

CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS

31 DECEMBER 2024

EXIM BANCA ROMÂNEASCĂ S.A.

**CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS
31 DECEMBER 2024**

**Prepared in accordance with the
International Financial Reporting Standards
as adopted by the European Union**

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Statement of Responsibility for the Preparation of the Consolidated and Individual Financial Statements

In accordance with Article 10, paragraph 1 of the Accounting Law no. 82/1991, the responsibility for organizing and managing the accounting lies with the administrator, the credit authorizing officer, or another person who is responsible for managing the respective entity.

As Executive President of Exim Banca Românească S.A., pursuant to Articles 30 and 31 of the Accounting Law no. 82/1991, I assume responsibility for the preparation of the financial statements as of December 31, 2024, both at the consolidated level for the Exim Banca Românească S.A. Group, and at the individual level for Exim Banca Românească S.A., and I confirm that:

- a) The accounting policies used for the preparation of the consolidated and individual financial statements as of December 31, 2024 are in accordance with the International Financial Reporting Standards adopted by the European Union and implemented based on the National Bank of Romania Order no. 27/2010, as subsequently amended and supplemented;
- b) The consolidated and individual financial statements as of December 31, 2024 provide a true and fair view of the financial position, financial performance, and other information related to the activity carried out;
- c) The Exim Banca Românească S.A. Group, and Exim Banca Românească S.A., carry out their activity on a going concern basis.

The Exim Banca Românească S.A. Group includes Exim Banca Românească S.A. and the Insurance - Reinsurance Company Exim Romania S.A.

Exim Banca Românească S.A. is the parent company of the Group, headquartered at 6A Barbu Delavrancea Street, Sector 1, Bucharest, Romania, and is registered with the Trade Registry under number J40/8799/1992.

The Insurance - Reinsurance Company Exim Romania S.A. is the subsidiary of the Group, headquartered at 33 Aviatorilor Boulevard, Ground Floor, Sector 1, Bucharest, Romania, and is registered with the Trade Registry under number J40/3151/2009.

**Executive President,
Traian Sorin Halalai**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Exim Banca Românească S.A.

Report on the Audit of the separate and consolidated financial statements

Opinion

1. We have audited the separate and consolidated financial statements of Exim Banca Românească S.A. (the "Bank") and its subsidiaries (collectively "the Group"), with registered office in 6A Barbu Delavrancea street, District 1, Bucharest, Romania, identified by unique tax registration code RO 361560 which comprise the separate and consolidated statement of financial position as at 31 December 2024, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as at 31 December 2024 are identified as follows:
 - Separate financial statements

	- Equity	RON 1.708.943 thousand
	- Net profit for the financial year	RON 73.080 thousand
 - Consolidated financial statements

	- Equity	RON 1.724.791 thousand
	- Net profit for the financial year	RON 86.437 thousand
3. In our opinion:
 - the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2024, its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU and National Bank of Romania Order no. 27/2010 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to credit institutions, with subsequent amendments ("Order 27/2010").
 - the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards/IFRS Accounting Standards as adopted by the EU/IFRS Accounting Standards as issued by the International Accounting Standards Board and Order 27/2010.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate

and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Nature of the area of focus	How our audit addressed the key audit matter
<i>Collective impairment of loans and advances to customers</i>	
According to IFRS 9, the Group and Bank accounts for credit losses and advances to customers based on expected credit losses (ECL): for a period up to 12 months for credit exposures for which the credit risk did not increase significantly since origination, and throughout the credit lifetime for exposures with significant increase in credit risk, as detailed in impairment policy in Note 2, point I., to the financial statements. As of 31 December 2024, the Group registered impairment allowances in amount of RON 486.511 thousand for loans and advances to customers in gross amount of RON 14,338,084 thousand. The Group and the Bank exercises significant professional judgement using complex models, extensive data and subjective assumptions over both when and how much to record as impairment for loans. Because loans and advances to customers form a major portion of the Group's and Bank's assets, and due to the significance of the management professional judgments applied in classifying loans and advances to customers into various stages stipulated in IFRS 9 and determining the related impairment level, this audit area is considered a key audit matter. Key areas of judgement included: - utilization of historical data for determining risk parameters; - the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the expected credit loss model; - assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customers; - the identification of exposures with a high level of significant deterioration in credit quality and the industries affected by the restrictions imposed as a result of current economic environment; - potential impact on the assumptions used, increases in credit risk and impairments, and future cash flows as a result of the current social and economic conditions; - assessment of prospective information.	Based on our risk assessment and industry knowledge, with the support of our credit risk experts, we have examined the impairment charges for loans receivables and evaluated the methodology applied as well as the key assumptions made by the management according to the description of the key audit matter. Our procedures included the following elements: 1) Testing of key internal controls We have checked the adequacy of the key processes and related key controls applied by management to ensure accuracy of impairment calculation, including: - key controls identified to ensure quality assurance of the methodological aspects used in the development of professional judgments and the ECL models; - key controls related to timely identification of impairment triggers and significant increase in credit risk; - key controls to assess the debtors' financial performance and estimate future cash flows. For the relevant key controls identified in, we have tested the design and operating effectiveness of such controls. 2) Testing the implementation of the ECL computation methodology into the IT computation systems, including: - assessment on a sample basis of the credit quality and stage allocation; - test on a sample basis the ECL computations. 3) Obtaining and analysing the information to support the key assumptions used in: - development of the models for the key risk parameters computation (12-month probability of default, lifetime probability of default and loss given default), including procedures on the source data quality; - development of the expected credit loss models; - development and adequacy of the stage allocation and the criteria used to determine the significant increase in credit risk; - development of models to reflect the potential impact of future economic conditions in the ECL computation; - assessment of the adequacy of the analysis and adjustments made by the management, on all the

Nature of the area of focus	How our audit addressed the key audit matter
	aspects pertaining to the estimation of expected credit losses, including prospective information on customers loans portfolio. We have analysed whether the ECL material information presented in the financial statements disclosures is adequate, in accordance with the applicable IFRS requirements.
Interest and Fee Income Recognition	
Refer to Note 3 and 8 of the financial statements. For the year ended 31 December 2024 the Group and the Bank interest income represents KRON 1,117,105 the main source being loans and advances to customers. These are the main contributors to the operating income of the Group and Bank affecting the Group's and Bank's profitability. Interest income is accrued over the expected life of the financial instrument using the effective interest rate. Fees that are directly attributable to the financial instrument are part of the effective interest rate and accrued over the expected life of such an instrument and are presented as interest income; Revenue recognition specifics, a high volume of individually small transactions which depends on data quality of interest and fee inputs and on IT systems for their recording, resulted in this matter being identified as a key audit matter.	We have tested the design and operating effectiveness of the key internal controls and focused on: • data input on interest and directly attributable fees for loans and advances to customers; • IT controls relating to access rights and change management of relevant automated controls, with the assistance of our IT specialists. We performed also the following procedures with regard to interest revenue recognition: We evaluated the accounting treatment in respect of fees charged to clients to determine whether the methodology complies with the requirement of the relevant accounting standard. We have focused our testing on challenging the correct classification of fees that are identified as directly attributable to the financial instrument and are part of the effective interest rate; For a sampling of contracts, we assessed the completeness and accuracy of data used for the calculation of interest income. We evaluated the mathematical formula used for accruing the relevant income over expected life of the loan. We have assessed the interest income by building our own expectation on the revenue and compared with the actual results. Analysing the adequacy of interest income - related disclosures for compliance with the relevant IFRS requirements.

Other Information – Administrator's Report

- The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report which includes the sustainability report, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements for the year ended 31 December 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other reporting responsibilities with respect to other information –Administrators’ report

With respect to the Administrators’ report (“Administrators’ report”), we read and report if this has been prepared, in all material respects, in accordance with the provisions of National Bank of Romania Order no. 27/2010, articles 32-34.

On the sole basis of the procedures performed within the audit of the separate and consolidated financial statements, in our opinion:

- a) The information included in the Administrators’ report for the financial year for which the separate and consolidated financial statements have been prepared are consistent, in all material respects, with these separate and consolidated financial statements;
- b) The Administrators’ report has been prepared, in all material respects, in accordance with the provisions of National Bank of Romania Order no. 27/2010, articles 32-34.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the separate and consolidated financial statements prepared as at 31 December 2024, we are required to report if we have identified a material misstatement of this Administrators’ report. We have nothing to report in this regard.

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. We have been appointed by the General Meeting of Shareholders dated 8 May 2023 to audit the separate and consolidated financial statements of Exim Banca Românească S.A. for the financial year ended 31 December 2024. The uninterrupted total duration of our commitment is 5 years, covering the financial years ended 31 December 2020 until 31 December 2024.

Report on Other Legal and Regulatory Requirements – Report on the Information Regarding Income Tax

17. For the financial year preceding the financial year for which the separated and consolidated financial statements were prepared, the Bank was not required under National Bank of Romania Order no. 27/2010 with subsequent amendments, to prepare and publish a report on income tax information.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Bank that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the Group.
- No non-audit services referred to in Article 5 (1) of EU Regulation No. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Irina Dobre, Audit Partner
April 2, 2025

*For signature, please refer to the original
signed Romanian version.*

I. CONSOLIDATED AND INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31-Dec-24		31-Dec-23	
		Group	Bank	Group	Bank
Interest income	3	1.605.575	1.603.672	1.539.460	1.537.739
Interest expenses	4	-1.096.048	-1.099.373	-1.134.058	-1.138.279
Net interest income		509.527	504.299	405.402	399.460
Fee and commission income		149.825	149.660	127.203	127.048
Fee and commission expenses		-30.499	-30.477	-24.213	-24.194
Net fee and commission income	8	119.326	119.183	102.990	102,854
Insurance income		62.750	-	79.191	-
Insurance services expenses (claims paid and acquisition costs)		-19.960	-	-11.368	-
Reinsurance contract expenses		-30.353	-	-36.943	-
Net result from insurance activities		12.437	-	30.880	-
Net financial income (+profit/ -loss) from insurance contracts		-1.491	-	-2.972	-
Net financial income/expense from reinsurance		795	-	1.818	-
Net financial income (+profit/ -loss)		-697	-	-1.154	-
Net result from insurance activities (+profit/ -loss)	9	11.741	-	29.726	-
Gain/(loss) from foreign exchange differences	6	46.175	46.222	35.891	35.896
Gain/(loss) from trading and derivative instruments	6	57.947	57.947	84.161	84.161
Gain/(loss) from investment properties	20	761	761	1.014	1.014
Other income	10	11.484	11.484	9.635	10.047
Operating income		756.961	739.896	668.819	633.432
Salaries and other related expenses	11	-221.833	-221.833	-220.627	-209.205
Depreciation expenses	19	-56.880	-56.880	-54.175	-53.119
Other operating expenses	12	-155.309	-155.309	-130.674	-125.713
Operating expenses		-434.022	-434.022	-405.476	-388.037
Net result before adjustments for expected losses		322.939	305.874	263.343	245.395
Gain/(loss) from impairment of financial assets, commitments and guarantees granted	5	-212.185	-211.762	-206.345	-178.728
Gross profit before taxation		110.754	94.112	56.998	66.667
(Expense) on current and deferred income tax	13	-24.317	-21.032	-11.149	-8.446
Net profit, attributable to:		86.437	73.080	45.849	58.221
Controlling interests		86.245		45.640	
Non-controlling interests		192		209	

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

II. CONSOLIDATED AND INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Net profit for the period	86.437	73.080	45.849	58.221
Other comprehensive income items, net of tax	1.649	1.649	94.497	94.497
Other comprehensive income items reclassifiable to profit or loss in future periods	859	859	94.316	94.316
Net gains/(losses) from revaluation of financial instruments at fair value through other comprehensive income	1.095	1.095	112.236	112.236
Deferred tax related to financial instruments through other comprehensive income	-236	-236	-17.920	-17.920
Other comprehensive income items not reclassifiable to profit or loss in future periods	790	790	181	181
Net gains/(losses) from revaluation of equity instruments at fair value through other comprehensive income	790	790	181	181
Revaluation surplus	-	-	-	-
Deferred tax related to revaluation surplus	-	-	-	-
Other items	-	-	-	-
Total comprehensive income for the period	88.086	74.729	140.346	152.718
Net profit/(loss) attributable to:	86.437	-	45.849	-
Controlling interests	86.245	-	45.640	-
Non-controlling interests	192	-	209	-
Comprehensive income attributable to:	88.086	-	140.346	-
Controlling interests	87.894	-	167.137	-
Non-controlling interests	192	-	-26.791	-

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

III. CONSOLIDATED AND INDIVIDUAL STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31-Dec-24		31-Dec-23	
		Group	Bank	Group	Bank
Cash		182.597	182.597	182.552	182.552
Accounts with the National Bank of Romania	14	5.374.138	5.374.138	5.563.676	5.563.676
Claims on credit institutions	15	2.479.058	2.465.014	1.633.192	1.621.327
Derivative financial instruments	16	42.594	42.594	3.368	3.368
Debt securities held for trading	18	251.439	251.439	174.714	174.714
Financial assets at fair value through other comprehensive income, of which:	18	1.105.358	1.105.358	846.353	846.353
- Investments in equity instruments		6.777	6.777	5.800	5.800
- Debt securities		1.098.581	1.098.581	840.553	840.553
Debt securities at amortized cost	18	3.015.183	2.957.541	3.561.809	3.518.864
Loans, net	17	13.851.573	13.851.573	13.997.502	13.997.502
Investments in subsidiaries	18	-	61.046	-	61.046
Tangible assets, net	19	219.888	215.516	226.388	224.456
Intangible assets, net	19	60.768	59.460	56.470	55.446
Investment property	20	45.859	45.859	45.156	45.156
Other assets	21	122.008	113.019	182.776	138.994
Reinsurance receivables (IFRS 17)	9	16.622	-	29.025	-
Deferred income tax assets	13	14.652	14.652	14.893	14.893
TOTAL ASSETS		26.781.737	26.739.806	26.517.874	26.448.347
LIABILITIES AND EQUITY					
Derivative financial instruments	16	3.283	3.283	22.454	22.454
Deposits from banks	22	1.252.065	1.252.065	1.155.355	1.155.355
Deposits from the Ministry of Finance	23	2.799.627	2.799.627	5.474.122	5.474.122
Deposits from customers	25	20.075.498	20.151.431	17.644.632	17.716.616
Deferred income and accrued expenses	29	98.363	96.922	84.859	84.266
Provisions	26	81.563	77.904	79.160	76.624
Other liabilities	27	262.893	238.044	342.698	284.695
Insurance contract liabilities (IFRS 17)	9	72.067	-	77.887	-
Deferred income tax liabilities	13	-	-	-	-
Subordinated loans	22	411.587	411.587	-	-
TOTAL LIABILITIES		25.056.946	25.030.863	24.881.167	24.814.132
Share capital	30	1.514.997	1.514.997	1.514.997	1.514.997
Retained earnings	32	347.333	356.370	335.826	342.879
Restated retained earnings (IAS 29 application)	32	-742.485	-742.485	-742.485	-742.485
Reserves	33	574.076	550.291	499.336	490.699
Revaluation reserve of tangible assets	33	41.218	41.218	41.222	41.222
Other comprehensive income items	34	-11.448	-11.448	-13.097	-13.097
Total equity attributable to the parent company's shareholders		1.723.691	1.708.943	1.635.799	1.634.215
Non-controlling interests		1.100	-	908	-
Total equity		1.724.791	1.708.943	1.636.707	1.634.215
TOTAL LIABILITIES AND EQUITY		26.781.737	26.739.806	26.517.874	26.448.347

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

The attached notes are an integral part of the financial statements.

EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

IV. CONSOLIDATED AND INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

<i>Group – 31 December 2024</i>	Share capital	Revaluation reserve	Fair value through other comprehensive income reserve	Reserves	Retained earnings, share capital inflation IAS 29	Retained earnings	Total attributable to the parent company's shareholders	Non-controlling interests	Total Equity
Balance as of 1 January 2024	1.514.997	41.222	-13.097	499.336	-742.485	335.826	1.635.799	908	1.636.707
Fair value revaluation – other comprehensive income	-	-	1.649	-	-	-	1.649	-	1.649
Revaluation of buildings/land	-	-4	-	-	-	4	-	-	-
Actuarial gains	-	-	-	-	-	-	-	-	-
Other items of retained earnings	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	6.402	-	79.841	86.245	192	86.437
Subtotal comprehensive result	-	-4	1.649	6.402	-	79.845	87.894	192	88.086
Reserve reconstruction	-	-	-	68.338	-	-68.338	-	-	-
Share buyback	-	-	-	-	-	-	-	-	-
Dividends distributed to shareholders	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-
Share capital increase	-	-	-	-	-	-	-	-	-
Balance as of 31 December 2024	1.514.997	41.218	-11.448	574.076	-742.485	347.333	1.723.691	1.100	1.724.791

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

The attached notes are an integral part of the financial statements.

EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

<i>Group – 31 December 2023</i>										
	Share capital	Revaluation reserve	Fair value through other comprehensive income reserve	Reserves	Retained earnings, share capital inflation IAS 29	Retained earnings	Treasury shares	Total attributable to the parent company's shareholders	Non-controlling interests	Total Equity
Balance as of 1 January 2023	1.704.389	41.222	-107.594	446.668	-900.714	362.168	-50.478	1.495.661	699	1.496.360
Fair value revaluation – other comprehensive income	-	-	94.497	-	-	-	-	94.497	-	94.497
Revaluation of buildings/land	-	-	-	-	-	-	-	-	-	-
Actuarial gains	-	-	-	-	-	-	-	-	-	-
Other items of retained earnings	-	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	3.837	-	41.804	-	45.641	209	45,850
Subtotal comprehensive result			94.497	3.837		41.804		140.138	209	140.347
Reserve reconstructions	-	-	-	48.831	-	-48.831	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-	-	-
Dividends distributed to shareholders	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Share capital increase										
Share capital decrease – 2023 buybacks	-189.392	-	-	-	158.229	-19.315	50.478	-	-	-
Balance as of 31 December 2023	1.514.997	41.222	-13.097	499.336	-742.485	335.826	-	1.635.799	908	1.636.707

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

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EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

Bank – 31 December 2024

	Share capital	Revaluation reserve	Other comprehensive income	Reserves	Retained earnings, IAS 29	Retained earnings	Non-controlling interests	Total Equity
Balance as at 1 January 2024	1.514.997	41.222	-13.097	490.699	-742.485	342.879	-	1.634.215
Revaluation of assets at fair value – other comprehensive income	-	-	1.649	-	-	-	-	1.649
Revaluation of buildings/land	-	-4	-	-	-	4	-	-
Actuarial gains	-	-	-	-	-	-	-	-
Other elements of retained earnings	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	4.706	-	68.374	-	73.080
Subtotal – Total comprehensive income	-	-4	1.649	4.706	-	68.377	-	74.729
Reserve replenishment	-	-	-	54.886	-	-54.886	-	-
Treasury shares buyback	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-
Share capital increase	-	-	-	-	-	-	-	-
Share capital decrease – treasury shares buyback 2024	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	1.514.997	41.218	-11.448	550.291	-742.485	356.370	-	1.708.943

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

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EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

Bank – 31 December 2023

	Share capital	Revaluation reserve	Other comprehensive income	Reserves	Retained earnings, IAS 29	Retained earnings	Treasury shares	Non-controlling interests	Total Equity
Balance as at January 1, 2023	1.704.389	41.222	-107.594	446.437	-900.714	348.235	-50.478	-	1.481.497
Revaluation of assets at fair value – other comprehensive income	-	-	94.497	-	-	-	-	-	94.497
Revaluation of buildings/land	-	-	-	-	-	-	-	-	-
Actuarial gains	-	-	-	-	-	-	-	-	-
Other elements of retained earnings	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	3.333	-	54.888	-	-	58.221
Subtotal – comprehensive income	-	-	94.497	3.333	-	54.888	-	-	152.718
Reconstitution of reserves	-	-	-	40.929	-	-40.929	-	-	-
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-
Share capital increase	-	-	-	-	-	-	-	-	-
Share capital decrease – treasury share repurchases 2023	-189.392	-	-	-	158.229	-19.315	50.478	-	-
Balance as at December 31, 2023	1.514.997	41.222	-13.097	490.699	-742.485	342.879	-	-	1.634.215

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

The attached notes are an integral part of the financial statements.

V. CONSOLIDATED AND INDIVIDUAL STATEMENT OF CASH FLOWS

	Note	31-Dec-24		31-Dec-23	
		Group	Bank	Group	Bank
Cash flows from operating activities					
Profit before taxation		110.754	94.112	56.998	66.667
Adjustments:		263.591	263.169	255.304	226.631
Depreciation of fixed assets	19	56.880	56.880	54.175	53.119
Adjustments for impairment of financial assets and guarantees granted	5	212.185	211.762	206.345	178.728
Other provisions		-4.771	-4.771	-4.202	-4.202
Other adjustments related to non-monetary items		-703	-703	-1.014	-1.014
Changes in operating assets		-105.726	-152.498	-734.684	-728.296
Decrease/(increase) in customer loans		-58.556	-58.556	-670.837	-670.837
Decrease/(increase) in trading assets		-76.725	-76.725	-15.039	-15.039
Decrease/(increase) in other assets		29.555	-17.217	-48.807	-42.419
Changes in operating liabilities		355.334	396.406	3.173.754	3.179.556
(Decrease)/increase in amounts due to banks		692.995	692.995	-297.715	-297.715
(Decrease)/increase in amounts due to customers		2.430.869	2.434.818	3.643.354	3.653.847
(Decrease)/increase in state funds and other liabilities		-2.768.530	-2.731.407	-171.885	-176.576
Income tax (paid)/recovered		-3.285	-	-14.989	-12.286
Net cash used in operating activities		620.669	601.189	2.736.382	2.732.271
Cash flows from investing activities					
Purchases of financial investments		5.239.059	5.253.756	-5.247.209	-5.243.178
Redemptions/sales of financial investments		-4.948.179	-4.948.179	5.251.708	5.251.708
Purchases of tangible and intangible assets		-32.957	-31.261	-155.389	-154.356
Redemptions of treasury shares		-	-	-	-
Dividend income	10	3.038	3.038	2.386	2.386
Net cash from investing activities		260.962	277.355	-148.504	-143.440
Cash inflows/(outflows) from borrowings		-584.698	-584.698	198.655	198.655
Cash inflows/(outflows) from subordinated loans		400.000	400.000		
Cash outflows from lease liabilities (payments)		-40.560	-39.652	-36.993	-37.610
Net cash from financing activities		-225.258	-224.350	161.662	161.045
Change in cash and cash equivalents		656.373	654.194	2.749.541	2.749.877
Opening balance, Group/Bank		7.379.420	7.367.555	4.629.879	4.617.678
Closing balance		8.035.793	8.021.749	7.379.420	7.367.555
Cash and cash equivalents		8.035.793	8.021.749	7.379.420	7.367.555
Cash		182.597	182.597	182.552	182.552
Accounts with the National Bank of Romania	14	5.374.138	5.374.138	5.563.676	5.563.676
Claims on credit institutions – under 3 months	15	2.479.058	2.465.014	1.633.192	1.621.327
Interest received		1.820.327	1.818.424	1.804.476	1.802.755
Interest paid		1.117.950	1.121.275	1.103.388	1.107.609

The financial statements were approved by the Board of Directors on 02.04.2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-president

The attached notes are an integral part of the financial statements.

VI. NOTES TO THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS

01. General Information

The Exim Group ("the Group") comprises the parent company (Exim Banca Românească S.A.) and its subsidiary Compania de Asigurări - Reasigurări Exim România S.A. (The Insurance – Reinsurance Company Exim România "EximAsig"), based in Romania. The consolidated and individual financial statements as at 31 December 2024 include the parent company and the above-mentioned subsidiary (hereinafter referred to as "the Group").

The Group operates in the following business areas: banking, carried out by Exim Banca Românească, and insurance and reinsurance, carried out by its subsidiary Compania de Asigurări și Reasigurări EximAsig.

Exim Banca Românească S.A. ("the Bank") was incorporated in 1992 as a joint-stock company, with the Romanian state as the majority shareholder, holding at present, through the Ministry of Finance, 98.86% of the share capital as at 31 December 2024 (2023: 98.86%).

According to Law 96/2000 and subsequent amendments, the Bank operates both on behalf of the state and on its own behalf, offering banking products to legal entities and individuals.

The Bank's head office is located at 6A Barbu Delavrancea Street, Sector 1, Bucharest, Romania, and is registered with the Trade Register under number J40/8799/1992. As at 31.12.2024, the Bank operates 108 territorial units distributed across Bucharest and the country.

On 23 January 2020, EximBank completed the acquisition of a 99.28% stake in Banca Românească S.A. from National Bank of Greece S.A. ("NBG"). The merger between EximBank and Banca Românească was finalized on 31 December 2022. The merger created new opportunities for Exim Banca Românească S.A., due to the complementary activities carried out by the two banks, Banca Românească being mainly focused on retail activities, while EximBank operated predominantly in the corporate clients segment.

Compania de Asigurări - Reasigurări Exim România S.A. ("EximAsig") was established in 2009 as an entity specialized in providing insurance for financial risks, both for domestic and external business operations. The subsidiary became operational in August 2010, being licensed for credit and guarantee insurance activities. Its products are designed for companies engaged in business with domestic and foreign partners in commerce, manufacturing, transportation, construction, factoring, oil industry, and IT services. The subsidiary's headquarters is located at 33 Aviatorilor Boulevard, Ground Floor, Sector 1, Bucharest.

The Bank controls the operations of its subsidiary EximAsig, holding 98.57% of the share capital as at 31.12.2024 according to the Trade Register records (31.12.2023: 98.57%).

The number of employees of the Exim Group as at 31 December 2024 was 1,364 (of which Exim Banca Românească had 1,317 employees and EximAsig 47 employees), compared to 1,373 as at 31 December 2023 (of which Exim Banca Românească had 1,327 employees and EximAsig 46 employees).

The individual and consolidated financial statements of the Bank and the Group for the year ended 31 December 2024 were approved by the Board of Directors on 02.04.2025.

02. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise stated.

The Group has also adopted the document *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) effective from 1 January 2023. The amendments require disclosure of "material" accounting policies. Although the amendments did not result in changes to the accounting policies themselves, they impacted the disclosure of accounting policy information related to financial instruments presented in Note 3.

The following significant accounting policies are presented below:

a. Basis of preparation

The individual and consolidated financial statements (hereinafter referred to as the "financial statements") are prepared and presented in Romanian Leu (RON), the functional and presentation currency of the Bank and the Group, rounded to the nearest thousand monetary units (RON'000).

The individual and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as at 31 December 2024, based on the amortized cost and historical cost principle, modified in accordance with IAS 29, except for investment property and tangible fixed assets representing buildings, which are measured at revalued amounts, and for financial assets and liabilities measured at fair value through profit or loss and at fair value through other comprehensive income.

The Bank's accounting records are maintained in RON, in accordance with Romanian accounting law and banking regulations issued by the National Bank of Romania ("NBR"), and are based on International Financial Reporting Standards as adopted by the European Union (hereinafter referred to as "IFRS"), implemented as the basis of accounting under NBR Order No. 27/2010, with subsequent amendments and completions.

The accounting records of the subsidiary EximAsig are maintained in RON in accordance with Romanian accounting law and the regulations issued by the Financial Supervisory Authority, being restated and adjusted accordingly under IFRS in all material respects for the purpose of consolidation into the Group's consolidated financial statements.

b. Basis of consolidation

The Group's consolidated financial statements include the financial statements of Exim Banca Românească and its subsidiary EximAsig as at the annual reporting date of 31 December 2024, respectively 31 December 2023.

The Group controls an entity when it holds, directly or indirectly, more than half of the voting rights of the entity, unless it is proven that another investor has the ability to control the relevant activities. Subsidiaries are consolidated from the date control is transferred to the Group. The Group continuously reassesses control over its investee entities.

A subsidiary is an entity, including a non-corporate entity such as a partnership, that is controlled by another parent entity. The subsidiary's financial statements are prepared for the same reporting period as the Bank, using consistent accounting policies, and intercompany balances, transactions, income and expenses are fully eliminated.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity of the Group's shareholders, proportionally to their ownership interests. Non-controlling interests are reported separately in the Group's profit and loss account, proportional to the ownership interest.

If losses applicable to the non-controlling interests exceed the non-controlling interest in the subsidiary's equity, the excess and any further losses attributable to the non-controlling interests are allocated to the Group, except to the extent that the non-controlling interests have a binding obligation and are able to make additional investments to cover the losses. Should the subsidiary subsequently report profits, all such profits are allocated to the Group until the share of losses previously absorbed by the Group has been recovered.

02. Significant Accounting Policies (continued)

b. Basis of Consolidation (continued)

In the individual financial statements, the Bank presents its investment in EximAsig as an investment in subsidiaries, measured at cost, performing an annual impairment test to assess whether there is any objective evidence of impairment of the investment.

Regarding the consolidation method applicable to investments in subsidiaries, the Group applies "full consolidation – purchase method" as described in International Financial Reporting Standard 10 "Consolidated Financial Statements." Exim Banca Românească prepares consolidated financial statements using uniform accounting policies for similar transactions. The consolidation process involves the restatement of the statutory accounts and financial statements of subsidiaries whenever local accounting regulations materially differ from IFRS.

Intercompany settlements and transactions, as well as unrealised profits arising from transactions within the Group, are fully eliminated in the consolidated financial statements. Unrealised profits arising from transactions with associates or joint ventures are eliminated to the extent of the Group's interest. Unrealised profits resulting from transactions with an associate are eliminated against the investment in the associate. Unrealised losses are eliminated similarly to unrealised gains but only to the extent that there is no evidence of impairment.

c. Hyperinflation Accounting

IFRS requires that financial statements prepared under the historical cost convention be adjusted for the effects of inflation, where inflation is significant. IAS 29 "Financial Reporting in Hyperinflationary Economies" provides for the restatement of financial statements using a general price index reflecting changes in purchasing power.

The Bank/Group applied hyperinflation accounting until 1 July 2004. From 1 July 2004, the Romanian economy was officially declared as no longer hyperinflationary. Following the restatement in accordance with IAS 29, the share capital was increased with a corresponding adjustment to retained earnings.

d. Use of Judgements and Accounting Estimates

In applying the Bank's and Group's accounting policies, management makes professional judgements and estimates that could significantly affect the amounts recognised in the financial statements. These professional judgements and estimates are reviewed periodically, and changes in estimates are recognised in the period in which they occur. Judgements and estimates are particularly used for:

d.1 Expected Credit Losses on Financial Assets at Amortised Cost

The Bank/Group periodically reviews all financial assets at amortised cost (including loan commitments and guarantees) to identify exposures whose credit risk has significantly increased compared to initial recognition, as well as impaired exposures; for all such exposures, expected credit losses are determined over their remaining lifetime. For loans, receivables, and credit and guarantee commitments whose credit risk has not significantly increased since initial recognition, a provision equal to the expected losses over a maximum of one year from the reporting date is recognised.

To identify a significant increase in credit risk, the Bank/Group reviews a set of quantitative and qualitative criteria, including at least the client's payment history, financial performance, and other adverse aspects assessed on a case-by-case basis. Recognition of lifetime expected credit losses is made by considering relevant available information and the Bank's future expectations.

