CENTRALNA BANKA
CRNE GORE

2026

FINANCIAL PLAN OF THE CENTRAL BANK OF MONTENEGRO FOR 2026

Podgorica, December 2025

FINANCIAL PLAN
of the Central Bank of Montenegro for 2026

I INTRODUCTORY REMARKS

Pursuant to Article 71, paragraph 2 of the Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17, 125/23) (the Law), the Central Bank plans its income and expenses for the following year in a financial plan which it adopts by 31 December of the current year.

Pursuant to Article 44, paragraph 2 point 12 of the Law, the Council of the Central Bank of Montenegro adopted the Financial Plan of the Central Bank of Montenegro for 2026 at its meetings held on 18 December 2025.

The Financial Plan of the Central Bank of Montenegro for 2026 contains an overview of the planned income and expenses of the Central Bank of Montenegro (CBCG) for 2026.

The CBCG income is realised according to the provisions of Article 66 of the Law.

The expenses of the CBCG represent the estimated operating expenses necessary for performing the CBCG's functions in 2026 and the implementation of operations and tasks determined by the Work Program of the Central Bank for 2026.

The Financial Plan for 2026 is based on the vision from the Strategic Plan 2025–2028, with which the Central Bank of Montenegro (CBCG) intends to become a modern and innovative institutions building confidence, safeguarding financial stability, and fostering sustainable growth through the intensive digitalisation of the financial system, payment system modernisation and continuous introduction of innovation in line with the European standards and support to Montenegro's economic progress.

II CENTRAL BANK'S STATUS

The status, goals, functions, operations and organisation of the CBCG are governed by the Constitution of Montenegro and the Law. Pursuant to Article 143 of the Constitution of Montenegro, the CBCG is an independent organisation responsible for monetary and financial stability and banking system operations. It is governed by the Council of the Central Bank of Montenegro and managed by the CBCG Governor.

The CBCG was established by the Central Bank of Montenegro Law (OGRM 52/00, 53/00, 47/01, 4/05) adopted by the Parliament of Montenegro in November 2000.

The Central Bank of Montenegro Law (OGM 40/10, 46/10, 6/13, 70/17, 125/23) created legal prerequisites for harmonising the status, goals, functions and organisation of the CBCG with Article 143 of the Constitution of Montenegro in a way that optimally improves the management and governance of the CBCG and, at the same time, ensures the preservation of its independence.

This Law aligned the performance of the CBCG's functions and its operations with the general principles for the national central banks' operations established by the relevant EU regulations, namely the provisions of the Treaty on the Functioning of the European Union (Articles 119 and 123, Articles 127 to 133) and provisions of Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank.

III CENTRAL BANK'S OBJECTIVES AND FUNCTIONS

Pursuant to the Law, the CBCG's primary objective is to foster and maintain the financial system stability, including fostering and maintaining a sound banking system and safe and efficient payment system. It also contributes to achieving and maintaining price stability.

The Law also defines the CBCG's functions. According to the Law, the CBCG:

1) oversees the maintenance of the stability of the financial system as a whole and passes pertinent regulations and measures;
2) regulates the operations of credit institutions, issues licenses and grants authorisations to credit institutions and supervised the credit institutions, in accordance with the law;
3) regulates and carries out activities related to the resolution, bankruptcy and winding-up of banks, in accordance with the law;
4) regulates and carries out the payment system operations, in accordance with the law;
    4a) grants authorisations to payment institutions to provide payment services and supervises the payment institutions, in accordance with the law;
    4b) grants authorisations to electronic money institutions to issue electronic money and to provide payment services and supervises the electronic money institutions, in accordance with the law;
    4c) regulates financial leasing, factoring, purchase of receivables, micro-lending and credit guarantee operations, issues licenses and supervises the persons engaged in these operations, in accordance with the law;
5) may be a payment system owner and operator and a participant in other payment systems;
6) issues license to a payment system other than the one it operates and supervises and oversees payment systems;
7) manages the international reserves;

8) acts as the payment and/or the fiscal agent towards specific international financial institutions and may be the representative of Montenegro in international financial institutions;

9) performs macroeconomic and financial research, forecasts and analyses, including monetary, fiscal and the balance of payments analyses, and may give economic policy recommendations to the Government;

10) identifies, analyses and assesses the impact of certain factors on the financial system stability as a whole;

11) collects and statistically processes and publishes data and information of importance for the achievement of objectives and the exercise of the functions of the Central Bank, which are in accordance with this Law and the law governing statistics and statistical system;

11a) carries out the activities related to the protection of rights and interests of clients of credit institutions, users of payment services, and electronic money holders, in accordance with the law;

12) sets up the information system for undisturbed exercise of its functions;

13) executes transfers in the national and international financial markets;

14) accepts deposits of credit institutions, government bodies and organisations and other persons in accordance with the regulations;

15) opens and maintain accounts for credit institutions, government bodies and organisations, foreign banks, central banks, international financial institutions, organisations donating funds to government bodies and organisations, and other persons in accordance with the law and other regulations, and execute payment transactions for those accounts;

16) passes regulations and measures in the areas within its powers pursuant to this and other laws;

17) also performs other activities laid down in this and other laws.

The Law regulates in detail the performance of the CBCG functions and its operations, in particular:

- Monetary and other instruments;
- International reserves of Montenegro;
- Providing and protecting the banknotes and coins;
- Responsibility for the banking system functioning;
- Payment system operations and payment systems;
- Collection, processing and dissemination of data and information, including statistical data and information;
- CBCG relation with other government bodies and organisations;
- Governance and management of the CBCG;
- Property, income and expenses of the CBCG.

IV STAFFING POTENTIAL OF THE CENTRAL BANK

As at 31 October 2025, the CBCG had 377 employees, of which:

- 12 with PhD;
- 98 with MA/MSc;
- 193 with university education;
- 2 with college education;
- 64 with secondary education; and
- 8 of qualified, semi-qualified and non-qualified workers.

V CENTRAL BANK'S INCOME AND EXPENSES

Article 66 of the Law prescribes that the CBCG makes income based on:

1) fees for issuing licenses and granting authorisations in accordance with the law;
2) fees to be collected based on the supervision carried out in accordance with the law;
3) interest and other income on funds deposited abroad;
4) FX revaluation gains;
5) interest on loans granted;
6) fees for rendered services, at the tariff determined by its act;
7) purchase and sale of securities;
8) other fees for performing other activities within its competence;
9) use of property.

Under the provisions of Article 67 of the Law, the following expenses are settled from the income generated by the CBCG:

1) fees on allocated reserve requirement of credit institutions;
2) interest on funds deposited with the CBCG;
3) expenses for providing banknotes and coins;
4) expenses from investments in securities;
5) FX revaluation losses;
6) material and non-material expenses and depreciation expenses;
7) CBCG employees' expenses;
8) other expenses the CBCG incurs in its operations.

The CBCG's Financial Plan for 2026 was compiled following the Decision on the Chart of Accounts of the Central Bank of Montenegro (OGM 88/17). The CBCG discloses its position and records all changes in assets, capital and liabilities, discloses income and expenses, and determines the results of its operations in accordance with the contents of individual accounts in the Chart of Accounts, in line with the International Accounting Standards and the International Financial Reporting Standards.

VI STARTING POINTS IN PLANNING FOR 2026

The Financial Plan for 2026 was prepared based on the execution of the Financial Plan for nine months of 2025, the projection of the expected average balances of placements and deposits, forecasted international financial market trends and the assessment of the effects of the potential use of monetary policy instruments in the following year. The baseline assumptions were: a reduction in payment transaction fees during the current year; the expected volume of payment operations and the number of transactions executed; planned transfers via the Central Bank's accounts abroad using the new SEPA SCT schemes; revenues from the supervision of banks and financial service providers; fees related to issued licences, approvals and credit registry inquiries, and projections of financial expenses, employee expenses, and administrative, operational and other operating costs.

The planned revenue and expenses figures include the effects of changes in the European Central Bank's (ECB) monetary policy, based on the assumption that the currently reduced key policy and market interest rates will remain unchanged in 2026. Moreover, planning financial income and financial expenses (income and expenses from interest) included the assumption that any increase in funds from the public sector would cause a proportional and almost equal recording of corresponding amounts both on the income side (income from interest on deposits and short-term securities, as well as on the expense side based on financial expenses from client deposits.

The funds envisaged under this Financial Plan constitute the basis for implementing activities in the coming year, as defined by the Strategic Plan 2025–2028, with the aim of achieving strategic priorities and further improving operations. Particular focus is on continuing the CBCG's transformation the into a modern, efficient and innovative institution, capable of responding timely to the challenges of the contemporary financial environment and supporting sustainable economic development.

Building on these strategic commitments, the Financial Plan for 2026 has a developmental character, as it supports the growth and enhancement of the CBCG's operations through the modernisation of processes, investments in digital infrastructure, and the strengthening of staff capacities in line with European standards. The Plan is designed to provide a financial framework for the institution's long-term development, with a strong focus on digitalisation, innovation and sustainability.

The key features of the Financial Plan for 2026 relate to the modernisation of payment infrastructure through the implementation of the national instant payment system (the TIPS Clone project), cheaper payment services and increased accessibility of financial services, as well as improvements in the security and efficiency of payment systems. Particular focus is on strengthening cybersecurity and digital resilience, as well as on the continuous professional development of employees and the enhancement of competencies in line with best European practices. The Plan also includes activities aimed at the implementation of ESG standards and the development of a sustainable financial ecosystem, as well as the marking of jubilee events significant for the CBCG's history and development.

