CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2023

DECEMBER 31

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

EXIM BANCA ROMÂNEASCĂ S.A.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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Statement of responsability for the preparation of consolidated and separate financial statements

In accordance with article 10, paragraph 1 of Accounting Law no.82/1991, the responsibility for the organization and management of accounting falls upon the administrator, credit authorizer, or any other person obligated with managing the respective entity.

As the Executive President of EXIM Banca Românească S.A., in accordance with articles 30 and 31 of Accounting Law no.82/1991, I hereby assume responsibility for the preparation of financial statements as of December 31, 2023, on a consolidated level for Group EXIM Banca Românească S.A., and individually for EXIM Banca Românească S.A. and confirm that:

a) The accounting policies used in preparing the consolidated and separate financial statements as of December 31, 2023, comply with the International Financial Reporting Standards adopted by the European Union as of 12/31/2023 and implemented based on the National Bank of Romania Order No. 27/2010, as subsequently amended and supplemented;

b) The consolidated and separate financial statements as of December 31, 2023, provide a true and fair view of the financial position, financial performance, and other information regarding the activities carried out;

c) The EXIM Banca Românească S.A. Group, including EXIM Banca Românească S.A. operated under conditions of continuity.

The EXIM Banca Românească SA Group includes Exim Banca Românească S.A. and the Insurance-Reinsurance Company Exim România S.A.

EXIM Banca Românească S.A. is the parent company of the Group, headquartered at 6A Barbu Delavrancea , 1st District, Bucharest, Romania, registered with the Trade registry under number J40/8799/1992.

Insurance-Reinsurance Company Exim România S.A. is a subsidiary of the group, headquartered at 33 Aviatorilor Boulevard, Ground Floor, 1st District, Bucharest, Romania, registered with the Trade Registry under number J40/3151/2009.

Executive President,
Traian Sorin Halalai

Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Exim Banca Românească S.A.

Report on the Audit of the financial statements

Opinion

1. We have audited the separate and consolidated financial statements ("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 consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate 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 2023 are identified as follows:

   - Separate financial statements

- Equity	RON thousand 1,634,215
- Net profit for the financial year	RON thousand 58,221

   - Consolidated financial statements

- Equity	RON thousand 1,636,707
- Net profit for the financial year	RON thousand 45,849

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 2023, and 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU 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.

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Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Nature of the area of focus</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Collective impairment of loans and advances to customers</td><td></td></tr>
<tr><td>According to IFRS 9, the Group 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 3, point j, to the financial statements.

As of 31 December 2023, the Group registered impairment allowances in amount of RON 551,652 thousand for loans and advances to customers in gross amount of RON 14,549,154 thousand.

The Group 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 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;</td><td>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:

- test the general IT controls related to data sources and computations of ECL;

- 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;</td></tr>
</table>

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Nature of the area of focus	How our audit addressed the key audit matter
- assessment of prospective information.	- 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 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 is adequate, in accordance with the applicable IFRS requirements.
Interest Income Recognition	
Refer to Note 3 and 8 of the financial statements. For the year ended 31 December 2023 the Group interest income represents KRON 1,128,789 the main source being loans and advances to customers. These are the main contributors to the operating income of the Group affecting the Group'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; • management oversight and control on interest income results, including budget monitoring; • 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.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

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Nature of the area of focus	How our audit addressed the key audit matter
	• Analysing the adequacy of interest income - related disclosures for compliance with the relevant IFRS requirements.

Other information – Administrators' Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Directors' report on consolidated and separate financial statements ("Administrators' report") which includes the non-financial information declaration, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements for the year ended 31 December 2023, 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, 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 12-16 and articles 32-33.

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

   a) The information included in the Administrators' report for the financial year for which the financial statements have been prepared are consistent, in all material respects, with these 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 12-16 and articles 32-33.

   Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared as at 31 December 2023, 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 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:

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- 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
Requirements for audits of public interest entities

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

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.

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Irina Dobre, Audit Partner

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

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. AF 3344

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. FA 25

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9th Floor, District 1
Bucharest, Romania
April 8th, 2024

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

I. CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT AND LOSS

		31-Dec-23		31-Dec-22	
	Note	Group	Bank	Group	Bank
Interest income	**3**	1,539,460	1,537,739	1,013,755	1,012,216
Interest expenses	**4**	-1,134,058	-1,138,279	-745,787	-747,464
Net interest income		**405,402**	**399,460**	**267,968**	**264,752**
Comission income		127,203	127,048	114,831	115,302
Comission expenses		-24,213	-24,194	-23,982	-24,595
Net comission income	**8**	**102,990**	**102,854**	**90,849**	**90,707**
Net earned premiums		40,237	-	38,510	-
Gross earned premiums		*74,814*	-	*62,215*	-
Earned premiums ceded in reinsurance		*-34,577*	-	*-23,705*	-
Net technical reserve variation		-9,157	-	-18,308	-
Reinsurance comission income		6,547	-	4,953	-
Acquisition costs and other underwriting expenses		-6,560	-	-5,069	-
Other technical expenses, net of reinsurance		-1,341	-	2,597	-
Claims incurred under insurance contracts		*40,237*	-	*-1,140*	-
Claims ceded in reinsurance		*74,814*	-	*3,737*	-
Net result from insurance activities	**9**	**29,726**	**-**	**22,683**	**-**
Foreign exchange gain/(loss)	**6**	35,891	35,896	54,804	54,836
Gain/(loss) from trading and derivative instruments	**6**	84,161	84,161	123,840	123,840
Net result from de-recognition of financial instruments at fair value through other comprehensive income	**7**	-	-	-	-
Gain/(loss) from real estate investments	**20**	1,014	1,014	869	869
Other income	**10**	9,635	10,047	8,876	9,950
Operating income		**668,819**	**633,432**	**569,889**	**544,954**
Salaries and other similar expenses	**11**	-220,627	-209,205	-225,391	-215,875
Depreciation expenses	**19**	-54,175	-53,119	-51,554	-50,670
Other operating expenses	**12**	-130,674	-125,713	-129,918	-127,224
Operating expenses		**-405,476**	**-388,037**	**-406,863**	**-393,769**
Net result before adjustments for expected loss		**263,343**	**245,395**	**163,026**	**151,185**
Gain/(loss) from impairment of financial assets, commitments and guarantees provided	**5**	-206,345	-178,728	-109,848	-105,964
Gross profit before taxation		**56,998**	**66,667**	**53,178**	**45,221**
(Expense) from current and deferred income tax	**13**	-11,149	-8,446	-1,998	-1,998
Net profit, attributable to:		**45,849**	**58,221**	**51,180**	**43,223**
Controlling interests		*45,640*		*51,066*	-
Non-controlling interests		*209*		*114*	-

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

II. CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS OF COMPREHENSIVE INCOME

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Net profit for the period	**45,849**	**58,221**	**51,180**	**43,223**
Other comprehensive income, net of tax	**94,497**	**94,497**	**-52,298**	**-52,298**
Reclassifiable other comprehensive income in the statements of profit or loss in the future periods	**94,316**	**94,316**	**-66,562**	**-66,562**
Net gains/(losses) from revalution of financial instruments at fair value through other comprehensive income	112,236	112,236	-87,959	-87,959
Deferred tax related to financial instruments through other comprehensive income	-17,920	-17,920	21,397	21,397
Other non-reclassifiable items of other comprehensive income in future periods	**181**	**181**	**14,264**	**14,264**
Net gains/(losses) from revalution of equity instruments at fair value through other comprehensive income	181	181	2,504	2,504
Revaluation surplus	-	-	10,045	10,045
Deferred tax related to revalution surplus	-	-	4,988	4,988
Other elements	-	-	-3,273	-3,273
Total comprehensive income for the period	**140,346**	**152,718**	**-1,118**	**-9,075**
Net profit/(loss) attributable to:	**45,849**	**-**	**51,180**	**-**
Controlling interests	45,640	-	51,066	-
Non-controlling interests	209	-	114	-
Comprehensive income attributable to:	**140,346**	**-**	**-1,118**	**-**
Controlling interests	167,137	-	-924	-
Non-controlling interests	-26,791	-	-194	-

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive president

Lidia Stan
Chief executive officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

III. CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		31-Dec-23		31-Dec-22	
ASSETS	**Note**	Group	Bank	Group	Bank
Cash		182,552	182,552	202,076	202,076
Accounts at the National Bank of Romania	**14**	5,563,676	5,563,676	2,248,992	2,248,992
Receivables from credit institutions	**15**	1,633,192	1,621,327	2.178,811	2,166,610
Derivative financial instruments	**16**	3,368	3,368	21,391	21,391
Trading debt securities	**18**	174,714	174,714	159,675	159,675
Financial assets at fair value through other comprehensive income, including:	**18**	846,353	846,353	1,626,120	1,626,120
- *Investments in equity instruments*		*5,800*	*5,800*	*5 ,123*	*5,123*
- *Debt securities*		*840,553*	*840,553*	*1,620,997*	*1,620,997*
Debt securities at amortized cost	**18**	3,561,809	3,518,864	2,693,223	2,654,309
Loans, net	**17**	13,997,502	13,997,502	13,507,308	13,507,308
Investments in subsidiaries	**18**	-	61,046	-	34,047
Tangible assets, net	**19**	226,388	224,456	128,909	126,444
Intangible assets, net	**19**	56,470	55,446	52,735	52,221
Investment properties	**20**	45,156	45,156	44,143	44,143
Other assets	**21**	211,801	138,994	144,380	77,343
Deferred tax assets	**13**	14,893	14,893	40,919	40,919
TOTAL ASSETS		**26,517,874**	**26,448,347**	**23,048,682**	**22,961,598**
LIABILITIES AND EQUITY					
Derivative financial instruments	**16**	22,454	22,454	6,859	6,859
Depositis from banks	**22**	1,155,355	1,155,355	1,254,415	1,254,415
Deposits from Ministry of Public Finance	**23**	5,474,122	5,474,122	5,894,721	5,894,721
Customer deposits	**25**	17,644,632	17,716,616	14,001,280	14,062,771
Deferred income and accrued expenses	**29**	84,859	84,266	63,399	63,073
Provisions	**26**	79,160	76,624	54,786	54,786
Other liabilities	**27**	420,585	284,695	276,862	143,476
Deferred tax liabilities	**13**	-	-	-	-
TOTAL LIABILITIES		**24,881,167**	**24,814,132**	**21,552.322**	**21,480,101**
Share capital	**30**	1,514,997	1,514,997	1,704,389	1,704,389
Treasury shares	**32**	-	-	-50,478	-50,478
Retained earnings	**32**	335,826	342,879	362,168	348,235
Retained earnings, IAS 29 application	**32**	-742,485	-742,485	-900,714	-900,714
Reserves	**33**	499,336	490,699	446,668	446,437
Revaluation reserve for property, plant and equipment	**33**	41,222	41,222	41,222	41,222
Other comprehensive income items	**34**	-13,097	-13,097	-107,594	-107,594
Total equity attributable to parent company shareholders		**1,635,799**	**1,634,215**	**1,495,661**	**1,481,497**
Non-controlling interests		**908**	**-**	**699**	**-**
Total equity		**1,636,707**	**1,634,215**	**1,496,360**	**1,481,497**
TOTAL LIABILITIES AND EQUITY		**26,517,874**	**26,448,347**	**23,048,682**	**22,961,598**

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

IV. CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

Group – December 31, 2023	Share capital	Revaluation reserve	Reserve of instruments at fair value thorugh other comprehensive income	Reserves	Retained earnings adjustment for inflation of share capital under IAS 29	Deferred income	Own shares	Total attributable to shareholders in the parent company	Non-controlling interests	Total equity
Balance as of January 1, 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 asset revaluation-other comprehensive income	-	-	94,497	-	-	-	-	**94,497**	-	94,497
Revaluation of buildings/land	-	-	-	-	-	-	-	-	-	-
Actuarial gains	-	-	-	-	-	-	-	-	-	-
Other movements in retained earnings	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	3,837	-	41,804	-	**45,641**	209	**45,850**
Comprehensive income-subtotal			**94,497**	**3,837**		**41,804**		**140,138**	**209**	**140,347**
Reserve reconstitution	-	-	-	48,831	-	-48,831	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-	-	-
Dividens paid to shareholders	-	-	-	-	-	-	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	-	-	-
Increase in share capital										
Decrease in share capital-share buybacks 2023	-189,392	-	-	-	158,229	-19,315	50,478	-	-	-
Balance as of December 31, 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 April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

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

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

Group – December 31, 2022	Share capital	Revaluation reserve	Reserve of instruments at fair value thorough other comprehensive income	Reserves	Retained earnings adjustment for inflation of share capital under IAS 29	Deferred income	Own shares	Total attributable to shareholders in the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2022	**1,701,474**	**26,189**	**-39,957**	**356,185**	**-900,714**	**403,428**	**-**	**1,546,605**	**4,995**	**1,551,600**
Fair value asset revaluation-other comprehensive income	-	-	-64,058	-	-	-	-	-64,058	-	-64,058
Revaluation of buildings/land	-	15,033	-	-	-	-8,631	-	6,402	-	6,402
Actuarial gains	-	-	-3,273	-	-	4,934	-	1,661	-	1,661
Other movements in retained earnings	-	-	-	30,618	-	-30,565	-	53	-	53
Profit for the year	-	-	-	2,294	-	48,772	-	51,066	114	51,180
Comprehensive income-subtotal	**-**	**15,033**	**-67,331**	**32,912**	**-**	**14,510**	**-**	**-4,876**	**114**	**-4,762**
Reserve reconstitution	-	-	-	-57,571	-	57,571	-	-	-	-
Share buyback						-	-50,478	-50,478		-50,478
Dividens paid to shareholders	-	-	-	-	-	-	-	-	-	-
Change in minority interests	-	-	-306	-	-	1,801	-	1,495	-1,495	-
Increase in share capital	2,915	-	-	-	-	-	-	2,915	-2,915	-
Balance as of December 31, 2022	**1,704,389**	**41,222**	**-107,594**	**446,668**	**-900,714**	**362,168**	**-50,478**	**1,495,661**	**699**	**1,496,360**

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

Bank – December 31, 2023	Share capital	Revaluation reserve	Reserve of instruments at fair value thorugh other comprehensive income	Reserves	Retained earnings adjustment for inflation of share capital under IAS 29	Deferred income	Own shares	Total attributable to shareholders in the parent company	Non-controlling interests
Balance as of January 1, 2023	**1,704,389**	**41,222**	**-107,594**	**446,437**	**-900,714**	**348,235**	**-50,478**	**-**	**1,481,497**
Fair value asset revaluation-other comprehensive income	-	-	94,497	-	-	-	-	-	94,497
Revaluation of buildings/land	-	-	-	-	-	-	-	-	-
Actuarial gains	-	-	-	-	-	-	-	-	-
Other movements in retained earnings	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	3,333	-	54,888	-	-	3,333
Comprehensive income-subtotal	**-**	**-**	**94,497**	**3,333**	**-**	**54,888**	**-**	**-**	**152,718**
Reserve reconstitution									
Share buyback	-	-	-	40,929	-	-40,929	-	-	-
Dividens paid to shareholders	-	-	-	-	-	-	-	-	-
Change in minority interests	-	-	-	-	-	-	-	-	-
Increase in share capital									
Decrease in share capital-share buybacks 2023	-189,392	-	-	-	158,229	-19315	**50,478**	-	-
Balance as of 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 April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

Bank – December 31, 2022	Share capital	Revaluation reserve	Reserve of instruments at fair value thorugh other comprehensive income	Reserves	Retained earnings adjustment for inflation of share capital under IAS 29	Deferred income	Own shares	Non-controlling interests	Total equity
Balance as of January 1, 2022	**1,701,474**	**26,189**	**-39,957**	**355,996**	**-900,714**	**397,338**	**-**	**4,410**	**1,544,736**
Fair value asset revaluation-other comprehensive income	-	-	-64,058	-	-	-	-	-	-64,058
Revaluation of buildings/land	-	15,033	-	-	-	-8,631	-	-	6,402
Actuarial gains	-	-	-3,273	-	-	4,934	-	-	1,661
Other movements in retained earnings	-	-	-	30,576	-	-30,565	-	-	11
Profit for the year	-	-	-	2,294	-	40,929	-	-	43,223
Comprehensive income-subtotal	**-**	**15,033**	**-67,331**	**32,870**	**-**	**6,667**	**-**	**-**	**-12,761**
Reserve reconstitution									
Share buyback	-	-	-	57,571	-	-57,571	-	-	-
Dividens paid to shareholders	-	-	-	-	-	-	-50,478	-	-50,478
Change in minority interests	-	-	-306	-	-	1,801	-	-1,495	-
Increase in share capital	2,915	-	-	-	-	-	-	-2,914	-
Balance as of December 31, 2022	**1,704,389**	**41,222**	**-107,594**	**446,437**	**-900,714**	**348,235**	**-50,478**	**-**	**1,481,497**

