



CENTRAL BANK OF
MONTENEGRO

AMENDMENTS TO THE FINANCIAL PLAN of the Central Bank of Montenegro for 2025

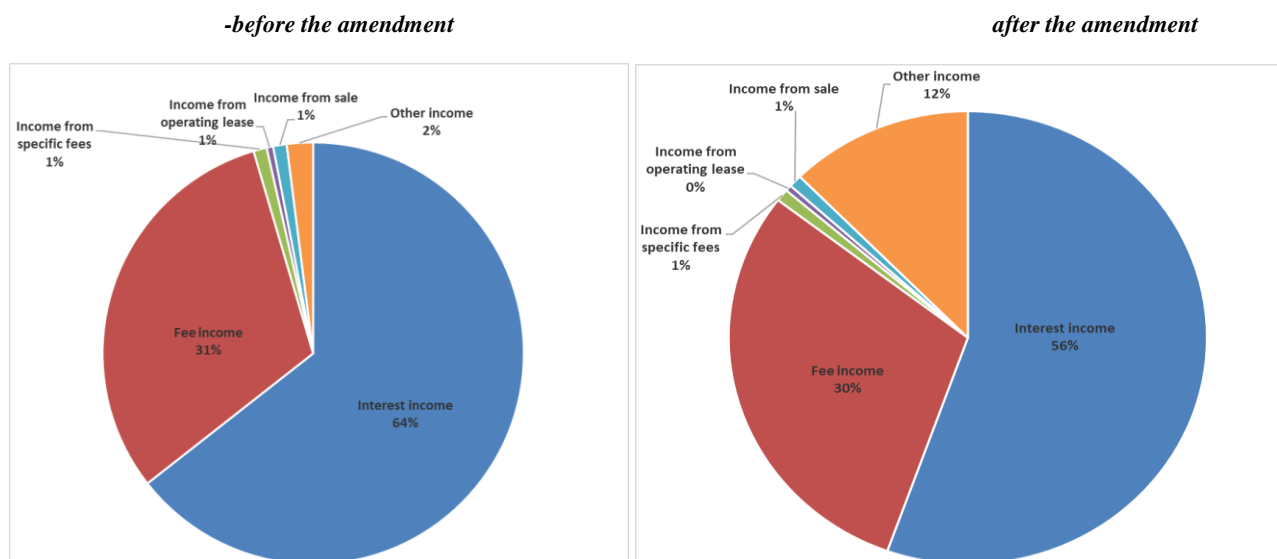
Podgorica, July 2025

AMENDMENTS TO THE FINANCIAL PLAN OF THE CENTRAL BANK OF MONTENEGRO FOR 2025

Amendments to the Financial Plan of the Central Bank of Montenegro for 2025 have foreseen total income of **46,582.000,00 euros** distributed as follows:

| NO. NAME | | Planned in 2025 | Planned in 2025 AFTER AMENDMENT | Index 4/3 |
|---------------|--|-------------------|---------------------------------|------------|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Financial income | 25,840,000 | 25,840,000 | 100 |
| 1.1. | Interest income | 25,840,000 | 25,840,000 | 100 |
| 1.1.1. | Income from interest on securities measured at fair value through other comprehensive income (OCI) | 12,100,000 | 12,100,000 | 100 |
| 1.1.2. | Income from interest on securities measured at amortised cost (AC) | 1,800,000 | 1,800,000 | 100 |
| 1.1.3. | Income from interest on securities – operating portfolio measured at fair value through OCI | 2,700,000 | 2,700,000 | 100 |
| 1.1.4. | Income from interest on deposits | 9,240,000 | 9,240,000 | 100 |
| 1.1.5. | Gains from abolishing provisions for ECL and from sale of securities | | | |
| 2. | Operating income and other income | 14,272,000 | 20,742,000 | 145 |
| 2.1. | Fee income | 12,440,000 | 13,940,000 | 112 |
| 2.1.1. | Fees for national payment system transactions | 4,421,000 | 5,921,000 | 134 |
| 2.1.2. | Fees for cash services | 858,000 | 858,000 | 100 |
| 2.1.3. | Fees for enforced collection | 631,000 | 631,000 | 100 |
| 2.1.4. | Fiscal agent fees | 770,000 | 770,000 | 100 |
| 2.1.5. | Fees for the supervision of banks, licences and approvals | 4,920,000 | 4,920,000 | 100 |
| 2.1.6. | Fees for Credit Registry inquiries | 751,000 | 751,000 | 100 |
| 2.1.7. | Fees for the supervision of payment systems and payment institutions | 89,000 | 89,000 | 100 |
| 2.2. | Income from specific fees | 408,000 | 408,000 | 100 |
| 2.3. | Income from operating lease | 200,000 | 200,000 | 100 |
| 2.4. | Income from sale | 415,000 | 415,000 | 100 |
| 2.5. | Other income | 809,000 | 5,779,000 | 714 |
| INCOME | | 40,112,000 | 46,582,000 | 116 |

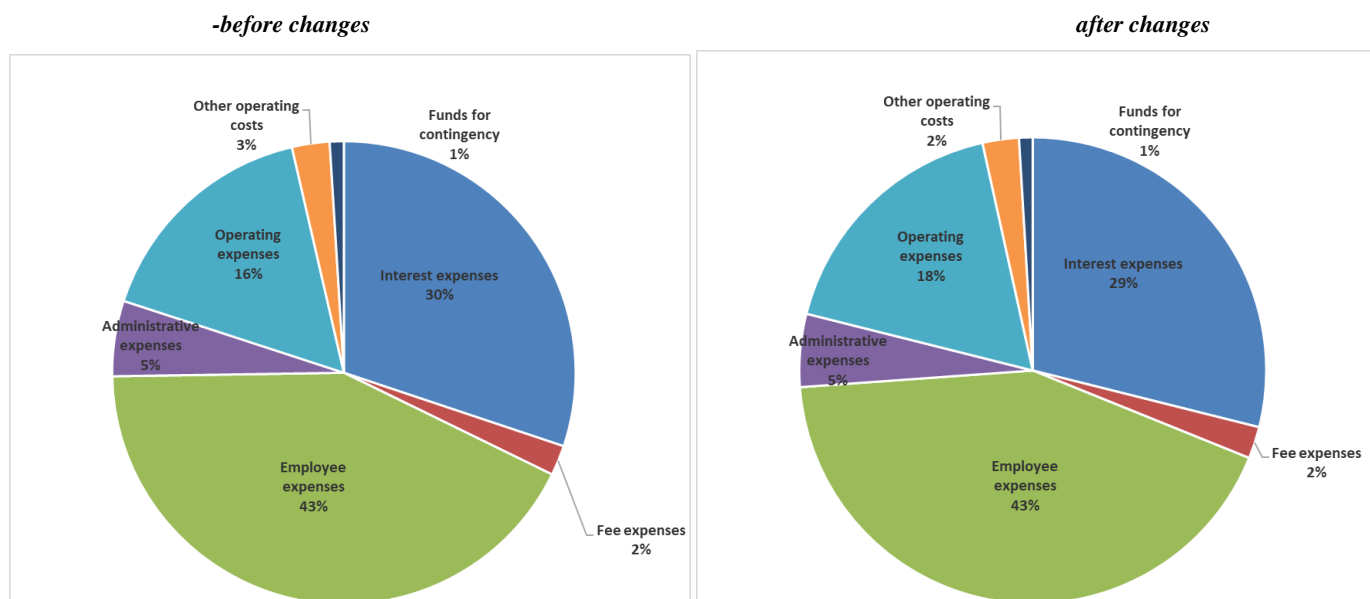
Graphic presentation of the income structure for 2025, before and after the amendment:



Amendments to the Financial Plan of the Central Bank of Montenegro for 2025 foresee expenses in the amount of **30,781,000.00** euros with the following structure:

| NO. NAME | | Planned in 2025 | Planned in 2025 AFTER AMENDMENT | Index 4/3 |
|------------------------|---|-------------------|---------------------------------|------------|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Financial expenses | 8,900,000 | 8,900,000 | 100 |
| 1.1. | Interest expenses | 8,900,000 | 8,900,000 | 100 |
| 2. | Operating costs | 20,341,000 | 21,591,000 | 106 |
| 2.1. | Fee expenses | 620,200 | 680,200 | 110 |
| 2.2. | Employee expenses | 12,555,200 | 13,155,200 | 105 |
| 2.2.1. | Gross earnings | 10,914,700 | 11,514,700 | 105 |
| 2.2.2. | Other earnings | 1,070,000 | 1,070,000 | 100 |
| 2.2.3. | Compensations for increased employee expenses | 570,500 | 570,500 | 100 |
| 2.3. | Administrative expenses | 1,555,600 | 1,555,600 | 100 |
| 2.4. | Operating expenses | 4,835,000 | 5,425,000 | 112 |
| 2.5. | Other operating costs | 775,000 | 775,000 | 100 |
| 3. | Funds for contingency | 290,000 | 290,000 | 100 |
| TOTAL EXPENSES: | | 29,531,000 | 30,781,000 | 104 |
| NET PROFIT: | | 10,581,000 | 15,801,000 | 149 |

Graphic presentation of the expenses structure for 2025, before and after the amendment:



With the amendments of the Financial Plan of the Central Bank of Montenegro, the total income for 2025 were determined in the amount of 46,582,000.00 euros, and by 16% or 6,470,000.00 euros higher than the originally planned total income for 2025, when they amounted to 40,112,000.00 euros. In the structure of total income, the categories of income from fees for payment services and other income have been amended.

Income from fees for payment system services are planned in the amount of 5,921,000.00 euros and are 34% higher than the original amount of 4,421,000.00 euros. This correction is the result of a revision of earlier income estimates, and is conditioned by changes in the dynamics of the expected impact of the implementation of SEPA payment schemes. It has been determined that the impact of joining the SEPA will have a delayed effect on incomes. Namely, the strategic decision of the European Payments Council (EPC), that the operationalisation of SEPA payments for the countries of the region, instead of June, should begin in October of the current year, affected the subsequent correction of planned incomes, which are now projected in a larger, more realistic amount.

Other income is planned in the amount of 5,779,000.00 euros and are significantly higher compared to original ones that amounted to 809,000.00 euros. The increase refers to income from supervisory measures based on the provisions of the Law on Credit Institutions and the Law on Prevention of Money Laundering and Terrorist Financing, which the CBCG determines in case of serious, systemic and recurring irregularities in the operations of credit institutions. In addition to the imposed measures, the CBCG also imposed adequate fines in accordance with the Law, for the irregularities found in part of the supervised institutions. Namely, until 30 June 2025, through the new regulatory framework for the implementation of SEPA for credit institutions and the prevention of money laundering and terrorist financing (AMLFT) harmonised with the EU 27, supervisory measures were imposed for several banks, which led to the income in the amount of approximately 4.60 million euros. These are one-off measures and the realisation of extraordinary income that will not be realised continuously in the following period. Conducted supervisions

promote the continuous improvement of the system for managing the risk of money laundering and terrorist financing by credit institutions and other financial services providers in Montenegro. With this amendment, the planned Other income item is brought into line with realisable ones and make the planning of the total CBCG's income more realistic.

