific to the Parent Company Financial Statements of the Bank 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 Bank applied expected credit loss model under IFRS 9 in parent company financial statements.

The Bank applies paragraph 108a of the Dutch Accounting Standard 100. Under this paragraph, the Bank 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 Bank. 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.

Dividend Income

Dividend income from investments in subsidiaries is recognized when the right to receive payment is established.

Going Concern

Having made appropriate enquiries, the Board is satisfied that the Bank 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.

Corporate Information

Nexent Bank N.V., herein after 'the Bank', is domiciled in Amsterdam, the Netherlands. Nexent Bank N.V. comprises four branches in the Netherlands, Germany, Malta and Romania. The Bank was founded as a specialized trade-finance bank, which aimed to participate actively in the wholesale financing of international trade. In later years, the Bank started retail-banking activities, including savings accounts, mortgage loans and consumer loans. The Bank's registered office is Karspeldreef 6A, 1101 CJ Amsterdam, Netherlands and Chamber of Commerce registration number is 33256675.



Parent Company Financial Statements 2025 > Notes to the Parent Company Financial Statement

1 Cash and Balances with Central Banks

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

	December 31, 2025	December 31, 2024
Balances at central bank	570,099	936,891
Cash on hand	9,886	5
Total	579,985	936,896

Deposits at central banks include reserve deposits of EUR 42,995 (2024: EUR 26,950), representing mandatory deposits held with central banks in the countries where the bank operates.

2 Amounts Due from Banks

	December 31, 2025	December 31, 2024
Loans and advances	385,790	609,112
Placement with other banks	289,430	262,088
Trading loans	77,240	32,481
Subtotal	752,460	903,681
Allowances for credit losses	(267)	(425)
Total	752,193	903,256

The amount due from banks that will not mature within one year is EUR 59,201 (2024: EUR 9,941).

Loans and receivables from intra group companies amount to EUR 1,224 (2024: EUR 61,943).

Placements with other banks that serve as collateral for derivative transactions and are not freely disposable amount to EUR 9,520 (2024: EUR 45,040).

Placement with other related parties, amount to EUR 537 (2024: EUR 2,090).

There are EUR 200,418 receivables related to securities acquired through reverse repo transactions (2024: EUR 121,969).

3 Loans and Advances to Customers

	December 31, 2025	December 31, 2024
Commercial loans	2,107,914	1,781,098
Consumer loans	256,561	56,996
Public loans	20,000	-
Trading loans	17,367	21,273
Non-trading assets mandatorily at FVTPL	-	18,319
Subtotal	2,401,842	1,877,686
Allowances for credit losses	(25,814)	(23,053)
Total (*)	2,376,028	1,854,633

Loans and receivables from intra group companies amount to EUR 2,661 (2024: EUR 7,080). Loans and receivables from other related party companies amount to EUR 126,077 (2024: EUR 100,712).

No individual loan or receivable has terms and conditions that materially affect the amount, timing or certainty of the cash flows of the Bank. Loans



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and advances to customers do not include any amount related to receivables regarding securities that have been acquired in reverse repo transactions (2024: None).

As of December 31, 2025, EUR 719,960 (2024: EUR 762,733) of loans and advances to customers are not expected to mature within one year.

4 Short-dated Government Paper, Debt and Equity Instruments

Short-dated government paper

Short-dated government paper includes Dutch and international government paper amounting to EUR 206 million (2024: EUR 54 million) for the Bank.

Debt instruments

	Debt instruments			Total
	Debt instruments measured at FVTPL	Debt instruments measured at FVOCI (**)	Debt instruments measured at amortized cost	
December 31, 2025				
Government bonds	-	36,103	181,077	217,180
Corporate bonds	-	28,516	28,682	57,198
Bank bonds	-	39,126	-	39,126
Loans and advances	-	272,357	-	272,357
Total	-	376,102	209,759	585,861

	Debt instruments			Total ¹
	Debt instruments measured at FVTPL	Debt instruments measured at FVOCI (**)	Debt instruments measured at amortized cost	
December 31, 2024				
Bank bonds	23,216	14,657	-	37,873
Government bonds	1,972	165,510	31,552	199,034
Corporate bonds	-	17,384	-	17,384
Loans and advances	-	115,676	-	115,676
Total	25,188	313,227	31,552	369,967

¹ As of December 31, 2025, EUR 527,144 of the total are listed securities (2024: EUR 437,619). There is no bond issued by intra group companies in 2025 (2024: None). The amount that will not mature within one year is EUR 422,409 (2024: EUR 262,931).