For impaired exposures, the Bank determines expected losses based on collective assessment for exposures below the materiality threshold and based on individual assessment for exposures exceeding the threshold, or for any other exposure if so decided, regardless of its value; otherwise, expected losses are calculated based on collective assessment, by grouping financial instruments with similar credit risk characteristics.

02. Significant Accounting Policies (continued)

The credit risk review process is continuous. The methodology and assumptions used to estimate impairment allowances are regularly reviewed to appropriately estimate expected losses on the financial asset. The methodology incorporates the impact of macroeconomic indicators on recovery estimates and the likelihood of default.

d.2. Assets Repossessed through Enforcement of Collateral

Reposessed collateral represents non-financial assets acquired by the Group in settlement of loans (assets previously held as collateral for the respective loans). These assets are initially recognised at fair value, which becomes the new cost of the asset, and are included under "Assets acquired through foreclosure" within other non-financial assets. Subsequently, reposessed collateral is tested for impairment, and its carrying amount is established at the lower of carrying value and net realisable value. Net realisable value means the estimated selling price in the ordinary course of business, less the estimated selling costs. The Group estimates net realisable value using valuation reports prepared by authorised valuers. If the carrying value exceeds the net realisable value, the difference is recognised as an impairment provision.

d.3 Impairment of Investments in Subsidiaries

The Bank/Group assesses at each reporting date whether there is objective evidence of impairment in its investments in subsidiaries. Investments in subsidiaries are assessed based on the discounted present value of future cash flows, discounted at the current market rate of return for similar financial assets. The Bank/Group relies on estimates regarding budgets and business plans for future periods. Based on professional judgement, the Bank recognises impairment as the difference between the net carrying value of the asset and its assessed value.

The net asset value is a reference point for determining the fair value of a company under the assumptions that are sensitive to market conditions and depend on the projections of results and cash flows over a longer time horizon.

d.4 Taxation

The amount of tax payable or recoverable is based on assumptions regarding the recoverability of credits, i.e., the existence of sufficient taxable profit. Estimates are required to determine the tax due at the balance sheet date, and therefore the tax amount is uncertain. When the final tax outcome differs from that initially recorded, these differences affect the income tax expense, current and deferred tax liabilities for the period in which the final outcome is determined.

d.5. Provisions for Retirement Benefits

The Bank/Group determines the provision for retirement benefits in accordance with IAS 19, "Employee Benefits," using actuarial techniques based on assumptions regarding discount rates, inflation rates, and future salary increases.

02. Significant Accounting Policies (continued)

Foreign Currency Conversions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the transaction date. Foreign exchange differences are included in the statement of profit or loss at the time of settlement using the prevailing exchange rate on that date.

Monetary assets and liabilities denominated in foreign currency are translated into the Romanian Leu equivalent using the National Bank of Romania's exchange rate at the balance sheet date. Non-monetary assets and liabilities are measured at historical cost in foreign currency and are translated using the exchange rates at the initial transaction date.

As at 31 December 2024 and 31 December 2023, the exchange rates used for translation were:

1 EUR = 4.9741 RON (31 December 2023: 1 EUR = 4.9746 RON).

1 USD = 4.7768 RON (31 December 2023: 1 USD = 4.4958 RON).

Foreign exchange gains or losses on translation of monetary assets and liabilities are reflected in the profit or loss account of the period.

e. Interest Income and Expense

Interest income and expense are recognised in the profit or loss account for all financial instruments (interbank placements, debt instruments, loans), other than those classified at fair value through profit or loss, on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

For calculating the effective interest rate, the Bank/Group estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. By applying the effective interest rate method, the Bank/Group amortises any incremental fees, transaction costs, or other premiums or discounts included in the effective interest rate calculation over the expected life of the financial instrument.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- financial assets purchased or originated credit-impaired, where the credit-adjusted effective interest rate is applied to the amortised cost of the financial asset from initial recognition;
- financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, where the effective interest rate is applied to the amortised cost of the financial asset from subsequent reporting periods.

The credit-adjusted effective interest rate is determined as the rate that discounts estimated future cash flows considering all contractual terms of the financial asset and expected credit losses.

When applying the effective interest method, the Bank/Group identifies fees that are an integral part of the effective interest rate of a financial instrument. Fees integral to the effective interest rate are treated as an adjustment to the effective interest rate, except where the financial instrument is measured at fair value, in which case changes in fair value are recognised in profit or loss. In such cases, the fees are recognised as income or expense at initial recognition.

02. Significant Accounting Policies (continued)

f. Interest Income and Expense (continued)

Fees that are an integral part of the effective interest rate of a financial instrument include:

- origination and analysis fees received by the Bank/Group related to the origination of a financial asset. Such fees may include compensation for activities such as assessing the financial condition of the debtor, evaluating and recording collateral, negotiating instrument terms, preparing and processing documents, and finalising the transaction;
- commitment fees received by the entity to issue a loan when it is probable that the entity will enter a specific lending commitment. If the commitment expires without the Bank/Group issuing the loan, the fee is recognised as income at expiry.
- issuance fees paid at the issuance of financial liabilities measured at amortised cost.

Fees that are not an integral part of the effective interest rate of a financial instrument and which are accounted for under IFRS 15 include:

- commitment fees for issuing a loan when it is unlikely a specific lending commitment will be entered into;
- syndication fees.

g. Fee and Commission Income and Expense

Fee and commission income is recognised on an accrual basis when the service has been provided. This income category includes fees and commissions related to banking services such as: loans, guarantees, letters of credit, client account transactions, foreign exchange, mandate operations, etc.

Fee and commission income can be divided into two main categories:

- fees earned from services provided over a period of time, such as mandate activity on behalf and in the name of the state, guarantee activity, issuance of import letters of credit;
- commissions earned from one-off services, such as client operations and banking transactions (including credit and debit card transactions).

Fee and commission income earned from services provided over a period of time is recognised proportionally over the service period, provided that such fees are not conditional on the successful completion of specific performance criteria outside the Group's control.

Fees and commissions related to banking transactions are recognised when the banking service is completed, provided these commissions are not refundable.

Fixed or variable commission income is measured based on the consideration specified in the contract signed with the client, excluding amounts such as taxes collected on behalf of clients.

Variable commissions include amounts contingent on a future event and are recognised in the profit and loss account when it is highly probable that a significant reversal will not occur.

02. Significant Accounting Policies (continued)

g. Fee and Commission Income and Expense (continued)

Fee expenses include expenses for services rendered by third parties, especially:

- fees for guarantees and securities transactions on behalf of third parties;
- fees for payment of commercial operations and other related expenses or income, account administration fees;
- fees for exchange transactions and for the sale and purchase of currencies on behalf of third parties, etc.

Fees that are an integral part of the effective interest rate are deferred over the life of the loan and recognised as interest income.

h. Dividend Income

Dividend income is recognised in the profit or loss account when the Bank's/Group's right to receive payment is established. Dividends are reflected as a component of other operating income.

Income from equity investments and other non-fixed income investments is recognised as dividend income when incurred.

Dividends are treated as a profit distribution for the period in which they are declared and approved by the General Meeting of Shareholders.

For subsidiaries, the distributable profit is the profit recorded in the statutory accounts, which differs from the profit in these consolidated financial statements prepared under IFRS, due to differences between Romanian accounting regulations and IFRS.

i. Financial Instruments – Initial Recognition, Classification and Derecognition

(i) Recognition Date

Purchases or sales of financial assets that require delivery within a timeframe generally established by regulation or market convention are recognised on the settlement date, i.e., the date the asset is delivered.

Derivative financial instruments are recognised at the trade date, i.e., the date the Bank/Group commits to purchase or sell the instrument.

(ii) Initial Recognition of Financial Instruments

All financial assets are initially measured at their fair value plus, for assets and liabilities not measured at fair value through profit or loss, any directly attributable incremental transaction costs.

(iii) Classification and Measurement of Financial Assets and Liabilities

The Bank/Group classifies financial assets either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss, based on the following criteria:

- The business model pursued for managing the respective financial assets,
- The contractual cash flow characteristics of the financial asset, and
- In the case of equity instruments, the designation towards an alternative measurement option (the option to measure at fair value through profit or loss or the option to measure at fair value through other comprehensive income).

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(iii) Classification and Measurement of Financial Assets and Liabilities (continued)

The business model represents the way in which financial assets are managed to generate cash flows, determining whether the objective of the bank is to collect contractual cash flows, to sell financial assets, or both. The factors considered by the bank when determining the business model include: historical collection of cash flows, assessment of the performance of the asset, and evaluation and management of the associated risk.

Financial assets measured at amortised cost

Amortised cost represents the value at which assets are measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount. In the case of financial assets, amortised cost is adjusted by the amount of expected credit loss allowance.

The Bank/Group includes in the category of financial assets measured at amortised cost: loans and advances (including placements with credit institutions and loans to customers) and debt securities.

The Bank/Group classifies financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held to collect the contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

To verify these conditions, the Bank/Group assesses credit contracts under the so-called SPPI test (Solely Payments of Principal and Interest).

The objective of the SPPI test is to determine whether a contract signed between parties generates cash flows that represent only repayments of principal and interest at the dates agreed upon in the contractual schedule. The Bank/Group considers that a financial asset may be measured at amortised cost only if it meets the SPPI test criteria. The factors taken into consideration when assessing credit contracts for SPPI compliance are detailed below. More complex contracts that do not provide solely for principal and interest cash flows are measured at fair value through profit or loss.

In accordance with IFRS 9, the Bank/Group defines the principal of a financial asset as its fair value at initial recognition, which may vary over the life of the financial instrument (for example, in the case of principal repayments).

Interest represents the remuneration of capital over the life of the financial instrument – in accordance with the “time value of money” principle – and is intended to cover credit and liquidity risks, administrative costs, and the profit margin of the financial instrument.

The analysis of the cash flows associated with a financial instrument is performed by determining:

- The creditor's right to collect amounts under the contract;
- The risks associated with collection and the market volatility to which the creditor is exposed.

As a general rule, assets are considered to meet the SPPI test if they provide only fixed payments at specified dates or variable payments determined by applying a benchmark interest rate (e.g. ROBOR, EURIBOR, SOFR (LIBOR), prime rate index, etc.) plus a fixed margin on the outstanding loan.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(iii) Classification and Measurement of Financial Assets and Liabilities (continued)

The Bank/Group considers the following factors when assessing credit contracts under the SPPI test:

- contractual terms related to payments are neither “de minimis” nor non-genuine;
- contracts denominated in foreign currency;
- early repayment or extension options;
- other contractual clauses modifying payments – contingent payments;
- non-recourse agreements;
- the time value of money component in the interest calculation;
- negative interest rates and tranche financing.

Financial assets measured at fair value through other comprehensive income (FVOCI)

This category includes debt securities and equity instruments.

Debt securities are measured at FVOCI if both of the following conditions are met:

- the financial asset is held both for collecting contractual cash flows and for selling the financial asset and
- the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments are measured at FVOCI based on the Bank’s option at initial recognition.

Financial assets measured at fair value through profit or loss (FVTPL)

The Bank includes in this category: loans and advances that fail the SPPI test, debt securities and equity instruments held for trading, and derivative financial instruments. As at 31 December 2024 and 31 December 2023, there are no financial assets in the form of loans and advances that fail the SPPI test.

The Bank/Group measures financial assets at FVTPL when the asset is not measured at amortised cost or at FVOCI.

Financial assets under REPO and reverse REPO agreements

Securities sold under repurchase agreements to repurchase them at a specific future date (REPOs) continue to be recognised on the balance sheet as securities and are measured according to the accounting policies applicable to the respective category of financial instruments. The obligation to return the cash received is recognised as a REPO liability, reflecting the economic substance of a loan received by the Bank/Group.

Securities acquired under reverse REPO agreements (i.e. commitments to resell at a specified future date) are not recognised on the balance sheet. Instead, the cash advanced is recorded as a reverse REPO asset.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(iii) Classification and Measurement of Financial Assets and Liabilities (continued)

Classification of financial liabilities

The Bank classified all financial liabilities as measured at amortised cost, except for:

- financial liabilities measured at fair value through profit or loss (derivative instruments);
- financial liabilities arising when a transfer of a financial asset does not meet the derecognition criteria or is accounted for using the continuing involvement approach;
- financial guarantee contracts. After initial recognition, these are measured at the higher of:
 - the loss allowance provision; and
 - the amount initially recognised, less any cumulative income recognised under IFRS 15.
- loan commitments issued at below-market interest rates.

(iv) Derecognition of Financial Assets and Liabilities

A *financial asset* (or part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Bank transfers the financial asset under the following conditions:
 - it transfers the contractual rights to receive cash flows from the asset; or
 - it retains the contractual rights to receive cash flows from the asset but assumes a contractual obligation to pay those cash flows to one or more recipients under an agreement that meets all of the following conditions:
 - the Bank/Group has no obligation to pay amounts to the recipients unless it collects equivalent amounts from the original asset. Short-term advances with full recovery rights, including interest at market rates, are not violations of this condition;
 - the Bank/Group is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security for the obligation to pay the cash flows to the recipients;
 - the Bank/Group is required to remit any cash flows it collects on behalf of the recipients without material delay.

When the Bank/Group transfers a financial asset under the above conditions, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset, as follows:

- if substantially all risks and rewards of ownership have been transferred, the financial asset is derecognised and any rights and obligations retained or created are recognised separately as assets or liabilities.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(iv) Derecognition of Financial Assets and Liabilities (continued)

- If substantially all risks and rewards of ownership of the financial asset are retained, the financial asset continues to be recognised.
- If neither substantially all risks and rewards are transferred nor retained, it must be determined whether control over the financial asset has been retained, as follows:
 - If control has not been retained, the financial asset is derecognised and any rights and obligations created or retained under the transfer are recognised separately as assets or liabilities.
 - If control has been retained, the bank continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

When the Bank/Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and neither transferred nor retained all of the risks and rewards of the asset, nor transferred control, the asset is recognised to the extent of the continuing involvement of the Bank/Group. In such a case, the Bank/Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Bank. Continuing involvement in the form of a guarantee on the transferred asset is measured at the lower of the carrying amount of the asset and the maximum amount that the Bank could be required to repay.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(v) Derecognition of Financial Assets and Liabilities (continued)

Securities sold under repurchase agreements to repurchase them at a specified future date (repo contracts) continue to be recognised in the balance sheet as securities and are measured in accordance with the accounting policies applicable to their respective financial instrument categories. The obligation to return the cash received is recognised as a liability in the balance sheet as a repo operation, reflecting the economic substance of a loan received by the Bank or the Group.

Securities acquired under a similar agreement to resell at a specified future date (reverse repo) are not recognised in the balance sheet. The corresponding claim for the cash advanced is recognised as a reverse repo asset in the balance sheet.

Financial liabilities are derecognised only when they are extinguished – i.e. when the contractual obligation is discharged, cancelled or expires.

A financial asset, or a portion of a financial asset such as loans and advances to customers, for which there is no reasonable expectation of recovery, is written off and classified as a contingent asset off-balance sheet. Loans and debt instruments are written off (partially or in full) when there is no realistic prospect of recovery. This typically occurs when the Bank determines that the debtor does not have assets or income sources that could generate sufficient cash flows to repay the amounts owed.

The Bank directly reduces the gross carrying amount of a financial asset by writing off the portion for which there are no reasonable expectations of recovery. The Bank may partially or fully write off the financial asset.

According to IFRS 9 (paragraph 5.4.4), a write-off constitutes a derecognition event.

However, written-off financial assets may still be subject to enforcement procedures in accordance with the Bank's recovery procedures and are recorded off-balance sheet. Recoveries related to written-off loans are recognised as income, deducted from the credit risk loss allowances in the profit or loss statement.

Modification of Financial Assets

The Bank may renegotiate or modify the contractual terms of financial assets. If the contractual terms of a financial asset are modified, the Bank evaluates whether the modified cash flows are substantially different.

If the cash flows are substantially different, the contractual rights to the cash flows of the original financial asset are considered expired. In this case, the financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset (measured at amortised cost) are not substantially different, the modification does not result in derecognition. In this case, the Bank recalculates the gross carrying amount of the financial asset (or amortised cost of the financial liability) by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting gain or loss from the modification in profit or loss.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(vi) Restructured (Forborne) Loans

If the terms of a financial asset are renegotiated or modified, or an existing asset is replaced with a new one due to the borrower's financial difficulties, the financial asset is assessed for derecognition and expected credit loss is measured as follows:

- If the restructuring does not result in derecognition of the existing asset, the cash flows of the modified financial asset are included in the calculation of expected credit shortfalls for the existing asset.
- If the restructuring results in derecognition of the existing asset, the fair value of the new asset is treated as the final cash flow of the original asset at the time of derecognition. This value is included in the calculation of expected credit shortfalls, discounted from the expected derecognition date to the reporting date using the original effective interest rate of the existing asset.

In accordance with EU Regulation 575/2013, forborne exposures are those loans for which restructuring measures have been applied in the form of concessions granted to a debtor facing or about to face financial difficulties in meeting its financial commitments.

A concession may arise in the following circumstances:

- changes to the original contractual terms that the debtor could not meet due to financial difficulty, which would not have been granted otherwise;
- total or partial refinancing of a contract that would not have been granted had the debtor not experienced financial difficulty.

From a performance perspective, forborne exposures (loans) are classified as follows:

- non-performing forborne loans;
- performing forborne loans under probation or which have exited the probation period.

A restructured loan remains classified as non-performing if at least one of the following conditions is met:

- less than one year has passed since the last restructuring or the end of the grace period following the last restructuring;
- the maximum number of days past due for the customer in the past 12 months is equal to or greater than 30;
- there are days past due at customer level at the end of the 12 months following restructuring or the grace period or at the reporting date after the 12 months.

02. Significant Accounting Policies (continued)

i. Financial Instruments – Initial Recognition, Classification and Derecognition (continued)

(vi) Restructured (Forborne) Loans (continued)

A restructured loan exits the non-performing category and enters the performing category under probation if all of the following conditions are met:

- at least one year has passed since the last restructuring following which it was classified as non-performing or since the end of the grace period following such restructuring;
- the customer does not meet other criteria for non-performing classification;
- the maximum number of days past due at customer level in the past 12 months is less than 30;
- there are no days past due at the end of the 12-month period following restructuring or the grace period or at the reporting date.

Exit from the forbore exposure category occurs when all of the following conditions are met:

- a minimum of two years has passed since the exposure entered the probation period;
- in at least half of the probation period, significant payments of principal and interest were made;
- at the end of the probation period, the exposure is performing, and the customer has no past due amounts.

j. Offsetting

Financial assets and liabilities are offset and presented net in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are not offset in the income statement unless required or permitted by IFRS or related interpretations, and such policies are disclosed in the accounting policies.

k. Fair Value Measurement

Fair value represents 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, primarily or, in the absence of such, on the most advantageous market accessible to the Bank/Group. The fair value of a liability reflects its non-performance risk.

Where available, the Bank/Group measures fair value using the quoted price in an active market for the instrument. A market is considered active if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Bank/Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

The selected valuation technique incorporates all the factors that market participants would consider when pricing the transaction.

02. Significant Accounting Policies (continued)

k. Fair Value Measurement (continued)

The best evidence of fair value at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank/Group determines that the fair value at initial recognition differs from the transaction price, and the fair value is not evidenced by a quoted price in an active market or based entirely on observable market data, the instrument is initially measured at fair value adjusted to defer the difference between the fair value at initial recognition and the transaction price. This difference is recognised in profit or loss over the life of the instrument, but not later than when the valuation is supported wholly by observable market data or the transaction is closed.

The Bank/Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

l. Impairment of Financial Assets

The Bank/Group has implemented IFRS 9, which replaces the “incurred loss” model of IAS 39 with an “expected credit loss” (ECL) model. The Group prospectively evaluates credit losses for the following categories of financial assets: debt instruments, loans and deposits measured at amortised cost, debt instruments at FVOCI, loan commitments and financial guarantee contracts, and trade receivables.

The Bank/Group recognises an ECL allowance at each reporting date based on the following principles:

- Impairment is based on recognising expected credit losses;
- If, at the reporting date, the credit risk has increased significantly since initial recognition, the loss allowance equals the lifetime expected credit losses; otherwise, a 12-month expected credit loss is recognised, or for credit lines, overdraft facilities and factoring agreements, an allowance over one year is calculated regardless of contractual maturity;
- Lifetime ECLs are recognised for instruments whose credit risk has significantly increased, using relevant information and forward-looking expectations of the Bank/Group;
- For loan commitments and financial guarantee contracts, the initial recognition date for impairment purposes is when the irrevocable commitment is recorded;
- At each reporting date, the Bank/Group assesses whether credit risk has significantly increased since initial recognition. This assessment can be done individually or collectively (by grouping financial instruments with similar risk characteristics).

The Bank allocates exposures into stages and measures the allowance on a collective basis. Exposures are segmented based on shared credit risk characteristics, such that exposures within each segment share homogeneous or similar risk. Key characteristics include: customer type, product type, and time to maturity. The segments also reflect differences in credit risk parameters, such as probability of default and loss given default. The appropriateness of segmentation is monitored and periodically reviewed by the Risk Management Department.

02. Significant Accounting Policies (continued)

l. Impairment of Financial Assets (continued)

The amount of expected credit losses must reflect:

- an analysis of a range of possible scenarios, weighted by their probability of occurrence;
- the time value of money;
- reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions.

Presentation of Expected Loss Allowances in the Financial Statements:

Expected losses are presented in the financial statements as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments or financial guarantee contracts: as a provision;
- Debt instruments measured at fair value through other comprehensive income: the loss is recognised in the statement of financial position by presenting these assets at fair value, offset against other comprehensive income (reserves).

m. Provisions

Provisions are recognised in the statement of financial position when the Bank/Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Bank/Group expects some or all of the provision to be reimbursed, such as under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain.

Provision expenses are presented in the profit or loss statement net of the related reimbursements.

n. Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents include cash on hand, current accounts, and short-term placements with other banks and the National Bank of Romania with original maturities of less than 90 days.

o. Property, Plant and Equipment

Property, plant, and equipment are assets that:

- generate future economic benefits;
- are intended for use in the Bank's operations;
- are used for more than one year;
- have an acquisition cost of at least RON 2,500, either individually or as part of a larger fixed asset complex.

02. Significant Accounting Policies (continued)

o. Property, Plant and Equipment (continued)

Tangible assets that do not meet the recognition criteria as property, plant, and equipment are fully expensed in the profit or loss at the commissioning date and recorded off-balance sheet in monitoring accounts.

Property, plant, and equipment include:

- a) Land and land improvements;
- b) Buildings;
- c) Improvements to leased premises;
- d) Technical installations and transport equipment;
- e) Furniture, office equipment, security systems, and other tangible assets.

The Bank uses the revaluation model for "Buildings" and the cost model for all other property, plant, and equipment, including "Improvements to leased premises." If one asset is revalued, all assets in that group must be revalued, unless no active market exists for the asset.

After initial recognition, an asset carried at cost is measured at its cost less accumulated depreciation and impairment losses. Up to 30 June 2004, cost was restated using the general price index from acquisition to the year-end reporting date.

For "Buildings" whose fair value can be reliably measured, after initial recognition, the asset is measured at its revalued amount – i.e. its fair value at revaluation date less accumulated depreciation and impairment losses.

The revaluation surplus is included in equity and transferred directly to retained earnings when the asset is depreciated, disposed of, or derecognised. Decreases in value are covered first by any existing revaluation surplus for that asset; otherwise, they are recognised in profit or loss. The "Buildings" class is revalued every three years using ANEVAR-certified valuers.

Depreciation is calculated from the month following commissioning and is applied using the straight-line method over the asset's useful life.

Land is not depreciated. Investments in leased property are depreciated over the shorter of the lease term and their estimated useful life.

The annual depreciation rates and useful lives are as follows:

Category	Useful life	Annual Depreciation Rate
Buildings	50 years	2%
Office equipment	3 – 6 years	16.67% - 33.33%
Furniture	5 – 24 years	4.16% - 20%
Vehicles	5-6 years	16.6% - 20%

Repair and maintenance expenses are recognised in operating expenses as incurred. Subsequent costs are capitalised only when they improve the asset's original performance.

When the carrying amount of a tangible asset exceeds its recoverable amount, it is written down to its recoverable amount. Gains or losses on disposal of assets are determined by comparing the carrying amount with disposal proceeds and are recognised in profit or loss.

02. Significant Accounting Policies (continued)

o. Property, Plant and Equipment (continued)

Non-current Assets Held for Sale

Non-current assets for which it is estimated that their carrying amount will be recovered primarily through a sale transaction rather than through continued use are classified as held for sale.

Assets held for sale are initially and subsequently measured at the lower of their carrying amount and fair value at the measurement date less costs to sell. Any decrease in fair value below the carrying amount is recognized as an impairment in profit or loss. Any subsequent increase in the fair value of the asset held for sale is recognized as a reversal of the impairment provision, but only up to the carrying amount initially recognized for the asset.

While an asset is classified as held for sale, no depreciation is recognized. An asset that ceases to be classified as held for sale is measured at the lower of (i) the carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had the asset not been classified as held for sale, and (ii) the recoverable amount of the asset.

As of 31 December 2024 and 2023, the Group held assets classified as held for sale, acquired following the derecognition of loans and the taking over of assets previously held as collateral for those loans.

p. Intangible Assets

The intangible assets held by the Bank are assets acquired for its own operational needs and include software, usage licenses, and other similar assets.

An intangible asset recognized as such is initially measured at cost. After recognition, an intangible asset is measured at historical cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, ranging from 3 to 10 years. Usage licenses and other similar intangible assets are amortized over the contractual period or the period of use, as applicable.

q. Impairment of Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss for items carried at cost, and as a decrease in revalued assets to the extent of any revaluation surplus held for that asset.

The recoverable amount is the higher of an asset's net selling price and its value in use. Net selling price is the amount obtainable from the sale of an asset at market price, while value in use is the present value of estimated future cash flows expected to arise from the use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for cash-generating units.

A reversal of an impairment loss recognized in prior years is recorded when there is an indication that the previously recognized impairment no longer exists or has decreased. The reversal is recognized in profit or loss, except when the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase recognized in equity.

02. Significant Accounting Policies (continued)

r. Investment Property

Investment properties are properties held either to earn rentals, for capital appreciation, or for both, but not for sale in the ordinary course of business, for use in the ordinary course of business, or for administrative purposes.

Investment properties are initially recognized at fair value, including the purchase price and any directly attributable expenses, and are subsequently measured after initial recognition.

For the transfer of an investment property measured at fair value to the category of owner-occupied property used by the Bank/Group, the cost of the property considered for subsequent accounting in accordance with IAS 16 is its fair value at the date of change in use.

If a property used by the Bank/Group becomes an investment property measured at fair value, the Bank/Group applies IAS 16 up to the date of the change in use, treating any difference at that date between the carrying amount of the property and its fair value as a revaluation under IAS 16.

The Group's accounting policy for the subsequent measurement of investment properties is the fair value model, and it is applied uniformly to all investment properties. Gains or losses arising from changes in the fair value of investment property in accordance with IAS 40 are recognized in the statement of profit or loss for the reporting period in which they arise, with no depreciation being charged. The fair value of investment properties reflects market conditions at the reporting date.

Transfers to or from investment properties are made when there is a change in the use of the respective asset. For the transfer of an investment property measured at fair value to property, plant and equipment, the deemed cost of the asset for subsequent accounting purposes will be its fair value at the date of the change in use.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses resulting from the disposal or retirement of an investment property are recognized in the statement of profit or loss on the date of the event.

s. Employee Benefits

Short-term employee benefits

Short-term benefits are employee benefits (other than termination benefits) that are due to be settled wholly within twelve months after the end of the period in which the employees render the related service and include wages, social security contributions, paid annual leave and paid sick leave, bonuses and profit sharing, and non-monetary benefits.

The Bank's remuneration policy also includes non-cash variable remuneration granted to identified staff in the form of virtual shares. The value of the virtual shares is calculated based on the Bank's equity. The virtual shares may be redeemed within 60 months.

Short-term employee benefits are recognized as expenses as the services are rendered.

Social Contributions

The Bank/Group and its employees are legally required to contribute to the National Pension Fund, managed by the Social Security Administration (a contribution plan financed on a pay-as-you-go basis). The Bank/Group has no legal or constructive obligation to pay future benefits. Its only obligation is to make the contributions when they fall due. If employees cease to be employed by the Bank/Group, there will be no further obligation for the Bank/Group to pay benefits earned by those employees in prior years. The Bank's/Group's contributions are included in salary and related staff expense.

02. Significant Accounting Policies (continued)

s. Employee Benefits (continued)

Long-term benefits include bonuses and profit sharing that are not payable in full within twelve months after the services have been rendered.

For services rendered by employees during an accounting period, the Bank recognizes the undiscounted value of short-term/long-term benefits remaining to be paid as a liability or as prepaid expenses if the amount already paid exceeds the undiscounted value of the benefits. Short-term/long-term benefits are recognized as expenses unless they are included in the cost of assets in accordance with IAS 2 or IAS 16.

The Bank recognizes the estimated cost of short-term benefits related to accumulating compensated absences in the financial year in which the services are rendered.

Termination benefits are employee benefits that are payable as a result of the Bank's/Group's decision to terminate the employment of an employee before the normal retirement date or of an employee's decision to accept voluntary redundancy in exchange for those benefits.

The Bank/Group recognizes termination benefits as liabilities or provisions only when it is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Post-employment benefits include retirement benefits, which are classified as defined benefit plans and are actuarially measured using the projected unit credit method.

A defined benefit plan is a plan that defines the amount an employee will receive on retirement, usually depending on one or more factors such as age, years of service, and compensation. The liability recognized in the Bank's balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, adjusted for unrecognized actuarial gains/losses and past service costs.

Under the collective labour agreement, the Bank has a legal obligation to pay employees a retirement benefit equal to two monthly salaries.

t. State Funds and Mandate Operations

In order to fulfill its strategic objective of supporting the Romanian economy, the Bank/Group acts as an agent of the state, in the name and on behalf of the state, by providing economic agents with guarantee, financing, and insurance products and services.

In accordance with the provisions of Law 96/2000, as subsequently amended and supplemented, Exim Banca Românească - S.A. benefits from the following funds being made available to it:

- a) the guarantee fund – Law 96/2000 – art. 10a;
- b) the insurance fund – Law 96/2000 – art. 10b;
- c) the fund for promoting foreign trade operations and financing – Law 96/2000 – art. 10c;
- d) the fund for implementing state aid and/or de minimis measures – Law 96/2000 – art. 10d;
- e) the fund for Exim Banca Românească - S.A.'s participation in the Three Seas Initiative Investment Fund – Law 96/2000 – art. 10f.

The state funds made available to Exim Banca Românească - S.A. are presented in the consolidated and individual statements of financial position as financial liabilities "Deposits from the Ministry of Finance", being initially recognized at the fair value of the amounts received less transaction costs. For their use, the Bank/Group replenishes the state funds with the interest rates set out in Law 96/2000, these being presented in the statement of profit or loss under "Interest expense".

02. Significant Accounting Policies (continued)

t. State Funds and Mandate Operations (continued)

Deposits from the Ministry of Finance are made available to Exim Banca Românească - S.A. as borrowed resources and remain available to the Bank for an indefinite period, except for amounts that are contractually established to be maintained for longer periods (e.g., deposits for 3 months or 5 years).