With the amendments to the Financial Plan of the Central Bank of Montenegro, total expenses for 2025 are planned in the amount of 30,781,000.00 euros and are higher by 1,250,000.00 euros than the original total expenses for 2025, which amounted to 29,531,000.00 euros. In the structure of total expenses, fee expenses, employee expenses and operating expenses were amended to fulfil the requirements of the reform EU agenda related to access to European payment infrastructures (SEPA and TIPS Clone), support to MONSTAT in implementing ESA 2010 statistics (financial accounts statistics), strengthening the function of preventing money laundering and terrorist financing, and creating other conditions for integrating the CBCG into the European System of Central Banks, in parallel with membership in the European Union.

Fee expenses are planned in the amount of 680,200.00 euros or 10% higher than the originally planned costs for 2025, which amounted to 620,200.00 euros. This increase is conditioned by additional planned costs based on the purchase and selling of cash, to optimise the available funds in the CBCG Vault, and with the aim of ensuring the regular supply of commercial banks with an adequate denominational structure of banknotes and coins.

Employee expenses are planned in the amount of 13,155,200.00 euros and are 5% higher than the originally planned costs for 2025, which amounted to 12,555,200.00 euros. This increase is conditioned by additional planned costs of gross wages that are the result of a strategic obligation related to fulfilling the requirements of the EU agenda, related to connecting to the system of European payment infrastructures, strengthening the function of preventing money laundering and terrorist financing, creating financial accounts statistics, supervisory and other activities that will be carried out by the CBCG employees in the coming period in the process of European integration. This implies the additional engagement of 20 to 25 highly qualified experts with advanced and specialised knowledge necessary for strengthening the CBCG capacities in accordance with the requirements of the process of accession to the ESCB. The new employments relate to key areas that are essential for the institutional and operational improvement of the CBCG's work operations: prevention of money laundering and terrorist financing, cyber security, digitisation, innovation and implementation of new information technologies, supervision of credit institutions, payment systems modernisation through the introduction and maintenance of instant payments, as well as the development and expansion of financial account statistics. Due to the extremely complex nature of these jobs, it is necessary to engage experts with advanced technical knowledge, experience in the EU regulatory framework and the ability to respond to the growing challenges of digitisation and integration in the European financial infrastructures. These personnel investments represent the basis for sustainable strengthening of institutional resilience, compliance with European standards and improvement of the CBCG's functionality into the modern regulatory and technological environment required by the ESCB.

Operating expenses are planned in the amount of 5,425,000.00 euros and are 12% higher than the originally planned operating expenses for 2025, which amounted to 4,835,000.00 euros. These costs are determined in order to implement activities related to the implementation of key reform

initiatives, the implementation of artificial intelligence (AI) solutions in certain business functions such as the prevention of money laundering and financing of terrorism, the supervision of credit institutions and statistics and research, as well as the necessary expertise for the implementation of the Needs Assessment process as part of the preparation of the CBCG for integration into the ESCB. The planned increase of 590,000.00 euros refers to:

- the realisation of strategically oriented communication and educational activities emphasising the importance and advantages of joining the SEPA and the introduction of the TIPS Clone instant payment system for households and corporate sector, encouraging more significant use of digital services for empowering the public, especially vulnerable groups, promoting innovations in the financial sector as an important factor in implementing the reform and green agenda, affirming the importance of preventing money laundering and terrorist financing, consumer protection, financial education, and other initiatives that inform, encourage and empower households and corporate sector with the aim of comprehensive and inclusive integration of Montenegro into the financial space of the EU;
- services for using AI in banking supervision, prevention of money laundering and terrorist financing, enforced collection, and the like. AI solutions will significantly improve data analysis, risk identification, predictive models and process optimization, thereby increasing efficiency and reducing operating costs, and
- expert support service for the Needs Assessment project related to reaching the CBCG's readiness for integration into the ESCB at the time of the EU membership.

The amendments to the Financial Plan of the Central Bank of Montenegro for 2025, as a difference between income and expenses, **have planned to achieve a net profit of 15,801,000.00 euros**, instead of the originally planned amount of 10,581,000.00 euros.