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

V. CONSOLIDATED AND SEPARATE CASH FLOW STATEMENT

		31-Dec-23		31-Dec-22	
	Note	Group	Bank	Group	Bank
Cash flow from operating activities					
Profit before tax		56,998	66,667	53,178	45,221
Adjustments:		**255,304**	**226,631**	**128,031**	**127,147**
Depreciation of fixed assets	**19**	54,175	53,119	51,554	50,670
Adjustments for impairment of financial assets and guarantees granted	**5**	206,345	178,728	105,964	105,964
Other provisions		-4,202	-4,202	6,911	6,911
Other adjustments related to non-monetary items		-1,014	-1,014	-36,398	-36,398
Changes in operating assets		**-734,684**	**-728,296**	**-818,602**	**-818,800**
Decrease (increase) in loans and advances to customers		-670,837	-670,837	-856,305	-856,305
Decrease/(increase) in trading assets		-15,039	-15,039	67,775	67,775
Decrease/(increase) in other assets		-48,807	-42,419	-30,072	-30,270
Changes in operating liabilities		**3,173,754**	**3,179,556**	**519,003**	**534,123**
(Decrease)/increase in amounts due to banks		-297,715	-297,715	30,130	30,130
(Decrease)/increase in amounts owed ro customers		3,643,354	3,653,847	350,376	399,431
(Decrease)/increase of state funds and other liabilities		-171,885	-176,576	138,497	104,562
Corporation tax (paid)/recovered		**-14,989**	**-12,286**	**-11,740**	**-11,740**
Net cash used in operating activity		**2,736,382**	**2,732,271**	**-130,130**	**-124,049**
Cash flows from investment activities					
Acquisitions of financial investments		-5,247,209	-5,243,178	-4,391,331	-4,391,884
Buy-back/sales of financial investments		5,251,708	5,251,708	4,387,966	4,387,966
Acquisitions of tangible and intangible assets		-155,389	-154,356	-39,626	-38,375
Buy-back of shares		-	-	-50,478	-50,478
Dividend income	**10**	2,386	2,386	1,993	1,993
Net cash from investment activities		**-148,504**	**-143,440**	**-91,476**	**-90,778**
Cash entries/(outputs) related to loans		198,655	198,655	416,622	416,622
Cash outflows from leases (payments)		-36,993	-37,610	-25,587	-26,202
Net treasury-financial activity		**161,662**	**161,045**	**391,035**	**390,420**
Cash variation and cash equivalents		**2,749,541**	**2,749,877**	**169,429**	**175,593**
Balance at the beginning of the period, the Group/Bank		4,629,879	4,617,678	4,460,450	4,442,085
Balance at the end of the period		**7,379,420**	**7,367,555**	**4,629,879**	**4,617,678**
Cash and cash equivalents		**7,379,420**	**7,367,555**	**4,629,879**	**4,617,678**
Cash		182,552	182,552	202,076	202,076
Accounts at the National Bank of Romania	**14**	5,563,676	5,563,676	2,248,992	2,248,982
Due from banks-maturity less than 3 months	**15**	1,633,192	1,621,327	2,178,811	2,166,620
Interest received		1,804,476	1,802,755	1,773,460	885,043
Interest paid		1,103,388	1,107,609	1,016,408	508,125

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai
Executive President

Lidia Stan
Chief Executive Officer DFC

VI. NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

01. General information

The Exim Group (" the Group") comprises the parent company (EXIM Banca Românească S.A.) and its subsidiary, Exim Romania Insurance-Reinsurance Company S.A.), established in Romania. Consolidated and separate financial statements as of December 31, 2023 include the parent company and its subsidiaries (hereinafter referred to as the "Group").

The Group operates in the following areas of activity: banking, which is carried out by Exim Banca Românească, namely insurance – reinsurance through the subsidiary EximAsig Insurance and Reinsurance Company.

Exim Banca Românească S.A. ("the Bank" or "EximBank") was founded in 1992 as a joint-stock company, having the Romanian state as majority shareholder, which currently owns 98.86% of the share capital on December 31, 2023, through the Ministry of Public Finance (2022: 95.028%).
According to Law 96/2000 and subsequent amendments, the Bank operates both on behalf of the state and in its own name offering banking products both for legal entities and for individuals.

The bank's head office is in 6A Barbu Delavrancea Street, District 1, Bucharest, Romania and is registered with the Trade Registry under number J40/8799/1992. On December 31, 2023 the Bank has 109 territorial units in Bucharest and across the country.

On January 23, 2020, EximBank completed the acquisition of a 99.28% stake in the share capital of Banca Românescă S.A. from National Bank of Greece S.A. ("NBG"). On December 31, 2022, the merger between EximBank and Banca Românească was finalised. The completion of the merger with Banca Românească created new opportunities for EXIM Banca Românească S.A., further to the additional activities carried out by the two banks, as Banca Românească is mainly focused on retail, while EximBank was more focused on corporate.

EximAsig Insurance and Reinsurance Company („EximAsig") was established in 2009 as an entity specializing in providing insurance for financial risks, both for internal and external business operations. The subsidiary became operational in August 2010, being authorized for the activity of insurance loans and guarantees. Its products are designed for companies that do business with internal and external partners in the fields of commerce, production, transport, construction, factoring, oil industry and IT services. The subsidiary's headquarters are in 33 Aviators Blvd., Ground floor, District 1, Bucharest.

The bank controls the activity carried out by its subsidiary EximAsig, through a holding of 98.57% of the share capital on December 31, 2023, according to the records of the Trade Registry, (December 31, 2022: 98.57%).

The number of employees of the Exim Bank group on December 31, 2023 is 1,373 (of which Exim Banca Romaneasca 1,327 employees and EximAsig: 46 employees), and on December 31, 2022 the number was 1,364 (of which Exim Banca Romaneasca 1,322 employees and EximAsig 42 employees).

The consolidated and separate financial statements of the Bank and the Group for the year ended on December 31, 2023 were endorsed by the Board of Directors on April 4, 2023.

02. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

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

Additionally, the group has also adopted the document "*Presentation of Financial Statements (Amendments to IAS 1 and IFRS Practice Statement 2)*" starting January 1, 2023. The amendments require the presentation of "significant" accounting policies. Although the amendments did not lead to changes in the accounting policies themselves, they had an impact on the information regarding the accounting policies related to financial instruments presented in Note 3.

Below are the significant accounting policies presented:

a. Basis of preparation

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

The separate and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards adopted by the European Union on 31 December 2022 on the basis of the principle of amortized cost and historical cost, as amended in accordance with IAS 29, with the exception of investment properties and tangible assets representing buildings that are valued at revalued amount, as well as financial assets and liabilities at fair value through profit or loss and at fair value through other comprehensive income.

The Bank's accounting records are kept in RON, in accordance with the Romanian Accounting Law and banking regulations issued by the National Bank of Romanian („NBR") and are based on International Financial Reporting Standards as endorsed by the European Union (hereinafter reffered to as "IFRS"), implemented as accounting framework under the Order of National Bank of Romania No. 27/2010 with subsequent amendments.

EximAsig accounting records are prepared and presented in Romanian RON in accordance with the Romanian Accounting Law and specific regulations issued by the Financial Supervisory Authority, being restated and adjusted accordingly to IFRS, in all material respects, in order to be consolidated within the financial statements of the Group.

b. Basis of consolidation

The consolidated financial statements of the Group include the financial statement of Exim Banca Românească and its subsidiary EximAsig at the annual reporting date: December 31, 2023, respectively December 31, 2022.

Registration of the legal merger by absorption in the financial statements

The Group applies the joint control exempted by IFRS 3 "Business combinations".

In the absence of the specific requirements of the International Financial Reporting Standards on legal mergers by absorption, the Bank chose to present the carrying amount of acquired identifiable assets and the assumed liabilities taken over, in the separate financial statements at the legal merger date, after their initial recognition at fair value at the date of obtaining control, namely 23 January 2020.

For the year 2022, the profit and loss account and the statement of other comprehensive income of the acquiring entity include the revenues and expenses recorded by the acquired entity on an individual basis for the period between the end of the last financial year and the effective legal merger date.

In accordance with IFRS 10, control is defined when an investor has:

- power over the investee entity;
- exposure, or rights, to variable returns from its involvement with the investee entity; the ability to use its power over the investee entity to affect returns.

02. Accounting principles, policies and methods(continued)

b. Basis of consolidation (continued)

The Group has control when it owns, directly or indirectly more than half of the voting rightsof an entity, unless there is evidence that another investor has the ability to control the relevant activities. Subsidiaries are consolidated from the date on which control is transferred to the Group. The Group continuously assesses control over the entities in which it has invested.

A subsidiary is an entity, including an unincorporated entity such a partnership, which is controlled by the parent company. The financial statements of the subsidiary are prepared for the same reporting period as for the Bank, using consistent acounting policies, while the balances, transactions, income and expenses within the Group are set off at full value.

Non-controlling interests are disclosed in the consolidated statement of financial position in equity section, separately from the equity of the Group, proportionally with the ownership percentage. Non-controlling interests are disclosed separately in the Group's profit or loss, proportionally with the ownership percentage.

If losses attributable to non-controlling interests exceed the non-controlling interests in the relevant subsidiary's equity position, the excess or any further losses attributable to non-controlling interests are posted on the Group's accounts, excepting the case when a liability with legal implications, or the capacity to cover such losses exists. If excess losses have been covered by the Group, and the subsidiary subsequently reports profits, all such profits are allocated to the Group until prior Group covered losses attributable to the minority interests, have been recovered.