The Bank carries out mandate operations in the name and on behalf of the state, with assets and liabilities granted in the name and on behalf of the Romanian state, not being controlled by the Bank. Therefore, exposures on behalf of the state do not meet the recognition criteria under the applicable International Financial Reporting Standards and the IASB Conceptual Framework and are not included in the Bank's/Group's financial position.

For managing state funds and for agent operations carried out by the Bank on behalf of the Romanian state, including the administration of assets and liabilities financed or covered from state funds made available to it, the Bank is remunerated through fees, presented in the statement of profit or loss under "Fee income".

u. Financial Guarantees

Financial guarantees are contracts under which the Bank/Group undertakes to make specified payments to the holder of the financial guarantee to compensate for a loss incurred by that holder when a specified third party fails to meet its contractual obligations.

Financial guarantees are disclosed in the notes to the financial statements at fair value as contingent liabilities, with related upfront fees amortized over the life of the financial guarantee to which they relate.

The Bank/Group has not issued loan commitments measured at fair value through profit or loss. For other loan commitments, the Group/Bank recognizes an expected credit loss allowance in accordance with IFRS 9. Liabilities arising from financial guarantees or loan commitments are included in the calculation of expected credit losses under IFRS 9.

v. Income Tax

Current income tax liability, in accordance with the applicable tax legislation, is recognized as an expense in the year in which the profit is recorded.

Deferred income tax is calculated for all temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. Deferred income tax is calculated using the tax rates expected to apply in the period when the asset is realized or the liability is settled, based on the tax rates that are in effect at the balance sheet date.

Deferred income tax liabilities are recognized for all taxable temporary differences between the tax base and the carrying amount of assets and liabilities at the balance sheet date that will result in taxable amounts in future periods.

Deferred income tax assets are recognized for all deductible temporary differences between the tax base and the carrying amount of assets and liabilities at the balance sheet date, as well as for unused tax credits and losses carried forward, to the extent that it is probable that future taxable profit will be available against which those temporary differences, credits, and unused losses can be utilized.

Current and deferred income tax assets and liabilities are offset when they relate to the same taxable entity, are due to the same tax authority, and the legal right of offset exists.

The tax rate used to calculate both current and deferred tax as at 31 December 2024 was 16% (31 December 2023: 16%).

02. Significant Accounting Policies (continued)

On 23 May 2023, the International Accounting Standards Board issued *International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12*, which clarify that IAS 12 applies to income taxes arising from tax legislation enacted to implement the OECD's Pillar Two model rules, including tax laws that implement a qualified domestic minimum top-up tax. The Group has adopted these amendments. However, they are not yet applicable for current reporting as the Group's consolidated revenues in 2024 were below the threshold of EUR 750 million.

w. Contingent Liabilities and Assets

A contingent liability is:

- a potential obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank/Group; or
- a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank/Group. A contingent asset is not recognized in the financial statements but is disclosed in the notes when an inflow of economic benefits is probable.

x. Related Parties

A counterparty is considered a related party to the Group or the Bank if one or more of the following conditions are met:

- a. directly, or indirectly through one or more intermediaries, the counterparty:
 - controls, is controlled by, or is under common control with the Group or the Bank (this includes parent companies and subsidiaries);
 - has an interest in the Group or Bank that gives it significant influence over the Bank; or
 - has joint control over the Group or Bank;
- b. the counterparty is an associate of the Group or Bank;
- c. the counterparty is a joint venture in which the Group or the Bank is a venturer;
- d. the counterparty is a member of key management personnel of the Group or Bank;
- e. the counterparty is a close family member of any individual referred to in (a)–(d);
- f. the counterparty is an entity that is controlled, jointly controlled, significantly influenced, or for which significant voting power is held, directly or indirectly, by any person mentioned in (d) or (e); or
- g. the counterparty is a post-employment benefit plan for the employees of the Bank or of any entity that is a related party of the Bank.

Legal entities controlled directly or indirectly by the Romanian state shall not be considered related parties.

02. Significant Accounting Policies (continued)

x. Related Parties (continued)

Also, under the provisions introduced by Regulation no. 11/2020 amending Regulation no. 5/2013, article 102, letter f, state-owned entities in which the Romanian state exercises control or holds equity interests are not considered related parties. Thus, entities belonging to the central administration are treated as unrelated parties. The Ministry of Finance is a related party in its capacity as the majority shareholder of the Bank.

Transactions with related parties represent a transfer of resources or obligations between related parties, regardless of whether a price is charged. In determining related party relationships, the substance of the relationship is considered rather than merely its legal form.

y. Capital Reserves

The reserves recorded in equity in the Bank's/Group's financial position statement include:

- the reserve related to financial assets at fair value through other comprehensive income, which includes changes in the fair value of such instruments, net of deferred taxes;
- the reserve related to property, plant and equipment, which includes changes in the fair value of fixed assets;
- the legal reserve – established within the limit of 5% of profit before income tax;
- the general banking risk reserve – including reserves set up until the end of 2006 in the quotas and limits stipulated by law;
- other reserves – represent own sources of funding arising from assets and tax facilities according to legal provisions or established from net profit based on the decision of the General Meeting of Shareholders.

z. Segment Reporting

A segment is a distinguishable component of the Group/Bank engaged in providing products or services that are subject to risks that are different from those of other segments.

aa. Lease Contracts

Initial recognition and measurement

At the inception of a contract, the Bank/Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the Bank/Group, as a lessee, recognizes a right-of-use asset and a lease liability.

Initial measurement of the right-of-use asset

At the commencement date, the Bank/Group measures the right-of-use asset at cost.

Initial measurement of the lease liability

At the commencement date, the Bank/Group measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Bank/Group uses its incremental borrowing rate.

02. Significant Accounting Policies (continued))

aa. Lease Contracts (continued)

The Bank's/Group's incremental borrowing rate is the interest rate it would have to pay to borrow over a similar term, with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Subsequent measurement of the right-of-use asset

After the commencement date, the Bank/Group measures the right-of-use asset applying the cost model, i.e., at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent measurement of the lease liability

After the commencement date, the Bank/Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect lease payments made, while also reflecting, if applicable, any lease modifications.

The interest on the lease liability for each period over the lease term must be the amount that results in a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date, the interest on the lease liability is recognized in profit or loss.

Recognition exemptions:

As a lessee, the Bank/Group elects to apply the recognition exemptions permitted by IFRS 16 for:

- short-term lease contracts; and
- lease contracts for which the underlying asset is of low value.

Accordingly, for short-term and low-value leases, the Bank/Group recognizes the lease payments as an expense on a straight-line basis over the lease term.

bb. Deposits from Customers and Credit Institutions, borrowings

Deposits from customers and credit institutions, and borrowings are initially recognized at fair value and subsequently measured at amortized cost; any differences between proceeds (including transaction costs) and the redemption value are recognized in profit or loss over the period of the borrowings using the effective interest method.

The main sources of funding are represented by deposits from customers and credit institutions.

02. Significant Accounting Policies (continued)

cc. Deposits from customers and credit institutions, borrowings

Deposits attracted (from customers and credit institutions), as well as borrowings, are initially recognized at fair value and are subsequently measured at amortized cost; any differences between payments, including transaction costs and the redemption value, are recognized in the income statement over the loan period using the effective interest method.

The main sources of funding are deposits from customers and credit institutions.

dd. Correction of accounting errors

The correction of errors is carried out at the time they are identified, with the following considerations:

- errors related to the current financial year are corrected before the authorization of the financial statements for publication, by reversing the erroneous entry and recording the correct entry;
- errors related to the previous financial year are corrected against retained earnings in the case of significant ones, or against the current result in other cases;
- in case of error corrections that result in a carried forward accounting loss, this must be covered before any profit distribution;
- the correction of errors related to previous financial years does not lead to changes in the financial statements of those years; those statements remain as previously published;
- for the correction of errors against retained earnings, the Bank/Group proceeds to:
 - restate comparative values for the prior period(s) presented in which the error occurred;
 - if the error occurred before the earliest presented period, restate the opening balances of assets, liabilities, and equity for the earliest presented prior period.

ee. Insurance and reinsurance contracts

The Group has implemented IFRS 17 Insurance Contracts for the financial reporting of the insurance company EximAsig. IFRS 17 has the following objectives:

- To introduce a single accounting model for all types of insurance contracts, providing up-to-date information about the obligations, risks, and performance of insurance contracts;
- To align insurance accounting with general accounting standards applied in other IFRS-compliant industries.

The changes introduced by IFRS 17 compared to the previous standard (IFRS 4) consist of prescribing the method for measuring insurance liabilities and the timing and method for revenue recognition.

The Group recognizes insurance contracts it issues at the latest of the following:

- The start of the coverage period;
- The due date of the first premium installment;
- When the contracts become onerous.

02. Significant Accounting Policies (continued)

Insurance contracts are contracts under which the Group accepts significant insurance risk from the policyholder, agreeing to compensate the policyholder if a future uncertain event adversely affects them. In assessing this, all substantial rights and obligations, including those arising from law or regulation, are considered contractual. The Group uses judgment to assess whether a contract transfers insurance risk (i.e., whether there is a commercially substantive scenario in which the Group may incur a loss on a present value basis) and whether the insurance risk accepted is significant.

The Group manages issued insurance contracts within product lines in an operating segment, where each product line includes contracts subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is divided into groups of contracts issued within a calendar year (annual cohorts) that are:

- (i) contracts that are onerous at initial recognition;
- (ii) contracts that at initial recognition do not have a significant possibility of becoming onerous later; or
- (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. These groups are not reassessed subsequently.

For each contract portfolio, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether contracts are onerous at initial recognition or if non-onerous contracts have a significant possibility of becoming onerous. This level of granularity defines sets of contracts. The Group applies significant judgment to determine the appropriate granularity level at which reasonable and supportable information is available to conclude that all contracts in a set are sufficiently homogeneous and can be grouped without evaluating each contract individually.

Held reinsurance contract portfolios are evaluated for aggregation separately from the portfolios of issued insurance contracts. Applying grouping requirements to held reinsurance contracts, the Group aggregates contracts concluded within a calendar year (annual cohorts) into groups of:

- (i) contracts that result in a net gain at initial recognition, if any;
- (ii) contracts that, at initial recognition, do not have a significant possibility of resulting in a future net gain; and
- (iii) the remaining contracts in the portfolio, if any.

Measurement

Fulfillment cash flows (FCF) within the contractual boundary

FCF represent current estimates of future cash flows within the contractual boundary of a group of contracts that the Group expects to collect from premiums and pay for claims, benefits, and expenses, adjusted to reflect the time value and uncertainty of those amounts.

Estimates of future cash flows:

- a. are based on a probability-weighted average of a full range of possible outcomes;
- b. are determined from the Group's perspective, provided the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

An explicit adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured using the PAA, unless the contracts are onerous, the explicit risk adjustment is estimated only for measuring the LIC.

Held excess-of-loss reinsurance contracts provide coverage for claims incurred during an accident year. Therefore, all cash flows related to incurred and expected claims within the accident year are included in the measurement of held reinsurance contracts. Some contracts may include reinsurance reinstatement premiums, mandatory or voluntary, which are guaranteed under the contractual arrangements and are therefore within the respective contract boundaries.

02. Significant Accounting Policies (continued)

Cash flows not directly attributable to an insurance contract portfolio, such as certain product development and training costs, are recognized in other operating expenses as incurred.

Insurance acquisition costs

The Group defines acquisition cash flows as cash flows arising from the sale, underwriting, and initiation costs of a group of insurance contracts (issued or to be issued) that are directly attributable to the insurance contract portfolio to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows directly attributable to a group of insurance contracts are allocated to:

- a. that group; and
- b. groups expected to include contracts arising from renewals of insurance contracts in that group.

Acquisition cash flows that are not directly attributable to a group of contracts, but are directly attributable to a contract portfolio, are allocated to groups of contracts in or expected to be in that portfolio.

ff. Events after the reporting date

Adjusting events after the reporting date—those providing additional information about the Bank's/Group's position at the reporting date (adjusting events) or indicating that the going concern principle is no longer applicable—are reflected in the financial statements. Non-adjusting events after the reporting date are disclosed in the notes if deemed significant.

gg. Changes in accounting policies

The Bank and the Group align their accounting policies with changes in international financial reporting standards whenever applicable. The International Accounting Standards Board has issued a number of documents, detailed in the section below, but these do not have a material impact on the financial statements of the Group or the Bank for the financial year ended 31 December 2024 to warrant a significant revision of their accounting policies.

02. Significant Accounting Policies (continued)

New IFRS Accounting Standards and Amendments to Existing Standards Effective for the Current Year

In the current year, the Bank/Group applied a series of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods beginning on or after 1 January 2024. The adoption of these amendments did not have a significant impact on the disclosures or the amounts reported in these financial statements.

Standard	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback Transaction

New IFRS Accounting Standards and Amendments to Existing Standards Not Yet Effective

At the date of approval of these financial statements, the Bank/Group has not applied the following amended IFRS accounting standards which have been issued but are not yet effective:

Standard	Title	IASB Effective Date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts for Renewable Electricity	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Other Amendments	Indefinitely deferred

The Bank/Group anticipates that the adoption of the above-mentioned standards will not have a significant impact on the Bank's/Group's financial statements in future periods.

02. Significant Accounting Policies (continued)

New IFRS Accounting Standards and Amendments to Existing Standards Issued but Not Yet Adopted by the EU

Currently, IFRS as adopted by the EU do not differ significantly from those adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards that were not adopted by the EU at the date of authorisation of these financial statements:

Standard	Title	EU Adoption Status
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB Effective Date: 1 January 2026)	Not yet adopted by the EU
Amendments to IFRS 9 and IFRS 7	Contracts for Renewable Electricity	Not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 (IASB Effective Date: 1 January 2026)	Not yet adopted by the EU
IFRS 18	Presentation and Disclosure in Financial Statements (IASB Effective Date: 1 January 2027)	Not yet adopted by the EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB Effective Date: 1 January 2027)	Not yet adopted by the EU
IFRS 14	Regulatory Deferral Accounts (Effective Date: 1 January 2016)	The European Commission decided not to initiate the endorsement process for this interim standard and to await the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Subsequent Amendments (IASB Effective Date: Indefinitely deferred, early application permitted)	Endorsement process deferred indefinitely pending completion of the research project on the equity method

The Bank/Group anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the Bank's/Group's financial statements in the future.

Brief Description of New Standards and Amendments to Existing Standards

- **IFRS 18 Presentation and Disclosure in Financial Statements**, issued by the IASB on 9 April 2024, will replace IAS 1 Presentation of Financial Statements. The standard introduces three sets of new requirements for companies to enhance financial performance reporting and to provide investors with a better basis for analyzing and comparing companies. The main changes in the new standard compared to IAS 1 relate to: (a) the introduction of categories (operating, investing, financing, income tax, and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) the introduction of disclosures regarding Management-Defined Performance Measures (MPMs) in the notes to the financial statements.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**, issued by the IASB on 9 May 2024. The standard allows subsidiaries to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out disclosure requirements for subsidiaries that choose to apply it.

- **Amendments to IFRS 16 Leases – Lease Liabilities in a Sale and Leaseback Transaction**, issued by the IASB on 22 September 2022. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in such a way that no gains or losses relating to the retained right-of-use are recognised. The new requirements do not prevent the seller-lessee from recognising in profit or loss any gains or losses resulting from a partial or full termination of a lease contract.
- **Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current**, issued by the IASB on 23 January 2020, and **Amendments to IAS 1 – Non-current Liabilities with Covenants**, issued on 31 October 2022. The January 2020 amendments provide a more general approach to the classification of liabilities under IAS 1 based on existing contractual arrangements as of the reporting date. The October 2022 amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability and establish an effective date for both amendments for annual periods beginning on or after 1 January 2024.
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements**, issued by the IASB on 25 May 2023. The amendments add disclosure requirements, including “indicators” within the existing disclosure framework, to provide both qualitative and quantitative information regarding supplier finance arrangements.
- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability**, issued by the IASB on 15 August 2023. The amendments include guidance for entities to disclose when a currency is exchangeable and how to determine the exchange rate when it is not.
- **Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments**, issued by the IASB on 30 May 2024. These amendments clarify the classification of financial assets with environmental, social, governance (ESG), and similar characteristics. They also clarify the date at which a financial asset or liability is derecognised and introduce additional disclosure requirements on equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.
- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Electricity Generated from Natural Conditions**, issued by the IASB on 18 December 2024. The own use requirements in IFRS 9 are amended to include factors that an entity must consider when applying IFRS 9:2.4 to power purchase and delivery contracts for electricity generated from renewable sources where the generation depends on natural conditions. The hedge accounting provisions of IFRS 9 are amended to allow an entity that applies a power purchase agreement for renewable electricity dependent on natural conditions, designated as a hedging instrument, to designate a variable volume of forecast electricity transactions as the hedged item if specific criteria are met and to measure the hedged item using the same volume assumptions used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 will introduce disclosure requirements regarding renewable energy contracts dependent on natural conditions with specified features
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11**, issued by the IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections, and changes in the following areas: (a) hedge accounting adopted by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) presentation of the deferred difference between fair value and transaction price (IFRS 7); (d) presentation and disclosures regarding credit risk (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a “de facto agent” (IFRS 10); (h) cost model (IAS 7).

02. **Significant Accounting Policies (continued)**

- **IFRS 14 Regulatory Deferral Accounts**, issued by the IASB on 30 January 2014. The objective of this standard is to allow first-time IFRS adopters that currently recognise regulatory deferral accounts under previous GAAP to continue doing so on the transition to IFRS.
- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**, issued by the IASB on 11 September 2014. The amendments address the inconsistency between the requirements in IAS 28 and IFRS 10 and clarify that, in a transaction involving an associate or a joint venture, gains or losses are recognised when the assets sold or contributed constitute a business.

03. Interest Income

Interest income calculated using the effective interest method:	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Loans granted to customers measured at amortized cost	1.117.055	1.117.055	1.128.789	1.128.789
Current accounts and deposits – banks measured at amortized cost	275.940	275.351	227.068	226.434
Debt instruments measured at fair value through other comprehensive income	51.086	51.086	43.292	43.292
Debt instruments measured at amortized cost	161.494	160.180	140.311	139.224
	1.605.575	1.603.672	1.539.460	1.537.739

04. Interest Expense

Interest expense related to:	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Deposits from the Ministry of Finance	233.911	233.911	359.737	359.737
Deposits from banks	89.065	89.065	75.531	75.531
Deposits from customers	769.461	772.786	696.172	700.393
Interest on financial lease contracts	3.611	3.611	2.618	2.618
	1.096.048	1.099.373	1.134.058	1.138.279

Details regarding the method for determining interest on deposits from the Ministry of Finance, as well as the annual variation, are provided in Note 23.

05. Gain/(loss) from impairment of financial assets, commitments, and guarantees granted

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Gain/(loss) from expected credit loss adjustments	-239.482	-239.482	-246.395	-246.395
Gain/(loss) from originated credit-impaired loans	-	-	-	-
Total gain/(loss) from expected credit loss -loans	-239.482	-239.482	-246.395	-246.395
Adjustments for expected credit losses – credit institutions	316	316	329	329
Adjustments for expected credit losses – securities at amortized cost and FVOCI	-494	-494	-1.898	-1.898
Total gain/loss (from expected credit loss – other financial assets)	-178	-178	-1.569	-1.569
Provisions for commitments and financial guarantees granted to customers	-4.026	-4.026	7.322	7.725
Total gain/loss (from expected credit loss – off-balance sheet exposures)	-4.026	-4.026	7.322	7.725
Gain/(loss) from impairment adjustments – other receivables	-12.684	-12.261	-1.741	-1.741
Total gain/(loss) from expected credit loss – other receivables	-12.684	-12.261	-1.741	-1.527
Recoveries from loans written off	43.574	43.574	35.921	35.921
Recoveries from other receivables written off	611	611	117	117
Impairment adjustments on investments in subsidiaries	-	-	-	27.000
Total	-212.185	-211.762	-206.345	-178.728

06. Net gain/(loss) from foreign exchange differences, trading and derivative instruments

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Gains (losses) from foreign exchange differences	46.175	46.222	35.891	35.896
Gain/(loss) from foreign exchange derivatives	36.621	36.621	65.863	65.863
Gain/(loss) from trading activity of financial instruments at fair value through profit or loss	21.326	21.326	18.298	18.298
Gain/(loss) from trading and derivative instruments	57.947	57.947	84.161	84.161

Foreign exchange gains/(losses) include the following:

- Gains or losses realized from spot foreign exchange transactions with corporate and individual clients;
- Net result from the revaluation of balance sheet assets and liabilities denominated in foreign currencies.

Trading and derivative instrument gains/(losses) include:

- Gains or losses realized from transactions with foreign exchange derivative instruments;
- Potential gains or losses related to unsettled foreign exchange derivative transactions at the reporting date (measured using alternative valuation techniques based on observable market inputs);
- Potential gains or losses related to fixed-income instruments classified in the trading portfolio (measured based on quoted prices).

07. Net result from derecognition of investments in FVOCI financial instruments

During the 2024 financial year, the Group did not dispose of financial instruments — government securities and bonds — held in the fair value through other comprehensive income portfolio. The result for the year is nil (2023: nil result for both the Group and the Bank).

08. Net fee and commission income

Fee income	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Fee income from customer operations	27.198	27.200	22.901	22.903
Fee income related to guarantees	31.959	31.959	25.316	25.316
Fee income from mandate operations, of which:	67.362	67.362	55.298	55.298
<i>Fees collected from the Romanian state for operations performed under mandate</i>	67.362	67.362	55.228	55.228
<i>Fees collected from intermediaries and beneficiaries of products granted in the name and on behalf of the state</i>	73	73	70	70
Fee income from import letters of credit	1.500	1.500	2.632	2.632
Fee income from banking transactions	6.921	6.921	6.469	6.469
Other fee income	14.885	14.718	14.587	14.430
	149.825	149.660	127.203	127.048
Fee expenses	-30.499	-30.477	-24.213	-24.194
Net fee and commission income	119.326	119.183	102.990	102.854

Details regarding the determination method for commissions from mandate operations, as well as the annual variation, are disclosed in Note 24.

Exim Banca Românească collects mandate operation administration fees in the form of base and performance commissions.

09. Net result from insurance activities

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Insurance income	62.750	-	79.191	-
Insurance service expense (claims paid and acquisition costs)	-19.960	-	-11.368	-
Expenses from reinsurance contracts	-30.353	-	-36.943	-
Net insurance result (+profit/ -loss)	12.437	-	30.880	-
Net financial income (+)/ expenses (-) from insurance contracts	-1.491	-	-2.972	-
Net financial income/expenses from reinsurance	795	-	1.818	-
Net financial result (+profit/ -loss)	-696	-	-1.154	-
Net result from insurance activities (+profit/ -loss)	11.741	-	29.726	-

9. Net result from insurance activities (continued)

Group - 2024	Asset for remaining coverage		Asset for incurred claims		TOTAL
	Asset for remaining coverage excluding the loss component	Asset for remaining coverage – loss component	Asset for incurred claims – present value of future cash flows	Asset for incurred claims – risk adjustment	
Balance as at 1 January 2024	-14.202	-	-13.495	-1.327	-29.024
Reinsurance expenses	30.459	-	-	-	30.459
Reinsurance recoveries	-8.132	-	7.006	1.020	-106
- Participation in claims and expenses incurred	-	-	-4.415	-38	-4.453
- Participation in service for prior periods	-	-	11.421	1.059	12.480
- Variation of the loss recovery component	-	-	-	-	-
- Amortisation of the reinsurer's commission	-8.132	-	-	-	-8.132
- Changes in non-performance risk	-	-	-	-	-
Result from reinsurance	22.327	-	7.006	1.020	30.353
Net financial income or expenses	-	-	-795	-	-795
- Discount unwind / accrued interest	-	-	-813	-	-813
- Changes due to revisions in economic assumptions	-	-	19	-	19
Total changes in profit or loss and other comprehensive income	22.327	-	6.211	1.020	29.558
Investment component	-	-	-	-	-
Cash flows	-20.985	-	3.830	-	-17.155
- Insurance premiums paid	-25.492	-	-	-	-25.492
- Refunds of premium	-	-	-	-	-
- Reinsurer's share of claims and other insurance service expenses incurred	-	-	3.830	-	3.830
- Reinsurance commissions received	4.507	-	-	-	4.507
Balance as at 31 December 2024	-12.861	-	-3.454	-307	-16.622

Group - 2024	Liability for remaining coverage		Liability for incurred claims		TOTAL
	Liability for remaining coverage	Liability for remaining coverage – loss component	Liability for incurred claims – present value of future cash flows	Liability for incurred claims – risk adjustment	
Balance as at 1 January 2024	48.188	-	27.366	2.333	77.887
Insurance revenue	-64.343	-	-	-	-64.343
Insurance service expenses	14.115	-	6.512	-667	19.960
- Claims and expenses incurred	-	-	19.257	213	19.470
- Paid	-	-	16.628	-	16.628
- Unpaid	-	-	2.629	213	2.842
- Adjustment for past services	-	-	-12.745	-880	-13.625
- Losses and reversal of losses	-	-	-	-	-
- Amortisation of acquisition costs	14.115	-	-	-	14.115
Insurance service result	-50.227	-	6.512	-667	-44.382
Net financial income or expenses	-	-	1.491	-	1.491
- Discount unwind/ accrued interest	-	-	1.649	-	1.649
- Changes due to revisions in economic assumptions	-	-	-158	-	-158
Total changes in profit or loss and other comprehensive income	-50.227	-	8.003	-667	-42.891
Investment component	-	-	-	-	-
Cash flows	51.271	-	-14.200	-	37.071
- Insurance premiums received	68.411	-	-	-	68.411
- Refunds of insurance premiums	-	-	-	-	-
Claims and other insurance service expenses incurred	-	-	-14.200	-	-14.200
- Acquisition costs paid	-17.140	-	-	-	-17.140
Balance as at 31 December 2024	49.231	-	21.170	1.666	72.067

9. Net result from insurance activities (continued)

Group - 2023	Asset for remaining coverage from contracts		Asset for incurred claims		TOTAL
	Asset for remaining coverage excluding loss component	Asset for remaining coverage – loss component	Asset for incurred claims – present value of future cash flows	Asset for incurred claims – risk adjustment	
Opening balance as at January 1, 2023	-11.259	-	-24.300	-2.415	-37.974
Reinsurance expenses	29.449	-	-	-	29.449
Recoveries from reinsurance	-4.362	-	10.768	1.088	7.494
- Participation in claims and service expenses	-	-	-2.975	-111	-3.086
- Participation in service for prior periods	-	-	13.744	1.199	14.943
- Change in loss recovery component	-	-	-	-	-
- Amortisation of reinsurer's commission	-4.362	-	-	-	-4.362
- Changes in non-performance risk	-	-	-	-	0
Result from reinsurance	25.087	-	10.768	1.088	36.943
Net financial income or expenses	-	-	-1.818	-	-1.818
- Discount unwind / accrued interest	-	-	-1.695	-	-1.695
- Changes due to revision of economic estimates	-	-	-123	-	-123
Total changes in profit or loss and other comprehensive income	25.087	-	8.950	1.088	35.125
Investment component	-	-	-	-	0
Cash flows	-28.031	-	1.854	-	-26.177
- Insurance premiums paid	-34.577	-	-	-	-34.577
- Premium refunds	-	-	-	-	-
- Participation of reinsurer in claims and other service expense incurred	-	-	1.854	-	1.854
- Reinsurance commissions received	6.547	-	-	-	6.547
Closing balance as at December 31, 2023	-14.202	-	-13.495	-1.327	-29.024

Group - 2023	Liability for remaining coverage		Liability for incurred claims		TOTAL
	Liability for remaining coverage	Liability for remaining coverage – loss component	Liability for incurred claims – present value of future cash flows	Liability for incurred claims – risk adjustment	
Opening balance as at January 1, 2023	35.995	-	39.031	3.522	78.548
Insurance revenue	-58.405	-	-	-	-58.405
Insurance service expenses	10.316	-	2.241	-1.189	11.368
- Claims and service expenses incurred	-	-	21.739	269	22.008
- Paid	-	-	18.731	-	18.731
- Unpaid	-	-	3.008	269	3.277
- Adjustment for prior services	-	-	-19.498	-1.457	-20.955
- Losses and reversals of losses	-	-	-	-	-
- Amortisation of acquisition costs	10.316	-	-	-	10.316
Insurance service result	-48.089	-	2.241	-1.189	-47.037
Net financial income or expenses	-	-	2.972	-	2.972
- Discount unwind / accrued interest	-	-	2.722	-	2.722
- Changes due to revision of economic estimates	-	-	250	-	250
Total changes in profit or loss and other comprehensive income	-48.089	-	5.213	-1.189	-44.065
Investment component	-	-	-	-	-
Cash flows	60.282	-	-16.877	-	43.405
- Insurance premiums received	76.362	-	-	-	76.362
- Insurance premium refunds	-	-	-	-	-
Claims and other service expenses incurred	-	-	-16.877	-	-16.877
- Acquisition expenses paid	-16.081	-	-	-	-16.081
Closing balance as at December 31, 2023	48.188	-	27.366	2.333	77.887

10. Other income

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Contractual penalty income	2.385	2.385	2.050	2.050
Rental income	4.979	4.979	4.189	4.189
Dividends and similar income	3.038	3.038	2.386	2.386
Other income	1.082	1.082	1.010	1.422
	11.484	11.484	9.635	10.047

11. Salaries and Related Expenses

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Salaries and related expenses	208.819	208.819	205.976	194.852
Reversals, use and provisions	-4.849	-4.849	-4.492	-4.492
Total salary expenses	203.970	203.970	201.484	190.360
Remuneration for collaborators (*)	3.987	3.987	7.547	7.547
Reversals, use and provisions	36	36	-862	-862
Total collaborator costs	4.023	4.023	6.685	6.685
Employer contributions on salaries	6.339	6.339	6.179	5.881
Retirement compensation payments	160	160	204	204
Reversals, use and provisions	42	42	1.152	1.152
Total retirement benefits	202	202	1.356	1.356
Other salary-type expenses	7.299	7.299	4.923	4.923
Total salaries and related expenses	221.833	221.833	220.627	209.205

(*) Costs related to collaborators include rights of directors, executive and non-executive officers under mandate contracts and fees due to members of the General Meeting of Shareholders.

The salary rights of members of the Interministerial Committee for Financing, Guarantees and Insurance are reimbursed from state funds according to the agreement with the Ministry of Finance in force.

12. Other Operating Expenses

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Taxes and duties	39.776	39.776	4.173	1.580
Postal and telecommunications expenses	9.868	9.868	9.407	9.270
Maintenance expenses	32.451	32.451	30.510	29.919
Advertising, protocol and sponsorship expenses	6.794	6.794	6.693	6.212
Consumables	5.329	5.329	5.130	4.831
Water and energy	6.981	6.981	7.709	7.709
Rent	606	606	477	477
Consulting services	5.995	5.995	9.527	9.526
Other services provided by third parties	19.916	19.916	16.961	14.309
Security and protection expenses	2.587	2.587	2.386	2.386
Deposit guarantee and Bank Resolution Fund expenses	13.997	13.997	30.244	30.244
Other expenses	11.009	11.009	7.457	9.250
	155.309	155.309	130.674	125.713

As part of a fiscal reform package, a new permanent banking tax was introduced starting in 2024, applicable to all credit institutions in Romania, regardless of financial result, with differentiated tax rates as follows:

- a) 2% of turnover, for the period 1 January 2024 – 31 December 2025 inclusive;
- b) 1% of turnover, starting from 1 January 2026.