Equity instruments

As of December 31 2025, EUR 8,407 of the total are listed equity instruments (2024: 3,967). The valuation of listed equities is based on market prices, while the valuation of nonlisted equities is based on net asset value.

Equity instruments increased from EUR 7.5 million to EUR 17.9 million during the period. The movement is primarily due to cross border merger effect.

The Bank elected to apply FVOCI option to the equities, which are considered as a strategic source of stable dividend income. As of December 31 2025, the Bank recognized EUR 815 dividend amount (2024: EUR 303) from equities during the year.



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5 Derivative Financial Instruments

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

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 risk nor the credit risk.



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	December 31, 2025			December 31, 2024		
	Notional amount	Carrying value assets	Carrying value liabilities	Notional amount	Carrying value assets	Carrying value liabilities
Derivatives held for trading						
Interest rate swaps	151,260	2,191	2,190	163,130	3,671	3,669
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
Foreign currency swaps	1,830,087	91,555	89,130	1,311,565	80,968	81,654
Credit default swaps (purchased)	-	-	-	14,431	97	5
Foreign currency forwards	340,474	35,641	37,429	174,176	8,444	9,045
Foreign currency futures	163,093	2	-	-	-	-
Commodity swaps	44,013	4,954	4,797	50,623	1,440	946
Total	2,450,778	134,788	134,123	1,723,836	95,054	95,549
Derivatives in economic hedge relationship						
Interest rate swaps	152,890	416	2,460	510,947	1,742	7,072
Foreign currency swaps	2,893,047	40,095	12,435	1,778,751	16,621	67,000
Credit default swaps (purchased)	12,774	37	4	-	-	-
Total	3,058,711	40,548	14,899	2,289,698	18,363	74,072
Derivatives in fair value hedge accounting relationships						
Interest rate swaps	1,315,921	14,205	10,157	1,517,961	23,278	20,078
Total	1,315,921	14,205	10,157	1,517,961	23,278	20,078
Derivatives in cash flow hedge accounting relationship						
Foreign currency swaps	736,850	16,086	20,108	-	-	-
Foreign currency forwards	10,335	443	636	-	-	-
Total	747,185	16,529	20,744	-	-	-
Derivatives in net investment hedge accounting relationship						
Foreign currency swaps	182,776	1,707	3,496	347,473	5,400	9,538
Total	182,776	1,707	3,496	347,473	5,400	9,538
Total Derivatives	7,755,371	207,777	183,419	5,878,968	142,095	199,237

Reference is made to the consolidated disclosures in Note 9: Derivative Financial Instruments for information relating to hedge accounting. Hedge accounting is not applied by the Bank's subsidiaries.



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6 Investments in Group Companies

For 2025, the movement of participating interests in Group companies is as follows:

	Balance at 1 Jan-2025	Cross border merger	Additions/ (Disposals)	Change in reserves	Result for the year	Dividend paid	Translation difference	Balance at 31-Dec-2025	Net carrying amount at 31-Dec-2025
Credit Europe (Dubai) Ltd	173	-	-	-	(35)	-	(19)	119	119
Nexent Bank (Suisse) SA	169,974	-	-	(154)	12,976	(5,729)	2,023	179,090	179,090
Credit Europe Leasing (Ukraine) LLC	51	-	-	-	1	-	(8)	44	44
Credit Europe Asset Management S.A.	2,384	-	-	-	(285)	-	(60)	2,039	2,039
JSC Nexent Bank (Ukraine)	10,546	-	-	(31)	449	-	(1,269)	9,695	9,695
Credit Europe Bank (Romania) SA ¹	165,938	(165,938)	-	-	-	-	-	-	-
Seyir Gayrimenkul Yatirim A.S.	411	-	365	-	269	-	-	1,045	1,045
Credit Europe Ipotecar IFN SA	-	-	3,488	-	160	-	(85)	3,563	3,563
Total	349,476	(165,938)	3,853	(185)	13,535	(5,729)	582	195,594	195,594

¹ Please refer to Consolidated Note , 'Changes to the Group' for details on the cross-border merger effective as of January 1, 2025.