When planning for 2026, one of the basic premises is the CBCG's commitment to supporting and developing the national financial education project and implementing the Road Map for introducing ESG (Environment, Social, Government) standards and green economy postulates. In line with the sustainable development and social responsibility principles, the Financial Plan also includes activities aimed at ethical governance, open communication with the public, a responsible approach towards employees and society, and the support for financial education projects.

Through the implementation of the planned activities and the modernisation of key systems, the CBCG continues its preparations for full integration into the European System of Central Banks (ESCB), strengthening institutional capacities and enhancing operational transparency. By complying to the transparency principle, the rationale of the Financial Plan for 2026 has clearly explained the key categories of income and expenses, the reasons for their deviation from the planned amounts for the previous year, and presents the analytical structure of the projected items with a value statement.

In this way, the CBCG ensures full transparency of its operations, enabling a clear insight into the goals, strategies and expected results for the next year, identifying itself as an active driver of innovation, sustainability and inclusive economic growth.

VII PLANNED INCOME IN 2026

The financial plan of the CBCG for 2026 has foreseen total income of 38,049,100 euros distributed as follows:

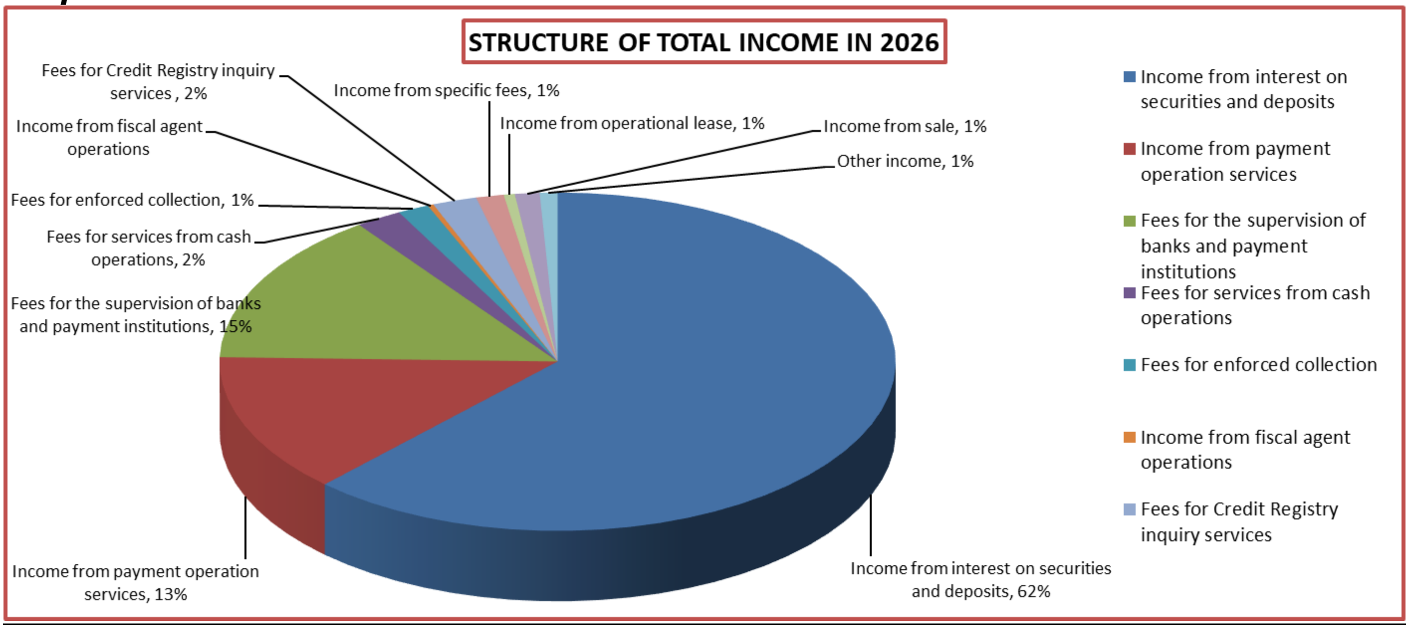
Table 1: Total income

	NAME	Plan for 2025	Plan for 2026	Financial Plan Structure for 2026	Index Plan 2026/Plan 2025
1.	**Financial income**	**25,840,000**	**23,620,000**	**62**	**91**
1.1.	**Interest income**	**25,840,000**	**23,620,000**	**62**	**91**
1.1.1.	Income from interest on securities measured at fair value through other comprehensive income (OCI)	12,100,000	12,220,000	32	101
1.1.2.	Income from interest on securities measured at amortised cost (AC)	1,800,000	2,100,000	6	117
1.1.3.	Income from interest on securities – operating portfolio measured at fair value through OCI	2,700,000	2,400,000	6	89
1.1.4.	Income from interest on deposits	9,240,000	6,900,000	18	75
2.	**Operating income and other income**	**20,742,000**	**14,429,100**	**38**	**70**
2.1.	**Fee income**	**13,940,000**	**12,950,600**	**34**	**93**
2.1.1.	Fees for payment operation services	5,921,000	5,071,000	13	86
2.1.2.	Fees for services from cash operations	858,000	845,000	2	98
2.1.3.	Fees for enforced collection	631,000	570,400	1	90
2.1.4.	Fees for fiscal agent jobs	770,000	108,000	0	14
2.1.5.	Fees for the supervision of banks, licences and approvals	4,920,000	5,501,000	14	112
2.1.6.	Fees for Credit Registry inquiry services	751,000	806,200	2	107
2.1.7	The fee for the supervision of payment systems and payment institutions	89,000	49,000	0	55
2.2.	**Income from specific fees**	**408,000**	**505,000**	**1**	**124**
2.3.	**Income from operating lease**	**200,000**	**200,000**	**1**	**100**
2.4.	**Income from sale**	**415,000**	**450,000**	**1**	**108**
2.5.	**Other income**	**5,779,000**	**323,500**	**1**	**6**
	INCOME	**46,582,000**	**38,049,100**	**100**	**82**

Total income in 2026 are 18% lower than the plan for 2025.
Total income includes financial income, operating income and other income.

Total income for 2026 is planned at a noticeably lower level compared with the 2025 plan, primarily as a result of reduced operating and other income, as well as an expected lower volume of financial income. The key factor behind the lower financial income relates to the anticipated decrease in Income from interest on deposits, due to the continued maintenance of currently reduced benchmark and market interest rates, which, according to projections, are expected to remain stable throughout 2026. In addition, the plan also envisages significantly lower operating and other income, mainly due to the reduction of payment transaction fees by the CBCG, and the expected decline in other sources of income. Taken together, all these factors contribute to formulating a more conservative and prudent total income plan for the forthcoming period.

Graph 1: Total income in 2026



<u>Financial income</u> (interest income) is planned to amount to 23,620,000 euros, 9% less than the plan for 2025. Financial income accounts for 62% of the total planned income for 2026 and refers to the planned income from interest on deposits and securities.

Income from the sale of securities and from released expected loan losses provisions (IFRS 9) and FX differences, also constituting financial income, are not planned following international accounting standards due to their values unpredictability and the impossibility of realistically estimating their future amounts.

The planning of lower income from interest by the end of 2026 is conditioned by:

- the expected maintenance of lower interest rates in the money and capital markets, as a consequence of the ECB's cycle of benchmark interest rate cuts implemented during 2025, compared with the previous period;

- effects of the ECB monetary policy indirectly reflected through trends and volatile level of international reserves and consequently to recorded interest income level;

- commercial banks' business policy regarding the liquidity management, particularly to the liquid assets structure and volume and/or maintaining the resulting balance on their transaction accounts with the CBCG and placements at international markets;

- macroeconomic expectations and indications that the ECB will keep benchmark interest rates stable during 2026, that is, approximately aligned with the targeted inflation rate;

- prudential approach to planning interest income considering the limited predictability of the trends at the international market, variability of the volume and source of funds and the volatility of certain market indicators during the year.

Key assumptions and assessments when planning interest income are based on the following data:

- the level of total international reserves, i.e. the volume of funds available for investment, will average to approximately 1,242 million euros; and

- these funds will be formed from the following sources:

    - CBCG funds (total capital)
    - other sources (Ministry of Finance's deposits and client accounts).

The global investment strategy starts with the total funds of 1,232 million euros of international reserves to be invested in two basic financial instruments: securities (72%) and short-term deposits (28%).

<u>Income from interest on securities</u>, which includes income from interest on securities, measured at fair value through OCI – long-term and short-term, securities measured at AC (investment portfolio until maturity) and operating portfolio, amount to 16,720,000 euros and accounted for 44% of the total planned income.

Planned income from interest on securities starts from:

- average balance of 892 million euros of securities measured at fair value through OCI and securities measured at AC (as at 31 October 2025, the current value of financial assets measured at fair value through OCI and securities measured at AC amounts to 1,025 million euros) and
- data on the effective yield so far, market data on the securities that are part of this portfolio, taking into account the reinvestments in the next 12 months, i.e. the average expected yield based on assumptions about the interest rates trend when investing funds in this type of financial instruments, and by looking at the planned repayments of the government debt and possible unforeseen outflows of funds.