In the separate financial statements, the Bank presents its ownership in EximAsig as an investment in subsidiaries, stated at cost, carrying out the annual impairment test to assess whether there is objective evidence of impairment of the ownership.
Concerning the applicable consolidation method for investments in subsidiaries, the Bank applies "the global consolidation - purchase method" as described by the International Financial Reporting Standard 10 „*Consolidated financial statements*". The consolidation process involves the restatement of accounts and statutory financial statements of subsidiaries, whenever national accounting regulations significantly differ from International Financial Reporting Standards.
Settlements and transactions within the Group, as well as unrealized profits as a result of transactions within the Group, are eliminated entirely from the consolidated financial statements. The unrealized profits resulting from transactions with related or jointly controlled parties, are eliminated based on the Group's ownership percentage. The unrealized profits as a result of transactions with a related party, are eliminated as well as the investment in that related party. Unrealized losses are eliminated in the same manner as unrealized profits, provided that no objective evidence of impairment exist.

c. Accounting for hyperinflation

IFRS requires that financial statements prepared at historical cost be adjusted by taking into account the effects of inflation, if significant. Based on IAS 29 "*Financial Reporting in Hyperinflationary Economies*", financial statements are restated based on the a general price index which reflects the changes in general purchasing power.

The Bank/Group applied accounting in the hyperinflationary environment until July 1, 2004. Since July 1, 2004, the Romanian economy has been officially declared to cease to be hyperinflationary. On the basis of the restatement according to IAS 29, the share capital was increased in correspondence with retained earnings.

02. Accounting principles, policies and methods(continued)

d. Accounting judgement and estimates

By applying Bank's and Group's accounting policies, management uses professional judgment and estimates, which may have a significant impact on the amounts recognized in the financial statements. These judgments and estimates are reviewed on a timely basis and changes in estimates are recognized when become known. The most significant use of judgments and estimates are as follows:

d.1 Expected losses on impairment of financial assets at amortized cost

The Bank/Group periodically reviews all financial assets designated at amortised cost (including lending and guarantee commitments) to identify exposures whose credit risk has significantly increased since initial recognition and also impaired exposures; for all of these exposures, the amount of expected credit loss is determined over their residual life. For loans and receivables and credit and guarantee commitments whose credit risk did not increase significantly since initial recognition, an adjustment equal to the expected credit loss over a maximum of one year from the reporting date is determined.

In order to identify a significant credit risk deterioration, the Bank/Group reviews a set of quantitative and qualitative criteria, including at least the customer's payment history, financial performance, other adverse aspects assessed on a case-by-case basis. Lifetime expected credit losses are recognized by taking into account the relevant available information as well as the Bank's future expectations.

For impaired exposures, the Bank determines expected credit losses based on the collective analysis/assessment, in case of exposures below the materiality threshold and based on an individual analysis/assessment, in case of exposures that exceed the materiality threshold or for any other exposure, if thus decided, regardless of the value thereof; otherwise, expected losses are calculated based on collective analysis/assessment by grouping financial instruments with similar credit risk characteristics.

The credit risk review process is continuous. The methodology and assumptions used to estimate impairment allowances are reviewed on a regular basis to adequately estimate the expected loss in the value of the financial asset. The methodology incorporates the effect of macroeconomic indicators on recovery estimates and the probability of default.

d.2. Assets acquired through enforcement of guarantees

Repossessed collateral is non-financial assets acquired by the Group through the settlement of loans (assets previously held as collateral for those loans). Assets are initially recognised at fair value representing the new cost of the asset and are included in "Assets acquired through enforcement proceedings" in other non-financial assets. Subsequently, the repossessed guarantees are tested for impairment and their value is set at the minimum value between the book value and the net realisable value. Net realisable value means the estimated selling price that could be obtained in the course of normal business, minus the estimated costs of sale. The Group estimates the net realisable value using evaluation reports prepared by authorised appraisers. If the book value is greater than the net realisable value, this difference is recorded as an impairment allowance.

d.3 Losses on impairments of securities in subsidiaries

The Bank/Group assesses at each reporting date whether there is objective evidence of impairment of the securities in the subsidiaries. Securities in subsidiaries are valued on the basis of the present value of future cash flows, discounted at the current market return rate for similar financial assets. The Bank/Group is based on estimates of the budget and business plan for future periods. Based on the professional analysis, the bank registers the impairment of the securities as the difference between the net book value of the asset and the valuation amount.

The net asset value is a reference point for determining the fair value of a company, especially when the assumptions underlying the evaluation are sensitive to market conditions and depend on projections of income and cash flows over a longer time horizon.

02. Accounting principles, policies and methods(continued)

d. Accounting judgement and estimates (continued)

d.4 Taxation

The payable or receivable income tax is based on the assumptions regarding the recovery value of loans and on the existence of sufficient taxable profits. Estimates are required in deriving the tax due at the reporting date, and therefore, the tax amount is uncertain. When the final tax value is different from the amounts that were initially recognised, such differences impact profit or loss, current and deferred tax assets/liabilities for the period in which the final tax amount is set.

d.5. Provisions for retirement benefits

The Bank/Group determines the provision for benefits granted upon retirement in accordance with IAS 19, "Employee benefits", using actuarial techniques based on assumptions related to discount rates, inflation rates and future wage increases.

d.6. Technical reserves from insurance business

The Group's professional reasoning and estimates regarding the technical reserves related to the insurance activity refer to:

Premium reserve

The premium reserve is calculated monthly by summing the proportional shares of gross premiums written, corresponding to the unexpired periods of insurance contracts, so that the difference between the volume of gross premiums written and this reserve reflects the gross premiums allocated to the portion of expired risks as of the reporting date.

Reported claims reserve

The reported claims reserve is created and updated monthly, based on estimates for reported claims received by the insurer. The claims reserve is established for reported claims and those under settlement and is calculated for each insurance contract where the occurrence of the insured event has been notified, starting from the foreseeable expenses that will be incurred in the future for settling these claims.

Unreported claims reserve

The unreported claims reserve is created and adjusted at least at the end of the financial year, based on the insurer's estimates, statistical data, or actuarial calculations for incurred but unreported claims (IBNR). For estimating the unreported claims reserve, depending on the class of insurance, the Chain-Ladder method (without inflation and with adjustment of the claims distribution) and the Bornhuetter-Ferguson method are used.

Unexpired risks reserve

The unexpired risks reserve is computed based on the claims estimates which have not yet occurred as at the reporting date, and in respect of which the subsidiary assumes future estimated claims will exceed premium reserves currently set up and, as a result, the next years' premium reserve will not be sufficient to cover the claims which incur in upcoming financial years.

Benefits Reserve

The benefits reserve is established for insurance contracts where premium discounts are provided, where there are renewals and/or premium refunds, as well as the participation of the policy holders in the insurers' profit.

02. Accounting principles, policies and methods (continued)

e. Foreign exchange

Transactions denominated in foreign currency are recorded at the exchange rate from the date of the transaction. Exchange rate differences are included in the profit or loss account at the time of settlement using the exchange rate from that date.

Monetary assets and liabilities denominated in foreign currencies are expressed in Ron equivalent at the NBR closing exchange rate. Non-monetary assets and liabilities are valued according to the historical cost in foreign currency, and the conversion is made using the foreign exchange rates from the original transaction dates.

On December 31, 2023, as well as on December 31, 2022 the exchange rate used for the conversion of balances into foreign currency was:

1 EUR = 4.9746 RON (December 31, 2023: 1 EUR = 4.9474 RON).
1 USD = 4.4958 RON (December 31, 2022: 1 USD = 4.6346 RON).

Foreign exchange profit or loss from the conversion of monetary assets and liabilities is reflected in the profit or loss account for the period.

f. Interest income and expenses

Interest income and expenses are recognised in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.
When calculating the effective interest rate, the Bank/Group estimates 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 amortizes any incremental fees, transaction costs or other premiums or discounts that are included in the calculation of the effective interest rate 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:

- purchased or originated financial assets that are credit-impaired, when a credit-adjusted effective interest rate (credit-adjusted EIR) is applied to the amortised cost of the financial asset from initial recognition.
- financial assets that are not purchased or originated credit-impaired, but which subsequently become credit-impaired financial assets, in which case the entity applies the effective interest rate to the amortised cost of the financial assets in subsequent reporting periods.

The credit adjusted effective interest rate (credit-adjusted EIR) is determined as the rate that discounts the estimated future cash flows, by taking into consideration all contractual terms of the financial asset, as well as the expected losses from credit risk.

When applying the effective interest rate method, the Bank/Group identifies commissions that are an integral part of the effective interest rate of a financial instrument. Commissions that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate unless the financial instrument is measured at fair value, the change in fair value being recognized in profit or loss. In these circumstances, commissions are recognized as income or expenses at initial recognition.

02. Accounting principles, policies and methods (continued)

f. Interest income and expenses (continued)

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

-origination and analysis fees collected by the Bank/Group related to the origination of a financial asset. Such fees may include compensation for activities such as assessing the borrower's financial condition, evaluating and recording collateral, real guarantees, and other commitments regarding securities, negotiating instrument clauses, drafting and processing documents, and completing the transaction;

-commitment fees received by the entity to issue a loan when it is probable that the entity will enter into a specific commitment to lend. If the commitment term expires without the Bank/Group granting the loan, the fee is recognized as revenue at the expiration date;

-issuance fees paid at the issuance of financial liabilities measured at amortized cost.