For 2024, the movement of participating interests in Group companies 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	Provision for year losses	Net carrying amount at 31-Dec-2024
Credit Europe (Dubai) Ltd	8	467	-	(304)	-	2	173	-	173
Nexent Bank (Suisse) SA	165,107	-	928	12,765	(6,557)	(2,269)	169,974	-	169,974
Credit Europe Leasing (Ukraine) LLC	-	2,190	-	727	-	(23)	2,894	(2,843)	51
Credit Europe Asset Management S.A.	2,728	-	-	(345)	-	1	2,384	-	2,384
Yenikoy Enterprises B.V.	14,071	(14,071)	-	-	-	-	-	-	-
Angora Yacht Ltd	-	-	-	(179)	-	(11)	(190)	190	-
Hitit Shipping Ltd	17	(17)	-	-	-	-	-	-	-
Feniks Gayrimenkul Yatirim A.S.	2,800	(2,800)	-	-	-	-	-	-	-
JSC Nexent Bank (Ukraine)	9,785	-	(71)	1,175	-	(343)	10,546	-	10,546
Credit Europe Bank (Romania) SA	192,042	55	(7,696)	3,339	(21,860)	58	165,938	-	165,938
Seyir Gayrimenkul Yatirim A.S.	417	-	-	(22)	-	16	411	-	411
Total	386,974	(14,176)	(6,839)	17,156	(28,417)	(2,569)	352,129	(2,653)	349,476

Investments are fully consolidated. As at 31 December 2025, Investments in group companies includes credit institutions of EUR 188.8 million (2024: EUR 346.5 million).

The parent company is liable for the liabilities of the above subsidiaries.



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7 Intangible Assets

The book value of intangibles is as follows:

Software and licenses	December 31, 2025	December 31, 2024
Balance at January 1	2,299	3,062
Cross border merger impact	6,916	-
Addition	12,483	333
Amortization	(3,113)	(1,096)
Balance at December 31	18,585	2,299



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8 Property and Equipment

The book value of property and equipment is as follows:

	Land and Buildings (Property in Own Use)	Furniture and fixtures	Vehicles	Artworks	Right-of-use assets	Total
Balance at January 1, 2025	13,535	1,060	-	977	648	16,220
Cross border merger impact	6,332	3,636	-	-	4,295	14,264
Additions	296	1,527	-	-	1,292	3,115
Disposals	(95)	(39)	-	-	(78)	(212)
Depreciation	(964)	(1,281)	-	-	(2,110)	(4,355)
Balance at December 31, 2025	19,104	4,903	-	977	4,047	29,032
Cost	28,903	18,175	-	977	5,352	53,408
Cumulative depreciation and impairment	(9,799)	(13,272)	-	-	(1,305)	(24,376)
Balance at December 31, 2025	19,104	4,903	-	977	4,047	29,032

	Land and Buildings (Property in Own Use)	Furniture and fixtures	Vehicles	Artworks	Right-of-use assets	Total
Balance at January 1, 2024	14,049	585	-	-	1,162	15,796
Additions	39	917	-	-	43	999
Disposals	-	-	-	-	(200)	(200)
Depreciation	(553)	(442)	-	-	(357)	(1,352)
Transfer from assets held for sale	-	-	-	977	-	977
Balance at December 31, 2024	13,535	1,060	-	977	648	15,243
Cost	22,370	13,051	471	977	2,459	39,328
Cumulative depreciation and impairment	(8,835)	(11,991)	(471)	-	(1,811)	(23,108)
Balance at December 31, 2024	13,535	1,060	-	977	648	16,220

As of December 31, 2025 the Bank recognised rent expense from short-term leases at amount of EUR 131 (2024: EUR 71).