The planned income from securities measured at fair value through OCI - long-term and short-term securities, amounts to 12,220,000 euros. It refers to:

- planned income from securities measured at fair value through OCI **- long-term securities -** liquid portfolio amounting to 7,540,000 euros, recording a 32% increase compared to the planned income from 2025. Such growth is based on the following several key assumptions and market trends:

➢ The current portfolio value amounts to 446 million euros, and the realised effective yields since the initial purchase of debt securities indicate a stable income stream and the sustainability of the investment strategy;
➢ The expected yield on reinvested funds, at an average rate of 1.69% over the next 12 months, is based on current market conditions and the performance of the securities comprising this portfolio;
➢ The growth in planned income is further supported by the fact that funds from matured securities within the same portfolio have been reinvested at higher interest rates compared with the period of their initial investment; Specifically, during the previous investment cycle, effective interest rates were at historically low levels, whereas under current market conditions—following the ECB's interest rate hikes in 2023–2025—more favourable yields have been achieved on new instruments with a similar risk profile;
➢ Although benchmark interest rates are expected to stabilise in 2026 at levels lower than the peak of the previous cycle, there is still a positive lagged market effect between the moment of reinvestment and the adjustment of market yields, allowing for the maintenance of higher effective yields in the short to medium term; and.
➢ Market trends and ECB measures aimed at maintaining financial system stability and inflation within the target range contribute to reduced volatility in the government and corporate bond markets, thereby increasing the predictability and reliability of the planned yields.

Based on these factors, the estimated amount of planned income from long-term debt securities is considered realistic and sustainable, taking into account current market conditions, the portfolio structure, and a conservative approach to assessing expected yields.

-Planned income from securities measured at fair value through OCI - **short-term securities** (liquid portfolio) amount to 4,680,000 euros, or 27% less compared to planned income in 2025. The reduction in planned income primarily results from developments in the money and capital markets, where short-term instruments are yielding lower returns, in line with the monetary conditions set by the ECB. Specifically, the average expected yield on reinvestments in this portfolio over the next year is 1.80%, reflecting market conditions and expectations of ECB benchmark rate stabilisation in 2026. The value of the planned short-term portfolio amounts to 260 million euros, with the nominal amount aligned with projected asset balances and planned repayments of foreign obligations. The planned income is based on realistic parameters—maturities of existing debt securities, available liquid funds for reinvestment, as well as current forward rates and market expectations for short-term financial instruments. Given the observed trends in financial markets, where short-term instruments in this portfolio tend to track the ECB deposit rate as the lower-bound yield level, this income projection is considered both objective and conservatively estimated. In this context, the planned income from short-term securities realistically reflects market conditions, ECB monetary policy, and the structure of available funds throughout 2026.

Planned income from interest on securities measured at AC (held-to-maturity portfolio) in the total amount of 2,100,000 euros refers to the income from long-term government securities issued by Eu member states (Romania, Latvia, Lithuania and Slovakia) with total nominal value of 100 million euros. Compared to the previous period, this portfolio is characterised by improved credit risk, due to higher share of securities with higher credit rating and more stable fiscal position of issuing countries. Such portfolio structure contributes to greater security and predictability of income while maintaining a moderate level of yield. The expected average yield on this portfolio is 2.10%, reflecting current market conditions and the stabilisation of yields on long-term government bonds of euro area countries. The planned income is based on the current portfolio value, the maturity structure and schedule of securities, taking into account expectations of stable market rates throughout 2026 and reduced volatility in the EU government debt market.

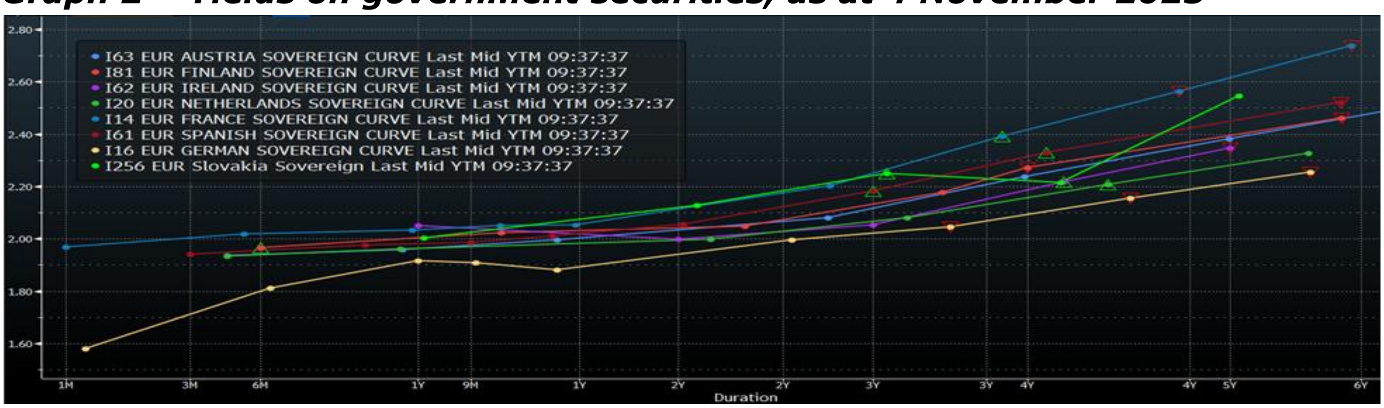
The planned income from interest on the securities-operating portfolio measured at fair value through OCI amounts to 2,400,000 euros and consists of corporate bonds of the financial sector - banking sub-sector in the value of 86 million euros with an average yield rate of 2.79%. Namely, the planned amount has been determined based on the projected value of this portfolio, the recorded effective income in the period since their purchase, the expected yield on reinvested funds in the next 12 months based on the current performance of these securities, and the conditions on the financial markets. This portfolio was introduced into the investment strategy to diversify the investment of international reserves so that it will serve to compensate for the required liquidity after the possible use of the liquid portfolio.

To improve environmental sustainability in operations and investment portfolios following the determination from the Strategic Plan 2025-2028, the CBCG will continue investing in financial instruments with an ESG profile, particularly green bonds in the coming year. In this way, the CBCG not only contributes to decreasing carbon footprint and fostering sustainable finance, but it actively supports transition towards green economy and growth based on sustainability principles.

For illustration, the graphs below show the yield curves for government bonds, German covered bonds and quasi-government bonds in which the CBCG's international reserves are invested.

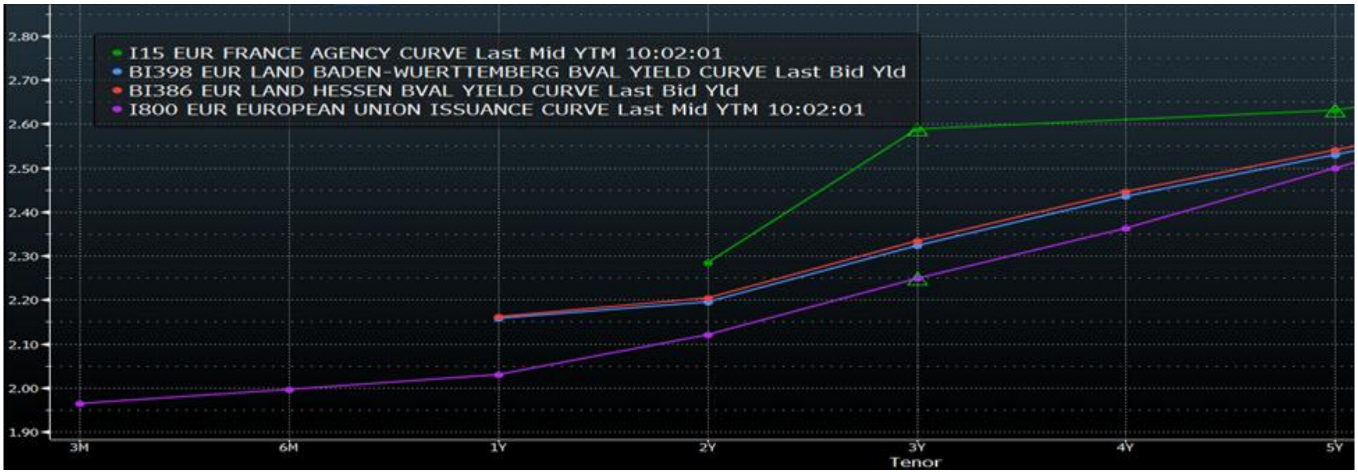
Graph 2 shows trends of the yields on government bonds of euro area countries whose bonds are in the investment portfolio available for sale. The graph shows that the yield curves generally follow each other, and the yield curve show that bonds with longer maturities provide a higher yield. According to the current investment strategy, the maximum allowed maturity of long-term government bonds in which international reserve funds may be invested is seven years. For this reason, the graph shows yields on bonds with maturities of up to seven years. Over the last year, the funds were invested and reinvested in securities with maturity from 3 years and 1 months to 4 years and 11 months.