Fees that are not integral part of the effective interest rate of a financial instrument and are accounted for in accordance with IFRS 15 include:

-fees for administering a loan;

-commitment fees for issuing a loan when it is unlikely to enter into a specific commitment to lend;

-syndication fees.

g. Fee and commission income and expenses

Income from charges and commissions is recognised on an accrual basis when the service has been provided. Income in this category includes commission and interest income related to banking services, such as: loans, guarantees, credits, transactions through customer accounts, currency exchanges, mandate operations, etc.

Income from charges and commissions can be divided into two broad categories:

- the charges obtained from services provided over a certain period of time, such as the mandate activity on behalf of and for the State, the guaranteeing activity, the issuance of import letters of credit;

- commissions obtained from one-off services, such as the execution of customer transactions and bank transactions (including credit and debit card transactions).

Income from charges and commissions from services provided over a certain period of time is recognised proportionately during the period of the service, provided that such charges are not subject to the successful fulfilment of specified performance criteria which are outside the control of the group.

The charges and fees for banking transactions are recognised when the banking service has been completed, provided that these fees are not refundable.

Commission revenues – fixed or variable – are measured on the basis of the consideration specified in the contract signed with the customer, excluding amounts such as taxes collected on behalf of clients.

Variable fees include amounts that are conditional on the occurrence of a future event and are recognized in the profit and loss account if it is very likely that a significant condition will not occur.

02. Accounting principles, policies and methods (continued)

g. Fee and commission income and expenses (continued)

Fee and commission expenses include expenses with services provided by third parties, in particular:

– commissions for guarantees and transactions in securities on behalf of third parties;

– commissions for the payment of commercial operations and other expenses or related revenue, account management expenses;

– fees charged for exchange operations and for the sale and purchase of coins on behalf of third parties, etc.

Commissions which are an integral part of the effective interest rate are deferred for the duration of the loan and are recognised as interest income.

h. Dividend income

Dividend income is recognised in the profit or loss account on the date on which the Bank/Group's right to receive such income is established. Dividends are reflected as a component of other operating income.
Income from shares and investments other than fixed income securities are recognized as dividend income only at transaction date.
Dividends are treated as profit distribution for the period they are reported and approved by the General Meeting of Shareholders.
In case of subsidiaries, the profit available for distribution is the current year profit, as per the statutory financial statements, which is different from the profit included in consolidated financial statements prepared in accordance with IFRS as endorsed by the European Union, due to differences between the Romanian accounting standards and IFRS.

i. Financial instruments- initial recognition, classification and derecognition

(i) Date of recognition

Purchase or sale of financial assets that involves delivery of assets within a time frame, generally established by regulation or convention in the market, are recognized on settlement date, namely at the date the contract is settled through the delivery of instruments.

Derivatives are recognized at transaction date, which is the date on which the Bank/Group commits itself to buy or sell the instrument.

(ii) Initial recognition of financial instruments

All financial instruments are initially measured at their fair value plus, in case of financial assets and financial liabilities not measured at fair value through profit or loss, any directly attributable incremental acquisition or issuing costs.

(iii) Classification and measurement of financial assets and liabilities

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

- the business model followed for the management of the financial assets concerned,

- the contractual cash flow characteristics of the financial asset and

- designation to a measuring alternative (the option of measuring at fair value through profit or loss or option of measuring at fair value through other comprehensive income).

02. Accounting principles, policies and methods (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 to manage the financial assets in order to generate cash flows, by determining whether the Bank's goal is to collect contractual cash flows, sell financial assets, or both. The factors considered by the Bank to establish the business model are: history of collecting cash flows, asset performance valuation, assessment and management of the associated risk.

Financial assets valued at amortized cost

The amortised cost is the value at which assets are measured at initial recognition minus principal repayments plus or minus accumulated depreciation using the effective interest rate method for each difference between the initial amount and the amount at maturity. In the case of financial assets, the amortised cost is adjusted with the amount of the expected credit loss provision.

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

The Bank/Group classifies a financial asset at amortised cost if both of the below conditions are met:

- The asset is held within a business model whose objective is to hold the financial assets in order to collect 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 outstanding amount.

In order to test these conditions, the Bank/Group assesses the lending agreements in terms of solely receipts of principal and interest, hereinafter referred to as the SPPI test.

The purpose of the SPPI test is to determine whether a signed agreement between parties generates cash flows which represents only repayments of principal and interest, at dates settled into the payment schedule. The Bank/Group considers that a financial asset can be measured at amortised cost only if it meets the conditions of the SPPI test. The factors considered by the Bank/Group for the analysis of credit agreements from the perspective of the SPPI test are described below. More complex contracts, which do not provide only cash flows from principal and interest receipts, 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, but which varies over the life of the financial instrument (for example, in the case of principal repayments).

Interest represents the cost of principal over the life of the financial instrument - according to the *time value of money* principle - and it is intended to cover the associated credit and liquidity risks, the administrative costs and the profit margin of the financial instrument.

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

- The lender's rights to collect amounts according to the concluded agreement;

- The risks associated with the collection and market volatility to which the lender is exposed.

As a general rule, the conditions of the SPPI test are deemed met if financial assets have only fixed payments on certain dates, or fixed or variable payments established by applying an interest index (e.g. ROBOR, EURIBOR, LIBOR, first index rates, etc.) plus a fixed margin on the balance credit.

02. Accounting principles, policies and methods (continued)

i. Financial instruments- initial recognition, classification and derecognition (continued)

(iii) Classification and measurement of financial assets and liabilities (continued)

Bank/Group consider the following factors for the analysis of credit agreements from the perspective of the SPPI test:

- Contractual terms on payments could not be considered "*de minimis*" or inauthentic;
- Contracts denominated in foreign currency;
- Early repayment or maturity extension options;
- Other contractual provisions for amending payments – quota payments;
- Non-recourse contracts;
- Time value of money included in interest;
- Negative interest and financing in tranches.

Financial assets measured at fair value through other comprehensive income

The category of financial assets measured at fair value through other comprehensive income includes: debt securities and equity instruments.

Debt securities are valued at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held both for the collection of contractual cash flows and for the sale of financial assets and
- the contractual terms of the financial asset generate, on certain dates, cash flows which are exclusively payments of principal and interest on the amount of principal due.

Equity instruments are measured at fair value through other comprehensive income based on the bank's option from the date of adoption of IFRS 9.

Financial assets measured at fair value through profit or loss

In the category of financial assets measured at fair value through profit or loss, the bank includes: loans and advances that do not pass the SPPI test, debt securities and equity instruments held for trading, and derivative financial instruments. As of December 31, 2023, and December 31, 2022, there are no financial assets in the category of loans and advances that do not meet the SPPI test criteria.

The Bank/Group evaluates financial assets at fair value through profit or loss when the asset is not measured at amortized cost or at fair value through other comprehensive income.

Financial assets under REPO and Reverse REPO agreement

Securities sold with the simultaneous conclusion of a buy-back agreement at a specified future date (repo contracts) continue to be recognised on the balance sheet as securities and are measured in accordance with the accounting policies applicable to that category of financial instruments. The obligation to repay the cash received is recognized in the balance sheet liability side as repo transactions reflecting the economic substance of a loan received by the Bank/Group.

Securities purchased through a similar commitment to resell them at a specified date (reverse repo) are not recognized in the balance sheet, the debt corresponding to the advanced cash being recognized in the balance sheet asset side as reverse repo operation.

02. Accounting principles, policies and methods (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 classifies all financial liabilities as subsequently measured at amortised cost, except:

- financial liabilities measured at fair value through profit or loss (derivatives);
- financial liabilities that occur when a transfer of a financial asset does not qualify for derecognition or is accounted for using the ongoing engagement approach;
- financial guarantee contracts. After initial recognition, the bank subsequently evaluates them at the highest of:
    - the amount of the impairment allowance, and
    - the amount initially recognized less, where applicable, the cumulative amount of income recognized in accordance with IFRS 15.
- commitments to provide a loan at an interest rate below market value.

(iv) Reclassification of financial assets
The Bank/Group reclassifies the affected financial assets if and only if they change the business model for managing the financial assets. The Bank/Group does not reclassify the financial liabilities.
The Bank applies reclassification prospectively further to the change of business model. The Bank/Group does not restate previously recognized gains, losses (including impairment losses) or interest.

If the Bank/Group reclassifies a financial asset from outside the category of assets measured at amortised cost to the category of assets measured at fair value through profit or loss, its fair value is measured at the date of reclassification. Any gain or loss that results from the difference between the previously amortised cost of the financial asset and the fair value is recognized in profit or loss.

If the Bank/Group reclassifies a financial asset from outside the category of assets measured at fair value through profit or loss to the category of assets measured at amortised cost, its fair value at the date of reclassification becomes its new gross carrying amount.

If the Bank/Group reclassifies a financial asset from outside the category of assets measured at amortised cost to the category of assets measured at fair value through other comprehensive income, its fair value is measured at the date of reclassification. Gain or loss attributable to the difference between the previously amortised cost of the financial asset and the fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of reclassification.

If the Bank/Group reclassifies a financial asset from outside the category of assets measured at fair value through other comprehensive income to the category of assets measured at amortised cost, the financial asset is reclassified to its fair value at the date of reclassification. The gain or loss previously recognized in other comprehensive income is written-off from equity and adjusted against the fair value of the financial asset at the date of reclassification. Therefore, the financial asset is measured at the date of reclassification as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and is therefore not an reclassification adjustment. The effective interest rate and the measurement of the expected credit loss are not adjusted as a result of reclassification.