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9 Other Assets

	December 31, 2025	December 31, 2024
POS, debit card and credit card related receivables	3,832	-
Prepayments and advance payments to suppliers	4,187	3,256
Deferred tax assets	14,731	26,889
Amounts held as guarantee	1,566	1,085
Repossessed assets classified as inventories	13,187	8,718
Accounts receivable	87	-
Other assets and receivables	3,892	3,438
Total	41,482	43,386

As of December 31, 2025, EUR 18,563 (2024: EUR 26,889) are not expected to mature within one year.

10 Amounts Due to Banks

This item comprises amounts due to banking institutions.

	December 31, 2025	December 31, 2024
Current accounts	102,572	32,199
Time deposits	173,084	165,200
Total	275,656	197,399

Time deposits and current accounts of intra group companies amount to EUR 1,871 (2024: EUR 101,749). Amount of due to banks, which is on demand, is EUR 109,612 (2024: EUR 56,074).

There is EUR 78,330 repo transaction in time deposits (2024: None).

11 Amounts Due to Customers

This item comprises amounts due to customers other than banking institutions.

	December 31, 2025	December 31, 2024
Retail time deposits	1,640,297	1,711,450
Retail saving and demand deposits	923,880	921,910
Corporate time deposits	704,959	473,132
Corporate demand deposits	402,113	331,990
Total	3,671,249	3,438,482

As of December 31, 2025, EUR 559,517 (2024: EUR 458,876) of deposits from customers are expected to be settled more than 12 months after the balance sheet date.

As of December 31, 2025, the Bank maintained customer deposit balances of EUR 65,605 (2024: EUR 29,157), which were pledged to the Bank as collateral for loans and off-balance sheet credit instruments granted by the Bank.

Deposits and current accounts of intra group companies amount to EUR 1,985 (2024: EUR 6,486).



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12 Other Liabilities

	December 31, 2025	December 31, 2024
Accrued expenses	643	611
Current tax liabilities	6,830	238
Taxes other than income	5,205	5,453
Advances received	22	1,835
Unfinished settlements	2,786	1,627
Lease liabilities	4,143	674
Other payables	1,611	660
Total	21,240	11,098

13 Provisions

	December 31, 2025	December 31, 2024
Provisions for participations	-	244
Litigation provision	1,305	1,440
Deferred tax liability	1,173	19
Staff related liabilities	4,710	4,639
Credit related commitments	2,234	1,576
Total	9,422	7,918

	Litigation	Credit related commitments
At January 1, 2025	1,440	1,576
Cross border merger impact	677	839
Addition	575	-
Reversal	(1,391)	(179)
Currency translation differences	4	(2)
At December 31, 2025	1,305	2,234

14 Subordinated Loans

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of the Bank. 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).

	Maturity Date	First possible call date	December 31, 2025	December 31, 2024
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
Total			134,977	149,376

The Bank 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.



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15 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 563.8 million (2024: 563 million) ordinary shares with a face value of EUR 1.

16 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 Bank is only allowed to pay out profits to its shareholders that it has realized or can be realized when the bank wants to). Legal reserves only relate to the Bank Financial Statements and are not applicable to the Consolidated Financial Statements. Reserves of participations cannot be paid out to the Bank due to local legal requirements.

For the Bank, the following legal reserves are important:

- Participations reserve
- Currency translation differences reserve
- Fair value reserve
- Hedge reserves (Including 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.

17 Net Interest Income

	2025	2024
Interest income using effective interest rate method	406,878	367,207
Loans and receivables – customers	261,287	237,344
Financial investments	27,867	27,442
Loans and receivables – banks	96,530	57,664
Cash and balances at central banks	21,194	44,757
Other interest income	79,702	89,726
Derivatives in economic hedge relationships	55,541	76,088
Derivatives in cash flow hedge relationships	8,360	-
Other financial assets at fair value through profit or loss	15,672	12,866
Non-trading financial assets mandatorily at FVTPL	129	772
Subtotal	486,580	456,933
Interest expense using effective interest rate method	114,628	144,671
Due to customers	96,203	117,353
Due to banks	4,140	5,663
Subordinated liabilities	14,132	21,640
Lease liabilities	153	15
Other interest expense	253,617	202,206
Derivatives in economic hedge relationships	202,516	202,206
Derivatives in cash flow hedge relationships	51,101	-
Subtotal	368,245	346,877
Total	118,335	110,056