Graph 2 – Yields on government securities, as at 4 November 2025



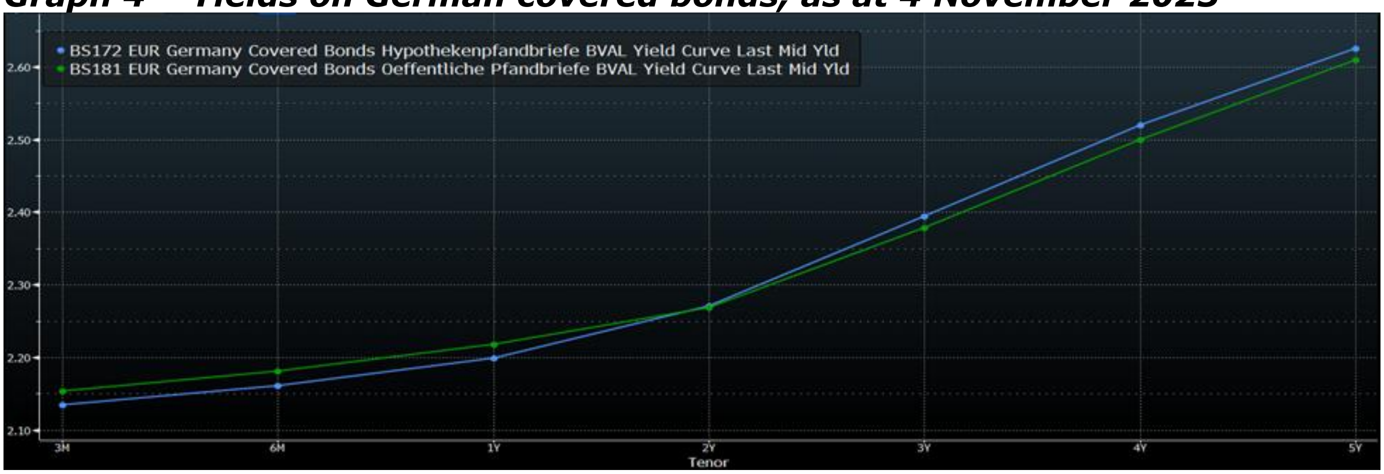
Since there is no single curve for the quasi-government sector, Graph 3 shows the yield curves for French agencies, two German states (Baden-Wuerttemberg and Hessen) and the European Union as issuers of supranational bonds. Yields are similar compared to the same period last year, while some forecasts show that the ECB interest rates will remain at current levels, thus it may be expected that the yields will be similar to those presented in the Graph.

Graph 3 - Yield on quasi-government securities, as at 4 November 2025



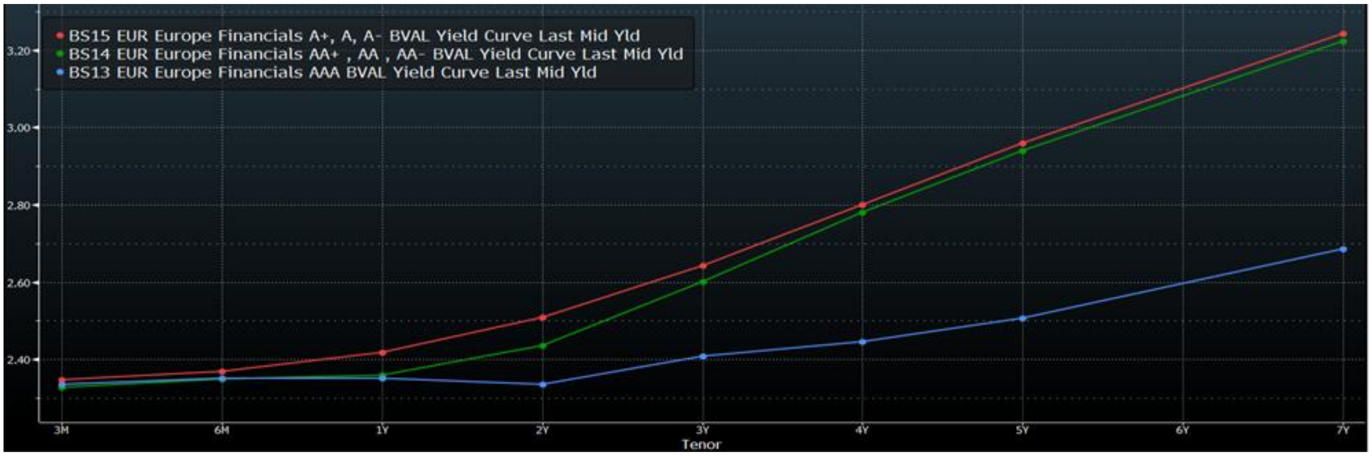
Currently, 1-year yields on German covered bonds (Pfandbrief - covered by mortgages and public loans - Graph 4) are below 5-year yields. The yields on bonds in this sector are slightly above the respective yields within the state and quasi-state sectors.

Graph 4 – Yields on German covered bonds, as at 4 November 2025



Yields on corporate securities of the financial sector with maturities of five years range between 2.68% and 3.24%, which is similar compared year-on-year when these yields ranged between 2.74% and 3.16%. The ECB announced that the interest rates will remain unchanged in the coming period, thus the yields on all maturities will be similar as now.

Graph 5 - Yields on corporate bonds of the financial sector, as at 4 November 2025



It should be added that the displayed graphics are for information purposes and show an approximate current picture of the situation (at early November 2025), while the realised yields during the securities trade differ slightly and may differ slightly from those shown in the graphs.

Income from interest on deposits in 2026 is planned to be 6.900,000 euros, accounting for 18% of the total planned income for the following year. This amount is planned based on the average value of deposits of some 285 million euros and the expected interest rate of 1.79% on euro and 3.14% on USD deposits.

The average value of funds has been calculated based on the expected level of the liquid portfolio, taking into account the planned debt repayments by the Ministry of Finance as well as portfolio changes resulting from cash withdrawals from the Vault. According to current projections, the ECB is expected to maintain stable interest rates throughout 2026. It is forecasted that by the end of the fourth quarter, the main refinancing rate will be approximately 2.15%, while the deposit rate will be 15 basis points lower, at 2.00%. Forward rates for 3-month deposits are projected to range between 1.89% and 2.01%, whereas 6-month deposit rates, according to Bloomberg data, are expected to range between 1.99% and 2.09%. Current indicative bank rates at which the CBCG places funds range from 2.03% to 2.18% for 6-month deposits and from 2.04% to 2.14% for 3-month deposits. In line with current trends, the average expected rate on overnight USD funds is projected at 3.14%, enabling the achievement of the planned interest income for the coming year.

Operating income and other income in 2026 are planned to be 14,429,100 euros or 30% less than the total planned income in 2025, due to less planned income for fees for national payment system operations due to lower fees for services provided by the CBCG, and from lower other income and fiscal agent fees. Operating income and other income account for 38% of the total planned income, and refer to fee income, income from specific fees, income from operational lease, income from sales and other income.

Fee income is planned to amount to 12,950,600 euros, being 7% less than the plan for the previous year, and accounting for 34% of the total planned income. This income includes:

1) Fees for payment operation services of 5,071,000 euros, or 13% of the total planned income. This income is 14% lower compared to the plan for 2025. This group of income includes fees for payment system services, i.e. fees for participation and calculation of fees in the RTGS, calculation of orders in the DNS, and fees based on other services provided by the CBCG in payment operations. During the current year 2025, by amending the Decision on determining tariff for calculating fees charged for the Central Bank of Montenegro services, with the aim of improving the payment system's efficiency and accessibility, the CBCG reduced the cost of payment transactions for all participants in the payment system by introducing a single fee for the entire operating period of the system (8 a.m. to 8 p.m.), eliminating additional charges for later hours, thereby further encouraging the use of the Payment System over an extended timeframe. Additionally, to achieve the objective of operating the domestic payment system on the principles of general good and in line with EU regulations on market infrastructures (TIPS Clone system), and considering significant investment costs and high operational expenses, the CBCG reduced fees for RTGS and DNS payments by 50% compared with the previous period. This contributed to creating a more modern and cost-effective environment for all payment system participants, fostering competition and creating conditions for proportionally passing on the benefits of lower costs to citizens and businesses. This decision was made deliberately, in line with the strategic commitment that long-term improvements in the efficiency, accessibility, and competitiveness of the national payment system are more important than short-term reductions in its own revenues, i.e., the negative impact on the Central Bank's income. The financial impact of this measure is not negligible, as a reduction in payment system revenues of approximately 2.6 million euros per year is expected.
2) Fees for services from cash operations are planned to be 845,000 euros or 2% of total planned income. The planned income is 2% lower than the plan resulting from the expected slight decreased in payments with banknotes to clients' accounts. This income mainly arises from the fees for cash payments and payouts from/to clients' accounts. Given the unchanged regulatory and operational conditions regarding cash deposits and withdrawals, it is expected that, within the framework of Treasury cash management, these fees will be realised in accordance with the planned amounts over the coming year.