This tax, applied on banks' operating revenues, is due in addition to corporate income tax. The Bank has calculated and paid the turnover tax starting from 2024 according to applicable legal provisions.

Below we present the audit and non-audit service expenses incurred by the Group/Bank and provided by the statutory financial auditor:

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Statutory audit expenses including sustainability report	1.528	1.272	1.064	809
Other regulated service expenses	451	352	639	379
Total audit expenses	1.979	1.624	1.703	1.188

13. Income Tax

The main components of income tax expense are:

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Current income tax	24.461	21.176	3.536	833
Deferred income tax	-144	-144	7.613	7.613
	24.317	21.032	11.149	8.446

The reconciliation between tax expenses and accounting profit is presented below:

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Accounting profit before tax (A)	110.754	94.112	53.178	66.667
Tax rate: 16%	17.721	15.058	13.440	10.667
Tax impact of non-taxable income	-18.536	-17.645	-21.796	-21.266
Tax impact of non-deductible expenses	27.047	25.382	18.398	17.710
Tax impact of reserve distribution	-894	-753	-652	-533
Tax impact of carried-forward loss	-	-	-5.537	-5.537
Income tax before tax credit	25.338	22.042	3.853	1.041
Tax credit	-877	-866	-317	-208
Current income tax	24.461	21.176	3.536	833
Deferred tax on temporary differences	-144	-144	7.613	7.613
Income tax in the profit and loss account (B)	24.317	21.032	11.149	8.446

Differences between fiscal regulations and rules and accounting standards used in preparing the financial statements generate temporary differences in asset and liability values for which deferred income tax is calculated.

Group/ Bank *

Deferred tax evolution

Deferred tax

	Statement of financial position – Taxable effect	
	31-Dec-24	31-Dec-23
Retirement benefits	20	750
Other employee provisions	3.958	4.020
Provisions for letters of guarantee / loan commitments	6.764	6.015
Expected credit losses	1.727	1.539
	12.469	12.324

Deferred through equity:

Revaluation reserve		
Revaluation of financial instruments at fair value through other comprehensive income	2.183	2.569
Deferred tax before purchase date fair value adjustment	14.652	14.893
Net deferred tax	14.652	14.893

(*) The value of deferred taxes is the same for both the Bank and the Group

The Bank/Group calculated deferred income tax using the statutory tax rate of 16% for both 2024 and 2023, which is the rate applicable from 1 January 2005 onward.

The Bank/Group did not calculate deferred tax on statutory reserves established under banking regulations and company law, considering the applicable fiscal provisions.

The attached notes are an integral part of the financial statements.

14. Accounts Held with the National Bank of Romania

Group/Bank	31-Dec-24	31-Dec-23
Current accounts in RON	4.856.194	4.870.707
Current accounts in foreign currency	518.035	693.187
Expected credit loss allowance	-91	-218
Total	5.374.138	5.563.676

The RON current accounts with the National Bank of Romania ("NBR") represent accounts for maintaining minimum mandatory reserves, in both RON and EUR. Additionally, the Bank/Group holds EUR accounts at the NBR for settlements via the TARGET II system.

Exposures to the NBR are classified in Stage 1. For these, the Group/Bank calculated, under IFRS 9, expected credit loss adjustments in the amount of 91 thousand RON (2023: 218 thousand RON).

The annual interest rates paid by the NBR in 2024 ranged between 0.74% and 0.83% for RON reserves (2023: between 0.69% and 0.82%), while EUR reserves were remunerated at annual rates between 0.08% and 0.19% (2023: between 0.02% and 0.11%).

As of 31 December 2024, the minimum reserve requirement rates with the NBR were 8% for RON and 5% for foreign currency balances (31 December 2023: 8% for RON and 5% for foreign currency).

15. Amounts Due from Credit Institutions

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Current accounts and sight deposits	337.530	336.684	258.376	257.662
Term deposits	2.138.228	2.125.030	1.353.775	1.342.624
Collateral deposits	3.471	3.471	21.401	21.401
Expected credit loss allowance	-171	-171	-360	-360
Total	2.479.058	2.465.014	1.633.192	1.621.327

Exposures to credit institutions are classified in Stage 1. As of 31 December 2024, for these, the Bank/Group calculated expected credit loss adjustments under IFRS 9 in the amount of 171 thousand RON (31 December 2023: 360 thousand RON for both Group and Bank).

The total expected credit loss adjustments for exposures to credit institutions and NBR amount to 262 thousand RON at Group and Bank level (2023: 578 thousand RON).

15. Amounts Due from Credit Institutions (continued)

Group/ Bank – 2024

Expected credit loss adjustments – Credit institutions, including NBR

Opening balance at 1 Jan 2024

Increases due to issuance or acquisition

Decreases due to derecognition

Closing balance at 31 Dec 2024

Stage 1	Stage 2	Stage 3	Total
578	-	-	578
3.902	-	-	3.902
-4.219	-	-	-4.219
261	-	-	261

Group/Bank – 2023

Expected credit loss adjustments – Credit institutions, including NBR

Opening balance at 1 Jan 2023

Increases due to issuance or acquisition

Decreases due to derecognition

Closing balance at 31 Dec 2023

Stage 1	Stage 2	Stage 3	Total
908	-	-	908
578	-	-	578
-908	-	-	-908
578	-	-	578

16. Derivative Financial Instruments

Derivative financial instruments that have not matured and have not been settled, at both individual and consolidated level, are presented as follows:

Group/ Bank - 2024

Derivative Financial Instruments

Forex Swap Instruments

Moody's Rating A1

Moody's Rating Aa32

Moody's Rating Baa1

Moody's Rating P1

Moody's Rating P2

Unrated

Forex Forwards Instruments - unrated

Notional	Fair Value	
	Assets	Liabilities
2.708.033	42.594	3.283
2.696.095	42.594	3.242
579.446	20.081	50
529.861	7.616	1.115
74.612	357	8
706.372	12.943	236
497.410	702	1.110
308.394	895	723
11.938	-	41

Group/Bank - 2023

Derivative Financial Instruments

Forex Swap Instruments

Moody's Rating A1

Moody's Rating A2

Moody's Rating P1

Moody's Rating P2

Unrated

Notional	Fair Value	
	Assets	Liabilities
2.374.060	3.368	22.454
2.100.458	3.194	22.454
85.712	-	2.040
24.873	685	-
1.417.793	729	20.406
572.079	1.780	-
273.603	174	8

Foreign exchange derivatives are revalued against the remaining forward rate calculated using the BNR spot rate and reference interest rates for the remaining maturity. The market value of interest rate derivatives (denominated in USD) is calculated using the USD "zero-coupon" government yield curve.

17. Loans

Group/Bank	31-Dec-24	31-Dec-23
RON loans – public authorities	2.228.726	1.956.036
RON loans – other legal entities	6.246.490	6.396.273
Foreign currency loans – legal entities	2.745.322	2.850.454
RON loans – individuals	1.898.349	1.794.578
Foreign currency loans - individuals	1.219.197	1.551.813
Total exposure	14.338.084	14.549.154
Expected loss – RON, public authorities	-3.870	-2.558
Expected loss – RON, legal entities	-166.119	-252.882
Expected loss – FCY, legal entities	-160.261	-146.593
Expected loss – RON, individuals	-40.834	-43.101
Expected loss – FCY, individuals	-115.427	-106.518
Total ECL adjustments	-486.511	-551.652
Total net loans	13.851.573	13.997.502

a) Movements in Expected Credit Loss Adjustments

Group/Bank	31-Dec-24	31-Dec-23
Opening balance - ECL	551.652	553.628
Provision gain (-)/loss(+) during the period	239.482	246.395
Adjustments for interest on impaired loans	14.970	21.334
Decrease in provision due to write-offs	-321.095	-273.051
Foreign exchange differences	1.502	3.346
Closing balance - ECL	486.511	551.652

17. Loans (continued)

a) Movements in Expected Credit Loss Adjustments (continued)

Legal Entities - Group/Bank

Expected credit loss adjustments - loans	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 Jan	-124.721	-23.193	-254.118	-402.032	-97.479	-109.286	-195.333	-402.098
Increases due to issuance or acquisition	-25.657	-4.067	-19.511	-49.235	-28.254	-1.467	-6.201	-35.922
Decreases due to derecognition	27.862	1.507	19.747	49.116	10.009	2.182	8.280	20.471
Credit risk change (net) – stage migration	-87	-47	-3.144	-3.278	2.248	76.137	-76.142	2.243
Increases or decreases due to changes without derecognition (net)	3.304	-3.573	-210.089	-210.358	-11.245	9.243	-228.602	-230.604
Decrease in provision due to write-off	-	-	285.537	285.537	-	-	243.876	243.876
Closing balance as at 31 December	-119.299	-29.373	-181.578	-330.250	-124.721	-23.193	-254.118	-402.032

Individuals – Group / Bank

Expected credit loss adjustments - loans	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 January	-18.405	-22.839	-108.376	-149.620	-16.907	-5.723	-128.900	-151.530
Increases due to issuance or acquisition	-16.102	-457	-1.507	-18.066	-5.062	-	-253	-5.315
Decreases due to derecognition	4.564	4.245	10.914	19.723	2.996	1.122	8.670	12.788
Credit risk change (net) – stage migration	112	14.061	-12.574	1.599	-6.579	-10.671	11.662	-5.588
Increases or decreases due to changes without derecognition (net)	14.697	-24.025	-36.128	-45.456	3.416	-7.669	-24.897	-29.150
Decrease in provision due to write-off	-	-	35.559	35.559	3.731	102	25.342	29.175
Closing balance as at 31 December	-15.134	-29.015	-112.112	-156.261	-18.405	-22.839	-108.376	-149.620

17. Loans (continued)

b) Industry type analysis

Group/Bank:	31-Dec-24	31-Dec-23
Public authorities:	2.228.726	1.956.036
Other economic sectors – total, of which:	12.109.358	12.593.118
A. Agriculture, forestry and fishing	804.661	860.321
B. Mining industry	148.214	214.197
C. Manufacturing	2.465.546	2.599.103
D. Electricity, gas supply	314.278	486.606
E. Water supply	485.419	475.275
F. Construction	1.232.906	1.140.232
G. Retail and wholesale trade	1.750.992	1.564.217
H. Transport and storage services	571.151	623.724
I. Accommodation and restaurants	169.296	167.931
J. Information and communications	77.733	116.210
K. Financial intermediation	340.113	456.445
L. Real estate activities	210.447	210.991
M. Professional, scientific, technical activities	200.607	180.344
N. Administrative and support services	173.000	103.000
P. Education	582	1.398
Q. Health and social work services	35.897	40.923
R. Arts, entertainment and recreation	7.600	3.017
S. Other services	3.370	2.793
T. Individuals	3.117.546	3.346.391
Total portfolio	14.338.084	14.549.154

The Bank/Group predominantly finances companies resident in Romania across its loan portfolio, but also includes exposures from external factoring with non-resident import factors.

c) Credit portfolio quality analysis before impairment adjustments

Group/Bank	31-Dec-24	31-Dec-23
Total non-impaired receivables (Stage 1 and 2)	13.603.646	13.828.061
Performing	12.963.607	13.225.017
Past due but not impaired	640.039	603.044
Total impaired receivables (Stage 3), of which	734.438	721.093
With current debt service or <30 days past due	229.517	187.815
Over 30 days past due	504.921	533.278
Total gross portfolio	14.338.084	14.549.154

17. Loans (continued)

c) Credit portfolio quality analysis before impairment adjustments (continued)

<i>Group/ Bank</i>	31-Dec-24	31-Dec-23
Stage 1	11.497.202	12.253.393
<i>Individuals</i>	2.063.129	2.624.445
<i>Legal entities</i>	7.232.194	7.732.696
<i>Public authorities</i>	2.201.879	1.896.252
Stage 2	2.101.141	1.574.668
<i>Individuals</i>	866.141	484.525
<i>Legal entities</i>	1.208.154	1.030.359
<i>Public authorities</i>	26.846	59.784
Stage 3	725.957	706.289
<i>Individuals</i>	175.211	225.102
<i>Legal entities</i>	550.746	481.187
<i>Public authorities</i>	-	-
Loans impaired at origination	13.783	14.804
<i>Individuals</i>	13.066	12.319
<i>Legal entities</i>	717	2.485
<i>Public authorities</i>	-	-
Total gross portfolio	14.338.084	14.549.154

d) Loan analysis by product and customer segment

Group/Bank

Gross carrying amount	31-Dec-24	31-Dec-23
Loans to individuals, of which	3.117.545	3.346.391
<i>Mortgage loans</i>	1.976.230	2.382.315
<i>Consumer loans</i>	1.105.923	929.514
<i>Credit cards</i>	35.392	34.562
Loans to legal entities, of which	8.991.813	9.246.727
<i>Corporations</i>	8.705.481	8.856.568
<i>SMEs</i>	253.898	344.653
<i>Microenterprises</i>	32.434	45.506
Loans to public authorities	2.228.726	1.956.036
Total gross portfolio	14.338.084	14.549.154

17. Loans (continued)

d) Loan analysis by product and customer segment (continued)

Group/Bank

	31-Dec-24	31-Dec-23
Expected credit losses		
<i>Loans to individuals, of which</i>	-156.261	-149.620
Mortgage loans	-111.002	-97.911
Consumer loans	-44.607	-51.114
Credit cards	-652	-595
Loans to legal entities, of which	-326.380	-399.474
Corporations	-313.749	-386.450
SMEs	-11.429	-11.059
Microenterprises	-1.202	-1.965
Loans to public authorities	-3.870	-2.558
Total expected credit losses	-486.511	-551.652

e) Migration of credit exposures between stages

Group/Bank - 2024 – Legal entities

<i>Transfers between Stage 1 and Stage 2</i>		<i>Transfers between Stage 1 and Stage 2</i>	
Transfers in Stage 1 from Stage 2	68.956	Transfers in Stage 2 from Stage 3	-
Transfers in Stage 2 from Stage 1	489.981	Transfers in Stage 3 from Stage 2	199.600

Group/Bank - 2024 – Individuals

<i>Transfers between Stage 1 and Stage 2</i>		<i>Transfers between Stage 1 and Stage 2</i>	
Transfers in Stage 1 from Stage 2	14,342	Transfers in Stage 2 from Stage 3	32.265
Transfers in Stage 2 from Stage 1	537.028	Transfers in Stage 3 from Stage 2	10.788

Group/Bank - 2024 – Legal entities

<i>Transfers between Stage 1 and Stage 2</i>		<i>Transfers between Stage 1 and Stage 2</i>	
Transfers in Stage 1 from Stage 2	92.721	Transfers in Stage 2 from Stage 3	-
Transfers in Stage 2 from Stage 1	732.587	Transfers in Stage 3 from Stage 2	309.030

Group/Bank - 2024 – Individuals

<i>Transfers between Stage 1 and Stage 2</i>		<i>Transfers between Stage 1 and Stage 2</i>	
Transfers in Stage 1 from Stage 2	22.271	Transfers in Stage 2 from Stage 3	10.338
Transfers in Stage 2 from Stage 1	346.339	Transfers in Stage 3 from Stage 2	14.379

The attached notes are an integral part of the financial statements.

17. Loans (continued)

f) Analysis by industry type of undrawn credit commitments and guarantee commitments

The breakdown of exposures by industry sectors, represented by undrawn credit commitments and guarantee commitments, is presented below:

Group/Bank

	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Credit Commitments	Credit Commitments	Credit Commitments	Credit Commitments
A. Agriculture, forestry, and fishing	122.383	64.223	59.272	110.100
B. Mining	140.124	54.454	311.941	338.247
C. Manufacturing	612.472	705.524	509.678	509.843
D. Electricity, gas, and energy supply	20.880	294.344	182.066	137.202
E. Water supply	131.178	60.512	19.467	31.048
F. Construction	263.114	325.159	1.220.877	984.362
G. Wholesale and retail trade	305.463	423.827	359.758	294.647
H. Transportation and storage	171.224	201.956	29.290	61.385
I. Accommodation and food services	84.136	26.511	234	284
J. Information and communications	31.550	67.926	27.131	35.271
K. Financial intermediation	431.945	375.329	1.937	17.840
L. Real estate transactions	293	2.920	5	1.062
M. Professional, scientific, and technical activities	116.682	67.026	87.701	64.909
N. Administrative and support services	28.398	12.412	2.716	5.481
O. Public administration	400.385	246.739	-	-
P. Education	1.335	1.385	-	-
Q. Human health and social work	7.724	4.926	1.772	1.772
R. Arts, entertainment, and recreation	5	786	5.624	6.414
S. Other services	703	559	347	7.951
T. Individuals	74.381	63.282	-	-
Total portfolio:	2.944.375	2.999.710	2.819.816	2.607.818

18. Investments

a) Investments in subsidiaries

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Investments in EximAsig branch	-	81.354	-	81.354
Impairment adjustments	-	-20.307	-	-20.307
Total	-	61.046	--	61.046

% ownership interest held **98.57%** **98.57%**

In 2024, no valuation of the company EximAsig was carried out; the latest valuation was performed as of 31 December 2023. Following the valuation conducted by the Bank for its investment in the EximAsig subsidiary as of 31 December 2023, a RON 27 million increase in the company's value was identified. As a result, the cumulative impairment of the investment in the EximAsig subsidiary decreased from RON 47,307 thousand as of 31 December 2022 to RON 20,307 thousand as of 31 December 2023.

The shareholding of Exim Banca Românească in the share capital of the EximAsig subsidiary is eliminated in the consolidated financial position.

The attached notes are an integral part of the financial statements.

18. Investments (continued)

b) Investments classified at fair value through other comprehensive income

Group/Bank	31-Dec-24	31-Dec-23
Debt instruments		
Government bonds and securities	1.117.999	861.444
(Decrease)/increase in fair value	-19.418	-20.891
Total investments in debt instruments	1.098.581	840.553
Equity instruments – Transfond Swift (unrated)	6.777	5.800
Total	1.105.358	846.353

The Group/Bank held the following categories of fixed income financial instruments, all classified under Stage 1, as of both 31 December 2024 and 31 December 2023:

- Government debt instruments denominated in RON, issued by the Ministry of Finance (MF);
- Government debt instruments denominated in foreign currency, issued by the Ministry of Finance;
- Bonds issued by other credit institutions;
- Bonds issued by the Municipality of Bucharest.

Investments in equity instruments are measured at fair value through other comprehensive income, in accordance with IFRS 9 as of 31 December 2024.

For determining the fair value of financial instruments for which market prices are not available, the Bank/Group uses valuation methods based on directly observable inputs, i.e., it establishes prices based on observable data (interest rates, swap quotes, CDS spreads) applicable to the markets of the respective currencies in which the securities are denominated.

Group/Bank	31-Dec-24	31-Dec-23
Composition of debt and equity instruments		
Treasury certificates – Ministry of Finance (Baa3 *)		-
Bonds – Ministry of Finance (Baa3-)	988.515	729.410
Bonds – Municipality of Bucharest (BBB-)	110.066	111.143
Total debt instruments	1.098.581	840.553
Equity instruments (Level 3)	6.777	5.800
Total	1.105.358	846.353

The credit ratings presented are assigned by the external credit rating agency Moody's, except for the Municipality of Bucharest.

As of 31 December 2024, the Bank/Group pledged bonds with a nominal value of RON 31,015 thousand (31 December 2023: RON 30,386 thousand) in favor of the National Bank of Romania, in its capacity as the administrator of the real-time gross settlement system – ReGIS, for the purpose of securing the settlement of transactions carried out by the Bank/Group through the multilateral interbank electronic payment clearing system – SENT.

18. Investments (continued)

c) Investments at amortised cost

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Bonds issued by the Ministry of Finance (Baa3 *)	2.949.017	2.892.021	3.437.251	3.394.952
Bonds – Municipality of Bucharest (BBB-)	-	-	-	-
Bonds issued by CEC Bank (BB)	-	-	49.870	49.870
Accrued interest	66.216	65.570	76.348	75.702
Expected credit loss adjustments	-50	-50	-1.660	-1.660
Total	3.015.183	2.957.541	3.561.809	3.518.864

* The MFP rating is assigned by the external credit rating agency Moody's

Financial instruments at amortised cost are allocated to Stage 1, and for these the Bank/Group calculated expected credit loss adjustments in accordance with IFRS 9 in the amount of RON 50 thousand as at 31 December 2024 (2023: RON 1,660 thousand for the Group/Bank).

Group/Bank - 2024

Expected credit loss adjustments – financial instruments at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2024	1.660	-	-	1.660
Increases/decreases from issuance or acquisition	-1.610	-	-	-1.610
Balance as at 31 December 2024	50	-	-	50

Group/Bank - 2023

Expected credit loss adjustments – financial instruments at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2023	481	-	-	481
Increases from issuance or acquisition	1.179	-	-	1.179
Balance as at 31 December 2023	1.660	-	-	1.660

d) Financial instruments at fair value through profit or loss

Group/Bank:

	31-Dec-24	31-Dec-23
Bonds – Ministry of Finance (Level 1) (Baa3)	251.439	174.714
Total	251.439	174.714

Financial instruments held for trading are measured at fair value through profit or loss, based on market prices of quoted securities (classified as Level 1)

As of both 31 December 2024 and 31 December 2023, the Bank/Group's trading financial instrument portfolio consisted of bonds denominated in the local currency issued by the Ministry of Finance.

The attached notes are an integral part of the financial statements.

19. Property, Plant and Equipment and Intangible Assets

Bank – 2024	Land and buildings	Leasehold improvements	Computers, equipment, furniture	Vehicles	Tangible assets in progress	Right-of-use assets	Total property, plant and equipment	Intangible assets	Intangible assets in progress	Total intangible assets	Grand total
Cost											
As at 1 January 2024	29.966	40.802	124.232	3.169	2.494	207.445	408.108	183.289	2.853	186.142	594.250
Additions	-	-	18	-	14.024	31.347	45.389	-	17.219	17.219	62.608
Revaluation *	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-1.056	-8.314	-290	-18	-30.276	-39.954	-13.986	-	-13.986	-53.940
Transfers between categories	129	1.874	6.332	-	-8.335	-	-	13.901	-13.901	-	-
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	30.095	41.620	122.268	2.879	8.165	208.516	413.543	183.204	6.171	189.375	602.918
Accumulated depreciation											
As at 1 January 2024	1.109	37.034	86.001	3.169	-	56.339	183.652	130.696	-	130.696	314.348
Annual depreciation	1.098	1.705	9.860	100	-	30.923	43.386	13.205	-	13.205	56.880
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-1.056	-8.311	-290	-	-19.654	-29.311	-13.986	-	-13.986	-43.297
Transfers between categories	-	-	100	-100	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	2.207	37.683	87.650	2.879	-	67.608	198.027	129.915	-	129.915	327.942
Net carrying amount as at 31 December 2024	27.888	3.937	34.618	-	8.165	140.908	215.516	53.289	6.171	59.460	274.976
Net carrying amount as at 1 January 2024	28.857	3.768	38.231	-	2.494	151.106	224.456	52.593	2.853	55.446	279.902

The attached notes are an integral part of the financial statements.

19. Property, Plant and Equipment and Intangible Assets (continued)

<i>Bank – 2023</i>	Land and buildings	Leasehold improvements	Computers, equipment, furniture	Vehicles	Tangible assets in progress	Right-of-use assets	Total property, plant and equipment	Intangible assets	Intangible assets in progress	Total intangible assets	Grand total
Cost											
As at 1 January 2023	49.547	48.479	125.167	6.799	2.830	133.023	365.845	189.613	5.656	195.269	561.114
Additions	104	-	4.272	-	12.456	126.546	143.378	1.443	12.593	14.036	157.414
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-763	-9.415	-1.686	-	-52.124	-63.988	-11.460	-	-11.460	-75.448
Transfers at net value (merger)	-19.787	-8.245	-7.242	-2.544	-	-	-37.818	-10.626	-	-10.626	-48.444
Transfers between categories	102	1.331	11.450	600	-12.792	-	691	14.319	-15.396	-1.077	-386
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	29.966	40.802	124.232	3.169	2.494	207.445	408.108	183.289	2.853	186.142	594.250
Accumulated depreciation											
As at 1 January 2023	19.804	44.388	94.596	6.767	-	73.847	239.402	143.048	-	143.048	382.450
Annual depreciation	1.092	1.654	8.035	632	-	31.973	43.386	9.734	-	9.734	53.120
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-763	-9.388	-1.686	-	-49.481	-61.318	-11.460	-	-11.460	-72.778
Transfers at net value (merger)	-19.787	-8.245	-7.242	-2.544	-	-	-37.818	-10.626	-	-10.626	-48.444
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	1.109	37.034	86.001	3.169	-	56.339	183.652	130.696	-	130.696	314.348
Net carrying amount as at 31 December 2023	28.857	3.768	38.231	-	2.494	151.106	224.456	52.593	2.853	55.446	279.902
Net carrying amount as at 1 January 2023	29.743	4.091	30.571	32	2.830	59.176	126.443	46.565	5.656	52.221	178.664

The attached notes are an integral part of the financial statements.

19. Property, Plant and Equipment and Intangible Assets (continued)

Group – 2024	Land and buildings	Leasehold improvements	Computers, equipment, furniture	Vehicles	Tangible assets in progress	Right-of-use assets	Total property, plant and equipment	Intangible assets	Intangible assets in progress	Total intangible assets	Grand total
Cost											
As at 1 January 2024	29.966	41.022	126.850	3.502	2.494	211.497	415.331	188.136	3.409	191.545	606.876
Additions	-	-	245	28	14.024	34.909	49.206	1.154	17.506	18.660	67.866
Revaluation *	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-1.056	-8.359	-290	-18	-31.988	-41.711	-13.987	-763	-14.750	-56.461
Transfers between categories	129	1.874	6.332	-	-8.335	-	-	13.901	-13.901	-	-
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
At as 31 December 2024	30.095	41.840	125.068	3.240	8.165	214.418	422.826	189.204	6.251	195.455	618.281
Accumulated depreciation											
As at 1 January 2024	1.109	37.126	87.988	3.324	-	59.396	188.943	135.075	-	135.075	324.018
Annual depreciation	1.098	1.705	9.860	100	-	30.923	43.386	13.205	-	13.205	56.880
EximAsig annual depreciation*	-	74	262	58	-	983	1.377	394	-	394	1.782
Fair value adjustment at acquisition date	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-1.056	-8.356	-290	-	-21.366	-31.068	-13.987	-	-13.987	-45.055
Transfers between categories	-	-	100	-100	-	-	-	-	-	-	-
Transfers to investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	2.207	37.849	89.854	3.092	-	69.936	202.938	134.687	-	134.687	337.625
Net carrying amount as at 31 December 2024	27.888	3.991	35.214	148	8.165	144.482	219.988	54.517	6.251	60.768	280.656
Net carrying amount as at 1 January 2024	28.857	3.896	38.862	178	2.494	152.101	226.388	53.061	3.409	56.470	282.858

* The depreciation expenses for 2024 related to EximAsig are included in the line "Net result from insurance activities", amounting to 1,782 thousand RON.

19. Property, Plant and Equipment and Intangible Assets (continued)

Group – 2023	Land and buildings	Leasehold improvements	Computers, equipment, furniture	Vehicles	Tangible assets in progress	Right-of-use assets	Total property, plant and equipment	Intangible assets	Intangible assets in progress	Total intangible assets	Grand total
Cost											
As at 1 January 2023	49.547	48.699	127.406	7.121	3.211	137.075	373.059	194.176	5.949	200.125	573.184
Additions	104	-	5.133	50	12.485	126.546	144.318	1.837	12.856	14.693	159.011
Revaluation *	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-763	- 9.897	-1.725	- 410	-52.124	-64.919	-11.570	-	-11.570	-76.489
Transfers between categories	-19.787	- 8.245	-7.242	-2.544	-	-	-37.818	-10.626	-	-10.626	-48.444
Transfers to investment property	102	1.331	11.450	600	-12.792	-	691	14.319	-15.396	-1.077	-386
Additions	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	29.966	41.022	126.850	3.502	2.494	211.497	415.331	188.136	3.409	191.545	606.876
Accumulated depreciation											
As at 1 January 2023	19.804	44.406	96.716	6.905	-	76.319	244.150	147.390	-	147.390	391.540
Annual depreciation	1.092	1.728	8.229	688	-	32.558	44.295	9.881	-	9.881	54.176
Fair value adjustment at acquisition date	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	- 763	-9.715	-1.725	-	-49.481	-61.684	-11.570	-	- 11.570	-73.254
Transfers at net book value (merger)	- 19.787	8.245	-7.242	-2.544	-	-	-37.818	10.626	-	- 10.626	- 48.444
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to Investment property	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	1.109	37.126	87.988	3.324	-	59.396	188.943	135.075	-	135.075	324.018
Net carrying amount as at 31 December 2024	28.857	3.896	38.862	178	2.494	152.101	226.388	53.061	3.409	56.470	282.858
Net carrying amount as at 1 January 2024	29.743	4.293	30.690	216	3.211	60.756	128.909	46.786	5.949	52.735	181.644

The attached notes are an integral part of the financial statements.

20. Investment Property

The Bank's/Group's investment property is measured at fair value using the income approach. The Bank/Group revalued its investment property in 2024 to determine its market value based on a valuation report issued by an independent appraiser, a member of ANEVAR, using the income approach.

Rental income from investment property in 2024 amounted to RON 4,979 thousand at both individual and consolidated levels (2023: RON 4,189 thousand).

Group/ Bank	Balance at Jan 1, 2024	Additions	Disposals	Revaluation		Balance at Dec 31, 2024
				Gains	(Losses)	
Land	10.120	-	-	861	-258	10.723
Buildings	35.036	-	-58	441	-283	35.136
Total	45.156	-	-58	1.302	-541	45.859

	Balance at Jan 1, 2023	Additions	Disposals	Revaluation		Balance at Dec 31, 2023
				Gains	(Losses)	
Land	10.940	-	-	-	-820	10.120
Buildings	33.203	-	-	1.833	-	35.036
Total	44.143	-	-	1.833	-820	45.156

21. Other assets

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Sundry debtors *)	53.324	42.124	83.271	69.663
Current income tax	-	-	25.110	25.110
Prepaid expenses	37.954	37.954	31.293	31.293
State fund commissions (Note 24)	13.443	13.443	5.005	5.005
Other **)	29.036	27.980	47.690	11.885
Other assets, gross	133.757	121.501	192.369	142.956
Impairment of sundry debtors	-11.749	-8.482	-9.593	-3.962
Expected credit loss adjustment	-11.749	-8.482	-9.593	-3.962
Other assets, net	122.008	113.019	182.776	138.994

*) The decrease in sundry debtors in 2024 compared to 2023 is due to the closure of certain government programs and the resulting reduction of related amounts, including administration fees and receivables recovered on behalf of clients.