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18 Investment Income and Results from Participating Interests

	2025	2024
Results from shares and other non-fixed income securities	489	-
Results from group companies	13,535	17,156
Total	14,024	17,156

19 Net Fee and Commission Income

	2025	2024
Fee and commission income		
Credit card fees	9,771	-
Letters of credit commissions	7,921	9,022
Portfolio and other management fees	10,212	13,567
Commission on account maintenance	1,063	1,878
Commissions on fund transfers	1,357	1,162
Other fees and commissions	3,185	2,823
Subtotal	33,509	28,452
Fee and commission expense		
Credit card fees	3,929	-
Payment and transaction services expense	313	12
Other fee and commission expenses	1,094	1,594
Subtotal	5,336	1,606
Total	28,173	26,846

20 Results from Financial Transactions

	2025	2024
Results from foreign exchange transactions	1,819	1,672
Results from securities trading	1,634	(446)
Results from derivatives	4,376	(1,311)
Results from loan trading	6,605	4,457
Other	339	968
Total	14,773	5,340

21 Other Income

	2025	2024
Sale of fixed assets	518	-
Dividend income	815	303
Recovery from DSB case	766	3,702
Other income	1,395	754
Total	3,494	4,759



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22 Personnel Expenses

	2025	2024
Wages and salaries	50,316	31,378
Social security payments	3,966	3,341
Retirement benefit costs	3,073	2,795
Other employee costs	4,805	4,582
Total	62,160	42,096
Average number of employees	781	303
Banking activities - Netherlands	259	242
Banking activities - foreign countries	522	61

23 Operating expenses

	2025	2024
Rent and maintenance expenses	2,203	483
Communication and information expenses	3,282	1,716
Taxes other than income	3,841	2,243
Professional fees and consultancy	7,360	6,491
Information technology expenses	2,074	567
Contributions and subscriptions	4,355	3,345
Supervision fees	2,061	1,978
Legal services expenses	542	1,499
Losses from disposal of subsidiaries ¹	-	5,058
Other expenses ²	10,866	4,020
Total	36,584	27,400

1 In the course of 2024, EUR 2.6 million loss was recognized as result of the recycling of foreign exchange losses following the liquidation of Cirus Holding B.V. and Ikano Finance Holding B.V. In addition, EUR 2.4 million liquidation loss is recognized due to recycling of reserves, current year profit and loss of shipyard, and loss due to sale of shares.

2 Other expenses mainly consist of security, insurance, advertising, marketing, cleaning, travel and transport related expenses.



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24 Net Impairment Result on Financial Assets

	2025				2024
	Stage 1	Stage 2	Stage 3	Total	Total
Loans to customers at amortized cost	80	2,658	5,697	8,435	7,047
Debt securities	(552)	-	-	(552)	(114)
Credit related commitments (non-cash loans)	372	-	-	372	(108)
Net impairment loss on financial assets	(101)	2,658	5,697	8,254	6,825

25 Commitments and Contingencies

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

Letters of credit, guarantees and acceptances commit the Bank 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 and 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 credit, the Bank is potentially exposed to loss 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 Bank 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	477,015	330,928
Contingent liabilities with respect to irrevocable letters of credit - export	179,462	139,553
Contingent liabilities with respect to letters of guarantee granted - corporates	37,534	63,328
Contingent liabilities with respect to letters of guarantee granted - banks	131,813	20,002
Total non-cash loans	825,824	553,811
Credit-line commitments	58,880	136,534
Total	884,704	690,345

As of December 31, 2025, there is no (2024: None) letter of guarantees granted to related parties.

As of December 31, 2025, EUR 35,342 (2024: EUR 16,435) letter of guarantees granted to intragroup companies.

As of December 31, 2025, there is no (2024: None) credit line commitment with intragroup companies.



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26 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
Total	3,647,106	3,282,978

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.