3) Fees for enforced collection are planned to be 570,400 euros or 1% of the total planned income. These fees are 10% lower than the plan due to lower expected execution by the end of the year. This fee arises from the enforced collection activity on the accounts of enforceable debtors, based on issuing and executing enforced collection orders, calculating interest on enforceable orders, executing orders from previous years, issuing certificates to enforceable debtors and creditors, sending messages, fees for providing data to public bailiffs and fees for enforcement orders withdrawal, postponement or modification.
4) Fees for fiscal agent jobs are planned to amount to 108,000 euros or 86% less than the plan for 2025 mainly due to lower fees for servicing foreign transactions within the SEPA payment schemes. In line with its strategic commitment to improving payment operations and aligning with European standards, the CBCG has introduced the execution of cross-border payment transactions for government bodies and organisations through SEPA schemes. By amending the Decision on determining tariff, the charge for transactions executed under these schemes has been set at 50 euros per transaction, while no fee is charged for incoming payments of government bodies and organisations. This change in the fee structure has a direct impact on planned revenue, which explains the more significant decrease compared with the previous period. Revenues planned on this basis also include fees for the organisation and execution of auctions of Treasury bills, which are planned in accordance with the excerpts from the Fiscal Strategy of Montenegro for 2024-2027.
5) Fees for the supervision of banks, licences and approvals are planned to amount to 5,501,000 million euros, which accounts for 14% of the total planned income. These fees are 12% higher than the planned income for the previous year due to increased bank assets in 2025 compared to the beginning of the year (approximate growth of 489.15 million euros or 6.75%). This fee is calculated by applying the percentage to the total amount of assets of all banks, branches of foreign banks, micro-credit institutions and credit unions in Montenegro at the end of the year preceding the year for which the fee is calculated. The CBCG applies the rate for calculating the Fee income from the supervision of banks of 0.065%, which is significantly below the statutory amount (0.25% of total assets amount), basing the amount of fee to cover supervisory function costs.
6) Fees for Credit Registry inquiry services are planned to amount to 806,200 euros or 2% of the total planned income and 7% higher than the plan for 2025. The Decision on Determining Tariff for Calculating Fees Charged for the Central Bank of Montenegro Services has defined the single tariff for Credit Registry inquiries for credit-deposit institutions, legal person, entrepreneurs and natural persons. An analysis of processed enquiries in the Credit Registry showed that the number of requests increased by approximately 4.67% in 2025, as a result of growth in credit activity, i.e. a higher number of approved

loans. This trend is largely attributable to the CBCG's initiative aimed at reducing interest rates, which contributed to more favourable borrowing conditions. In addition, wage growth resulting from the implementation of the "Europe Now 2" programme further stimulated demand for loans, thereby continuing the positive trend in lending. Furthermore, the planned introduction of electronic access to reports using biometric identity cards is expected to contribute to a further increase in the number of users and the volume of credit activity in the period ahead. For these reasons, the projected growth in revenue from fees for Credit Registry services is considered fully justified and sustainable.

7) The fee for the supervision of payment systems and payment institutions (subject to the provisions of the Payment System Law) is planned to be 49,000 euros. This income refers to the income from annual supervision of the operations of seven payment institutions and fees for deciding on requests for additional payment services, establishing branches, registering in the register, reducing the amount of own funds, etc.

<u>Income from specific fees</u> is planned to be 505,000 euros, considering the expected volume of transfers through CBCG accounts abroad. This income includes fees for transfers through CBCG accounts abroad and fees for conversion services. Considering the impossibility of accurately forecast the volume of exchange of funds at the credit institutions' request due to its dependence on daily banks' needs and liquidity in the system, the relevant data on the current year trends were used for planning income for 2026.An assessment of the expected volume of fund exchanges at the request of credit institutions in 2026 has been taken into account, noting that this volume depends exclusively on banks' needs and is subject to significant fluctuations. The assessment considered the levels of transaction accounts at the end of the previous year and the timeline of their reduction during the current year. In addition, it also took into consideration the impact of the introduction of SEPA payments, as this implies a reduced need for banks to maintain higher balances on domestic accounts.

<u>Income from operating lease - renting</u> is planned to be 200,000 euros, which is at the 2025 plan level. This income refers to income from the operating lease of the CBCG's office space. The retention of the planned amount compared with the previous year results from a stable contractual framework and the expected continuity of existing leases. A prudent approach was applied in the planning process, taking into account possible changes in the tenant structure and market conditions.

<u>Sales income</u> includes income from the sale of precious metals-numismatics, income from the sale of bills of exchange and income from the sale of fixed assets and intangible investments. This income is planned to be 450,000 euros or 1% of the total planned income. This income exceeds the plan for 2025 by 8% due to forecast

growth of income from the sale of bills of exchange resulting from the expected further credit activity growth in the next year.

Other income is planned to amount to 323,500 euros, or 1% of total income. This group also includes interest income on housing loans at fair value, income from museum activities, fee income for giving opinions, and the like.

VIII PLANNED EXPENSES IN 2026

The Financial Plan of the CBCG for 2026 has foreseen total expenses of 33,499,100 euros distributed as follows:

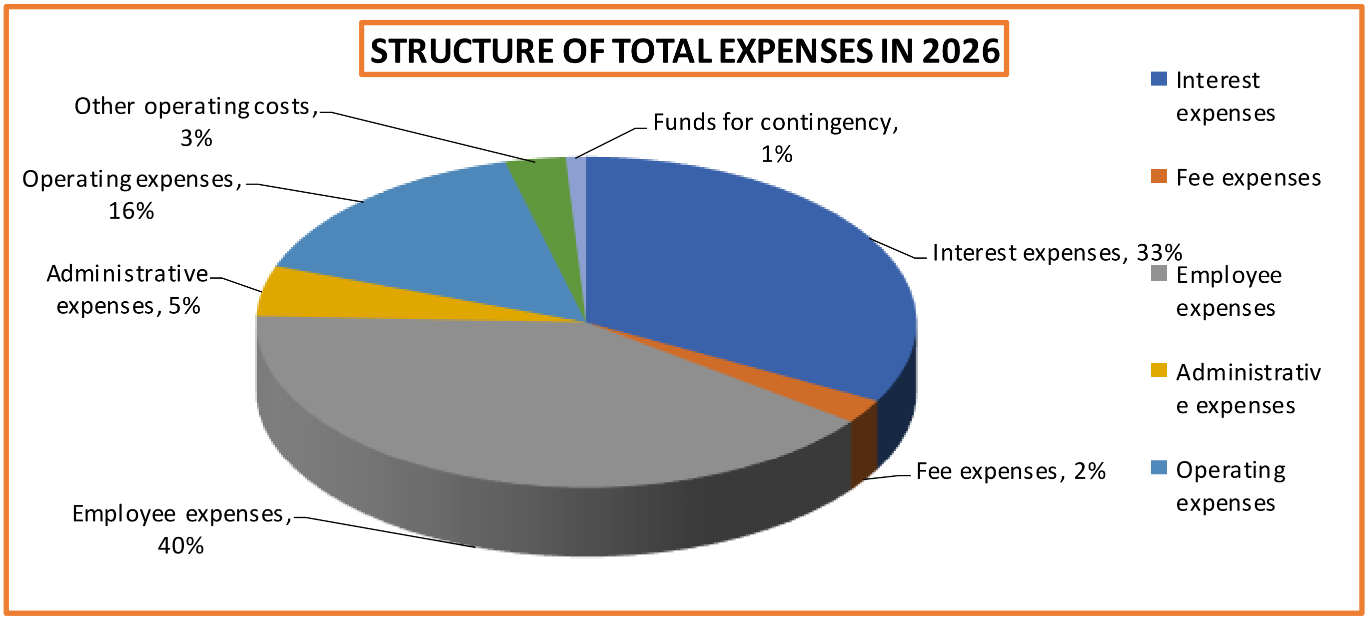
Table 2: Total expenses

	NAME	Plan for 2025	Plan for 2026	Financial Plan Structure for 2026	Index Plan 2026/Plan 2025
1.	**Financial expenses**	**8,900,000**	**11,010,000**	**33**	**124**
1.1.	**Interest expenses**	**8,900,000**	**11,010,000**	**33**	**124**
2.	**Operating costs**	**21,591,000**	**22,159,100**	**66**	**103**
2.1.	**Fee expenses**	**680,200**	**785,200**	**2**	**115**
2.2.	**Employee expenses**	**13,155,200**	**13,530,000**	**40**	**103**
2.2.1.	Gross earnings	11,514,700	11,790,000	35	102
2.2.2.	Other earnings	1,070,000	1,115,000	3	104
2.2.3.	Compensations for increased employee expenses	570,500	625,000	2	110
2.3.	**Administrative expenses**	**1,555,600**	**1,640,400**	**5**	**105**
2.4.	**Operating expenses**	**5,425,000**	**5,210,500**	**16**	**96**
2.5.	**Other operating costs**	**775,000**	**993,000**	**3**	**128**
3.	**Funds for contingency**	**290,000**	**330,000**	**1**	**114**
	TOTAL EXPENSES:	**30,781,000**	**33,499,100**	**100**	**109**

Total planned expenses in 2026 are 9% higher than the plan for 2025. The increase in total expenditures mainly results from higher interest expenses on public sector deposits, and, to a lesser extent, from an increase in operating costs due to additional expenses directed towards the payment infrastructure modernisation.

Total expenses include financial expenses and operating costs.

Graph 6: Total expenses in 2026



When planning expenses for the upcoming business year, we started with the realised execution for the first nine months of 2025 and its estimation until the end of the year. Its trend will depend on the real possibilities, i.e. the realisation of the CBCG's income and the intensity of further ECB measures' effects in correcting reference interest rates and the impact of inflation on the growth of prices of goods, services and works. When creating the expenses plan, the CBCG primarily took into account proposals and suggestions from internal organisational units regarding their needs for the smooth implementation of planned tasks and duties.