**) The variation is due to collections from POS-related transactions.

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22. Liabilities to Banks

<i>Group/ Bank</i>	31-Dec-24	31-Dec-23
Current accounts and demand deposits from banks	163.390	1.133
Term deposits	491.637	5.238
Borrowings received	563.033	1.147.731
Collateral deposits	34.005	1.253
Total liabilities to banks	1.252.065	1.155.355

In 2024, the Bank raised two subordinated borrowings totaling RON 400,000 thousand, with an initial maturity of 6 years.

As of December 31, 2024, accrued interest on subordinated borrowings amounted to RON 11,587 thousand.

23. Deposits Attracted from the Ministry of Finance

To fulfill the strategic objective of supporting the Romanian economy, the Bank/Group acts as an agent of the Romanian state, in its name and on its behalf, offering economic agents guarantee, financing, and insurance products and services.

According to Law 96/2000, as amended and supplemented, Exim Banca Românească benefits from the following funds attracted under market conditions in the form of deposits, intended to ensure the financial resources necessary to carry out operations in the name and on behalf of the state:

- a) the guarantee fund – Law 96/2000 – Art. 10a;
- b) the insurance fund – Law 96/2000 – Art. 10b;
- c) the fund for promoting foreign trade operations and financing – Law 96/2000 – Art. 10c;
- d) the fund for implementing state aid and/or de minimis measures – Law 96/2000 – Art. 10d;
- e) the fund for Exim Banca Românească's participation in the Three Seas Initiative Investment Fund – Law 96/2000 – Art. 10f.

These funds are placed at the Bank's/Group's disposal for an indefinite period, except for amounts contractually established to be held for fixed periods of up to 5 years.

Funds made available to the Bank/Group are presented in the consolidated and individual statement of financial position as financial liabilities under "Deposits attracted from the Ministry of Finance", detailed as follows as of December 31, 2024 and December 31, 2023:

	31-Dec-24	31-Dec-23
Fund for guarantee operations	1.302.233	1.572.097
Fund for insurance and reinsurance operations	283.531	460.931
Fund for financing operations	167.742	50.970
Fund for state aid measures – loans	22.350	1.007.900
Fund for state aid measures - guarantees	1.002.602	2.330.900
Accrued interest	21.169	51.324
Total deposits attracted from the Ministry of Finance	2.799.627	5.474.122
Demand deposits	397.216	1.254.816
Term deposits	2.402.411	4.219.306
Total deposits attracted from the Ministry of Finance (including accrued interest not yet due)	2.799.627	5.474.122

23. Deposits Attracted from the Ministry of Finance (continued)

Accrued interest is included in the amortized cost of these sources.

Assets and liabilities financed or covered by state funds made available to the Bank/Group are not controlled by the Bank/Group and do not meet the recognition criteria under the International Financial Reporting Standards adopted by the European Union. Consequently, they are not included in the Bank's/Group's financial position.

Operations carried out by the Bank/Group in the name and on behalf of the state fall under the approval competence of the Interministerial Committee for Financing, Guarantees and Insurance, in accordance with the provisions of Law 96/2000.

The following table presents the exposures in the name and on behalf of the state administered by the Bank/Group as of December 31, 2024 and December 31, 2023:

Exposures in the name and on behalf of the state	31-Dec-24	31-Dec-23
Commitments – insurance fund	154.521	155.248
Commitments – export guarantee fund	5.613.589	4.708.982
Commitments – financing fund	1.756.007	601.122
Total – standard products	7.524.117	5.465.351
Commitments – state aid (guarantees)	1.728.710	3.453.449
Commitments – state aid (financing)	1.034.234	1.075.824
Total – state aid products	2.762.944	4.529.273
Commitments – participation in 3SIIF*) fund	70.929	79.684
Total	10.357.990	10.074.308

* 3SIIF – Three Seas Initiative Investment Fund

The maximum limit of exposures managed by the Bank is determined by multiplying the multiplication coefficients (periodically approved by the Interministerial Committee for Financing, Guarantees and Insurance) by the amount available from each fund made available to the Bank/Group under Law 96/2000.

Sources of Funding and Utilization

According to Law 96/2000, the funding sources of the state funds include:

- a) amounts allocated prior to the law's effective date to support exports and still available;
- b) amounts annually provided in the state budget for this purpose;
- c) net amounts from insurance premiums;
- d) amounts recovered from credit insurance;
- e) amounts repaid by the financed legal entity;
- f) amounts recovered from the financed/guaranteed legal entity;
- g) interest income from the investment of fund balances;
- h) other legally permitted sources.

During 2023–2024, the state fund sources consisted of commissions, interest, and insurance premiums, repayments of financing, or recoveries paid to the state by intermediaries and beneficiaries of products granted by Exim Banca Românească in the name and on behalf of the Romanian state. The utilization of these state funds included financing granted in the name and on behalf of the state, claim payments, damages, and fees paid in connection with such operations.

23. Deposits Attracted from the Ministry of Finance (continued)

Interest on deposits from the Ministry of Finance

The interest rate for the funds made available by the Ministry of Finance is determined as follows:

:

- For funds with an indefinite term:
 - o During 2023, until 30 September 2023, the interest was calculated as the average of the 3-month ROBID and ROBOR reference rates, published by the National Bank of Romania on the last working day of the month preceding the month for which interest was due;
 - o Starting from October 2023, the interest is set for the term of the placement as the average of the ROBID and ROBOR reference rates, published by the National Bank of Romania on the working day preceding the date of placement;
 - o The average interest rate paid in 2024 for indefinite-term funds was 5.72% (2023: 5.93%).
- For funds with a fixed term:
 - o For those constituted up to August 2020, the interest rate owed by the Bank is determined as the average of the BID and ASK (fixing) reference rates of 1-year government securities, published by the National Bank of Romania on the last working day of the year preceding the year of application (the interest rate was 5.98% in 2024 and 6.77% in 2023);
 - o For those constituted starting from October 2022, the interest rate is determined at the time of deposit as the average of the ROBID and ROBOR reference rates for the placement term, published by the National Bank of Romania on the working day preceding the date of deposit. The average interest rate applicable in 2024 to these deposits was 5.89%, and in 2023 it was 6.71%.

Interest related to the use of state funds is presented in the individual and consolidated income statement under "Interest expense", disclosed in Note 4 of these financial statements.

Deposits attracted from the MOF / by destination (amounts representing principal)		Guarantees	Insurance and reinsurance	Financing	FI3M*	State aid	Total funds
Initial balance 1 January 2024		1.572.096	460.932	50.970	-	3.338.800	5.422.798
Budget allocations		-	-	-	-	-	-
Fund reallocations		-425.000	-203.000	628.000	-	-	-
Uses	Financing	-	-	-612.644	-	-708.000	-1.320.644
	Investments	-	-	-	-	-	-
	Enforcements/Claims	-29.506	-	-	-	-	-29.506
	Commissions/other payments/reimbursements to the MOF	-52.052	-709	-6.404	-17.678	-1.872.519	-1.949.352
	Sources attracted from Exim Banca Românească	-	-	77.964	-	-	77.964
Sources	Repayments of sources attracted from Exim Banca Românească	-	-	-	-	-	-
	Repayments of client financing	-	-	-	-	41.590	41.590
	Recoveries	19.265	-	2.428	-	4.910	26.603
	Commissions/interests/premiums/reallocations between funds	217.430	26.308	27.428	17.678	220.171	509.015
Final balance 31 December 2024		1.302.233	283.531	167.742	-	1.024.952	2.778.458

The attached notes are an integral part of the financial statements.

23. Deposits Attracted from the Ministry of Finance (continued)

Interest on deposits from the Ministry of Finance (continued)

Deposits attracted from the MOF / by destination (amounts representing principal)		Guarantees	Insurance and reinsurance	Financing	FI3M*	State aid	Total funds
Initial balance 1 January 2024		1.445.683	418.732	50.098	-	3.914.886	5.829.399
Budget allocations		-	-	-	26.016	-	26.016
Fund reallocations		-	-	-	-	-	-
Uses	Financing	-	-	-	-	-184.055	-185.055
	Investments	-	-	-	-26.016	-	-26.016
	Enforcements/Claims	-6.691	-	-	-	-	-6.691
	Commissions/other payments/reimbursements to the MOF	-48.830	-1.739	-2.936	-	-1.099.586	-1.148.091
	Sources attracted from Exim Banca Românească	-	-	-	-	-	-
Sources	Repayments of sources attracted from Exim Banca Românească	-	-	-	-	-	-
	Repayments of client financing	-	-	-	-	25.130	25.130
	Recoveries	7.679	-	71	-	2	7.752
	Commissions/interests/premiums/reallocations between funds	169.255	43.939	3.737	-	682.423	899.354
Final balance 31 December 2024		1.572.096	460.932	50.970	-	3.338.800	5.422.798

24. Remuneration for Mandate Operations

For carrying out mandate operations, the Bank earns management fee income in the form of base commissions and performance commissions.

Base commissions are charged for the administration of the State's commitments and receivables managed by Exim, calculated as an annual rate of 0.40% applied to the daily balances of the products administered in the name and on behalf of the State, based on a 365/366-day year.

Performance commissions are owed to Exim based on the value of the amounts related to the products granted, supplemented, or extended in the name and on behalf of the Romanian State. The calculation base for performance commissions for newly issued financing, guarantee, and insurance contracts is the RON equivalent of the respective contracts in the reference month. The applicable rates are 0.75% for independent guarantee ceilings and commitments, for financing commitments, and for insurance contracts.

The calculation base for performance commissions related to amount increases and/or extensions of contract terms—where Exim issues approval notes subject to the approval of the Interministerial Committee for Financing, Guarantees and Insurance (CIFGA)—is the value in RON of the respective increases/extensions, with a contractual rate of 0.40%.

The Bank's/Group's receivables from the Romanian State, representing accrued commissions not yet due, are presented in the consolidated and individual financial position as "Other assets" (Note 21).

The commissions earned by the Bank for mandate services provided in the reporting year are presented in the consolidated and individual statement of profit and loss as "Fee and commission income," with details in Note 8 "Net fee and commission income" of these financial statements.

Income related to future financial years from mandate operations is presented in Note 29 "Deferred income and accrued expenses."

The attached notes are an integral part of the financial statements.

25. Customer Deposits

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Current accounts	2.359.126	2.359.714	3.250.789	3.251.029
Sight deposits	1.410.514	1.410.514	972.115	972.115
Term deposits	14.858.964	14.934.309	12.272.927	12.344.671
Collateral deposits	1.446.894	1.446.894	1.148.801	1.148.801
Total customer deposits, of which:	20.075.498	20.151.431	17.644.632	17.716.616
<i>Individuals</i>	<i>4.956.787</i>	<i>4.956.787</i>	<i>4.899.960</i>	<i>4.899.860</i>
<i>Legal entities</i>	<i>15.118.711</i>	<i>15.194.644</i>	<i>12.744.672</i>	<i>12.816.656</i>

Term deposits may be withdrawn before maturity, in which case interest income is calculated based on the interest rate applied to current accounts on the date of withdrawal. Customer liabilities eliminated on consolidation amounted to RON 75,933 thousand as at 31 December 2024, and RON 71,984 thousand as at 31 December 2023.

Collateral deposits mainly represent:

- Guarantees received for securing loans granted by the Bank/Group
- Guarantees received for letters of guarantee issued by the Bank/Group
- Deposits set up for devices used to access the Internet Banking application

26. Provisions

The Bank/Group has established provisions for letters of guarantee and off-balance sheet commitments, as well as other provisions. Other provisions include litigation-related provisions (2024: RON 10,975 thousand for Bank/Group; 2023: RON 9,223 thousand for Bank/Group).

Provisions recognised as expenses in the financial year have been reviewed and adjusted at the balance sheet date to reflect the best estimate of the obligations of the Bank/Group.

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Provisions for letters of guarantee and commitments	42.280	42.280	37.597	37.597
Provisions for other salary-related obligations, of which:	13.691	10.773	18.206	15.795
- <i>Deferred payment less than 1 year</i>	<i>77</i>	<i>77</i>	<i>157</i>	<i>157</i>
- <i>Deferred payment 1-3 years</i>	<i>96</i>	<i>96</i>	<i>140</i>	<i>140</i>
Provisions for unused vacation	9.890	9.533	9.449	9.324
Provisions for retirement benefits, of which:	4.727	4.727	4.685	4.685
- <i>Deferred payment less than 1 year</i>	<i>266</i>	<i>266</i>	<i>168</i>	<i>168</i>
- <i>Deferred payment 1-3 years</i>	<i>257</i>	<i>257</i>	<i>261</i>	<i>261</i>
- <i>Deferred payment 3-5 years</i>	<i>285</i>	<i>285</i>	<i>369</i>	<i>369</i>
- <i>Deferred payment more than 5 years</i>	<i>3.919</i>	<i>3.919</i>	<i>3.887</i>	<i>3.887</i>
Other provisions	10.975	10.591	9.223	9.223
Total	81.563	77.904	79.160	76.624

26. Provisions (continued)

Group/Bank

	31-Dec-24	31-Dec-23
Retirement benefits provision change		
Opening balance	4.685	3.533
Interest cost	338	235
Current service cost	-159	247
Benefits paid	-125	-210
Actuarial (gain)/loss for the period	-12	880
Present value of obligation	4.727	4.685

Key assumptions used in determining post-employment retirement benefits:

	31-Dec-24	31-Dec-23
Discount rate	7.2%	7%

In accordance with IAS 19 "Employee Benefits", the Bank/Group recognised a liability for long-term employee benefits in the financial position. The Bank/Group applied the following actuarial principles in evaluating the obligation:

- the actuarial valuation method must be the projected unit credit method;
- benefits must be attributed to the period the employee renders the service;
- actuarial assumptions must be unbiased and mutually compatible.

The scenarios with impact on the provision for retirement benefits established in accordance with IAS 19 are presented below:

IAS 19 retirement provision scenarios	Retirement provision	Provision modification
Provision as at 31.12.2024	4.727	
Discount rate +100 bps	4.320	-407
Discount rate -100 bps	5.193	466
Decrease in time to retirement by 20%	5.985	1.258
Increase in time to retirement by 20%	3.827	-900
Decrease in time to retirement by 40%	7.833	3.106
Increase in time to retirement 40%	3.160	-1.567

The recognition of provisions for probable outflows of resources in future financial years, as well as the use of provisions recognised in prior periods or their reversal where the outflow of resources is no longer probable, is presented below:

Group – 2024	Opening balance 01.01.2024	Provision used	Provision reversed	Provision established	Closing balance 31.12.2024
Provisions for letters of guarantee and commitments - IFRS 9	37.597	-	-68.064	72.747	42.290
Provisions for salary-related obligations	18.206	-26.841	-	22.326	13.691
Provisions for unused vacation days	9.449	-	-	441	9.890
Provisions for retirement benefits	4.685	-335	-	377	4.727
Other provisions	9.223	-	-	1.752	10.975
Total	79.160	-27.176	-68.064	97.653	81.573

The attached notes are an integral part of the financial statements.

26. Provisions (continued)

<i>Group – 2023</i>	Opening balance 01.01.2023	Provision used	Provision reversed	Provision established	Closing balance 31.12.2023
Provisions for letters of guarantee and commitments - IFRS 9	45.368	-	-71.270	63.499	37.597
Provisions for salary-related obligations	24.733	-33.856	-	27.329	18.206
Provisions for retirement benefits	8.178	-	-949	2.220	9.449
Provisions for retirement benefits	3.533	-210	-	1.362	4.685
Other provisions	9.418	-	-	-195	9.223
Total	91.230	-34.066	-72.219	94.215	79.160

<i>Bank – 2024</i>	Opening balance 01.01.2024	Provision used	Provision reversed	Provision established	Closing balance 31.12.2024
Provisions for letters of guarantee and commitments - IFRS 9	37.597	-	-68.064	72.747	42.280
Provisions for salary-related obligations	15.795	-26.841	-	21.819	10.773
Provisions for unused vacation days	9.324	-	-	209	9.533
Provisions for retirement benefits	4.685	-335	-	377	4.727
Other provisions	9.223	-	-	1.368	10.591
Total	76.624	-27.176	-68.064	96.520	77.904

<i>Bank – 2023</i>	Opening balance 01.01.2023	Provision used	Provision reversed	Provision established	Closing balance 31.12.2023
Provisions for letters of guarantee and commitments - IFRS 9	45.368	-	-71.270	63.499	37.597
Provisions for salary-related obligations	22.344	-33.856	-	27.307	15.795
Provisions for unused vacation days	8.116	-	-949	2.157	9.324
Provisions for retirement benefits	3.533	-210	-	1.362	4.685
Other provisions	9.418	-	-	-195	9.223
Total	88.779	-34.066	-72.219	94.130	76.624

27. Other liabilities

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Contributions social security funds	6.459	6.170	11.958	11.692
Current income tax	5.828	5.828	-	-
Other liabilities to employees	-	45	4.917	4.554
Other miscellaneous liabilities (Note 28)	233.446	209.255	320.827	263.825
Other liabilities to the state budget	17.110	16.746	4.996	4.624
Total	262.893	238.044	342.698	284.695

28. Other miscellaneous liabilities

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Total other miscellaneous liabilities, of which:	233.446	209.255	320.827	263.825
Sundry creditors	27.670	6.412	63.680	6.412
Interbank settlements	52.117	52.117	104.233	104.233
Suppliers	11.110	12.463	7.793	9.081
Lease contract liabilities	142.549	138.263	145.121	144.099

29. Deferred income and accrued expenses

	31-Dec-24		31-Dec-23	
	<i>Group</i>	<i>Bank</i>	<i>Group</i>	<i>Bank</i>
Deferred income – mandate operations	44.949	44.949	34.614	34.614
Deferred income – guarantee/lending operations	42.319	42.319	40.630	40.630
Deferred income for guaranteed insurance	1.441	-	593	-
Accrued expenses	9.654	9.654	9.022	9.022
Total	98.363	96.922	84.859	84.266

Deferred income includes income related to future financial years from mandate operations and banking operations in the Bank's own name. Accrued expenses represent liabilities from services rendered by third parties related to the current financial year.

30. Share capital

	31-Dec-24	31-Dec-23
Registered nominal share capital with the Trade Register	772.512	772.512
Inflation adjustment to share capital (IAS 29)	742.485	742.485
Total capital social	1.514.997	1.514.997

Shareholder name	31-Dec-24		31-Dec-23	
	Number of shares	Value	Number of shares	Value
The Romanian State via the Ministry of Finance	127.286.457	763.720	127.286.457	763.720
Longshield Investment Group SA	564.870	3.389	564.870	3.389
Lion Capital	414.740	2.488	414.740	2.488
Listed shareholders – legal entities	15.220	91	15.220	91
Listed shareholders - individuals	470.705	2.824	470.705	2.824
Total	128.751.992	772.512	128.751.992	772.512

As at 31 December 2024, the Bank's authorised, subscribed, and paid-up capital consisted of 128,751,992 shares, each with a nominal value of RON 6 (31 December 2023: 128,751,992 shares with a nominal value of RON 6). All issued shares are fully paid and each share entitles the holder to one vote.

The shareholding structure as at 31 December 2024 and 31 December 2023 is as follows:

	31-Dec-24	31-Dec-23
The Romanian State via the Ministry of Finance	98.862%	98.862%
Longshield Investment Group SA (SIF Muntenia)	0.439%	0.439%
Lion Capital (SIF Banat Crişana)	0.322%	0.322%
Listed shareholders – legal entities	0.012%	0.012%
Listed shareholders - individuals	0.366%	0.366%
Total	100%	100%

The 2025 State Budget Law (Law no. 9/2025) includes an allocation of RON 1,250 million for increasing the share capital of Exim Banca Românească S.A. The increase will be granted following the notification by the Ministry of Finance to the European Commission and receipt of the approval decision for the capital increase, in accordance with EU state aid regulations.

31. Dividends

During 2024 and 2023, the Bank did not distribute any dividends.

32. Retained earnings and treasury shares

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Unallocated retained earnings	347.333	356.370	335.826	342.879
Retained earnings - IAS 29 adjustment	-742.485	-742.485	-742.485	-742.485
Reserves (Note 33)	574.076	550.291	499.336	490.699
Total	178.924	164.176	92.677	91.093

Unallocated retained earnings include the result of the current financial year as well as undistributed retained earnings from previous years. Retained earnings from the application of IAS 29 represent the restatement of share capital according to the inflation index. Reserves include the capital reserve fund and other reserves established in prior years, in accordance with legal provisions or resolutions of the General Meeting of Shareholders.

33. Reserves

	31-Dec-24		31-Dec-23	
	Group	Bank	Group	Bank
Legal reserve	103.315	100.884	96.913	96.178
Banking risk reserves	57.658	57.658	57.658	57.658
Reserves from own financing sources	413.103	391.749	344.765	336.863
Total	574.076	550.291	499.336	490.699

Legal reserves are established within the limit of 5% of profit before corporate income tax, until the legal reserve reaches at least 20% of share capital.

General reserves for banking risks include reserves set up until the end of 2006, within the limits established by the applicable law.

Reserves from own financing sources are set up from net profit, based on decisions of the General Meeting of Shareholders.

These financial statements include the allocation of the 2024 accounting profit to the legal reserve in the amount of RON 6,402 thousand for the Group (Bank: RON 4,706 thousand), established at the 5% rate of gross profit (2023: Group RON 3,837 thousand, Bank: RON 3,333 thousand).

Revaluation reserves

Revaluation reserves represent value increases resulting from the revaluation of property, plant and equipment. The movement in the revaluation reserve is presented below:

Group/Bank	31-Dec-24	31-Dec-23
Opening balance as at 1 January	41.222	41.222
Revaluation surplus/decrease	-4	-
Deferred tax adjustments	-	-
Closing balance as at 31 December	41.218	41.222

34. Other comprehensive income

The "Other comprehensive income" position records an increase during 2024 of RON 1,649 thousand both individually and at consolidated level (an increase of RON 94,497 thousand in 2023), the impact being recognised in equity.

<i>Group/Bank :</i>	31-Dec-24	31-Dec-23
Opening balance as at 1 January	-13.097	-107.594
Net gain/(loss)	1.885	112,915
Deferred tax	-236	-18.418
Change in non-controlling interests	-	-
Closing balance as at 31 December	-11.448	-13.097

35. *Contingent liabilities, commitments and lease arrangements*

Guarantees and letters of credit

The Bank/Group issues letters of guarantee and letters of credit on behalf of its clients. The primary purpose of letters of credit is to ensure the availability of funds to a client upon request. Standby guarantees and letters of credit represent irrevocable commitments that the Bank/Group will make payments in the event the client is unable to fulfill their contractual obligations to a third party.

The risks associated with these financial instruments—namely market risk, credit risk, and operational risk—are similar to those arising from the issuance of loans, with the risk exposure being determined based on credit conversion factors. These instruments also present a liquidity risk to the Bank/Group in the event of a claim being made if a client fails to fulfill the guaranteed obligation.

Credit commitments

Unused credit commitments represent the undrawn portion of approved credit facilities. Regarding the risk associated with these commitments, the Bank/Group is potentially exposed to losses equal to the total amount of unused commitments. However, the probable value of losses is lower than the total volume of unused commitments, as most loan extension commitments depend on the client's ability to maintain creditworthiness. There is a moderate credit risk associated with the remaining commitments.

The Bank/Group monitors unused credit facilities from both a liquidity and credit risk perspective and periodically determines the credit conversion factor to ensure the availability of necessary funding sources.

To mitigate credit risk related to these commitments and contingent liabilities, the Bank/Group obtains collateral in the form of cash, government and bank guarantees, and mortgages on properties.

The aggregate value of commitments and contingent liabilities recorded off-balance sheet is as follows:

<i>Group/Bank:</i>	31-Dec-24	31-Dec-23
Letters of guarantee issued to clients	1.738.543	1.357.119
Unused guarantee commitments	1.081.273	1.250.698
Unused credit commitments	2.944.375	2.999.710
Total	5.764.191	5.607.527

36. Risk Management

This note provides details on the Group's and the Bank's exposure to risks and describes the methods used by Management to manage and control these risks. The most significant types of risks to which the Group/Bank is exposed are:

- credit risk
- liquidity risk
- market risk (interest rate risk, currency risk)
- interest rate risk in the banking book
- compliance risk
- reputational risk
- strategic/business risk
- operational risk
- tax risk
- risks related to insurance activities

Risk is inherent in the Group's/Bank's activities but is managed through an ongoing process of identification, assessment, and monitoring, which is subject to risk limits and other controls. In the decision-making process, the risk management function ensures that risk-related aspects are appropriately considered; however, responsibility for the decisions taken lies with operational units, support functions, and ultimately with the Bank's governing body.

The general risk management principles adopted by the Group/Bank are as follows:

1. Definition and adherence to the risk profile, risk tolerance, and risk appetite established for the categories of significant risks assumed by the Group/Bank, as well as the identification, evaluation, monitoring, and control of risks in accordance with specific norms and policies.
2. Maintaining an appropriate reporting system for risk exposures and establishing adequate limits for risk exposure in accordance with the size and complexity of the Group/Bank.
3. Proper segregation of responsibilities within the significant risk management process to avoid potential conflicts of interest. Thus, the risk management function must be independent from operational functions, with sufficient authority, significance, resources, and access to the governing body.
4. Ensuring a consistent and effective framework for identifying, assessing, monitoring, and controlling risks, which forms the basis for the consistent definition of strategies, policies, and procedures across all units within the Group/Bank that are exposed to risk.
5. Monitoring compliance with internal regulations established for significant risks and promptly addressing identified deficiencies.
6. The risk management function is involved in the approval of new products or significant modifications to existing products.
7. Periodic review of the strategy and policies for managing significant risks (at least annually), in accordance with the regulatory framework of the National Bank of Romania and the Financial Supervisory Authority.
8. Development and maintenance of the Bank's/Group's processes and workflows for measuring expected credit losses, including:
 - Validation and testing of the models used to determine expected credit losses
 - Assessment and monitoring of significant increases in credit risk
 - Incorporation of forward-looking information

36. Risk Management (continued)

The Board of Directors, in order to reflect changes in external and internal factors, is responsible for approving and periodically reviewing both the risk profile, risk tolerance, and risk appetite of the Group/Bank—at a level that ensures sound operation and achievement of strategic objectives—as well as the overall risk strategy and the policies for managing significant risks, ensuring their implementation.

The Executive Committee is responsible for implementing the significant risk management strategy and policies approved by the Board of Directors, and for developing the methodologies and procedures for identifying, measuring, monitoring, and controlling all types of risk, in accordance with the nature and complexity of the relevant activities.

Within the Group/Bank, risk management activities are carried out mainly at the following levels:

- Strategic – includes risk management responsibilities fulfilled by the Board of Directors and the Risk Management Committee;
- Tactical – includes risk management responsibilities fulfilled by senior management;
- Operational – involves managing risks at the level where they occur, with the risk management model at operational level within the Bank/Group organized into three lines of defense:

a) The first level consists of business lines responsible for assessing and minimizing risks for a given profit level;

b) The second level includes the Group's/Bank's risk management function which monitors, controls, and quantifies risk; reports to the appropriate levels and proposes mitigation measures. The Compliance Department manages compliance risk at the Bank/Group level;

c) The third level is the Internal Audit Department, which performs an independent review function.

In accordance with the provisions of the Organization and Operating Regulation, a series of committees operate at the Group/Bank level, playing an active role in risk management with the goal of minimizing risks to which the bank is exposed: the Audit Committee, the Risk Management Committee, the Credit Committee, the Assets and Liabilities Management Committee, the Nomination and Remuneration Committee, and the IT Committee.

a) Credit Risk

Credit risk arises from the exposures the Group/Bank undertakes, and may negatively impact profits and capital as a result of a debtor failing to meet contractual obligations. The Bank's/Group's credit risk policy focuses on maintaining a high-quality asset portfolio by appropriately selecting counterparties and properly structuring transactions. To efficiently manage credit risk, the Group/Bank has established credit granting criteria, exposure limits, and approval levels for transactions. Credit risk also includes residual risk—where credit risk mitigation techniques may prove less effective than expected—as well as foreign currency credit risk for unhedged debtors, credit concentration risk, country/transfer risk, and settlement/delivery risk.

When granting credit facilities and loans, the Bank/Group faces credit risk, i.e., the risk of default. This affects both balance sheet and off-balance sheet items. Concentration of credit risk may result in significant losses if, for example, a change in economic conditions impacts an entire industry or country. The Bank/Group mitigates this risk by carefully assessing and monitoring credit exposures, setting exposure limits, and applying a prudent provisioning policy when a probable loss is expected. Loans are secured by real guarantees and other types of collateral. The Group's/Bank's credit risk exposure by industry is presented in Note 17.

Through exposure replacement operations, the characteristics of the loans may be modified by mutual agreement between the bank and the client, such as amount, maturity, credit rate, duration, grace period, or disbursement period.

36. Risk Management (continued)

a) Credit Risk (continued)

Depending on the economic nature of the exposure replacement operations, they fall into two categories:

- a) Renegotiation – exposure replacement operations triggered by reasons other than the financial difficulties of the client;
- b) Restructuring - exposure replacement operations triggered by the client's financial difficulties or imminent difficulties, with concessions being granted to the borrower.

Depending on how they are implemented, exposure replacement operations are categorized as rescheduling or refinancing:

Rescheduling refers to the modification of contractual terms of an exposure, which may involve changes in the maturity and/or the amount due for one or more outstanding credit installments, with or without exceeding the original loan duration, but without increasing the principal amount at the time of the operation. Changing the credit utilization period along with modifying the repayment schedule also qualifies as rescheduling;

Refinancing refers to the replacement of an exposure by granting a new loan or increasing the value of an existing loan to repay current or past-due loans (excluding interest and penalties).

b) Liquidity Risk

Liquidity risk arises either from the Group's/Bank's difficulty in raising the necessary funds to meet its obligations, or from its inability to sell a financial asset in a timely manner at a price close to its fair value.

The Bank's/Group's liquidity policy is to maintain sufficient liquidity reserves to meet its obligations at maturity. The total value of assets and liabilities as at 31 December 2024 and 31 December 2023, analyzed by maturity, is included in Note 38.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and exchange rates.

To manage market risk, the Bank/Group has established trading limits based on counterparty eligibility and types of tradable instruments.

The debt instruments purchased by the Bank/Group in its portfolios mainly consist of government securities (issued by the Ministry of Finance) denominated in RON or EUR. The Bank/Group holds discount treasury bills, coupon treasury bonds, and, exceptionally, a few bonds issued by other credit institutions and municipalities, which were purchased in prior years.

- **Interest Rate Risk in the Banking and Trading Book**

The Group/Bank is exposed to various risks resulting from fluctuations in key market interest rates, which affect its financial position and cash flows.

Interest rate fluctuations can cause volatility in the Bank's/Group's equity. The Group's/Bank's management sets limits regarding potential changes in interest rates, which are monitored daily. The value of total assets and liabilities as at 31 December 2024 and 31 December 2023, analyzed by relevant periods for interest rate changes, is presented in Note 39b.

36. Risk Management (continued)

a) Credit Risk (continued)

• Currency risk

The Bank/Group limits its exposure to exchange rate fluctuations by adjusting the structure of its assets and liabilities. The analysis of assets and liabilities denominated in RON and in other currencies is included in Note 39a.