27 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	KPMG NL	KPMG-Other	Total
Statutory audit of annual accounts	703	299	1,002	699	225	924
Other assurance services	397	211	608	519	283	802
Total	1,100	510	1,610	1,218	508	1,726

'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 due to delayed implementation of Directive (EU) 2022/2464 concerning sustainability reporting into Dutch legislation, and review of the interim financial statements.



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28 Proposed Profit Appropriation

It is proposed to appropriate net profit pursuant to the Articles of Association, as follows:

Proposed profit appropriation

Net profit	59,946
Q1 interim dividend distributed in May 2025	9,678
Q2 interim dividend distributed in September 2025 ...	5,545
Q3 interim dividend distributed in December 2025.....	7,441
Q4 dividend distribution of Euro 0.0130 per share	7,309

29 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 Bank.

Amsterdam, April 7, 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

The profit is appropriated pursuant to Article 32 of the Articles of Association of the Bank; 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 of Shareholders and the Supervisory Board of Nexent Bank N.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Nexent Bank N.V. as at 31 December 2025 and of its result and its cash flows for the year then ended, 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 Nexent Bank N.V. as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2025 of Nexent Bank N.V. ('the Company' or 'the Bank') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at 31 December 2025;
- 2 the following consolidated statements for 2025: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
- 3 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

- 1 the parent company statement of financial position as at 31 December 2025;
- 2 the parent company statements for 2025: the statement of profit or loss and statement of changes in equity;
- 3 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 Nexent Bank N.V. in accordance with 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 going concern, fraud and non-compliance with laws and regulations, and the key audit matters 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

Summary

Materiality

- Materiality of EUR 8 million
- 1.1% of total equity

Group audit

- Performed substantive procedures for 99% of total assets
- Performed substantive procedures for 98% of revenue



> Independent auditor's report

Risk of material misstatements related to Fraud, NOCLAR and Going concern

- Fraud risks: presumed risk of management override of controls and, management override of controls related to specific provisioning (ECL) identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified.

Key audit matters

- Estimation uncertainty with respect to expected credit loss allowance on loans and receivables to customers
- Reliability and continuity of information technology

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 8 million (2024: 8 EUR million). The materiality is determined with reference to the total equity of the bank. We consider the total equity of the bank as the most appropriate benchmark because it provides a consistent year-on-year basis for determining materiality and is one of the key indicators that users of the financial statements consider to assess the financial position of the Bank. We also concluded it is a more stable indicator of the size of the Bank's operations. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that unadjusted misstatements identified during our audit in excess of EUR 400 thousand would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Nexent Bank N.V is at the head of a group of components. The financial information of this group is included in the financial statements of Nexent Bank N.V.

We performed risk assessment procedures throughout our audit to determine which of the Bank's components are likely to include risks of material misstatement to the Bank financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally.

We performed audit procedures ourselves on component Nexent Bank N.V. ('Nexent') which includes the banking activities in the Netherlands as well as the branches in Germany and Malta. Within Nexent, we furthermore identified two components associated with a risk of material misstatement which are the branch of Nexent in Romania and Nexent Bank Suisse SA. For these two components we involved component auditors. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 98% of the Bank's revenue (2024: 97%) and 99% of the Bank's total assets (2024: 99%). At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- Issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed.
- Held meetings with component auditors virtually to discuss relevant developments, understand and evaluate their work.
- Inspected the work performed by component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on key audit matters, significant risks and key judgement areas.



> Independent auditor's report

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Bank's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In 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 Bank and its business environment and assessed the Bank's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Bank'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 risk 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.



> Independent auditor's report

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 Bank'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.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

Estimation uncertainty with respect to the expected credit loss allowance on loans and receivables to customers

Description

As disclosed in the notes to the consolidated financial statements, the Bank's portfolio of loans and receivables to customers amounts to EUR 3,0 billion net, as at 31 December 2025.

These loans and receivables to customers are measured at amortized cost, less an allowance for expected credit losses (EUR 27,2 million).

The Bank uses ECL models for the ECL calculation for the portfolio of loans and receivables to customers as a whole, for all loans that are not credit impaired. The ECL model is a forward-looking model that takes into consideration expected future developments with respect to the Probability of Default, Loss Given Default and Exposures at Default. For credit-impaired corporate exposures (i.e., Stage 3 loans), the Bank determines the ECL allowance individually on an exposure-by-exposure basis.