The planned increase in operating costs results from providing funds to support the achievement of the goals and activities set by the Strategic Plan 2025-2028, with a special emphasis on developing innovative solutions and modernising CBCG's services and payment infrastructure through the introduction of a TIPS Clone system developed on the basis of Eurosystem technical standards, in cooperation with the Banca d'Italia and the ECB. In addition, it has planned further financial support for the digitalisation of business processes, the strengthening of cyber security, the enhancement of financial education and inclusion, and the implementation of green economy standards. The Plan also foresees further investing in the tangible and intangible assets maintenance, additional financing of promotional and educational materials, professional training aimed at continual harmonisation of legislation and internal procedures with the ESCB member states and the fulfilment of obligations from the EU integration process, and constant strengthening of employee performance. Special emphasis has been placed on securing funds for the implementation of the project "Needs Assessment for the Alignment of the Central Bank of Montenegro with ESCB and Eurosystem Standards", which relates to the assessment of the regulatory, functional and operational framework of the CBCG against Eurosystem standards, the identification of areas requiring alignment, and the definition of recommendations for harmonisation and preparation for the future CBCG's integration into the Eurosystem. Additional expenses are planned for the organisation of conferences, seminars and other events in the context of marking national jubilees, which represent important dates for affirming the CBCG's institutional identity and reputation. Together with other planned activities in the areas of education, cooperation and promotion, these initiatives contribute to strengthening the CBCG's reputation, enhancing professional capacities, and promoting values such as transparency, sustainability and financial stability. Still, given the above, the CBCG performed the optimal possible rationalisation of expenses to constantly ensure timely, efficient and high-quality operations of the CBCG in the public interest by strengthening the transparency principle and providing a basis for implementing planned public procurement procedures.

Financial expenses (interest expenses) are planned to amount to 11,010,000 euros, which account for 33% of the total planned expenses for 2026. They are 24% above the plan due to the expected higher level of public sector deposit funds held with the CBCG, and the allocation of funds for interest expenses and fees in accordance with the agreed on-lending loan for the implementation of the national instant payment system – the TIPS Clone project.

Interest expenses include interest expenses to other financial institutions (Deposit Insurance Fund) of 3,360,000 euros and interest expenses to the public sector (Ministry of Finance) of 7,400,000 million euros, and Interest expenses and fees for TIPS Clone project of 250,000 euros.

In addition, when determining the planned amount for the next year, the projections and information on the amount of deposited funds and state debt presented in the Fiscal Strategy of Montenegro for 2025-2027 and the corresponding provisions of the Agreement on the performance of banker, depository and fiscal agent activities with the Ministry of Finance, and with the Deposit Protection Fund, regarding the method of calculating interest rates on funds deposited with the CBCG. Furthermore, in defining the average level of deposits of the Deposit Protection Fund, we took into account the base formed on the assumption that the Fund will increase its deposit level by a portion of the premiums paid, in line with its statutory obligation and the practice of previous years, as well as the interest rate determined in accordance with the provisions of the current agreement.

Losses from the sale and impairment of financial assets (IFRS 9) and FX differences are not planned following international accounting standards due to their values unpredictability and the impossibility of realistically estimating their amount in the future.

Operating costs are planned to be 22,159,100 euros or 3% more than the plan for 2025 and made 66% of total expenses. The planned operating costs will represent the main financial support for the implementation of the development component of the Financial Plan for the coming year, which is primarily reflected in the implementation of the national instant payment system – the TIPS Clone, the continuation of the digitalisation and automation of work processes, as well as the harmonisation of the institutional, human resources and organisational framework with the ESCB.

Operating costs include fee expenses, employee expenses, administrative expenses, operating costs and other operating costs.

Fee expenses are planned to be 785,200 euros or 2% of the total planned expenses. These expenses are higher compared to the plan for 2025 by 15% due to the increased expenses of fees to banks for withdrawing/bringing of cash, the registration of Treasury bills, the maintenance of custody accounts, and other specified fees related to the costs of cash handling and insurance.

Fee expenses for payment operations and maintenance of custodial accounts are planned to be 145,000 euros and refer to expenses for payment services abroad, payments to the custodian for maintaining securities accounts and registering issued T-bills through the CBCG.

The specific fee expenses, which include fees to foreign banks for the purchase and selling of currency and other specific fee expenses, are planned to be 640,200 euros. Fee expenses to the banks for purchasing cash are planned to amount to 150,000 euros. The necessary amounts in banknotes and coins are provided in a timely manner by correspondent banks abroad to supply the CBCG's clients with the necessary amounts and denomination structure of cash. The fee expenses to the banks for selling cash are planned to be 180,000 euros, based on the realised expenses for selling cash (banknotes) in the current year and the limit of funds that may be kept in the vault. The other specific fee expenses are planned to be 310,000 euros and refer to the insuring cash in the vault, forwarding and handling expenses for the purchase and selling of cash, and airport services related to the cash manipulation - shipments from abroad when purchasing and selling cash - banknotes to/ from a correspondent bank abroad.

Employee expenses are planned to amount to 13,530,000 euros or 3% more than the plan for 2025.

When planning total employee expenses for the current year, we took into account to the need to ensure the continuous, efficient and timely performance of all CBCG functions, particularly in view of the growing demands arising from ongoing regulatory environment changes and the process of alignment with the ECB practices.

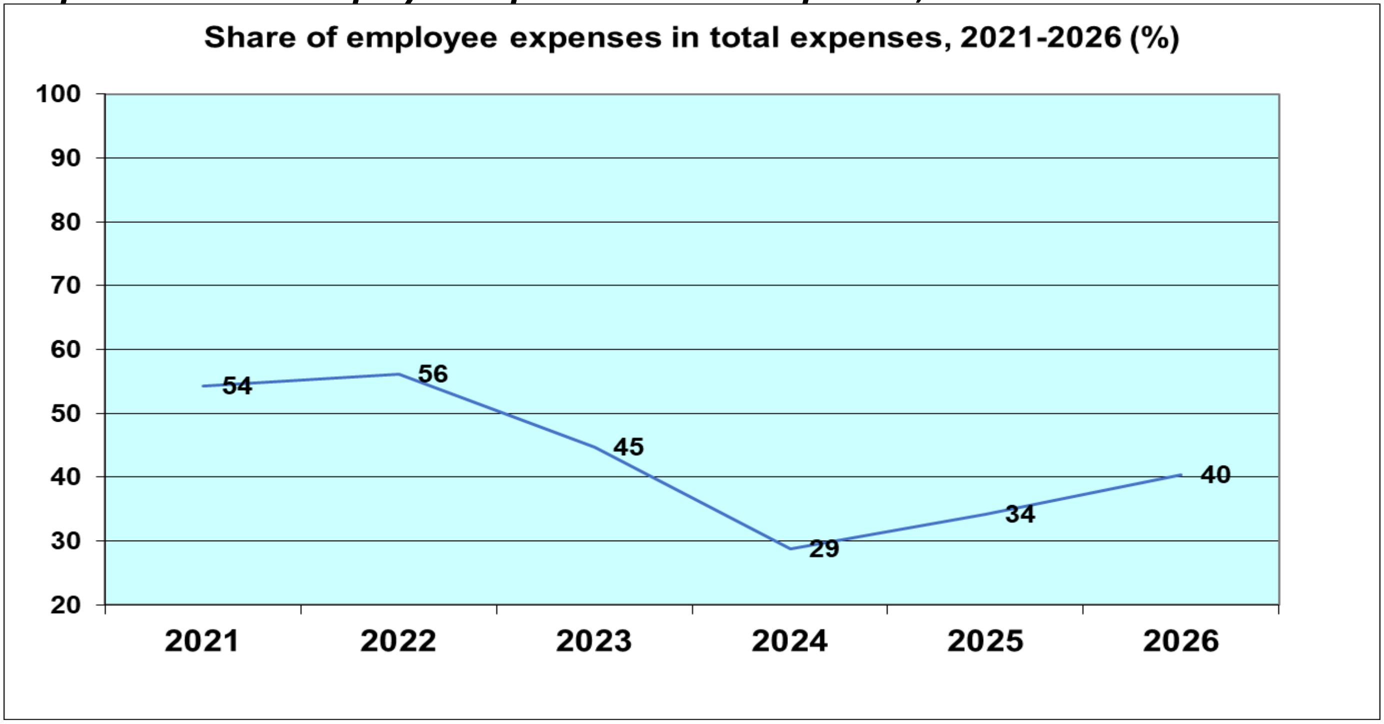
Special emphasis is on further strengthening capacities in the areas of supervision, AML/CFT supervision, the protection of the rights of users of financial services and on the payment systems function, within which the TIPS clone project is being implemented. This project plays a key role in improving the payment infrastructure and promoting advanced technologies that contribute to greater payment system' efficiency, inclusiveness and interoperability. The implementation of the TIPS Clone solution and preparations for the CBCG's integration into the ESCB require additional staff engagement, the development of new knowledge and skills, and the application of innovative and digital solutions in everyday processes. Commitment to staff development therefore remains one of the priorities – through the identification of internal potential, the definition of organisational values and continuous investment in professional training, thereby strengthening the institution's capacity to respond to new challenges and to successfully implement strategic projects of importance for integration into European standards and frameworks.

The planned share of employee expenses in total expenses for 2026 amounts to approximately 40%, which represents a lower level compared to the period 2021–2023, and a slightly higher share compared to the previous two years, when an increased share of interest expenses in total expenditure was recorded.

Analyses of comparative data and publicly available information on the other central banks' operations show that the share of employee expenses in total expenses varies depending on the size of the institution, the scope and complexity of its functions, and the structure of its operational activities. On average, this share ranges between 50% and 60% for central banks with a pronounced regulatory and supervisory role, while for smaller institutions or those with a more limited range of functions it may be even higher. In this context, the planned share of employee expenses in 2026 reflects a balanced approach to cost planning and a rational allocation of resources towards strategic priorities and projects of systemic importance.

The graph below shows the trend of share of employee expenses in total expenses for the 2021-2026 period:

Graph 8: Share of employee expenses in total expenses, 2021-2026



Employee expenses include gross earnings of employees, other earnings, compensations for increased employee expenses, and other employee expenses.