If the Bank/Group reclassifies a financial asset from outside the fair value through profit or loss category into the fair value through other comprehensive income category, the financial asset continues to be measured at fair value.

If the Bank/Group reclassifies a financial asset from outside the fair value through other comprehensive income category into the fair value through profit or loss category, the financial asset continues to be measured at fair value. The gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

02. Accounting principles, policies and methods (continued)

i. Financial instruments- initial recognition, classification and derecognition (continued)

(v) Derecognition of financial assets and liabilities

A *financial asset* (or, where applicable, part of the financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to collect cash flows from the financial asset have expired; or
- it transfers the financial asset under the conditions below:
  - transfers the contractual rights to collect cash flows from the financial asset, or
  - retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the three following conditions:
    - The Bank/Group has no obligation to pay amounts to the potential recipients unless it collects equivalent amounts from the original asset. Short-term advances by the Bank with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
    - The Bank/Group is prohibited by the terms of the transfer agreement from selling or pledging the original asset other than as security to the potential recipients for the obligation to pay them cash flows.
    - The Bank/Group has an obligation to return any cash flows it collects on behalf of the potential recipients without material delay.

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

- If the majority of the risks and rewards of ownership of the financial asset are transferred, the financial asset is derecognized and any rights and obligations created or retained in the transfer are recognized separately as assets or liabilities.
- If the majority of the risks and rewards of ownership of the financial asset are retained, the financial asset continues to be recognized.
- If the majority of the risks and rewards of ownership of the financial asset are neither transferred nor retained, it will determine whether the control over the financial asset was retained as follows:
  - if no control has been retained, the financial asset is derecognized and any rights and obligations created or retained in the transfer are recognized separately as assets or liabilities.
  - if control has been retained, the Bank continues to recognize the financial asset to the extent of its continued involvement in the financial asset.

When the Bank/Group has transferred its rights to collect cash flows from a financial asset or has entered into a brokering commitment and has neither transferred nor retained all the risks and rewards of the asset, nor transferred the control of the asset, the asset is recognized to the extent the Bank/Group continues involvement. In that case, the Bank/Group also recognizes a related liability. The transferred financial asset and the related liability are measured on a basis that reflects the rights and obligations the Bank has retained. Continues involvement in the form of guaranteeing the transferred asset is measured at the lowest of the asset's carrying amount and the maximum amount that the Bank could be required to repay.

02. Accounting principles, policies and methods (continued)

i. Financial instruments- initial recognition, classification and derecognition (continued)

(v) Derecognition of financial assets and liabilities (continued)

Titles sold with simultaneous conclusion of a repurchase agreement at a specified future date (repo contracts) continue to be recognized in the balance sheet as securities and are evaluated in accordance with the accounting policies applicable to the respective category of financial instruments. The cash repayment obligation received is recognized in the liability section of the balance sheet as repo transactions, reflecting the economic substance of a loan received by the Bank or Group.

Securities purchased through a similar commitment to resell them at a specified date (reverse repo) are not recognized in the balance sheet; the corresponding receivable of the cash advanced is recognized in the asset section of the balance sheet as reverse repo transactions.

Financial liabilities are derecognized only when they are extinguished, specifically when the obligation specified in the contract is discharged, settled, cancelled, or has expired.

The financial asset or portion thereof, such as loans and advances granted to customers, for which there are no longer reasonable expectations of recovery, are removed from the balance sheet into the category of contingent assets. Loans and debt instruments are removed from the balance sheet (partially or fully) when there is no realistic possibility of recovery. This generally occurs when the Bank determines that the debtor does not possess 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 removing from the balance sheet the portion related to the financial asset for which reasonable estimations of recovery do not exist. The Bank may partially or fully remove the financial asset from the balance sheet. According to IFRS 9 (paragraph 5.4.4.), derecognition represents an event of derecognition.

However, financial assets that are removed from the balance sheet may still be subject to foreclosure activities in accordance with the Bank's procedures for recovering amounts owed and are recorded in off-balance sheet accounts. Recoveries related to loans removed from the balance sheet are recorded as income, deducted from adjustments for credit risk losses in the statement of profit or loss.

Financial assets - change

The Bank may renegotiate or otherwise amend the contractual terms of the financial assets. If the contractual terms of a financial asset are changed, the Bank assesses whether the cash flows of the amended financial assets are substantially different.

If the cash flows are substantially different, the contractual rights arising from the cash flows from the original financial asset are deemed to have expired. In this case, the financial asset is derecognised and a new financial asset is recognized at fair value.

If the cash flows from the amortized cost asset are not substantially different, the change does not result in the derecognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset (or the amortized cost of the financial liability) by discounting the contractual cash flows modified at the original effective interest rate and recognizes any adjustment as a gain or loss on the change in profit or loss.

02. Accounting principles, policies and methods (continued)

i. Financial instruments- initial recognition, classification and derecognition (continued)

(v) Restructured loans (forbone)

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to the financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and the expected credit loss is measured as follows:

- If the expected restructuring does not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset;

- If the expected restructuring results in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

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

A concession might appear in the following set of conditions:

- The modification of the previous terms and conditions of a contract the debtor in unable to comply with due to its financial difficulties, in order to allow for sufficient debt service ability, and which would not have been granted if the debtor had not been in financial difficulties.

- A total or partial refinancing of a contract, that would not have been granted had the debtor not been in financial difficulties.

Performance-wise, the forborne exposures (loans) are classified as follows:

- non-performing restructured loans;

- performing restructured loans that are either under a probation period or out of the probation period;

If the restructuring measures apply to non-performing exposures or result in a diminished financial obligation, the loans fall in the category of non-performing forborne exposures.

A forborne loan stays classified as non-performing if at least one of the following conditions is fulfilled:

- Less than a year has passed since the last restructuring or since the end of the grace period after the last restructuring.

- The maximum number of days past due per client in the last 12 months (at the end of the month) was equal to or greater than 30;

- The number of days past due per client is > 0 at the end of the 12 months passed from the restructuring date (end of month) or from the end of the grace period established after restructuring/at the reporting date after the expiry of the 12 months from the date of restructuring or the end of the grace period.

02. Accounting principles, policies and methods (continued)

i. Financial instruments- initial recognition, classification and derecognition (continued)

(vi) Restructured loans (forborne) (continued)

Restructured loans are out of the category of non-performing loans and fall in the category of performing loans under the probation period if the following criteria are cumulatively met:

- At least one year has passed since the last restructuring was implemented or since the end of the grace period established after the last restructuring;
- The client does not meet the other conditions to be classified as non-performing;
- Maximum number of days past due in the last 12 months < 30;
- The number of days past due = 0 at the end of 12 months from the date of the restructuring or from the end of the grace period established after the restructuring/at the reporting date after the expiration of 12 months from the date of the restructuring or from the end of the grace period.

The exposure is no longer classified as forborne when all the criteria presented below are met:

- Minimum 2 year probation period has passed since the date when the exposure was considered performing;
- Significant payments of principal and interest have been regularly made at least in the second half of the probation period;
- At the end of probation, the exposure is performing and the client has no outstanding amounts.

j. Offsetting

Financial assets and liabilities are offset and the net amount reported into the statement of financial position when, and only when, the Bank has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

Revenues and expenses are not offset in the income statement unless required or permitted by IFRS or related interpretations, in which case it is specified in the accounting policies.

k. Fair value measurement

The fair value represents the price that would be received upon selling an asset or the price that would be paid to transfer a liability in a normal transaction between market participants at the evaluation date, primarily or, in its absence, at the most advantageous market accessible to the Bank/Group. The fair value of a liability reflects the risk of non-performance.

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

In cases where there is no quoted price in an active market, the Bank/Group utilizes valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The chosen valuation technique incorporates all factors that market participants would consider in pricing a transaction.

02. Accounting principles, policies and methods (continued)

k. Fair value measurement (continued)

The best evidence of the fair value of a financial instrument 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 evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, the respective difference is recognized in profit or loss appropriately over the life of the instrument but no later than when the valuation is entirely supported by observable market data or the transaction is closed out.

The Bank/Group recognizes transfers between hierarchical levels of fair value at the end of the reporting period, as well as in the period when such transfers occur.

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" model (ECL). Starting January 1, 2018, the Group uses a forward-looking approach for expected credit losses (ECL) with respect to the following categories of financial assets: loans and deposits measured at amortised cost, debt securities measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts and trade receivables.