In order to continuously improve the process of assessing and monitoring currency risk, the Bank/Group has implemented a VaR (Value-at-Risk) model. The 1day-99%-RON V@R indicator is defined as the estimated maximum potential loss (expressed in RON) that the Bank could register with a 99% probability by maintaining its current foreign exchange positions over a 1-day time horizon under normal market conditions, based on daily historical changes in exchange rates over a 1-year period.

• Compliance risk

Compliance risk at Exim Banca Românească is managed by the Compliance Department. Compliance risk is continuously identified both based on reports/information submitted in this regard by the Bank's internal structures, reports from external control/supervisory authorities, and through direct observation, via compliance control missions. In assessing this risk, performance indicators are considered (divided into categories such as: regulatory compliance, AML/CFT/KYC, ethics, treasury products and services), which are calculated and monitored both at the structural level and at the level of the Bank.

• Reputational risk

The policy on reputational risk considers defining the regulatory framework for reputational risk and identifying activities that generate reputational risk within the Bank; establishing and analysing key risk indicators at Bank level, as well as their associated limits, for monitoring the recorded level of reputational risk; detecting reputational risk events, analysing them, and setting measures to mitigate and remedy the effects caused by their occurrence; developing measures to prevent the emergence of reputational risk.

• Strategic/business risk

The management of strategic risk considers conducting activities under efficient conditions, unaffected by reputational risk, ultimately leading to positive financial results for the Bank, the development of the Bank's activities on a sustainable basis adapted to environmental and economic trends, the consistent definition and implementation of the Bank's strategies, and the performance of periodic analyses to assess how the achieved results align with the established strategies in correlation with the environment in which the Bank operates.

d) Riscul operațional

Operational risk is the risk of loss resulting either from the use of inadequate or failed internal processes, people or systems, or from external events, and includes legal risk. When control systems do not function properly, operational risks may lead to reputational damage, legal or regulatory implications, or financial losses. The Bank/Group cannot expect to eliminate all operational risks but strives to manage them through a system of control frameworks and by monitoring or addressing potential risks.

The control systems include proper segregation of duties, access, authorisation and reconciliation procedures, staff training, and evaluation processes, including the use of internal audit, etc.

In managing operational risk, the following tools are used: periodic/annual self-assessment of risks and associated controls, key operational risk indicators, the operational risk event database, and plans for corrective and preventive measures.

36. Risk Management (continued)

e) Fiscal risks

Romanian tax legislation provides detailed and complex rules that have undergone several amendments in recent years. Interpretation of the legal text and practical application procedures of tax laws may vary, raising the risk that certain transactions, for example, may be interpreted differently by the tax authorities compared to the Bank/Group's treatment.

The Romanian Government has several agencies authorised to inspect companies operating in Romania. These inspections are similar to tax audits in other countries and may cover not only fiscal matters but also legal and regulatory aspects of interest to these agencies. It is likely that the Bank will continue to be subject to such inspections as new laws and regulations are issued.

In certain circumstances, due to inconsistencies in the legal framework, tax authorities may act arbitrarily in determining tax penalties and interest. Although the tax payable for a transaction may be insignificant, the penalties may be substantial, as they can be calculated based on the transaction amount, to which interest of 0.02% and late payment penalties of 0.01% per day of delay are added.

f) Insurance activity-related risks

The Group has established strategic guidelines for risk management based on the following elements:

- aligning risk management in the insurance activity with the principles applied in the banking activity by Exim Banca Românească;
- implementation of Solvency II requirements starting from 2016;
- reducing underwriting risk-related costs by continuously maintaining and improving the quality of the portfolio;
- an acceptable ratio between assumed risk and forecast profit (for the entire portfolio, by insurance classes and clients);
- identifying and managing the impact of risks on solvency, profitability, liquidity indicators, and the quality of the insurance product portfolio;
- directing available resources towards activities that provide risk-adjusted returns (underwriting, market, operational risks) superior to a benchmark set by the group.

The Group conducts its general insurance activity on the following types of insurance:

- 1 - Accident insurance;
- 5 - Aircraft insurance;
- 7 - Goods in transit insurance;
- 8 - Fire and other natural disasters insurance;
- 9 - Other property insurance;
- 11 - Civil liability insurance for aircraft;
- 13 - General civil liability insurance;
- 14 - Credit insurance;
- 15 - Guarantee insurance;
- 16 - Financial loss insurance.

36. Risk Management (continued)**f) Insurance activity-related risks (continued)**

EximAsig has adopted an analytical approach to the underwriting activity and sets its tariffs by taking into account a wider range of information, thus increasing the likelihood of maintaining the profitability of each type of insurance offered.

The increase in quality within the underwriting process is achieved through the continuous qualitative and quantitative development of its own sales force, by strengthening and developing partnerships with insurance brokers and, last but not least, by optimizing reinsurance programs. The EximAsig management constantly analyses the loss ratio by insurance class in order to determine the causes of undesirable developments and incorporates the results of these analyses into the calculation of technical reserves and the underwriting process.

CLASS / Net loss ratio after reinsurance	31-Dec-2024	31-Dec-2023
Accident insurance	-	5.3%
Goods in transit insurance	-	-
Fire and other natural disasters insurance	1.6%	27.7%
Property and buildings insurance (other insurances)	-	-
General liability insurance	24.8%	11.6%
Credit insurance	-	-
Guarantee insurance	59.6%	3.9%
Financial loss insurance	79.8%	-

The concentration of insured sums by insurance product class is shown in the table below:

CLASS	31-Dec-2024	31-Dec-2023
	Insured amounts	Insured amounts
Accident insurance	70.329	68.495
Fire and other natural disasters insurance	13.729.619	11.185.831
General liability insurance	1.258.170	2.354.117
Guarantee insurance	3.483.840	2.996.675
Total	18.541.958	16.605.117

Underwriting risk

In the underwriting activity, the insurance company assumes the risk of bearing claims related to the insurance premium, a risk caused by the inadequate setting of premium tariffs for all risks underwritten by the company and by the inadequate setting of technical reserves compared to the assumed obligations. Concentration of technical risk could result in significant losses for the company if one or a series of events were to affect an entire type of policy. The company mitigates technical risk through careful client evaluation, well-defined exposure limits, reinsurance programs, and a prudent policy for setting reserves for reported and unreported claims.

Natural catastrophe risks result from the calculated vulnerability level of all insured objects in the company's portfolio, which could be damaged and/or destroyed in the event of an earthquake, flood, or landslide, including but not limited to buildings and contents owned by individuals and legal entities, losses from business interruption, electronic equipment, buildings under construction, construction machinery and equipment, etc.

The company has developed procedures for collecting the information necessary for modelling natural catastrophe risks: risk address, year of building construction, structural elements. Monthly, data (risks for individuals, commercial and industrial) is reviewed and controlled by the functions responsible for managing the portfolio exposed to natural catastrophe risks.

The company calculates quarterly the gross and net exposure to natural catastrophe risks. The elements used include: policies covering natural catastrophe risks, insured sum, and maximum probable loss. The resulting value is verified against the current protection capacity through reinsurance.

37. Credit risk

The specific principles of credit risk management include:

- Ensuring that lending decisions are made independently, without being affected by influence, pressure, or conflicts of interest;
- Sustainable portfolio dynamics as well as maintaining good asset quality to avoid rapid deterioration of the portfolio in the event of disruptive environmental factors;
- Development of prudent and adequate credit limit systems, consistent with the risk appetite, risk tolerance, risk profile, and capital strength of the Group/Bank, in accordance with current regulatory requirements, limits that are regularly communicated to relevant staff, understood and complied with by them;
- Well-defined credit granting criteria, internal methodologies that allow the assessment of credit risk of exposures to individual debtors, as well as the purpose and structure of the credit and the sources of repayment;
- Credit limits that aggregate different types of exposure in a comparable and relevant manner, at various levels: clients or groups of connected clients, industries/economic sectors, products, countries, asset quality, currencies;
- Existence of an adequate system for the permanent management of credits;
- Monitoring processes for both portfolios/sub-portfolios at the aggregate level and for individual loans;
- Determination of adequate impairment adjustments in accordance with applicable accounting policies (starting from January 1, 2018 the Bank adopted IFRS 9 for the determination of expected credit loss allowances);
- Management of problem loans and periodic remedial/recovery actions for non-performing loans;
- Procedures for evaluating collateral and verifying that such collateral is and continues to be enforceable and realisable.

Regarding country risk, direct exposures are identified, subject to limits, monitored, and managed for each country – in addition to monitoring the final debtor/final counterparty.

In addition, indirect exposure to country risk is taken into account for each proposed transaction involving relationships between the Group's/Bank's client and its own client or external partner.

The credit approval committees assess the conditions for granting loans and issuing guarantees in relation to the risks associated with the operations and approve/reject financing and guarantee operations within their delegated authority.

The gross maximum exposure to credit risk is presented below as the gross exposure of all financial assets, including exposures from commitments and contingent liabilities.

The gross maximum exposure includes all loans in the Bank's/Group's portfolio (Note 17).

37. Credit risk (continued)

As at 31 December 2024, the situation is presented in the tables below:

Group – 31 December 2024	Total exposure	Maximum exposure to credit risk	Fair value of collateral held					
			Collateral deposits	Securities	State guarantees received	Other financial guarantees	Mortgages	Others
Cash	182.597	-	-	-	-	-	-	-
Accounts with the National Bank of Romania	5.374.138	5.374.138	-	-	-	-	-	-
Amount due from credit institutions	2.479.058	2.479.058	-	-	-	-	-	-
Derivative financial instruments	42.594	42.594	-	-	-	-	-	-
Debt securities held for trading	251.439	251.439	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	1.105.358	1.098.581	-	-	-	-	-	-
<i>Investments in equity instruments</i>	6.777	-	-	-	-	-	-	-
<i>Debt securities</i>	1.098.581	1.098.581	-	-	-	-	-	-
Debt securities amortised cost	3.015.183	3.015.183	-	-	-	-	-	-
Loans, net:	13.851.573	13.851.573	123.955	-	5.063.300	165.898	6.577.205	8.313.019
<i>Loans at gross value</i>	14.338.084	14.338.084	123.955	-	5.063.300	165.898	6.577.205	8.313.019
<i>Adjustments for loan impairment</i>	-486.511	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-
Property, plant and equipment, net	219.888	-	-	-	-	-	-	-
Intangible assets, net	60.768	-	-	-	-	-	-	-
Investment property	45.859	-	-	-	-	-	-	-
Other assets	122.008	122.008	-	-	-	-	-	-
Reinsurance receivables (IFRS 17)	16.622	-	-	-	-	-	-	-
Deferred tax assets	14.652	-	-	-	-	-	-	-
Total Assets	26.781.737	26.234.574	123.955	-	5.063.300	165.898	6.577.205	8.313.019
Commitments and contingent liabilities:	5.764.191	5.764.191	183.630	-	1.757.462	140.372	207.181	505.542
<i>Letters of credit</i>	34.349	34.349	1.219	-	5.027	-	722	16.511
<i>Loan commitments</i>	2.910.026	2.910.026	1.604	-	78.259	127.341	73.681	183.253
<i>Guarantee commitments and issued letters of guarantee</i>	2.819.816	2.819.816	180.807	-	1.674.176	13.031	132.778	305.778
Total	32.545.928	31.998.765	307.585	-	6.820.762	306.270	6.784.386	8.818.561

The attached notes are an integral part of the financial statements.

37. Credit risk (continued)

Bank – 31 December 2024

	Total exposure	Maximum exposure to credit risk	Fair value of collateral held					Others
			Collateral deposits	Securities	State guarantees received	Other financial guarantees	Mortgages	
Cash	182.597	-	-	-	-	-	-	-
Accounts with the National Bank of Romania	5.374.138	5.374.168	-	-	-	-	-	-
Derivative financial instruments	2.465.014	2.465.014	-	-	-	-	-	-
Derivative financial instruments	42.594	42.594	-	-	-	-	-	-
Debt securities held for trading	251.439	251.439	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which	1.105.358	1.098.581	-	-	-	-	-	-
- Investments in equity instruments	6.777	-	-	-	-	-	-	-
- debt securities	1.098.581	1.098.581	-	-	-	-	-	-
Debt securities at amortised cost	2.957.541	2.957.541	-	-	-	-	-	-
Loans, net	13.851.573	13.851.573	123.955	-	5.063.300	165.898	6.577.205	8.313.019
Loans at gross value	14.338.084	14.338.084	123.955	-	5.063.300	165.898	6.577.205	8.313.019
Adjustments for loan impairment	-486.511	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	61.046	-	-	-	-	-	-	-
Property, plant and equipment, net	215.516	-	-	-	-	-	-	-
Intangible assets, net	59.460	-	-	-	-	-	-	-
Investment property	45.859	-	-	-	-	-	-	-
Other assets	113.019	113.019	-	-	-	-	-	-
Deferred tax assets	14.652	-	-	-	-	-	-	-
Total Assets	26.739.806	26.153.899	123.955	-	5.063.300	165.898	6.577.205	8.313.019
Commitments and contingent liabilities:	5.764.191	5.764.191	183.630	-	1.757.462	140.372	207.181	505.542
Letters of credit	34.349	34.349	1.219	-	5.027	-	722	16.511
Loan commitments	2.910.026	2.910.026	1.604	-	78.259	127.341	73.681	183.253
Guarantee commitments and issued letters of guarantee	2.819.816	2.819.816	180.807	-	1.674.176	13.031	132.778	305.778
Total	32.503.997	31.918.090	307.585	-	6.820.762	306.270	6.784.386	8.818.561

The attached notes are an integral part of the financial statements.

37. Credit risk (continued)

As at 31.12.2023, the situation is presented in the tables below:

Group – 31 December 2023	Total exposure	Maximum exposure to credit risk	Fair value of collateral held					
			Collateral deposits	Securities	State guarantees received	Other financial guarantees	Mortgages	Others
Cash	182.552	-	-	-	-	-	-	-
Accounts with the National Bank of Romania	5.563.676	5.563.676	-	-	-	-	-	-
Amount due from credit institutions	1.633.192	1.633.192	-	-	-	-	-	-
Derivative financial instruments	3.368	3.368	-	-	-	-	-	-
Debt securities held for trading	174.714	174.714	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	846.353	840.553	-	-	-	-	-	-
- Investments in equity instruments	5.800	-	-	-	-	-	-	-
Debt securities	840.553	840.553	-	-	-	-	-	-
Debt securities amortised cost	3.561.809	3.561.809	-	-	-	-	-	-
Loans, net:	13.997.502	13.997.502	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Loans at gross value	14.549.154	14.549.154	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Adjustments for loan impairment	-551.652	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-
Property, plant and equipment, net	226.388	-	-	-	-	-	-	-
Intangible assets, net	56.470	-	-	-	-	-	-	-
Investment property	45.156	-	-	-	-	-	-	-
Other assets	182.776	182.776	-	-	-	-	-	-
Reinsurance receivables (IFRS 17)	29.025	-	-	-	-	-	-	-
Deferred tax assets	14.893	-	-	-	-	-	-	-
Total assets	26.517.874	25.957.590	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Commitments and contingent liabilities:	5.607.528	5.607.528	204.246	-	1.986.967	61.435	523.968	2.499.874
Letters of credit	110.773	110.773	26.682	-	59.966	16.676	3.372	25.776
Loan commitments	2.888.937	2.888.937	31.699	-	538.116	2.396	391.643	2.011.575
Guarantee commitments and issued letters of guarantee	2.607.818	2.607.818	145.865	-	1.388.885	42.363	128.953	462.523
Total	32.125.402	31.565.118	400.012	-	6.818.605	147.253	7.363.447	10.250.670

The attached notes are an integral part of the financial statements.

37. Credit risk (continued)

As at 31.12.2023, the situation is presented in the tables below:

Bank – 31 December 2023	Total exposure	Maximum exposure to credit risk	Fair value of collateral held					Others
			Collateral deposits	Securities	State guarantees received	Other financial guarantees	Mortgages	
Cash	182.552	-	-	-	-	-	-	-
Accounts with the National Bank of Romania	5.563.676	5.563.676	-	-	-	-	-	-
Derivative financial instruments	1.621.327	1.621.327	-	-	-	-	-	-
Derivative financial instruments	3.368	3.368	-	-	-	-	-	-
Debt securities held for trading	174.714	174.714	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which	846.353	840.553	-	-	-	-	-	-
- Investments in equity instruments	5.800	-	-	-	-	-	-	-
- debt securities	840.553	840.553	-	-	-	-	-	-
Debt securities at amortised cost	3.518.864	3.518.864	-	-	-	-	-	-
Loans, net	13.997.502	13.997.502	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Loans at gross value	14.549.154	14.549.154	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Adjustments for loan impairment	-551.652	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	61.046	-	-	-	-	-	-	-
Property, plant and equipment, net	224.456	-	-	-	-	-	-	-
Intangible assets, net	55.446	-	-	-	-	-	-	-
Investment property	45.156	-	-	-	-	-	-	-
Other assets	138.994	138.994	-	-	-	-	-	-
Deferred tax assets	14.893	-	-	-	-	-	-	-
Total Assets	26.448.347	25.858.998	195.766	-	4.831.638	85.818	6.839.479	7.750.796
Commitments and contingent liabilities:	5.607.528	5.607.528	204.246	-	1.986.967	61.435	523.968	2.499.874
Letters of credit	110.773	110.773	26.682	-	59.966	16.676	3.372	25.776
Loan commitments	2.888.937	2.888.937	31.699	-	538.116	2.396	391.643	2.011.575
Guarantee commitments and issued letters of guarantee	2.607.818	2.607.818	145.865	-	1.388.885	42.363	128.953	462.523
Total	32.055.875	31.466.526	400.012	-	6.818.605	147.253	7.363.447	10.250.670

The attached notes are an integral part of the financial statements.

37. Credit Risk (continued)

The amount and type of collateral required depend on the credit risk assessment of the clients. The valuation of the proposed collateral is carried out by valuation companies authorised by ANEVAR and approved by the Group/Bank and notified to the National Bank of Romania, and the valuation reports are verified by the internal appraisers of the Group/Bank.

A client's repayment capacity is the most relevant indicator of the credit risk associated with the loans granted. At the same time, collaterals provide additional protection for the Bank/Group, and various guarantees are required: movable, immovable and financial collaterals.

As at 31 December 2024, the value of impaired loans in Stage 3 at Group/Bank level amounted to RON 734.438 thousand, covered by collateral amounting to RON 363.422 thousand (as at 31 December 2023, impaired loans at Group/Bank level amounted to RON 721.093 thousand, covered by collateral amounting to RON 319.546 thousand). The credit risk exposure of the balance sheet position, both for the Group and the Bank, representing loans and advances to customers (Note 17), is classified by risk categories as presented below. Stage 3 loans include loans that were credit-impaired at origination.

<i>Group/Bank</i>	Loans to customers - 2024				Loans to customers - 2023			
Risk category	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
A	4.426.242	171.563	1.606	4.599.411	5.039.375	82.085	14.398	5.135.858
B	3.450.578	481.943	174.729	4.107.250	3.313.467	246.234	356.076	3.915.777
C	1.237.860	369.553	308.497	1.915.910	1.157.446	250.855	50.884	1.459.185
D	162.004	211.912	63.145	437.061	-	510.719	49.765	560.484
E	-	-	3.213	3.213	-	-	12.535	12. 535
Unrated *	157.389	30	273	157.692	118.660	250	14	118.924
Legal entities	9.434.073	1.235.001	551.463	11.220.537	9.628.948	1.090.143	483.672	11.202.763
Individuals	2.063.129	871.443	182.975	3.117.547	2.624.445	484.525	237.421	3.346.391
Total	11.497.202	2.106.444	734.438	14.338.084	12.253.393	1.574.668	721.093	14.549.154

**) Predominantly non-recourse external factoring transactions (external counterparties, low risk)*

The loans are grouped by risk category based on the following considerations:

A – minimum risk;

B – low risk – no foreseeable loss recognition;

C – medium risk, but acceptable through close monitoring of commitments – losses are unlikely;

D – high risk, exposures to these clients are monitored and limited from the approval decision and throughout the execution period, through strict monitoring – losses are possible;

E – maximum risk – losses are imminent in most cases;

The above risk categories are based on the financial performance of the debtors, as determined in accordance with the Bank's internal regulations.

37. Credit risk (continued)

Data, assumptions and techniques used to estimate impairment

For the calculation of expected credit losses, the Bank's/Group's financial assets are classified into one of the following categories:

- **Stage 1:** Financial assets for which the credit risk has not increased significantly compared to the initial recognition (origination), for which credit risk adjustments are determined over a maximum one-year horizon;
- **Stage 2:** Non-impaired financial assets for which the credit risk has increased significantly compared to initial recognition and for which credit risk adjustments are determined over the residual life of the respective assets, and for revolving exposures, over a time horizon represented by the average crediting period, regardless of the contractual maturity of the exposures;

Exposures for which a significant deterioration in credit risk has been observed are classified in Stage 2 if at least one of the following conditions is met:

- the number of days past due at client level exceeds 30 days,
 - the loan has undergone a performing restructuring and is in the probation period,
 - the client's financial performance has deteriorated to D or E compared to the date the exposure was granted,
 - the client's financial performance has deteriorated by at least one grade at the reporting date compared to origination and at least one of the following conditions is met: annual turnover has decreased by more than 50%, or equity is negative, or the net loss exceeds 10% of turnover,
 - the client's financial performance has deteriorated by two grades at the reporting date compared to origination, and upon case assessment (reasons for the downgrade/other aspects) it results that this change reflects a significant deterioration in credit risk,
 - the client records delays of over 60 days with other creditors, according to the Credit Risk Register (CRC),
 - the client is on the "Watchlist",
 - the current PD and the residual lifetime PD exceed certain thresholds set out in the internal Policy.
- **Stage 3:** Impaired financial assets, including assets that were credit-impaired at initial recognition, for which credit risk adjustments are determined over the residual lifetime of the respective financial assets.

For the purposes of credit risk management as well as financial-prudential reporting, the Bank applies identical criteria for classifying exposures as non-performing, exposures in default, and impaired exposures.

Therefore, the allocation of financial assets related to legal entities or public authorities to the IFRS 9 impairment stages is carried out as follows:

Stage 3 – all exposures classified as non-performing in accordance with the definition of the European Banking Authority;

Stage 2 – exposures that have experienced a significant increase in credit risk, i.e. all exposures not allocated to Stage 3 which meet at least one of the conditions related to rating, financial condition/indicators, debt service, restructuring operations, client payment behaviour towards the Bank/Group or other financial creditors, etc.

Stage 1 – all exposures not allocated to Stage 2 or Stage 3.

37. Credit risk (continued)

Data, assumptions and techniques used to estimate impairment (continued)

The allocation of financial assets representing loans and advances granted to individual customers is carried out based on the following criteria:

- **Stage 3:** all exposures classified as non-performing in accordance with the EBA definition
- **Stage 2** – if at least one of the following conditions is met:
 - increase in the PD since loan origination, with different thresholds depending on the product type (percentages between 40% and 200%)
 - 30–90 days past due
 - performing restructured/rescheduled exposure in the probation period
 - LTV above 120% and more than 30 days past due in the past 6 months
 - the individual debtor has notified the Bank of their intention to benefit from the provisions of Law no. 77/2016 regarding giving in payment (DIP), requesting contract rebalancing, and meets the eligibility criteria established by the aforementioned law
 - the loan is denominated in CHF
 - the loan was originated as credit-impaired (POCI) and at least 3 months have passed since any other non-performing criteria were met
- **Stage 1** – all exposures not allocated to stages 2 or 3.

Non-performing (credit-impaired) loans

The Bank has implemented the definition of default, also used for identifying credit-impaired exposures, as set out in Regulation 575/2013. In the case of credit/guarantee exposures (excluding exposures from non-recourse factoring), exposures are deemed non-performing if at least one of the following conditions is met:

- *the number of days past due is more than 90 at customer level for legal entities or at facility level for individuals, or legal proceedings have been initiated against the client by the Bank;*
- *the client is deemed unlikely to pay, with at least one of the following criteria being met:*
 - insolvency proceedings have been opened, including situations where:
 - the Bank has filed a petition for bankruptcy against the debtor or requested a similar measure concerning a credit obligation to Exim Banca Românească;
 - the debtor has requested the opening of bankruptcy proceedings or is subject to such proceedings or similar protection, if this would lead to avoidance or delay of a credit obligation payment to Exim Banca Românească;
 - interest recognition related to the credit obligation has been discontinued;
 - the Bank has recognised a specific credit risk adjustment following a significant deterioration in credit quality after Exim Banca Românească was exposed to the risk;
 - loans are credit-impaired at origination/initial recognition;
 - restructured loans that meet the non-performing criteria.

37. Credit risk (continued)

Non-performing (credit-impaired) loans (continued)

Purchased or originated credit-impaired financial assets (POCI), a subcategory of non-performing exposures, result from restructuring operations applied to performing or non-performing exposures where the net present value (NPV) of expected cash flows under the new agreement decreases by more than 10% compared to the NPV of cash flows under the contractual obligations prior to the modification of the contract terms and conditions.

For all exposures in stage 3 (non-performing exposures), the Bank/Group determines expected credit losses based on collective assessment for exposures below the significance threshold, and based on individual analysis/assessment for exposures above the threshold—or for any other asset if so decided, regardless of the exposure level. For stages 1 and 2, the Bank/Group determines expected credit losses based on collective analysis/assessment (by grouping financial instruments with similar credit risk characteristics). The Bank/Group applies identical criteria for classifying exposures as non-performing, in default, and credit-impaired (stage 3).

Credit-impaired exposures at initial recognition (purchased or originated credit-impaired) are classified in stage 3 and remain in this category throughout their lifetime, or are classified in stage 2 if no other non-performance criteria are met after three months from origination. Expected loss allowances are determined through individual analysis, based on the expected lifetime credit losses of such exposures. At each reporting date, the changes in lifetime expected credit losses are recognised in profit or loss as impairment gains or losses.

The PD model used takes into account the structure and specifics of the Bank's/Group's portfolio. The model involves segmenting the portfolio into homogeneous groups to ensure a sufficient number of clients and default events for a realistic estimation of PD.

Starting from August 2024, following an amendment to the Policy on determining expected credit loss allowances (IFRS 9 Policy), a post-model adjustment (PMA) was introduced for the portfolio of secured loans (excluding Prima Casa loans) in stage 3.

Specifically, a floor limit for post-default LGD was introduced at 60% for stage 3 loans, to maintain a prudent level of expected credit loss allowances, above those historically determined, incorporating expectations from macroeconomic scenarios. This PMA had an impact of +32.47 thousand RON as of December.

Due to socio-political and economic uncertainties creating an unstable environment with negative outlook, a cautious approach was deemed necessary by incorporating a post-model adjustment (PMA), ensuring a point-in-time PD curve above the through-the-cycle PD. To better incorporate information not captured by the macro model, the Mean Absolute Percentage Error (MAPE) metric was used, ensuring a more accurate reflection of the real risk in the portfolios.

Exim Banca Românească classifies its credit exposures based on similar credit risk characteristics into the following main asset classes:

Financing – Legal Entities

1. Financing granted to legal entities (companies) originated by EximBank (including SBB debtors, Micro and nonprofit entities, including recourse factoring)
2. Financing granted to legal entities (companies) – originated by Banca Românească (excluding SBB debtors)
3. Financing granted to SBB-type legal entities – originated by Banca Românească
4. Financing granted to non-bank financial institutions (NBFIs) – originated by EximBank and Banca Românească
5. Non-recourse factoring
6. Financing granted to Local Public Authorities – originated by EximBank and Banca Românească

37. Credit risk (continued)

Financing - Individuals

1. Unsecured consumer loans
2. Secured consumer loans (non-CHF)
3. Secured consumer loans in CHF
4. Mortgage loans (non-CHF)
5. Mortgage loans in CHF
6. Prima Casă (First Home – backed mortgage program)
7. Credit cards and overdrafts

Other exposures

8. Fixed-income financial instruments recognised at fair value through other comprehensive income (OCI) or at amortised cost
9. Loans and placements with other credit institutions
10. Various debtors

Determination of risk parameters

The determination of the probability of default (PD) for loans in the non-financial corporate segment consists of the calculation of conditional cumulative default rates, the use of the Weibull function for projecting cumulative default curves, and the use of the Vasicek calibration function, so that the resulting PDs are adjusted with forward-looking information.

For exposures where no defaults have been recorded in the historical data of Exim Banca Românească (e.g., NBFIs, local public authorities, non-recourse factoring), the probability of default (PD) is determined based on cumulative PD curves starting from the observed annual default rate for the financial sector/insurance companies/minimum threshold level according to EU Regulation 575/2013, while incorporating forward-looking adjustments into the model. For exposures in domestic recourse factoring, the PDs are determined according to the non-financial corporate segment.

The determination of the loss given default (LGD) risk parameter for loans in the non-financial corporate segment involves the following:

- grouping of model input data based on the historical evolution of recoveries (i.e., recoveries recorded after the exposure enters the non-performing category);
- calculation of conditional cumulative recovery rates;
- starting from historical recovery rates, the logistic function is used to project cumulative recovery curves and estimate TTC LGD (loss given default over the economic cycle);
- adjustment based on forward-looking expectations to transform into PIT LGD (loss given default at reporting date), by linking it to the determined PD values.

In the context of current economic effects as well as macroeconomic forecast uncertainty, the future quality of credit portfolios remains a constant concern for the Group.

During 2023, the methodology for recognising impairment adjustments under IFRS 9 was re-examined. A significant discrepancy was identified in the GDP data series sourced from the National Institute of Statistics, resulting from a methodological update related to data modelling undertaken by the Institute. This discrepancy significantly impacted the performance of the mathematical models. Various model estimation approaches were considered in this exercise; however, the resulting performance remained below the minimum acceptable threshold.

37. Credit risk (continued)

The Bank used forecasts issued by the European Commission, the National Commission for Strategy and Forecasting, the IMF, and the World Bank for the relevant periods in estimating the PD/LGD curves, in the case of parameters for which a statistically significant degree of correlation with historical default rates was observed: GDP, inflation rate, unemployment rate.

Year	Pessimistic			Base			Optimistic		
	GDP	CPI	UR	GDP	CPI	UR	GDP	CPI	UR
2024	2.40%	6.13%	6.01%	2.83%	5.57%	5.47%	3.11%	4.74%	4.65%
2025	2.91%	4.32%	5.90%	3.43%	3.93%	5.37%	3.77%	3.34%	4.56%
2026	3.04%	3.89%	5.79%	3.58%	3.54%	5.27%	3.93%	3.01%	4.48%
2027	2.95%	3.67%	5.72%	3.48%	3.33%	5.20%	3.82%	2.83%	4.42%

Methodology for deriving the pessimistic and optimistic scenarios:

	Pessimistic	Baseline	Optimistic
GDP	85%	100%	110%
CPI, UR	110%	100%	85%
Pondere scenariu	45%	50%	5%

- "pondere scenariu" = Scenario weighting

For the purpose of estimating the provision requirements, a curve is used which is determined by calculating the weighted value of the statistical parameters resulting from each of the three scenarios for each point of the curve.