Gross earnings account for 35% of total expenses and they are planned to amount to 11,790,000 euros, or 2% more than planned for 2025. The planning took into account all elements that affect the amount of these expenses, such as the wage coefficient, the amount of the starting base, the expenses for taxes and contributions, percentages of employees' past work, increase in costs of living, etc. The increase in gross earnings in 2026 does not reflect a significant nominal rise in employees' wages, but primarily covers the need to secure funds for the statutory mandated adjustment for years of service, changes in the staff structure resulting from natural attrition and the recruitment of new staff, as well as the alignment of wage costs with the current inflation rate, with the aim of preserving the real value of wages and maintaining the institution's competitiveness in the labour market. This approach enables stable and sustainable planning of expenses, while at the same time preserving employees' motivation and engagement in implementing the CBCG's key tasks, particularly in relation to projects of strategic importance such as the TIPS Clone and activities aimed at integration into the ESCB.

Other earnings is planned to amount to 1,115,000 euros, or 3% of total expenses. It includes the expenses of jubilee awards, severance pay, solidarity assistance, other benefits defined by the Collective Agreement of the Central Bank, and other employee benefits. The planning of these expenses results from continued activities aimed to improve organisational agility that implies inclusive job opportunities, developing and implementing competency assessments, establishing individual development plans, and fostering employee engagement by cultivating an environment that encourages feedback and sharing opinions.

Compensations for increased employee expenses account for 2% of total expenses and they are planned to amount to 625,000 euros, or 10% more than planned for 2025. The most significant items in the structure of these expenses include expenses of business trips and expenses of professional training and development of employees, which represents a key investment in staff development and the enhancement of employee performance in line with job requirements and the CBCG's functional responsibilities. The CBCG is committed to promoting excellence through talent management and continuous professional development of its employees, taking into account the actual needs of its functions, including the implementation of complex regulatory and technological solutions, as well as the harmonisation of the financial and accounting framework with ESCB standards. The CBCG employees participate in numerous meetings, colleges, and conferences (organised by the ECB, BIS committee, EU Economic and Financial Dialogue, Moneyval, BSCEE - Banking Supervisors from Central and Eastern Europe, annual conference of ICOMON-International Museum Committee, etc.), and in the preparation and implementation of key projects and regulatory initiatives. Furthermore, the finalisation of Montenegro's accession process to the EU requires the engagement of significant financial and administrative resources, particularly in relation to the implementation of the "Needs Assessment" project, which is carried out in coordination with De Nederlandsche Bank and the National Bank of Belgium. In addition, employees are actively involved in the work of three negotiating chapters and a further six working groups, which entails mandatory participation in regular meetings, conferences and events in the country and abroad organised by the European Commission, the ECB and/or the ESCB. The international reserves management segment requires continuous training and the exchange of experience with colleagues from central and commercial banks in order to monitor market trends. Given the pronounced need for bilateral meetings with partner banks and institutions such as the Federal Reserve, the BIS, the IMF and the World Bank, increased allocations for official travel and professional training represent a necessary prerequisite for the high-quality implementation of strategic tasks and the full development of employees' professional competencies.

Administrative expenses are planned to amount to 1,640,400 euros or 5% more compared to the plan for 2025. The share of administrative expenses in total expenses is planned to account for 5%. These expenses include stationery, energy, utility services, intangible services, and compensations to other natural persons. The increase in administrative expenses mainly results from an increase in the expenses for intangible services for the additional expenses on implementing the TIPS Clone system, promoting financial education, CBCG membership fees in international associations of monetary and financial institutions, the costs of auditing, professional expertise and appraisals, and costs of printing books and reports.

Stationery expenses are set to be 235,200 euros and refer to purchase of stationary and spare parts.

Energy expenses, covering electricity, heating oil, fuel for cars, and generator charging, are projected to be 250,200 euros, or 1% more than the 2025 plan. The expenses for utilities are projected to be 99,000 euros and include the costs for renting the parking space.

Intangible services are planned to be 556,000 euros. These expenses include audit, expertise and assessment expenses, consulting and legal services, printing of books and reports, expenses for advertisements, marketing and propaganda, membership fees and other expenses for intangible services. The level of these costs is primarily driven by higher planned expenditure on promotional and educational materials aimed at the implementation of numerous financial education projects for primary and secondary schools, as well as the printing of books and reports. In addition, the production of printed promotional and educational materials is planned, along with the preparation of manuals for teaching staff with the aim of raising the level of financial literacy in society, as well as advertisements, campaigns and notices, and PR texts related to the promotion of projects implemented by the CBCG, all with the objective of enhancing the financial knowledge of the wider public. In addition, these expenses include subscriptions to digital services, costs of campaigns and sponsored posts on social networks, etc., all to increase transparency and support for the implementation of activities defined by the Strategic Plan of the Central Bank and the Programme for Financial Education Development in Montenegro 2023–2027, with the CBCG as one of its leading carriers.

Compensations to other natural persons are foreseen to amount to 500,000 euros. These compensations include scholarships and loans to pupils and students for the best bachelor’s, master’s and doctoral theses, and academic papers from areas of impact of climate change on the financial system, royalties, compensations to the Council of the Central Bank members who are not CBCG employees, compensations under labour contracts, compensations to the Audit Committee and the Advisory Board members, and other compensations to other natural persons. To promote excellence and support the most talented staff, starting from 2024, the structure of these costs also records funds for young and dedicated students provided by the CBCG through the “AcKnowledge the Knowledge” programme, and the special contract concluded with the University of Montenegro, for awarding scholarships to the best students in the final years of undergraduate and master’s studies.

The operating costs are planned to be 5,210,500 euros (including depreciation of 1,375,000 euros) and account for 16% of the total planned expenses. These expenses mainly relate to the expenses of maintaining tangible and intangible assets increased by additional expenses for modernising national payment infrastructure, telecommunication services, business cooperation agreements to ensure the necessary digitisation of business processes and maintaining of application systems, introducing innovative solutions and supporting projects to strengthen financial education, and the increase in depreciation costs due to planned investments.

In line with the Strategic Plan 2025-2028, the CBCG continues to invest in implementing activities aimed at digital transformation and the improving of technical infrastructure. Through investing in cutting-edge technologies, including SEPA and TIPS Clone payment systems, artificial intelligence, machine learning and advanced data analytics, it planned the redesigning of the CBCG's digital infrastructure and establishing a dynamic framework for data management, which will improve decision-making and the development of predictive models. In parallel, it planned the modernisation and better technical equipping of the CBCG's premises with the aim of increasing operational efficiency, optimising asset management, and creating the conditions for a modern and sustainable working environment.

The expenses for core assets and equipment maintenance are planned to amount to 1,750,000 euros. These expenses refer to property maintenance expenses and property insurance expenses. Property maintenance expenses are planned to be 1,700,000 and include:

- maintenance of hardware and intangible assets (licenses) related to guarantees and standard support for computer network components, maintenance of server infrastructure platforms to improve the payment system's security and interoperability, maintenance of print systems, maintenance of micro data centre (MDC) safes, website control and protection system, maintenance of central UPS devices, licensing of Microsoft and Oracle software products, support and maintenance of the application system, extension of the validity of licenses for the security solution for workstations and servers, extending annual support for Service Management software, extending support for protection against cyber threats based on AI technology, extending support for specialised software for statistics, design, translations and e-learning. This ensures the stability and security of the information environment, along with business continuity and data protection, as well as the maintenance of the functionality, security and efficiency of the CBCG's infrastructure, in compliance with modern technical and security standards, and
- concluding new and extending existing contracts on the maintenance of office buildings, telecommunication equipment, servicing and maintenance of video surveillance systems, access control, working time records, burglar alarm systems, fire protection systems, control of performing protection measures under the statutory obligation of maintaining appliances and hydrant networks, maintenance of the fleet and primary assets in the Vault -standardised

machines for banknote processing, control and rolling of coins, etc. and ad-hoc maintenance.

Property insurance expenses are planned to amount to 50,000.00 euros.

The expenses for literature are planned to be 80,000 euros. These expenses refer to the procurement of literature, official gazette and magazines for the professional improvement of employees' knowledge, and enriching the CBCG's library fund.

The expenses of telecommunication services are planned to amount to 530,000 euros or 2% of total planned expenses. These expenses, projected to increase by 25% compared to the 2025 plan, include the expenses of using the communication system for exchanging Credit Registry data with commercial banks and expenses for landline and mobile phones. Other expenses from this group of services are the expenses of the Internet, Swift, Bloomberg, Bankers Almanac, Fitch-Solution and Ice index, which are used to monitor the trend of indices of financial instruments on the international money and capital markets. The execution of these expenses is related to previously concluded contracts, which need to be continuously renewed to ensure the availability of necessary information and data.

The expenses for taxes, fees and other duties are planned to be 150.000 euros and refer to property tax expenses of 70,000 euros, other taxes and other duties of 30,000 euros, and expenses for court decisions expenses and judicial verdicts of 50,000 euros.