As several aspects of the accounting for loan losses require significant judgment of management, we consider this a key audit matter. Furthermore, recent economic conditions are outside the bounds of historical experience used to develop the ECL models and therefore result in greater uncertainty to estimate the ECL.

Key judgmental areas include the identification of a significant increase in credit risk, the identification of credit-impaired loans, management overlays in determination of probability of default values and ratings, the modelling of assumptions and parameters including macroeconomic variables, and the completeness of exposures for individually assessed (Stage 3) loans.

Our response

Our audit approach comprises testing of controls and substantive audit procedures. Among others, the procedures included testing of the design and implementation of the Bank's credit risk management and credit risk monitoring procedures.



> Independent auditor's report

For the loans and receivables to customers where the Bank applies a collective (portfolio) evaluation approach, we assessed the collective ECL allowance methodology. With the assistance of KPMG credit risk modelling specialists, we have evaluated the models and key assumptions. This included the macroeconomic variables used and the adjustments made to the credit risk models to reflect the expected effects of recent economic conditions on ECL.

We have tested the accuracy of the data used by the Bank for determining the collective expected credit loss allowance. We applied a random based approach in selecting loan exposures for detailed testing. For the selected exposures, we evaluated and challenged management's judgment on the assumed credit quality of the exposure.

Furthermore, we evaluated the overall provision process to assess whether we have indications of management bias and we reconciled the ECL model outcomes to the general ledger.

For loans and receivables to customers where the Bank determines the ECL on an individual loan basis, we performed procedures to determine completeness of exposures under Stage 3. In addition to addressing the significant risk identified for individual provisioning, we performed audit procedures on a sample basis. As part of our procedures, we challenged management's expected future cash flow scenarios, the probability applied to those scenarios, and we inspected supporting documentation such as the legal documentation and appraisal reports for collateral if applicable.

We reconciled underlying loan data used in the ECL calculation, and we verified its mathematical accuracy. We considered the adequacy and appropriateness of the disclosures related to ECL allowances within the financial statements.

Our observation

We consider Management's overall assessment relating to the ECL allowance on loans and receivables to customers to be within an acceptable range and we assessed the disclosure in the financial statements to be adequate and in accordance with EU-IFRS.

Reliability and continuity of electronic data processing

Description

The Bank and its financial reporting process is highly dependent on the reliability and the continuity of information technology (IT) due to the significant number of transactions that are processed on a daily basis. An adequate IT infrastructure ensures the reliability and continuity of the Bank's business processes and the accuracy of financial reporting.

As the reliability and continuity of IT systems may have an impact on automated data processing and given the pervasive nature of the IT general control environment, we consider this a key audit matter.

Our response

We obtained an understanding of the IT organization and developments in the IT infrastructure to determine how these impact the Bank's processes. We assessed the impact of changes to the IT environment during the year, either from ongoing internal process optimization initiatives or in order to meet external reporting requirements.

We tested the design, implementation and operating effectiveness of General IT Controls and application controls across applications, databases and operating systems to the extent necessary within the scope of the audit of the annual accounts. General IT Controls related to user access management and change management.

In some areas where we had observations in terms of the effectiveness of internal controls, we performed additional procedures over the remedial control actions taken by management regarding access for the related systems.

Our observation

Based on the testing of General IT Controls and application controls we obtained sufficient and appropriate audit evidence to enable us to rely on the adequate and continued operations of IT systems for the purpose of our audit.



> Independent auditor's report

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; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

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 information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Nexent Bank N.V. on 12 March 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of Managing board of the Bank 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, Managing Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect, Managing Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing the Bank'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 Bank or to cease operations or has no realistic alternative but to do so.



> Independent auditor's report

The Managing Board should disclose events and circumstances that may cast significant doubt on the Bank's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Banks 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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 www.nba.nl/eng_oob_20241203. This description forms part of our auditor's report.

Amstelveen, 7 April 2026

KPMG Accountants N.V

W.G. Bakker RA