The Bank/Group recognizes loss allowances for expected credit losses at each reporting date based on the following principles:

- The measurement of the impairment of financial assets is based on the recognition of the expected loss from credit risk;

- If, at the reporting date, the credit risk of the asset has significantly increased since the initial recognition, the allowance will be equal to the expected credit losses over the lifetime of the asset; otherwise, an adjustment will be calculated, which is equal to the expected credit loss over a time horizon equal to the minimum of the residual maturity of the exposure expressed in months and one year. For credit lines, ceilings and factoring agreements, adjustments will be calculated on a one-year horizon, irrespective of contractual maturity;

- Expected credit losses over the life of the asset for all instruments whose credit risk has significantly increased since initial recognition are recognized by taking into account the relevant available information and the future expectations of the Bank/Group;

- In the case of credit commitments and financial guarantee contracts, the date of initial recognition for the purpose of impairment calculation is the date when the Bank registers the irrevocable commitment;

- At each reporting date, the Bank/Group assesses whether the credit risk of a financial instrument has significantly increased from initial recognition; assessment can be made at both individual and collective level (by grouping financial instruments with similar features).

The Bank allocates exposure to stages and measures the impairment losses on a collective basis. The Bank analyzes its exposures by segments determined on the basis of the common characteristics of credit risk, so that the Bank's exposures have homogeneous or similar risks. The key common characteristics of the loans considered are: customer type, product type, maturity. The different segments also reflect differences in credit risk parameters, such as the probability of default and the loss in the event of default. The adequacy of the groups is regularly monitored and reviewed by the Risk Management Department.

02. Accounting principles, policies and methods (continued)

l. Impairment of financial assets (continued)

The amount of expected credit losses must reflect:

- Analysis of a number of possible scenarios, weighted by the probability of the occurrence of these scenarios;
- Time value of money;
- Reasonable and justifiable information about past events, current conditions and expectations regarding future economic conditions.

Insurance is exempt from the application of IFRS 9 and remains governed by IAS 39. For the impairment of receivables and recourses of the EximAsig subsidiary, the Group analyses each receivable, considering the number of days past due compared to the contractual maturity and the quality of the debtor, including their legal situation, as well as the recoverable value of the guarantees and other data and information available at the time of determining the impairment allowances.

Presentation of allowance for ECL in the statement of financial position

Expected credit 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 and financial guarantee contracts: as a provision;
- Debt instruments measured at fair value in other comprehensive income: the loss allowance is recognized in the statement of financial position by presenting such assets at fair value, against other comprehensive income (reserves).

m. Provisions

Provisions are recognized in the statement of financial position when the Bank/Group has a present obligation (legal or constructive) as result of a past event, it is probable that an outflow of economic benefits will be required to settle the liability and the obligation can be reliably measured.

When the Bank/Group expects some or the whole amount of provision to be cashed, for example under an insurance contract, the cash in is recognized as a separate asset, but only when the release is virtually certain.

The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

n. Cash and cash equivalents

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

o. Tangible assets

Tangible assets represent assets that:

-are generators of future economic benefits;

-are intended to be used in the Bank's operations;

-are used over a period exceeding one year;

-have a purchase value equal to or greater than 2,500 RON, either as a single item or by aggregating multiple component items of the same complex of tangible assets.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

02. Accounting principles, policies and methods (continued)

o. Tangible assets (continued)

The tangible assets that do not meet the recognition criteria as tangible assets are fully recognized in the profit or loss account on the date of putting into use and are distinctly disclosed, off the balance sheet, in separate accounts.

Tangible assets comprise:

a) Land and land improvements;

b) Buildings;

c) Leasehold improvements;

d) Technical installations and vehicles;

e) Furniture, office equipment, human and material value protection equipment, and other tangible assets.

The Bank employs the revaluation model for tangible assets of the "Buildings" type, and the cost-based model for all other tangible assets, including "Leasehold improvements." If an asset is revalued, all assets within that group are revalued, except in exceptional cases when there is no active market for that particular asset.

Following recognition as an asset, a tangible asset element evaluated at cost is accounted for at its cost less any accumulated depreciation and any accumulated impairment losses. Until June 30, 2004, the cost was obtained by restating the historical cost in lei using the general price index between the acquisition month and the end of the reporting year.

Following recognition as an asset, a tangible asset element of the "Buildings" type whose fair value can be reliably measured is accounted for at a revalued amount, being the fair value at the revaluation date less any accumulated depreciation and any accumulated impairment losses.

Revaluation surplus is included in equity and transferred directly to retained earnings when the asset is depreciated, disposed of, or sold. Impairments are covered by any existing revaluation reserve for that asset. If there is no such surplus or it is insufficient for the impairment, the corresponding amount is recognized in the profit or loss account. The Bank revalues the "Buildings" group once every three years, using expert appraisers, members of ANEVAR.

Depreciation of tangible assets is calculated from the month following their commissioning until the full recovery of their input value, using the straight-line depreciation method.

Land is not depreciated. Investments made in leased tangible assets are depreciated linearly over the shorter of the remaining lease term and the estimated useful life.

The annual depreciation rates and useful life durations are as follows:

Category	Normal operating time	Annual depreciation rate
Buildings	50 years	2%
Office equipment	3 to 6 years	16.67% - 33.33%
Furniture	5 to 24 years	4.16% - 20%
Motor vehicles	5 to 6 years	16.6% - 20%

Repairs and maintenance expenses are charged to operating expenses as incurred. Subsequent expenses on property, plant and equipment is only recognized as an asset when the expense improves the condition of the asset beyond the originally assessed standard of performance.

When the carrying amount of a tangible asset is greater than the estimated recoverable amount, it is written down to its recoverable amount. Gains and losses on disposals of property and equipment are determined by reference to their carrying amount and are included in the statement of profit or loss.

02. Accounting principles, policies and methods (continued)

o. Tangible assets (continued)

Assets held for sale

Assets held for sale are those for which it is estimated that the carrying amount will be recovered principally through a sale transaction rather than through continued use and are classified as held for sale.

Assets held for sale are initially measured and subsequently at the lower of their carrying amount and fair value less costs to sell at the date of valuation. For any decrease in fair value below the carrying amount, impairment is recognized in the profit and loss account. The increase in the fair value of the asset held for sale is recognized by reversing the provision to revenue. The increase in fair value is recognized up to the carrying amount at the time of initial recognition of the asset.

During the period in which 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 the carrying amount before the asset was classified as held for sale adjusted for the depreciation that would have been recognized if the asset had not been classified as held for sale and the recoverable amount of the asset.

As of December 31, 2023, and 2022, the Group owned assets classified as held for sale acquired as a result of derecognition of loans and taking ownership of assets previously held as collateral for those loans.

p. Intangible assets

Intangible assets held by the bank are assets acquired for its own use and include computer software, usage licenses, and other similar assets.

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

Intangible assets are amortized based on the straight-line method over their estimated useful life of 3-10 years. Usage licenses and similar intangible assets are amortized over the contract period or the period of use, as applicable.

q. Impairment of tangible and intangible assets

Tangible and intangible assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss for items carried at cost and treated as a revaluation decrease for assets that are carried at revalued amounts to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for separate assets or, if it is not possible, for the cash generating unit.

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

02. Accounting principles, policies and methods (continued)

r. Investment property

Investment property means either properties held for rent, or for capital appreciation, or both, but not for sale in the normal course of business, use in the normal course of business or other administrative purposes.

Investment property is initially recognized at cost, including the acquisition price and any other directly attributable expenses, and subsequently measured at their fair value, after initial recognition.

In order to transfer an investment property booked at fair value in the Bank's/Group's property and equipment, the presumed cost of the property used for its subsequent measurement in accordance with IAS 16, is the fair value at the date of change of use.

If a property used by the Bank/Group changes to an investment property measured at fair value, the Bank applies IAS 16 until the change of use date, considering any difference at that date, between the carrying amount of the property and the fair value, as a revaluation performed in accordance with IAS 16.

The Group's accounting policies regarding subsequent measurement of investment properties is based on fair value model and it is consistently applied to all investment properties. Gains or losses resulting from changes in the fair value of investment properties are recognized in the profit or loss of the financial period in which they take place in accordance with IAS 40, without determining and booking any depreciation. Fair value of investment properties denotes market conditions as at reporting date.

A transfer to or from investment properties is made only if there is a change in utilization of the respective asset. For transferring an investment property, measured at fair value, to fixed assets category, the implied booking value of the assets will be its fair value at the date of utilization change.

An investment property is derecognized when disposed off or when the investment property is permanently retired of and can no longer provide future economic benefits from its withdrawal. The gains or losses which result from an investment property's sale or disposal are recognized in the income statement at the date of such event.

s. Employee benefits

Short-term benefits granted to employees

Short-term benefits represent employee benefits (other than employment termination compensations) which are due in full within twelve months from the period end in which the employees perform the service, and include salaries, social security contributions, annual paid leave and annual paid medical leave, bonuses, profit sharing and non-financial benefits.

The Bank's remuneration policy also includes non-cash variable remuneration granted to the identified staff, in the form of virtual shares. The value of the virtual shares is calculated according to the bank's equity. Virtual shares can be redeemed within a period of 60 months.

Short-term benefits to employees are recognised as expenses as services are provided.

Social security

The Bank/Group as well as its employees are legally required to make contributions described in the financial statements as social security contributions to the National Pension Fund, managed by the National Public Pensions House (a defined contribution plan financed on an instalment basis). The Bank/Group has no legal or constructive obligation to pay future benefits. Its only obligation is to pay the contributions as they become due. If the members of the National Public Pensions House cease to be employed by the Bank/Group, there will be no obligation by the Bank/Group to pay the benefits earned by these employees in previous years. The Bank/Group's contributions are included in salaries and related expenses.