The fee expenses for compensation under business cooperation contracts are planned to be 1,325,000 euros. The planned activities, as the basis of these expenses, include providing funds in the following year for implementing these development activities determined in the Strategic Plan of the Central Bank 2025-2028:

- activities related to the minting and issuance of a commemorative gold and/or silver coin to mark the anniversary, and the organisation of events, educational workshops and high-profile conferences. It also envisages costs for escorting the transport of cash and treasury valuables by specialised companies, and the procurement of bill of exchange forms;

- the engagement of consultancy and expert services in the areas of cyber security, process digitalisation, penetration testing, external reviews of SWIFT controls, the design of a new data centre, the modernisation of application solutions and the implementation of a Business Project Management platform. These costs support the enhancement of the CBCG's security and technological capacities in line with international standards and regulatory frameworks;

- for the purposes of occupational health and safety, it envisages the funding of medical examinations and first-aid training for employees in high-risk categories, and the engagement of professional supervision for urgent maintenance and repair works and technical installations. In addition, funds are planned for the protection of premises, including the procurement of coercive means, the engagement of security services and the revision of "Protection Plans", as well as voluntary health insurance for employees; and

- services related to recording, editing and distribution of materials, design and branding, rental of event equipment, website maintenance and support in organising high-profile events. Furthermore, it envisages costs for detailed energy audits and professional supervision to ensure the safety, functionality and compliance of the CBCG facilities with applicable ESG standards.

All the activities will contribute to the CBCG aligning its operations with European practices by applying the most modern technologies, modernising operations, improving risk management, and increasing efficiency. Additionally, investing in promoting financial education and FinTech knowledge will improve digital literacy and empower users of financial services. By raising awareness of climate change and promoting a responsible approach to environmental protection, the CBCG will encourage the development of sustainable finance and the integration of environmental, social, and governance (ESG) principles into its policies and processes, thereby contributing to the overall resilience of the financial system and supporting the green transition of the economy.

Depreciation (of IT infrastructure, equipment and real estates owned by the bank) is planned to amount to 1,375,500 euros or 4% of the total planned expenses, and it is 1% higher than the plan for the previous year. The planned increase results from the expected realisation of planned investments by the end of the current year and in 2026. Planned investments in the second half of 2025 and throughout 2026 include the reconstruction and adaptation of office spaces and facilities, including the modernisation of conference rooms, the development of areas for monitoring TIPS clone transactions, and the procurement of new software and hardware infrastructure aimed at digitalising business processes and improving the efficiency of the payment system. Additionally, in accordance with international financial reporting standards, a fair value assessment of real estate, plant, and assets was carried out during 2025, resulting in an increase in their book value, which directly impacted the planned depreciation amount for the following year.

By implementing all the aforementioned activities, the CBCG continues the process of modernising its infrastructure, digital transformation, and the enhancement of its physical and technical environment, with the aim of creating a more functional, sustainable, and inclusive workspace, and positioning itself as a modern and competitive institution within the ESCB.

Other operating costs are planned to amount to 993,000 euros, or 285% more than the plan for 2025. Other operating costs are planned to amount to 993,000 euros, or 285% more than the plan for 2025 due to the planned allocation for the supplementary health insurance for CBCG employees and supporting events that are important for the entire financial system and EU integration process. These expenses account for 3% of the total planned expenses in 2026 and refer to the expenses of conferences, seminars and events organised by the CBCG, supporting humanitarian activities, and representation.

In line with its Strategic Plan and the principles of socially responsible business, the CBCG continues to develop activities aimed at improving the working environment, cooperating with the Trade Union, supporting humanitarian initiatives, sports and educational projects, and other socially beneficial activities. During 2026, alongside regular visits from international experts and the Governors' and Finance Ministers' Summit, the CBCG will mark the 25th anniversary of its establishment, which will involve organising high-profile events attended by officials from European central banks and international financial institutions. In addition, participation is planned in the third phase of the IPA regional project, as well as an intensification of activities related to the European integration process, which often require the organisation of meetings and events on an ad hoc basis.

Conference and seminar costs have been planned based on input and work programmes from organisational units, covering numerous educational, professional, and promotional events aimed at strengthening financial literacy, corporate culture, employees' professional competencies, and promoting transparency and sustainable finance.

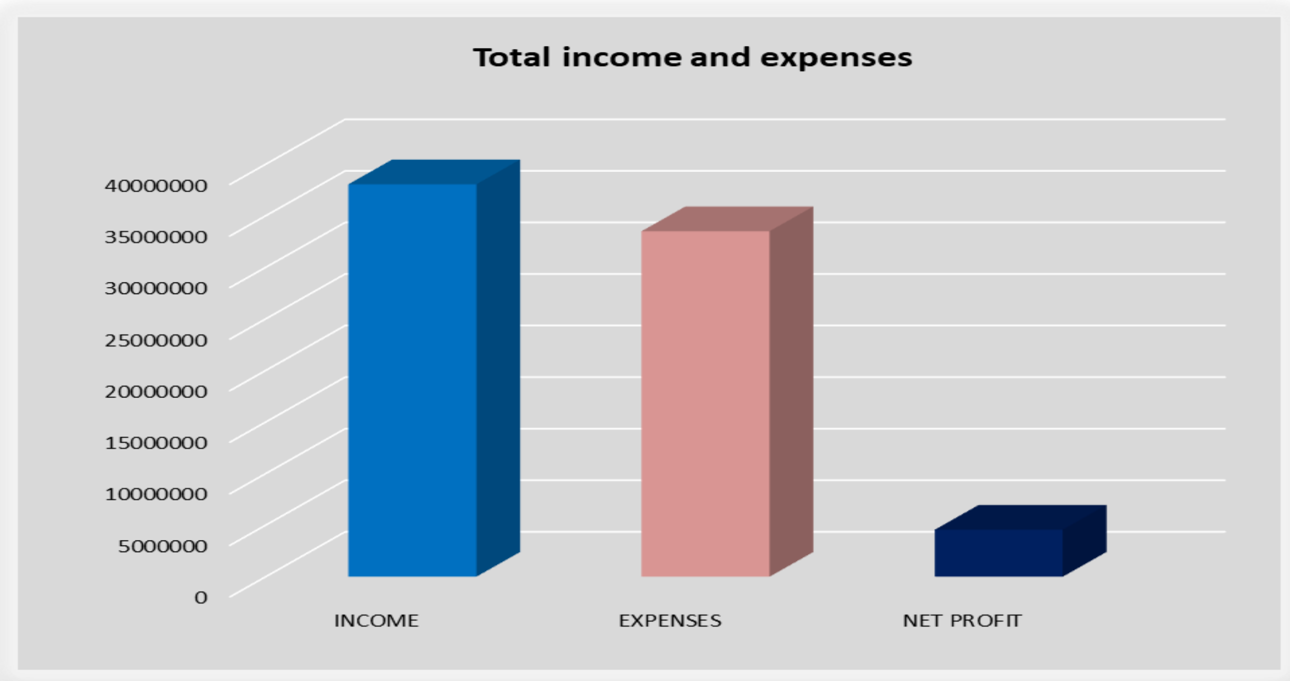
Within these activities, particular attention is given to the organisation of the Central Bank's 25th anniversary celebrations, and the events in the financial education, consumer protection, payment system innovation, and gender equality areas. In this way, the planned expenditures for 2026 reflect the CBCG's proactive role in international cooperation, European integration, and social responsibility, while continuously enhancing professional standards and institutional visibility.

Funds for contingency are planned to amount to 330,000 euros. These funds are projected to be up to 1% of planned expenses. They are intended to finance necessary, unplanned or inadequately planned operating costs that cannot be predicted in advance and whose coverage cannot be carried out within the already planned categories of operating costs.

IX PLANNED OPERATING RESULT IN 2026

The difference between revenues and expenses in 2026 shows the planned **net profit of 4,550,000 euros**, which is significantly lower than the expected net profit in 2025 due to decreased operating income mainly from the decreased fees which the CBCG charges for payment operation services.

Graph 9: Total income and expenses



The amount of the planned net profit is conditioned on the implementation of the planned income, i.e. the execution of the planned expenses during 2026. To optimise operations, and considering trends at international financial money and capital markets, a part of the planned expenses on which the CBCG management can affect (except for interest expenses, FX differences, losses based on the reduced value of financial assets) will be maintained in the planned amounts and implemented to a level enabling normal and efficient operations during 2026. When managing international reserves, all activities will be based on the provisions defined in the Guidelines for International Reserves Management while ensuring low exposure to credit risk, liquidity risk, interest rate risk, currency and operational risk, preserving liquidity and achieving a possible level of profitability. *Therefore, the non-realisation of the planned net profit for 2026 can be influenced to the greatest extent by international financial market trends and their effect on income or expenses from financial assets (interest rate on deposits, effective returns on securities and interest expenses), recording of expected loan loss provisions according to IFRS 9, and possible recording of income/expenses based on provisions (write-off of non-*

performing placements and receivables and provisions for legal disputes, the amount of which cannot be estimated and planned in advance).

X REALISATION OF FINANCIAL PLAN FOR 2026

The realisation of the Financial Plan for 2026, i.e. the allocation of funds from this financial plan will be carried out in accordance with the CBCG's general acts, the Strategic Plan 2025–2028, adopted decisions, programmes and work plans, established CBCG criteria and benchmarks, concluded contracts and other acts that the CBCG adopts in accordance with the Law to achieve the objectives and execute its functions.

SUBMITTING FINANCIAL PLAN FOR 2026

Pursuant to Article 71 paragraph 3 of the Central Bank of Montenegro Law, (OGM 40/10, 46/10, 6/13, 70/17, 125/23), the Financial Plan of the Central Bank for 2026 is submitted to the Parliament of Montenegro and the Government of Montenegro for information purposes.

No: 0101-10024-2/2025
Podgorica, 18 December 2025