Restructured loans

At the end of 2024, the Group/Bank recorded gross restructured loans amounting to RON 565.073 thousand (RON 471.367 thousand as at 31 December 2023), with the classification and maintenance criteria for restructured loans being in line with the definitions of the European Banking Authority and NBR Order no. 9/2017.

Restructured loans	Gross amount	Adjustments	Net amount
2024 – Group/Bank	565.073	-135.703	429.370
2023 – Group/Bank	471.367	-112.694	358.673

In 2024, the Group/Bank derecognised loans amounting to RON 332.704 thousand (RON 273.051 thousand in 2023).

Off-balance sheet exposures under continued monitoring	31-Dec-24	31-Dec-23
Total off-balance sheet exposures under monitoring	1.103.461	957.439

38. Liquidity risk

The Group/Bank recognises liquidity risk as the current or future risk of negative impact on profits and capital arising from the Group's/Bank's inability to meet its obligations at maturity.

To properly manage this risk and ensure effective liquidity management, the Bank/Group monitors daily all cash or cash-equivalent inflows and outflows related to non-bank client operations, interbank maturities, events in the securities portfolio, or scheduled loan repayments by tracking the liquidity position across relevant maturity buckets and actively managing the liquidity reserves needed to meet its obligations at minimal cost.

The Group/Bank maintains minimum reserves as required by NBR Regulation no. 6/2002 on the regime of mandatory minimum reserves, the effective rate at the end of 2024 being 8% of the attracted funds in RON and 5% for foreign currency resources (2023: 8% for RON and 5% for foreign currency).

The Bank/Group ensures that it maintains an adequate level of unencumbered liquid assets eligible for secured funding operations. These liquid assets are mainly comprised of government securities issued by the Ministry of Public Finance, ensuring access to liquidity in the event of exceptional market conditions. The Bank/Group has implemented an early warning system for identifying liquidity crises.

Liquidity and funding risk management is conducted in accordance with internal procedures and includes managing and monitoring liquidity positions in RON and major currencies, including intraday positions through cash-flow instruments; calculating and tracking liquidity indicators (immediate liquidity ratio; LCR, early warning indicators; NSFR, counterbalancing capacity); maintaining and managing the liquidity reserve (the stock value of eligible assets at market value for secured funding); monitoring funding source concentration; maintaining an active market presence and testing funding capacity; and conducting periodic stress tests on liquidity indicators. The Bank considers three types of crisis scenarios: institution-specific, market-wide, and a combination of both.

The Bank holds in its portfolio high-quality liquid assets (government securities issued by the Ministry of Public Finance), which provide strong short-term shock absorption capacity in case of a liquidity squeeze. Generally, deposits with maturities under one month are stable as they tend to be rolled over at maturity, in line with the characteristics of the Romanian banking market.

38. Liquidity risk (continued)

The table below analyses the Group's/Bank's assets and liabilities by relevant maturity group, based on contractual residual maturity, as at the balance sheet date, i.e., 31 December 2024:

<i>Group - 31.December 2024</i>	TOTAL	Of which: Subject to liquidity risk	< 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
ASSETS							
Cash	182.597	182.597	182.597	-	-	-	-
Account with the National Bank of Romania	5.374.138	5.374.138	5.374.138	-	-	-	-
Amounts due from credit institutions	2.479.058	2.479.058	2.469.628	5.376	4.054	-	-
Derivative financial instruments	42.594	42.594	23.335	5.806	13.453	-	-
Debt instruments held for trading	251.439	251.439	99.698	-	-	151.741	-
Financial assets at fair value through other comprehensive income, of which:	1.105.358	1.105.358	106.520	109.921	149.635	739.282	-
- Investments in equity instruments	6.777	6.777	6.777	-	-	-	-
- Debt securities	1.098.581	1.098.581	99.743	109.921	149.635	739.282	-
Debt securities at amortised cost	3.015.183	3.015.183	65.042	185.104	548.912	1.735.476	480.649
Loans, net	13.851.573	13.851.573	514.034	753.314	3.054.355	6.624.615	2.905.255
Investments in subsidiaries	-	-	-	-	-	-	-
Property and equipment, net	219.888	-	-	-	-	-	-
Intangible assets, net	60.768	-	-	-	-	-	-
Investment property	45.859	-	-	-	-	-	-
Other assets	122.008	122.008	122.008	-	-	-	-
Reinsurance receivables (IFRS 17)	16.622	-	-	-	-	-	-
Deferred tax assets	14.652	-	-	-	-	-	-
	26.781.737	26.423.948	8.957.000	1.059.521	3.770.408	9.251.114	3.385.904
Liabilities							
Derivative financial instruments	3.283	3.283	12	2.088	1.183	-	-
Deposits from banks	1.252.065	1.252.065	439.432	252.551	311.377	198.964	49.741
Deposits from Ministry of Finance	2.799.627	2.799.627	1.399.627	-	-	1.400.000	-
Customer deposits	20.075.498	20.075.498	9.785.452	4.345.132	5.174.167	607.062	163.685
Deferred income and accrued expenses	98.363	96.922	96.913	-	-	9	-
Provisions	81.563	77.904	35.957	996	16.541	13.324	11.086
Other liabilities	262.893	262.893	262.893	-	-	-	-
Insurance contract liabilities (IFRS 17)	72.067	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
Subordinated loans	411.587	411.587	10.879	-	708	-	400.000
	25.056.946	24.979.779	12.031.165	4.600.767	5.503.976	2.219.359	624.512
NET ASSETS	1.724.791	1.444.169	-3.074.165	-3.541.246	-1.733.567	7.031.755	2.761.392
OFF-BALANCE SHEET ITEMS							
Credit commitments	2.944.375	2.944.375	125.643	283.735	768.034	749.734	1.017.229
Guarantee commitments	2.819.816	2.819.816	162.278	240.581	712.395	1.311.723	392.839
Cash inflows from derivatives	2.734.969	2.734.969	496.072	851.692	1.387.205	-	-
Cash outflows from derivatives	-2.670.355	-2.670.355	-472.105	848.925	-1.349.325	-	-
	5.828.805	5.828.805	311.888	527.083	1.518.309	2.061.457	1.410.068

The attached notes are an integral part of the financial statements.

38. Liquidity risk (continued)

<i>Bank – 31 December 2024</i>	TOTAL	Of which: Subject to liquidity risk	< 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
ASSETS							
Cash	182.597	182.597	182.597	-	-	-	-
Account with the National Bank of Romania	5.374.138	5.374.138	5.374.138	-	-	-	-
Claims on credit institutions	2.465.014	2.465.014	2.465.014	-	-	-	-
Derivative financial instruments	42.594	42.594	23.335	5.806	13.453	-	-
Debt instruments held for trading	251.439	251.439	99.698	-	-	151.741	-
Financial assets at fair value through other comprehensive income, including:	1.105.358	1.105.358	106.520	109.921	149.635	739.282	-
- Investments in equity instruments	6.777	6.777	6.777	-	-	-	-
- Debt securities	1.098.581	1.098.581	99.743	109.921	149.635	739.282	-
Debt securities at amortised cost	2.957.541	2.957.541	65.042	185.104	548.912	1.677.834	480.649
Loans, net	13.851.573	13.851.573	514.034	753.314	3.054.355	6.624.615	2.905.255
Investments in subsidiaries	61.046	61.046	-	-	-	-	61.046
Property and equipment, net	215.516	-	-	-	-	-	-
Intangible assets, net	59.460	-	-	-	-	-	-
Investment property	45.859	-	-	-	-	-	-
Other assets	113.019	113.019	113.019	-	-	-	-
Deferred tax assets	14.652	-	-	-	-	-	-
	26.739.806	26.404.319	8.943.397	1.054.145	3.766.355	9.193.472	3.446.950
LIABILITIES							
Derivative financial instruments	3.283	3.283	12	2.088	1.183	-	-
Deposits from banks	1.252.065	1.252.065	439.432	252.551	311.377	198.964	49.741
Deposits from the Ministry of Finance	2.799.627	2.799.627	1.399.627	-	-	1.400.000	-
Customer deposits	20.151.431	20.151.431	9.807.273	4.388.709	5.184.525	607.239	163.685
Deferred income and accrued expenses	96.922	96.922	96.913	-	-	9	-
Provisions	77.904	77.904	35.957	996	16.541	13.324	11.086
Other liabilities	238.044	238.044	238.044	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
ASSETS	411.587	411.587	10.879	-	708	-	400.000
	25.030.863	25.030.863	12.028.137	4.644.344	5.514.334	2.219.536	624.512
NET ASSETS	1.708.943	1.373.456	-3.084.740	3.590.199	1.747.979	6.973.936	2.822.438
OFF-BALANCE SHEET ITEMS							
Credit commitments	-2.944.375	2.944.375	125.643	283.735	768.034	749.734	1.017.229
Guarantee commitments	-2.819.816	2.819.816	162.278	240.581	712.395	1.311.723	392.839
Cash inflows from derivatives	2.734.969	2.734.969	496.072	851.692	1.387.205	-	-
Cash outflows from derivatives	-2.670.355	-2.670.355	-472.105	-848.925	1.349.325	-	-
	-5.669.577	5.828.805	311.888	527.083	1.518.309	2.061.457	1.410.068

38. Liquidity risk (continued)

The table below analyses the Group's/Bank's assets and liabilities by relevant maturity bands, based on their contractual residual maturity as at 31 December 2023

<i>Group - 31.December 2023</i>	TOTAL	Of which: Subject to liquidity risk	< 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
ASSETS							
Cash	182.552	182.552	182.552	-	-	-	-
Account with the National Bank of Romania	5.563.676	5.563.676	5.563.676	-	-	-	-
Amounts due from credit institutions	1.633.192	1.633.192	1.573.176	59.771	195	50	-
Derivative financial instruments	3.368	3.368	560	2.264	544	-	-
Debt instruments held for trading	174.714	174.714	-	9.422	107.123	58.169	-
Financial assets at fair value through other comprehensive income, of which:	846.353	846.353	24.891	98.609	280.167	428.703	13.983
- Investments in equity instruments	5.800	5.800	-	-	-	-	5.800
- Debt securities	840.553	840.553	24.891	98.609	280.167	428.703	8.183
Debt securities at amortised cost	3.561.809	3.561.809	-	-	731.491	2.204.466	625.852
Loans, net	13.997.502	13.997.502	432.140	700.343	3.253.352	6.395.043	3.216.624
Investments in subsidiaries	-	-	-	-	-	-	-
Property and equipment, net	226.388	-	-	-	-	-	-
Intangible assets, net	56.470	-	-	-	-	-	-
Investment property	45.156	-	-	-	-	-	-
Other assets	182.776	182.776	182.776	-	-	-	-
Reinsurance receivables (IFRS 17)	29.025	-	-	-	-	-	-
Deferred tax assets	14.893	-	-	-	-	-	-
	26.517.874	26.145.942	7.959.771	870.409	4.372.872	9.086.431	3.856.459
Liabilities							
Derivative financial instruments	22.454	22.454	11.391	8.619	2.444	-	-
Deposits from banks	1.155.355	1.155.355	3.609	7.093	733.994	348.476	62.183
Deposits from Ministry of Finance	5.474.122	5.474.122	4.066.072	-	-	1.408.050	-
Customer deposits	17.644.632	17.644.632	7.684.497	4.081.953	5.123.590	646.296	108.296
Deferred income and accrued expenses	84.859	-	-	-	-	-	-
Provisions	79.160	-	-	-	-	-	-
Other liabilities	342.698	342.698	342.698	-	-	-	-
Insurance contract liabilities (IFRS 17)	77.887	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
Subordinated loans	24.881.167	24.639.261	12.108.267	4.097.665	5.860.028	2.402.822	170.479
NET ASSETS	1.636.707	1.506.681	-4.148.496	-3.227.256	-1.487.156	6.683.609	3.685.980
OFF-BALANCE SHEET ITEMS							
Credit commitments	2.999.710	2.999.710	517.305	140.051	1.158.148	558.440	625.766
Guarantee commitments	2.607.818	2.607.818	170.956	221.311	629.179	1.194.659	391.713
Cash inflows from derivatives	2.385.464	2.385.464	1.058.160	687.794	639.510	-	-
Cash outflows from derivatives	-2.393.711	-2.393.711	-1.068.165	691.326	-634.220	-	-
	5.615.775	5.599.281	678.256	357.830	1.792.617	1.753.099	1.017.479

38. Liquidity risk (continued)

<i>Bank - 31.December 2023</i>	TOTAL	Of which: Subject to liquidity risk	< 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
ASSETS							
Cash	182.552	182.552	182.552	-	-	-	-
Account with the National Bank of Romania	5.563.676	5.563.676	5.563.676	-	-	-	-
Claims on credit institutions	1.621.327	1.621.327	1.571.364	49.963	-	-	-
Derivative financial instruments	3.368	3.368	560	2.264	544	-	-
Debt instruments held for trading	174.714	174.714	-	9.422	107.123	58.169	-
Financial assets at fair value through other comprehensive income, including:	846.353	846.353	24.891	98.609	280.167	428.703	13.983
- Investments in equity instruments	5.800	5.800	-	-	-	-	5.800
- Debt securities	840.553	840.553	24.891	98.609	280.167	428.703	8.183
Debt securities at amortised cost	3.518.864	3.518.864	-	-	721.610	2.171.402	625.852
Loans, net	13.997.502	13.997.502	432.140	700.343	3.253.352	6.395.043	3.216.624
Investments in subsidiaries	61.046	61.046	-	-	-	-	61.046
Property and equipment, net	224.456	-	-	-	-	-	-
Intangible assets, net	55.446	-	-	-	-	-	-
Investment property	45.156	-	-	-	-	-	-
Other assets	138.994	138.994	138.994	-	-	-	-
Deferred tax assets	14.893	-	-	-	-	-	-
	26.448.347	26.108.396	7.914.177	860.601	4.362.796	9.053.317	3.917.505
LIABILITIES							
Derivative financial instruments	22.454	22.454	11.391	8.619	2.444	-	-
Deposits from banks	1.155.355	1.155.355	3.609	7.093	733.994	348.476	62.183
Deposits from the Ministry of Finance	5.474.122	5.474.122	4.066.072	-	-	1.408.050	-
Customer deposits	17.716.616	17.716.616	7.710.932	4.117.142	5.133.950	646.296	108.296
Deferred income and accrued expenses	84.266	-	-	-	-	-	-
Provisions	76.624	-	-	-	-	-	-
Other liabilities	284.695	284.695	284.695	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
	24.814.132	24.653.242	12.076.699	4.132.854	5.870.388	2.402.822	170.479
NET ASSETS	1.634.215	1.455.154	-4.162.522	-3.272.253	-1.507.592	6.650.495	3.747.026
OFF-BALANCE SHEET ITEMS							
Credit commitments	2.999.710	2.999.710	517.305	140.051	1.158.148	558.440	625.766
Guarantee commitments	2.607.818	2.607.818	170.956	221.311	629.179	1.194.659	391.713
Cash inflows from derivatives	2.385.464	2.385.464	1.058.160	687.794	639.510	-	-
Cash outflows from derivatives	-2.393.711	-2.393.711	1.068.165	-691.326	-634.220	-	-
	5.615.775	5.599.281	678.256	357.830	1.792.617	1.753.099	1.017.479

The attached notes are an integral part of the financial statements.

38. Liquidity risk (continued)

The financial liabilities of the Group/Bank at the end of the 2024 financial year, including future cash flows representing interest not yet recognised in the profit or loss account or in the amortised cost of the liabilities shown in the financial position, are presented in the tables below:

<i>Group – 31 December 2024</i>	TOTAL	<1 month	1–3 months	3-12 months	1-5 years	Over 5 years
FINANCIAL LIABILITIES , including future interest						
Derivative financial instruments	3.283	12	2.088	1.183	-	-
Deposits from banks	1.312.039	439.674	255.057	327.118	224.082	66.109
Deposits from Ministry of Finance (MoF)	2.905.440	1.406.720	14.186	63.837	1.420.697	-
Customer deposits	20.233.066	9.798.575	4.379.010	5.280.458	610.599	164.424
Other liabilities	262.893	262.893	-	-	-	-
Subordinated loans	649.239	14.507	7.256	33.358	174.135	419.983
	25.365.960	11.922.381	4.657.597	5.705.954	2.429.513	650.516

<i>Bank - 31 December 2024</i>	TOTAL	<1 month	1–3 months	3-12 months	1-5 years	Over 5 years
FINANCIAL LIABILITIES , including future interest						
Derivative financial instruments	3.283	12	2.088	1.183	-	-
Deposits from banks	1.312.039	439.674	255.057	327.118	224.082	66.109
Deposits from Ministry of Finance (MoF)	2.905.440	1.406.720	14.186	63.837	1.420.697	-
Customer deposits	20.308.999	9.820.396	4.422.587	5.290.816	610.776	164.424
Other liabilities	238.044	238.044	-	-	-	-
Subordinated loans	649.239	14.507	7.256	33.358	174.135	419.983
	25.417.044	11.919.353	4.701.174	5.716.312	2.429.690	650.516

38. Liquidity risk (continued)

The financial liabilities of the Group/Bank at the end of the 2023 financial year, including future cash flows representing interest not yet recognised in the profit or loss account or in the amortised cost of the liabilities shown in the financial position, are presented in the tables below:

<i>Group – 31 December 2023</i>	TOTAL	<1 month	1–3 months	3-12 months	1-5 years	Over 5 years
FINANCIAL LIABILITIES , including future interest						
Derivative financial instruments	22.454	11.391	8.619	2.444	-	-
Deposits from banks	1.272.362	3.612	7.093	764.189	404.196	93.272
Deposits from Ministry of Finance (MoF)	5.595.824	4.067.719	-	-	1.528.105	-
Customer deposits	17.854.935	7.693.383	4.121.080	5.266.800	659.165	114.507
Other liabilities	342.698	342.698	-	-	-	-
	25.088.273	12.118.803	4.136.792	6.033.433	2.591.466	207.779

<i>Bank - 31 December 2023</i>	TOTAL	<1 month	1–3 months	3-12 months	1-5 years	Over 5 years
FINANCIAL LIABILITIES , including future interest						
Derivative financial instruments	22.454	11.391	8.619	2.444	-	-
Deposits from banks	1.272.362	3.612	7.093	764.189	404.196	93.272
Deposits from Ministry of Finance (MoF)	5.595.824	4.067.719	-	-	1.528.105	-
Customer deposits	17.926.919	7.719.818	4.156.269	5.277.160	659.165	114.507
Other liabilities	284.695	284.695	-	-	-	-
	25.102.254	12.087.235	4.171.981	6.043.793	2.591.466	207.779

39. Market risk

a) Currency risk

The breakdown of financial assets and liabilities of the Group/Bank by currency as at 31 December 2024 is as follows:

Group - 31.December 2024	TOTAL	RON	EUR	USD	OTHERS
ASSETS					
Cash	182.597	94.089	48.486	12.495	27.527
Accounts with the National Bank of Romania	5.374.138	4.856.111	518.027	-	-
Claims on credit institutions	2.479.058	868.622	1.561.249	14.310	34.878
Derivative financial instruments	42.594	42.594	-	-	-
Debt instruments held for trading	251.439	251.439	-	-	-
Financial assets at fair value through other comprehensive income, of which:	1.105.358	676.715	427.814	829	-
- Investments in equity instruments	6.777	5.628	320	829	-
- Debt instruments	1.098.581	671.087	427.494	-	-
Debt instruments at amortised cost	3.015.183	2.888.956	126.227	-	--
Loans, net	13.851.573	10.162.742	2.982.216	223.317	483.298
Investments in subsidiaries	-	-	-	-	-
Property, plant and equipment, net	219.888	216.378	3.511	-	-
Intangible assets, net	60.768	60.768	-	-	-
Investment property	45.859	45.859	-	-	-
Other assets	122.008	171.419	8.599	3.807	-61.817
Reinsurance assets (IFRS 17)	16.622	16.622	-	-	-
Deferred tax assets	14.652	14.652	-	-	-
TOTAL ASSETS	26.781.737	20.366.966	5.676.128	254.758	483.885
LIABILITIES					
Derivative financial instruments	3.283	3.283	-	-	-
Deposits from banks	1.252.065	610.445	547.122	94.213	285
Deposits from Ministry of Finance	2.799.627	2.799.627	-	-	-
Customer deposits	20.075.498	15.323.706	4.203.108	524.728	23.956
Deferred income and accrued expenses	98.363	87.395	7.997	2.971	-
Provisions	81.563	59.583	9.546	12.434	-
Other liabilities	262.893	194.888	164.248	17.870	-114.113
Insurance contract liabilities (IFRS 17)	72.067	72.067	-	-	-
Deferred tax liabilities	-	-	-	-	-
Subordinated loans	411.587	411.587	-	-	-
TOTAL LIABILITIES	25.056.946	19.562.581	4.932.021	652.216	-89.872
EQUITY	1.724.791	1.724.785	6	-	-
Balance sheet position		-920.400	744.101	-397.458	573.757
Off-balance SPOT position (unsettled)		-5.276	8.456	-1.081	-2.098
SPOT POSITION		-925.676	752.557	-398.539	571.659
FORWARD POSITION		923.553	-728.228	382.144	-512.956
TOTAL POSITION		-2.124	24.329	-16.395	58.703

The attached notes are an integral part of the financial statements.

39. Market risk (continued)

a) Currency risk (continued)

Bank - 31.December 2024

	TOTAL	RON	EUR	USD	OTHERS
ASSETS					
Cash	182.597	94.089	48.486	12.495	27.527
Accounts with the National Bank of Romania	5.374.138	4.856.111	518.027	-	-
Claims on credit institutions	2.465.014	855.658	1.560.692	13.787	34.877
Derivative financial instruments	42.594	42.594	-	-	-
Debt instruments held for trading	251.439	251.439	-	-	-
Financial assets at fair value through other comprehensive income, of which:	1.105.358	676.715	427.814	829	-
- Investments in equity instruments	6.777	5.628	320	829	-
- Debt instruments	1.098.581	671.087	427.494	-	-
Debt instruments at amortised cost	2.957.541	2.857.326	100.215	-	-
Loans, net	13.851.573	10.162.742	2.982.216	223.317	483.298
Subordinated loans	-	-	-	-	-
Investments in subsidiaries	61.046	61.046	-	-	-
Property, plant and equipment, net	215.516	215.516	-	-	-
Intangible assets, net	59.460	59.460	-	-	-
Investment property	45.859	45.859	-	-	-
Other assets	113.019	99.418	9.187	3.807	607
Deferred tax assets	14.652	14.652	-	-	-
TOTAL ASSETS	26.739.806	20.292.625	5.646.637	254.235	546.309
LIABILITIES					
Derivative financial instruments	3.283	3.283	-	-	-
Deposits from banks	1.252.065	610.445	547.122	94.213	285
Deposits from the Ministry of Finance	2.799.627	2.799.627	-	-	-
Deposits from customers	20.151.431	15.396.290	4.205.772	525.368	24.001
Deferred income and accrued expenses	96.922	86.022	7.929	2.971	-
Provisions	77.904	55.924	9.546	12.434	-
Other liabilities	238.044	60.369	159.417	17.870	388
Deferred tax liabilities	-	-	-	-	-
Subordinated loans	411.587	411.587	-	-	-
TOTAL LIABILITIES	25.030.863	19.423.547	4.929.786	652.856	24.674
EQUITY	1.708.943	1.708.938	6	-	-
Balance sheet position		-839.859	716.845	-398.621	521.635
Off-balance SPOT position (unsettled)		-5.276	8.456	-1.081	-2.098
SPOT POSITION		-845.135	725.301	-399.702	519.537
FORWARD POSITION		923.553	-728.228	382.144	-512.956
TOTAL POSITION		78.417	-2.927	-17.558	6.581

The attached notes are an integral part of the financial statements.

39. Market risk (continued)

a) Currency risk (continued)

The breakdown of financial assets and liabilities of the Group/Bank by currency as at 31 December 2023 is as follows:

Group - 31.December 2023	TOTAL	RON	EUR	USD	OTHES
ASSETS					
Cash	182.552	100.982	57.474	11.108	12.988
Accounts with the National Bank of Romania	5.563.676	4.870.516	693.160	-	-
Claims on credit institutions	1.633.192	80.788	1.382.122	69.797	100.485
Derivative financial instruments	3.368	3.368	-	-	-
Debt instruments held for trading	174.714	154.328	20.386	-	-
Financial assets at fair value through other comprehensive income, of which:	846.353	595.765	250.011	577	-
- Investments in equity instruments	5.800	4.914	309	577	-
- Debt instruments	840.553	590.851	249.702	-	-
Debt instruments at amortised cost	3.561.809	3.239.661	279.203	-	42.945
Loans, net	13.997.502	9.848.346	3.329.529	161.274	658.353
Investments in subsidiaries	-	-	-	-	-
Property, plant and equipment, net	226.388	224.456	-	-	1.932
Intangible assets, net	56.470	55.446	-	-	1.024
Investment property	45.156	45.156	-	-	-
Other assets	182.776	96.689	8.863	2.416	74.808
Reinsurance assets (IFRS 17)	29.025	-	-	-	-
Deferred tax assets	14.893	14.893	-	-	-
TOTAL ASSETS	26.517.874	19.330.394	6.020.748	245.172	892.535
LIABILITIES					
Derivative financial instruments	22.454	22.454	-	-	-
Deposits from banks	1.155.355	377.755	777.277	-	323
Deposits from Ministry of Finance	5.474.122	5.474.122	-	-	-
Customer deposits	17.644.632	13.371.122	3.664.483	587.501	21.526
Deferred income and accrued expenses	84.859	75.543	6.432	2.291	593
Provisions	79.160	62.244	6.302	8.078	2.536
Other liabilities	342.698	15.232	180.238	9.713	137.515
Insurance contract liabilities (IFRS 17)	77.887	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	24.881.167	19.398.472	4.634.732	607.583	162.493
EQUITY	1.636.707	1.636.589	118	-	-
Balance sheet position		-1.753.529	1.385.898	-362.411	730.042
Off-balance SPOT position (unsettled)		-42.295	27.858	15.932	-1.494
SPOT POSITION		-1.795.824	1.413.756	-346.479	728.548
FORWARD POSITION		1.737.589	-1.432.146	353.819	-667.525
TOTAL POSITION		-58.235	-18.390	7.340	61.023

The attached notes are an integral part of the financial statements.

39. Market risk (continued)

a) Currency risk (continued)

Bank - 31.December 2023	TOTAL	RON	EUR	USD	OTHERS
ASSETS					
Cash	182.552	100.982	57.474	11.108	12.988
Accounts with the National Bank of Romania	5.563.676	4.870.516	693.160	-	-
Claims on credit institutions	1.621.327	151.176	1.382.988	70.376	16.787
Derivative financial instruments	3.368	3.368	-	-	-
Debt instruments held for trading	174.714	154.328	20.386	-	-
Financial assets at fair value through other comprehensive income, of which:	846.353	595.765	250.011	577	-
- Investments in equity instruments	5.800	4.914	309	577	-
- Debt instruments	840.553	590.851	249.702	-	-
Debt instruments at amortised cost	3.518.864	3.239.661	279.203	-	-
Loans, net	13.997.502	9.848.346	3.329.529	161.274	658.353
Subordinated loans	-	-	-	-	-
Investments in subsidiaries	61.046	61.046	-	-	-
Property, plant and equipment, net	224.456	224.456	-	-	-
Intangible assets, net	55.446	55.446	-	-	-
Investment property	45.156	45.156	-	-	-
Other assets	138.994	125.714	10.151	2.416	713
Deferred tax assets	14.893	14.893	-	-	-
TOTAL ASSETS	26.448.347	19.490.853	6.022.902	245.751	688.841
LIABILITIES					
Derivative financial instruments	22.454	22.454	-	-	-
Deposits from banks	1.155.355	377.755	777.277	-	323
Deposits from the Ministry of Finance	5.474.122	5.474.122	-	-	-
Deposits from customers	17.716.616	13.441.510	3.665.349	588.080	21.677
Deferred income and accrued expenses	84.266	75.543	6.432	2.291	-
Provisions	76.624	62.244	6.302	8.078	-
Other liabilities	284.695	93.119	181.526	9.713	337
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	24.814.132	19.546.747	4.636.886	608.162	22.337
EQUITY	1.634.215	1.634.097	118	-	-
Balance sheet position		-1.689.991	1.385.898	-362.411	666.504
Off-balance SPOT position (unsettled)		-42.295	27.858	15.932	-1.494
SPOT POSITION		-1.732.286	1.413.756	-346.479	665.010
FORWARD POSITION		1.737.589	-1.432.146	353.819	-667.525
TOTAL POSITION		5.303	-18.390	7.340	-2.515

To ensure a framework for measuring, monitoring and controlling the risks arising from fluctuations in the currencies traded by the Group/Bank, daily monitoring of indicators is carried out, including individual foreign currency positions and the total foreign currency position.

39. Market risk (continued)

a) Currency risk (continued)

The net foreign currency position for the Group/Bank as at 31 December 2024, expressed in thousands of RON, is presented below for each significant currency. The subsidiary EximAsig holds an insignificant open foreign currency position, as the company seeks to hedge foreign exchange risk:

Group/Bank

Currency	SPOT *		FORWARD **		Net Open Position	
	Original amount (thousands)	RON equivalent (thousands)	Original amount (thousands)	RON equivalent (thousands)	Original amount (thousands)	RON equivalent (thousands)
EUR	151.443	753.291	-146.404	-728.228	5,039	25,063
USD	-83.432	-398.540	80.000	382.144	-3,432	-16,396
CHF	96.631	510.268	-96.007	-506.972	624	3,296
OTHERS	-	9.314	-	-5.984		3,330
Net position (+)=long (-)=short		874.333		-859.040		15.293

*The spot position includes the balance sheet foreign exchange position and transactions with settlement within the next two working days.

** The forward position includes transactions with a settlement date beyond two working days.

As at 31 December 2023, the open position is presented in the table below:

Group/Bank

Currency	SPOT *		FORWARD **		Net Open Position	
	Original amount (thousands)	RON equivalent (thousands)	Original amount (thousands)	RON equivalent (thousands)	Original amount (thousands)	RON equivalent (thousands)
EUR	284.195	1.413.755	-287.892	-1.432.146	-3.697	-18.391
USD	-77.067	-346.480	78.700	353.819	1.633	7.340
CHF	123.337	661.902	-124.089	-665.938	-752	-4.036
OTHERS	-	3.107	-	-1.587	-	1.520
Net position (+)=long (-)=short		1.732.283		-1.745.851		-13.568

*The spot position includes the balance sheet foreign exchange position and transactions with settlement within the next two working days.

** The forward position includes transactions with a settlement date beyond two working days.

39. Market risk (continued)**a) Currency risk (continued)**

The table below shows the sensitivity of the Group/Bank's profit and loss account to hypothetical +/-10% and +/-20% changes in the exchange rate against RON. The impact is determined based on these two levels of exchange rate fluctuation. For EximAsig, the impact of exchange rate changes is insignificant, as it hedges its FX position.

Group/Bank

Valuta	Net Open Position		FX Rate at 31.12.2024	Profit impact		Equity impact	
	Original amount	RON Equivalent		+/- 10%	+/- 20%	+/- 10%	+/- 20%
EUR	588	-2.927	4.9741	-293	-585	-293	-585
USD	-3.676	-17.559	4.7768	-1.756	-3.512	--1,756	-3.512
CHF	616	3.251	5.2806	325	650	325	650
OTHERS		3.330	-	333	666	333	666
Net position		-13.905		+/-1390	+/-2781	+/-1.390	+/-2.781

As at 31 December 2023, the situation is as follows:

Group/Bank

Valuta	Net Open Position		FX Rate at 31.12.2024	Profit impact		Equity impact	
	Original amount	RON Equivalent		+/- 10%	Original amount	RON Equivalent	
EUR	-3.697	-18.391	4.9746	-1.839	-3.678	-1.839	-3.678
USD	1.633	7.340	4.4958	734	1.468	734	1.468
CHF	-752	-4.036	5.3666	-404	-807	-404	-807
OTHERS	-	1.520	-	152	304	152	304
Net position		-13.568		+/- 1.357	+/- 2.714	+/- 1.357	+/- 2.714

b) Interest Rate Risk

The Group/Bank treats interest rate risk related to non-trading book activities as the potential for fluctuations in interest rates to affect future profits or to lead to a reduction in its economic value.

In this regard, the Group/Bank uses GAP analysis to reflect the sensitivity of annual financial results to changes in interest rates, as well as the standard methodology for measuring the impact on economic value resulting from interest rate changes, in accordance with National Bank of Romania (NBR) regulations.

The GAP analysis performed as at 31 December 2024 and 31 December 2023 (consolidated) captures the balances of the Bank's interest rate-sensitive assets and liabilities, allocated based on the timing of interest rate repricing or maturity, determining the mismatches between them. The potential effects (in thousands of RON) on equity were determined by applying six scenarios (EVE scenarios) in accordance with the methodology and shocks set out in the *Guidelines on the management of interest rate risk arising from non-trading book activities* (EBA/GL/2018/02, 19 July 2018).

39. Market risk (continued)

b) Interest rate risk (continued)

Δ Aggregate EVE (mil. RON)	2024	2023
S1. Parallel shock up	-131.05	-154.34
S2. Parallel shock down	63.69	86.26
S3. Steepener shock (short-term rates down, long-term rated up)	-113.02	30.01
S4. Flattenner shock (short-term rates up, long-term rated down)	55.82	-7,67
S5. Short-term rates shock up	44.21	-68,27
S6. Short-term rates shock down	-68.93	36,83
Maximum impact	-131.05	-154.34

Average interest rates applied by the Group/Bank during 2024 and 2023 for the main categories of balance sheet assets and liabilities denominated in RON, EUR, and USD):

	2024			2023		
	RON	EUR	USD	RON	EUR	USD
FINANCIAL ASSETS						
Accounts with the National Bank of Romania*	4.32%	0.10%	0.00%	4.21%	0.05%	0.00%
Amounts due from credit institutions	5.77%	3.56%	3.21%	6.05%	3.15%	2.99%
Loans	8.20%	6.83%	7.87%	8.81%	6.32%	7.59%
Fixed-income instruments	4.54%	1.98%	0.00%	4.20%	1.48%	0.00%
Total Assets	6.47%	5.21%	7.21%	6.78%	4.78%	6.34%
FINANCIAL LIABILITIES						
Deposits from banks	7.63%	4.80%	4.76%	7.44%	4.18%	4.44%
Deposits from the Ministry of Finance	5.89%	0.00%	0.00%	6.56%	0.00%	0.00%
Customer deposits	4.61%	2.49%	3.33%	5.26%	1.76%	2.80%
Total Liabilities	4.95%	2.84%	3.46%	5.69%	2.17%	2.80%

*) Accounts with the National Bank of Romania also include Target2 accounts.

39. Market risk (continued)

b) Interest rate risk (continued)

The table below analyses the interest-bearing assets and liabilities of the Group/Bank, by relevant interest rate modification groups, as at 31 December 2024:

Group - 31.December 2024	TOTAL	Of which: Subject to interest rate risk	≤1 month	1--3 months	3--12 months	1--5 years	Over 5 years	Non-interest bearing
ASSETS								
Cash	182.597	-	-	-	-	-	-	182.597
Accounts with the National Bank of Romania	5.374.138	5.374.138	5.374.138	-	-	-	-	-
Loans to credit institutions	2.479.058	2.479.058	2.469.636	5.370	4.051	-	-	-
Derivative financial instruments	42.594	-	-	-	-	-	-	42.594
Debt instruments held for trading	251.439	-	-	-	-	-	-	251.439
Financial assets at fair value through other comprehensive income, of which:	1.105.358	1.098.581	99.743	109.921	149.635	739.282	-	6.777
- Investments in equity instruments	6.777	-	-	-	-	-	-	6.777
- Debt securities	1.098.581	1.098.581	99.743	109.921	149.635	739.282	-	-
Debt securities at amortized cost	3.015.183	3.015.183	65.091	190.358	567.005	1.712.088	480.641	-
Loans, net	13.851.573	13.851.573	4.760.384	5.907.337	2.340.672	811.342	31.838	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-
Tangible assets, net	219.888	-	-	-	-	-	-	219.888
Property, plant, and equipment, net	60.768	-	-	-	-	-	-	60.768
Investment property, net	45.859	-	-	-	-	-	-	45.859
Other assets	122.008	-	-	-	-	-	-	122.008
Reinsurance receivables (IFRS 17)	16.622	-	-	-	-	-	-	16.622
Deferred income tax assets	14.652	-	-	-	-	-	-	14.652
TOTAL ASSETS	26.781.737	25.818.532	12.768.992	6.212.986	3.061.363	3.262.712	512.479	963.204
LIABILITIES								
Derivative financial instruments	3.283	-	-	-	-	-	-	3.283
Deposits from banks	1.252.065	1.252.065	439.432	700.479	112.154	-	-	-
Deposits from the Ministry of Finance	2.799.627	2.799.627	2.799.627	-	-	-	-	-
Customer deposits	20.075.498	20.075.498	9.254.555	4.118.539	5.352.510	1.186.196	163.698	-
Deferred income and accrued expenses	98.363	-	-	-	-	-	-	98.363
Provisions	81.563	-	-	-	-	-	-	81.563
Other liabilities	262.893	-	-	-	-	-	-	262.893
Liabilities related to insurance contracts (IFRS 17)	72.067	-	-	-	-	-	-	72.067
Deferred tax liabilities	-	-	-	-	-	-	-	-
Subordinated loans	411.587	411.587	210.879	-	200.708	-	-	-
TOTAL LIABILITIES	25.056.946	24.538.777	12.704.493	4.819.018	5.665.372	1.186.196	163.698	518.169
Net assets	1.724.791	1.279.756	64.499	1.393.968	-2.604.008	2.076.516	348.781	445.035

The attached notes are an integral part of the financial statements.

EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

39. Market risk (continued)

b) Interest rate risk (continued)

Bank - 31.December 2024

	TOTAL	Of which: Subject to interest rate risk	≤1 month	1--3 months	3--12 months	1--5 years	Over 5 years	Non-interest bearing
ASSETS								
Cash	182.597	-	-	-	-	-	-	182.597
Accounts with the National Bank of Romania	5.374.138	5.374.138	5.374.138	-	-	-	-	-
Loans to credit institutions	2.465.014	2.465.014	2.465.014	-	-	-	-	-
Derivative financial instruments	42.594	-	-	-	-	-	-	42.594
Debt instruments held for trading	251.439	-	-	-	-	-	-	251.439
Financial assets at fair value through other comprehensive income, of which:	1.105.358	1.098.581	24.891	98.609	280.167	428.703	-	6.777
- Investments in equity instruments	6.777	-	-	-	-	-	-	6.777
- Debt securities	1.098.581	1.098.581	99.743	109.921	149.635	739.282	-	-
Debt securities at amortized cost	2.957.541	2.957.541	65.091	185.101	548.904	1.677.804	480.641	-
Loans, net	13.851.573	13.851.573	4.760.384	5.907.337	2.340.672	811.342	31.838	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	61.046	-	-	-	-	-	-	61.046
Tangible assets, net	215.516	-	-	-	-	-	-	215.516
Property, plant, and equipment, net	59.460	-	-	-	-	-	-	59.460
Investment property, net	45.859	-	-	-	-	-	-	45.859
Other assets	113.019	-	-	-	-	-	-	113.019
Deferred income tax assets	14.652	-	-	-	-	-	-	14.652
TOTAL ASSETS	26.739.806	25.746.847	12.764.370	6.202.359	3.039.211	3.228.428	512.479	992.959
LIABILITIES								
Derivative financial instruments	3.283	-	-	-	-	-	-	3.283
Deposits from banks	1.252.065	1.252.065	439.432	700.479	112.154	-	-	-
Deposits from the Ministry of Finance	2.799.627	2.799.627	2.799.627	-	-	-	-	-
Customer deposits	20.151.431	20.151.431	9.281.266	4.157.088	5.362.912	1.186.467	163.698	-
Deferred income and accrued expenses	96.922	-	-	-	-	-	-	96.922
Provisions	77.904	-	-	-	-	-	-	77.904
Other liabilities	238.044	-	-	-	-	-	-	238.044
Deferred tax liabilities	-	-	-	-	-	-	-	-
Subordinated loans	411.587	411.587	210.879	-	200.708	-	-	-
TOTAL LIABILITIES	25.030.863	24.614.710	12.731.204	4.857.567	5.675.774	1.186.467	163.698	416.153
Net assets	1.708.943	1.132.137	33.166	1.344.792	-2.636.563	2.041.961	348.781	576.806

The items are allocated into time bands based on residual maturity for those with fixed interest rates, or based on the nearest interest rate repricing date for instruments with variable interest rates. Considering that current regulations allow banks to develop models reflecting the behavior of core deposits, we mention that a portion of current accounts denominated in EUR and RON, which demonstrate long-term stability, have been allocated to maturity bands of up to 5 years.

The attached notes are an integral part of the financial statements.

EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

39. Market risk (continued)

b) Interest rate risk (continued)

The table below analyses the interest-bearing assets and liabilities of the Group/Bank, by relevant interest rate modification groups, as at 31 December 2023:

<i>Group - 31.December 2023</i>	TOTAL	Of which: Subject to interest rate risk	≤1 month	1--3 months	3--12 months	1--5 years	Over 5 years	Non-interest bearing
ASSETS								
Cash	182.552	-	-	-	-	-	-	182.552
Accounts with the National Bank of Romania	5.563.676	5.563.676	5.563.676	-	-	-	-	-
Loans to credit institutions	1.633.192	1.633.192	1.573.177	59.770	195	50	-	-
Derivative financial instruments	3.368	-	-	-	-	-	-	3.368
Debt instruments held for trading	174.714	174.714	-	9.422	107.123	58.169	-	-
Financial assets at fair value through other comprehensive income, of which:	846.353	840.553	24.891	98.609	280.167	428.703	8.183	5.800
- Investments in equity instruments	5.800	-	-	-	-	-	-	5.800
- Debt securities	840.553	840.553	24.891	98.609	280.167	428.703	8.183	-
Debt securities at amortized cost	3.561.809	3.561.809	-	202	731.840	2.203.915	625.852	-
Loans, net	13.997.502	13.997.502	4.495.989	7.092.887	1.894.185	488.162	26.279	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-
Tangible assets, net	226.388	-	-	-	-	-	-	226.388
Property, plant, and equipment, net	56.470	-	-	-	-	-	-	56.470
Investment property, net	45.156	-	-	-	-	-	-	45.156
Other assets	182.776	-	-	-	-	-	-	182.776
Reinsurance receivables (IFRS 17)	29.025	-	-	-	-	-	-	29.025
Deferred income tax assets	14.893	-	-	-	-	-	-	14.893
TOTAL ASSETS	26.517.874	25.771.446	11.657.733	7.260.890	3.013.510	3.178.999	660.314	746.428
LIABILITIES								
Derivative financial instruments	22.454	-	-	-	-	-	-	22.454
Deposits from banks	1.155.355	1.155.355	2.775	605.061	547.519	-	-	-
Deposits from the Ministry of Finance	5.474.122	5.474.122	5.474.122	-	-	-	-	-
Customer deposits	17.644.632	17.644.632	6.631.012	4.018.273	5.234.780	1.317.135	443.432	-
Deferred income and accrued expenses	84.859	-	-	-	-	-	-	84.859
Provisions	79.160	-	-	-	-	-	-	79.160
Other liabilities	342.698	-	-	-	-	-	-	342.698
Liabilities related to insurance contracts (IFRS 17)	77.887	-	-	-	-	-	-	77.887
Deferred tax liabilities	-	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	24.881.167	24.274.109	12.107.909	4.623.334	5.782.299	1.317.135	443.432	607.058
Net assets	1.636.707	1.497.337	-450.176	2.637.556	-2.768.789	1.861.864	216.882	139.370

The attached notes are an integral part of the financial statements.

EXIM BANCA ROMÂNEASCĂ S.A.
CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS for the financial year ended December 31, 2024
(all amounts are expressed in thousand RON ("RON'000"), unless otherwise stated)

39. Market risk (continued)

b) Interest rate risk (continued)

Banca - 31.December 2023

	TOTAL	Of which: Subject to interest rate risk	≤1 month	1--3 months	3--12 months	1--5 years	Over 5 years	Non-interest bearing
ASSETS								
Cash	182.552	-	-	-	-	-	-	182.552
Accounts with the National Bank of Romania	5.563.676	5.563.676	5.563.676	-	-	-	-	-
Loans to credit institutions	1.621.327	1.621.327	1.571.365	49.962	-	-	-	-
Derivative financial instruments	3.368	-	-	-	-	-	-	3.368
Debt instruments held for trading	174.714	174.714	-	9.422	107.123	58.169	-	-
Financial assets at fair value through other comprehensive income, of which:	846.353	840.553	24.891	98.609	280.167	428.703	8.183	5.800
- Investments in equity instruments	5.800	-	-	-	-	-	-	5.800
- Debt securities	840.553	840.553	24.891	98.609	280.167	428.703	8.183	-
Debt securities at amortized cost	3.518.864	3.518.864	-	-	721.610	2.171.402	625.852	-
Loans, net	13.997.502	13.997.502	4.495.989	7.092.887	1.894.185	488.162	26.279	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	61.046	-	-	-	-	-	-	61.046
Tangible assets, net	224.456	-	-	-	-	-	-	224.456
Property, plant, and equipment, net	55.446	-	-	-	-	-	-	55.446
Investment property, net	45.156	-	-	-	-	-	-	45.156
Other assets	138.994	-	-	-	-	-	-	138.994
Deferred income tax assets	14.893	-	-	-	-	-	-	14.893
TOTAL ASSETS	26.448.347	25.716.636	11.655.921	7.250.880	3.003.085	3.146.436	660.314	731.711
LIABILITIES								
Derivative financial instruments	22.454	-	-	-	-	-	-	22.454
Deposits from banks	1.155.355	1.155.355	2.775	605.061	547.519	-	-	-
Deposits from the Ministry of Finance	5.474.122	5.474.122	5.474.122	-	-	-	-	-
Customer deposits	17.716.616	17.716.616	6.657.418	4.053.468	5.245.144	1.317.148	443.438	-
Deferred income and accrued expenses	84.266	-	-	-	-	-	-	84.266
Provisions	76.624	-	-	-	-	-	-	76.624
Other liabilities	284.695	-	-	-	-	-	-	284.695
Deferred tax liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	24.814.132	24.346.093	12.134.315	4.658.529	5.792.663	1.317.148	443.438	468.039
Net assets	1.634.215	1.370.543	-478.394	2.592.351	-2.789.578	1.829.288	216.876	263.672

The items are allocated into time bands based on residual maturity for those with fixed interest rates, or based on the nearest interest rates, or based on the nearest interest rate repricing date for instruments with variable interest rates.

The attached notes are an integral part of the financial statements.

40. Capital Requirements

The Bank's/Group's own funds and capital ratios are calculated in accordance with the applicable regulations of the National Bank of Romania, specifically with the provisions of EU Regulation 575/2013. As of both 2024 and 2023, the Bank/Group complies with the regulated capital adequacy indicators, namely a minimum total capital ratio of 8% (SREP 12.52% in 2024, and 12.21% in 2023), a Tier 1 capital ratio of at least 6% (SREP 9.39% in 2024, and 9.16% in 2023), and a Common Equity Tier 1 capital ratio of at least 4.5% (SREP 7.04% in 2024, and 6.87% in 2023).

Additionally, the Bank maintains a capital conservation buffer consisting of Common Equity Tier 1 capital equal to 2.5% of total risk exposure, a countercyclical capital buffer consisting of Common Equity Tier 1 capital equal to 1% of total risk exposure, and an O-SII buffer of 0.5% of total risk exposure.

The Bank maintains a properly managed capital position to cover all inherent business risks. The Bank's capital adequacy is monitored in accordance with the provisions of EU Regulation no. 575/2013, directly applicable to credit institutions in Romania, with certain national discretions exercised by the NBR included in Regulation no. 5/2013, as well as with the European Directive 2013/36/EU, transposed into national law through amendments to GEO 99/2006 and NBR Regulation no. 5/2013.

The Bank's capital adequacy involves maintaining sufficient capital in relation to the nature, risk capacity, and risk appetite of the Bank. In determining capital adequacy, the impact of credit, market, and operational risks on the Bank's financial position is considered. The types and magnitude of the Bank's risks determine how much the capital should exceed the minimum regulatory level to withstand potential adverse consequences.

The capital requirement of the subsidiary EximAsig is calculated based on the regulations in force issued by the Financial Supervisory Authority as of 31 December 2024. According to unaudited calculations and estimates of the subsidiary's management, as of 31 December 2024, EximAsig exceeds the minimum regulatory capital requirements of 100%.

41. Fair Value of Financial Instruments

The Bank uses the following hierarchy to determine and present the fair value of financial instruments through valuation techniques:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: valuation techniques based on observable market data. This category includes instruments valued using: quotations from an active market for similar instruments; market quotations for similar instruments in less active markets; or other valuation techniques where significant inputs are directly or indirectly observable from market data.

Level 3: valuation techniques based on inputs that are not observable in the market. This category includes all instruments whose valuation methodology uses unobservable inputs that have a significant impact on the valuation. It includes instruments valued using market quotations for similar instruments where unobservable adjustments or assumptions are necessary to reflect the differences between instruments.

41. Fair Value of Financial Instruments (continued)

The following table presents the financial assets and liabilities of the Group/Bank at fair value, according to the fair value hierarchy:

<i>Group – 31 December 2024</i>	Level 1	Level 2	Level 3	Fair Value	Carrying amount
Financial Assets					
Accounts with the NBR	-	-	5.374.138	5.374.138	5.374.138
Loans to credit institutions	-	-	2.479.058	2.479.058	2.479.058
Loans, net	-	-	13.851.478	13.851.478	13.851.573
Debt securities held for trading	251.439	-	-	251.439	251.439
Financial assets at fair value through other comprehensive income, of which:	988.515	-	116.843	1.105.358	1.105.358
- Debt securities	988.515	-	110.066	1.098.581	1.098.581
- Investments in equity instruments	-	-	6.777	6.777	6.777
Debt securities at amortized cost	2.886.431	-	-	2.886.431	3.015.183
Derivative financial instruments	-	42.594	-	42.594	42.594
Total financial assets	4.126.385	42.594	21.821.517	25.990.496	26.119.343
Financial liabilities					
Deposits from banks	-	-	1.252.065	1.252.065	1.252.065
Deposits from the Ministry of Finance	-	-	2.799.627	2.799.627	2.799.627
Derivative financial instruments	-	3.283	-	3.283	3.283
Customer deposits	-	-	20.075.498	20.075.498	20.075.498
Subordinated loans	-	-	411.587	411.587	411.587
Total financial liabilities	-	3.283	24.538.777	24.542.060	24.542.060
 <i>Bank- 31 December 2024</i>	 Level 1	 Level 2	 Level 3	 Fair Value	 Carrying amount
Financial Assets					
Accounts with the NBR	-	-	5.374.138	5.374.138	5.374.138
Loans to credit institutions	-	-	2.465.014	2.465.014	2.465.014
Loans, net	-	-	13.851.478	13.851.478	13.851.573
Debt securities held for trading	251.439	-	-	251.439	251.439
Financial assets at fair value through other comprehensive income, of which:	988.515	-	110.066	1.105.358	1.105.358
- Debt securities	988.515	-	110.066	1.098.581	1.098.581
- Investments in equity instruments	-	-	6.777	6.777	6.777
Debt securities at amortized cost	2.828.789	-	-	2.828.789	2.957.541
Derivative financial instruments	-	42.594	-	42.594	42.594
Total financial assets	4.068.743	42.594	21.807.473	25.918.810	26.047.657
Financial liabilities					
Deposits from banks	-	-	1.252.065	1.252.065	1.252.065
Deposits from the Ministry of Finance	-	-	2.799.627	2.799.627	2.799.627
Derivative financial instruments	-	3.283	-	3.283	3.283
Customer deposits	-	-	20.151.431	20.151.431	20.151.431
Subordinated loans	-	-	411.587	411.587	411.587
Total financial liabilities	-	3.283	24.614.710	24.617.993	24.617.993

The attached notes are an integral part of the financial statements.

42. 41. Fair Value of Financial Instruments (continued)

At Group/Bank level, the fair value of financial assets and liabilities is presented as follows:

Group – 31 December 2023	Level 1	Level 2	Level 3	Fair Value	Carrying amount
Financial Assets					
Accounts with the NBR	-	-	5.563.676	5.563.676	5.563.676
Loans to credit institutions	-	-	1.633.192	1.633.192	1.633.192
Loans, net	-	-	13.990.808	13.990.808	13.997.502
Debt securities held for trading	174.714	-	-	174.714	174.714
Financial assets at fair value through other comprehensive income, of which:	729.410	-	116.943	846.353	846.353
- Investments in equity instruments	-	-	5.800	5.800	5.800
- Debt securities	729.510	-	111.143	840.553	840.553
Debt securities at amortized cost	3.403.216	-	49.870	3.453.086	3.561.809
Derivative financial instruments	-	3.368	-	3.368	3.368
Total financial assets	4.307.340	3.368	21.354.489	25.665.197	25.780.614
Financial liabilities					
Deposits from banks	-	-	1.155.355	1.155.355	1.155.355
Deposits from the Ministry of Finance	-	-	5.474.122	5.474.122	5.474.122
Derivative financial instruments	-	22.454	-	22.454	22.454
Customer deposits	-	-	17.644.632	17.644.632	17.644.632
Total financial liabilities	-	22.454	24.274.109	24.296.563	24.296.563

Banca – 31 December 2023	Level 1	Level 2	Level 3	Fair Value	Carrying amount
Financial Assets					
Accounts with the NBR	-	-	5.563.676	5.563.676	5.563.676
Loans to credit institutions	-	-	1.621.327	1.621.327	1.621.327
Loans, net	-	-	13.990.808	13.990.808	13.997.502
Subordinated loans	-	-	-	-	-
Debt securities held for trading	174.714	-	-	174.714	174.714
Financial assets at fair value through other comprehensive income, of which	729.410	-	116.943	846.353	846.353
- Investments in equity instruments	-	-	5.800	5.800	5.800
- Debt securities	729.410	-	111.143	840.553	840.553
Debt securities at amortized cost	3.360.271	-	49.870	3.410.141	3.518.864
Derivative financial instruments	-	3.368	-	3.368	3.368
Total financial assets	4.264.395	3.368	21.342.624	25.610.387	25.725.804
Financial liabilities					
Deposits from banks	-	-	1.155.355	1.155.355	1.155.355
Deposits from the Ministry of Finance	-	-	5.474.122	5.474.122	5.474.122
Derivative financial instruments	-	22.454	-	22.454	22.454
Customer deposits	-	-	17.716.616	17.716.616	17.716.616
Total financial liabilities	-	-	24.346.093	24.368.547	24.368.547

There were no transfers of financial instruments between levels during the reporting period.

41. Fair Value of Financial Instruments (continued)

The following methods and assumptions were used to estimate the fair value of the Bank's/Group's financial instruments

Financial assets:

For loans to credit institutions and balances with the National Bank of Romania, amortized cost is estimated to approximate fair value, as these represent short-term deposits and current accounts, with interest rates that reflect current market conditions and without significant transaction costs.

Available-for-sale and held-to-maturity financial instruments are measured at fair value, based on market prices of listed securities. For securities for which market prices are not available, the Bank uses valuation techniques based on directly observable market inputs.

Financial instruments held for trading are measured at fair value, based on market prices of listed securities. For securities for which market prices are not available, the Bank uses valuation techniques based on directly observable inputs.

To determine the market value of loans, the Bank uses valuation models based on directly observable inputs, namely information on interest rates in the Romanian banking system and cash flows in accordance with the characteristics of the portfolio.

Financial Liabilities

The amortized cost of deposits from customers, banks, and the state is considered to approximate their fair value, as these items have short repricing maturities, interest rates that reflect market conditions, and are concluded without significant transaction costs.

Financial liabilities are short-term; therefore, the Bank/Group estimates that their fair value is close to the carrying amount.

42. Transactions with Related Parties

Exim Banca Românească Group has analyzed the following criteria for identifying related parties:

- (a) Direct or indirect control through one or more intermediaries:
 - (i) the party controls, is controlled by, or is under common control with the entity (this includes parent companies, subsidiaries, or fellow subsidiaries);
 - (ii) has an interest in an entity that gives it significant influence over that entity;
 - (iii) has joint control over the entity;
- (b) The party is an associate (as defined in IAS 28 *Investments in Associates*) of the entity;
- (c) The party is a joint venture in which the entity is a venturer (see IAS 31 *Interests in Joint Ventures*);
- (d) The party is a member of key management personnel of the entity or its parent;
- (e) The party is a close family member of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled, or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
- (g) The party is a post-employment benefit plan.

42. Transactions with Related Parties (continued)

The related parties are as follows:

- The insurance-reinsurance company EximAsig, as a subsidiary of Exim Banca Românească
- The Ministry of Finance, as the majority shareholder;
- Executive and non-executive management members and identified key personnel.

Key management personnel are individuals whose positions give them significant influence over the direction of Exim Banca Românească, without being members of the Board of Directors.

Within the Group/Bank, key personnel include:

Members of the Board of Directors
 Executive Director – Treasury and Financial Markets Division
 Executive Director – Corporate, Large Clients and Project Finance Division
 Executive Director – Corporate Network Division
 Executive Director – Retail Division
 Executive Director – Risk Division
 Executive Director – Finance and Accounting Division
 Executive Director – Operations Division
 Director – Compliance Department
 Director – Legal Department
 Director – Internal Audit Department

All transactions with related parties were concluded under similar terms, considering applicable interest rates and fees, in a manner comparable to transactions with non-related parties.

The Bank conducted banking transactions for the purchase and sale of fixed income securities, in RON and foreign currency, issued by the Romanian Ministry of Finance. These transactions were carried out under normal commercial terms and at market prices. Transactions with the Ministry of Finance are presented in Note 18 of these financial statements.

<i>Group – 31 December 2024</i>	Executive management and key personnel	Ministry of Finance	TOTAL
Receivables, net	-	-	-
Loans, net	521	393.298	393.819
Investments in subsidiaries	-	-	-
Other assets	-	28.137	28.137
TOTAL ASSETS	521	421.435	421.956
Government funds	-	2.799.627	2.799.627
Customer liabilities - total	3.058	-	3.058
Deferred income and accrued expenses	-	40	40
TOTAL LIABILITIES	3.058	2.799.667	2.802.725

42. Transactions with Related Parties (continued)

<i>Group – 31 December 2024</i>	Executive management and key personnel	Ministry of Finance	TOTAL
Interest income	43	18.968	19.011
Interest expense	-144	-233.911	-234.055
Income from fees/other	4	67.257	67.261
Expense from fees/other	-	-16.427	-16.427
Short-term benefits	-11.181	-	-11.181
	-11.278	-164.113	-175.391

<i>Bank – 31 December 2024</i>	Executive management and key personnel	Insurance-Reinsurance company EXIMASIG S.A.	Ministry of Finance	TOTAL
Net receivables	-	-	-	-
Net loans	521	61	393.298	393.880
Investments in subsidiaries	-	61.046	-	61.046
Other assets	-	1.996	28.137	30.133
TOTAL ASSETS	521	63.103	421.438	485.059
State funds	-	-	2.799.627	2.799.627
Customer liabilities	3.058	75.933	-	78.991
Other liabilities	-	1.353	-	1.353
Deferred income and accrued expenses	-	-	40	40
TOTAL LIABILITIES	3.058	77.286	2.799.667	2.880.011

<i>Bank – 31 December 2024</i>	Executive management and key personnel	Insurance-Reinsurance company EXIMASIG S.A.	Ministry of Finance	TOTAL
Interest income	43	-	18.968	19.011
Interest expense	-144	-3.975	-233.911	-238.030
Income from fees/other	4	2	67.257	67.263
Expense from fees/other	-	-	-16.427	-16.427
Short-term benefits	-11.181	-3.657	-	-14.838
	-11.278	-7.630	-164.113	-183.021

42. Transactions with Related Parties (continued)

<i>Group – 31 December 2023</i>	Executive management and key personnel	Ministry of Finance	TOTAL
Receivables, net	-	-	-
Loans, net	417	316.635	317.052
Investments in subsidiaries	-	-	-
Other assets	-	13.918	13.918
TOTAL ASSETS	417	330.553	330.970

State funds	-	5.474.122	5.474.122
Customer liabilities	4.944	-	4.944
Deferred income and accrued expenses	-	373	373
TOTAL LIABILITIES	4.944	5.474.495	5.479.439

<i>Group – 31 December 2023</i>	Executive management and key personnel	Ministry of Finance	TOTAL
Interest income	93	21.324	21.417
Interest expense	-252	-359.737	-359.989
Income from fees/other	5	55.171	55.176
Expense from fees/other	-	-277	-277
Short-term benefits	-17.893	-	-17.893
	-18.047	-283.519	-301.566

<i>Bank – 31 December 2023</i>	Executive management and key personnel	Insurance-Reinsurance company EXIMASIG S.A.	Ministry of Finance	TOTAL
Receivables, net	-	-	-	-
Loans, net	417	11	316.635	317.063
Investments in subsidiaries	-	61.046	-	61.046
Other assets	-	1.415	13.918	15.333
TOTAL ASSETS	417	62.472	330.553	393.442
State funds	-	-	5.474.122	5.474.122
Customer liabilities	4.944	71.984	-	76.928
Other liabilities	-	1.288	-	1.288
Deferred income and accrued expenses	-	-	373	373
TOTAL DATORII	4.944	73.272	5.474.495	5.552.711

<i>Bank – 31 December 2023</i>	Executive management and key personnel	Insurance-Reinsurance company EXIMASIG S.A.	Ministry of Finance	TOTAL
Interest income	93	-	21.324	21.417
Interest expense	-252	-4.270	-359.737	-364.259
Income from fees/other	5	2	55.171	55.178
Expense from fees/other	-	-	-277	-277
Short-term benefits	-14.250	-	-	-14.250
	-14.404	-4.268	-283.519	-302.191

43 Subsequent Events

Except for those mentioned above, during 2025 and up to the date of the signing of these financial statements, there were no other significant subsequent events that would have had an impact on the financial statements.

The financial statements were approved by the Board of Directors on 02 April 2025.

Traian Sorin Halalai
Executive President

Lidia Stan
Executive Vice-President

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