02. Accounting principles, policies and methods (continued)

s. Employee benefits (continued)

Long-term benefits include bonuses and profit sharing which are not payable in full within twelve months from the delivery of services.

For services supplied by the employees during an accounting period, the Bank recognizes the undiscounted value of short/long term benefits to be paid as expenses, or as prepaid expenses, only if the already paid value exceeds the undiscounted value of the benefits. The short/long term benefits are recognized as expenses excluding the cases in which they are capitalized in the cost of assets according to IAS 2 or IAS 16. The Bank recognizes the estimated cost of the short-term benefits represented by accumulated paid leave during the financial period in which the services are provided.

Compensations for employment termination are employee benefits that are paid as a result of the Bank's/Group's decision to terminate the employment contract of an employee before the legal retirement date, or grant compensations for the termination of the employment contract as a result of an offer made to encourage voluntary layoffs. The Bank/Group recognizes the employment termination compensations as liabilities or provisions only if the Bank engaged to terminate the employment contract of an employee or group of employees before the legal retirement date, or grant compensations for the termination of the employment contract as a result of an offer made to encourage voluntary layoffs.

Post-employment benefits include benefits granted for retirement, classified as defined benefits plan valuated through actuarial methods based on the projected credit unit method.

A defined benefit plan is a plan that defines the amount that an employee will receive at the retirement date, usually depending on one or more factors, such as age, number of years of activity and salary. The liability recognized in the Bank's statement of financial position in relation to the defined benefit retirement plan, is the present value of the defined benefits at the reporting date, less the fair value of assets of the plan, to which adjustments for unrecognized actuarial gains/losses and costs of past services are added.

According to the collective employment contract, the Bank has a legal obligation to pay employees, on retirement, benefits equal to two monthly salaries.

t. Government funds and mandate operations

In order to achieve its strategic objective, namely, supporting Romanian national economy, the Bank/Group acts as an agent, on behalf of and to the benefit of the State, by offering specific products and services such as granting loans, guarantees and insurance products to local market participants.

In accordance with Law 96/2000, with subsequent amendments, Exim Banca Romaneasca - S.A uses the following State funds:

(a) the guarantee fund - Law 96/2000 - Article 10a;

b) insurance fund - Law 96/2000 - Article 10b;

(c) the fund intended to stimulate external trade operations as well as for financing - Law 96/2000 - Article 10c;

d) the fund for the implementation of State aid and/or de minimis measures - Law 96/2000 - Article 10d;

e) the fund for the participation of Exim Banca Romaneasca - S.A in the Investment Fund of the Three Seas Initiative - Law 96/2000 - Art. 10f

The state funds made available to Exim Banac Românească S.A. are presented in the consolidated and separate statement of financial position as financial debts "Deposits from the Ministry of Finance", being initially recognized at the fair value of the amounts received less the costs of the transaction. For their use, the Bank/Group replenishes the state funds with the interest rates set out in Law 96/2000, which are presented in the income statement as "Interest expenses".

02. Accounting principles, policies and methods (continued)

t. Government funds and mandate operations (continued)

Deposits from the Ministry of Public Finance are made available to Exim Banca Românească S.A as attracted sources and remain at the bank's disposal indefinitely, except for those amounts for which it is agreed to maintain them for longer periods (deposits for a period of 3 months or 5 years).

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

For the management of state funds, including agent operations conducted by the bank on behalf and for the account of the Romanian state, including the management of assets and liabilities financed or covered from the funds made available to it by the state, the Bank is remunerated with commissions, presented in the profit or loss account under the position "Commission income".

u. Financial guarantees

Financial guarantees are contracts whereby the Bank/Group assumes a commitment to make specific payments to the beneficiary of the financial guarantee to compensate the loss suffered by the beneficiary if a specific debtor fails to make payment when due in accordance with the terms of a debt instrument.

The financial guarantees are presented in the financial statements at fair value as contingent liabilities, related fees collected in advance being amortised over the life of the financial guarantee referred.

The Bank/Group has not granted loan commitments at fair value through profit or loss. For other loan commitments, the Bank/Group recognises an impairment for expected losses in accordance with IFRS 9. Debts that would result from financial guarantees or credit commitments are included in the determination of expected losses under IFRS 9.

v. Income tax

The current tax liability, in accordance with the prevailing tax legislation, is recognized as an expense in the year in which the profit is recorded.

Deferred tax is calculated for all temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax is calculated using the tax rate estimated to be in effect at the time the asset is realized or the liability is settled, based on the tax rates in effect at the balance sheet date.

The deferred tax liability is recognized for all temporary differences between the tax base and carrying amount of assets and liabilities at the balance sheet date for financial reporting purposes, which will result in taxable amounts in subsequent periods.

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

Current and deferred tax assets and liabilities are offset when they relate to the same taxable entity, are subject to the same tax authority, and there is a legally enforceable right to offset.

The tax rate used in calculating current and deferred tax was 16% at December 31, 2023 (December 31, 2022: 16%).

02. Accounting principles, policies and methods (continued)

w. Contingent liabilities and assets

A contingent liability is:

– a potential obligation that arises as a result of previous events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which are not fully controlled by the Bank/Group; or

– a current obligation that arises as a result of past events, but is not recognized because:

  - it is unlikely that an outflows of resources incorporating economic benefits will be necessary to settle that obligation; or

  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised 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 recognised in the financial statements, but is disclosed in the explanatory notes when an inflow of economic benefits is probable.

x. Related parties

A counterparty is considered to be a related party to the Group or Bank if that counterparty:

a) directly or indirectly through one or more intermediaries:

  - controls, is controlled or is jointly controlled by the Group or Bank (including parent companies and subsidiaries)

  - has an interest in the Group or Bank, which gives a significant influence over the Bank; or

  - jointly controls the Group or Bank;

b) is an associate of the Group or Bank;

c) is a joint venture in which the Group or Bank is a member;

d) is a key management personnel of the Group or Bank;

e) is a relative of any of the persons mentioned at points a) to d);

f) is an entity controlled, under joint control or significant influence, or for which a significant voting power is held, directly or indirectly by any person mentioned at points d) or e) or

g) is a post-employment defined benefit plan for the benefit of the Bank's employees, or for any entity which is a related party of the Bank.

The legal entities directly or indirectly controlled by the Romanian state are not considered related parties.

02. Accounting principles, policies and methods (continued)

x. Related parties (continued)

Furthermore, in accordance with the provisions introduced by Regulation No 11/2020, amending Regulation. 5/2013, Article 102, lit. f, state-owned entities in which the Romanian State either exercises control or holds ownership are not considered affiliated parties. Thus, entities belonging to the central administration are treated as unrelated parties. The Ministry of Public Finance is a related party, in its capacity as majority shareholder of the Bank.

Related party transactions represent a transfer of resources or obligations between related parties, regardless of whether a price is charged. In determining the transactions with related parties, consideration is given to both the substance and the legal form of respective transactions.

y. Equity reserves

The equity reserves registered into the Bank's/Group's statement of financial position include:

- reserve for financial assets designated at fair value through other comprehensive income, which comprises in changes in fair value of these instruments, net of deferred tax;
- the reserve for property, plant and equipment, which comprises changes in fair value;
- the legal reserve - is determined as up to 5% of profit before tax.
- the general reserve for banking risks - includes reserves set up until the end of 2006, within the limits provided by law.
- other reserves, which represent own funding sources from asset and tax facilities, set up according to the legal provisions or from the net profit, as decided by the general meeting of shareholders.

z. Segment information

A segment is a distinct component of the Group/Bank, involved in the provision of products or services, subject to risks, which are different from those of other segments.

aa. Leases

Initial recognition and measurement

At the commencement of a contract, the Bank/Group assesses whether that 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 lessee, recognizes a right-of-use asset and a lease liability.

Initial measurement of the right-of-use asset

At the commencement of the contract, 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 outstanding on that date. Lease payments are discounted using the interest rate implicit in the lease if that rate can be presently determined. If this rate cannot be presently determined, the Bank/Group uses its incremental borrowing rate.

02. Accounting principles, policies and methods (continued)

aa. Leases (continued)

The incremental borrowing rate of the Bank/Group is the interest rate that the Bank/Group should pay to borrow for a similar period, in the same currency, with a similar collateral, the funds needed to obtain an asset with a similar value to that of 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 using the cost-based model, i.e. it measures the right-of-use asset 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 the interest associated with the lease liability and by reducing the carrying amount to reflect the lease payments made, reflecting, if applicable, any changes to the lease.

The interest on the lease liability for each period during the term of the contract must be the amount that produces a constant periodic interest rate on the remaining balance of the lease liability.

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

Exemptions from recognition:

The Bank/Group, as lessee, chooses to apply the exemptions permitted by IFRS 16 to:

- short-term leases; and
- leases where the underlying asset has a low value.

Consequently, in the case of short-term leases and in the case of leases where the underlying asset has a los value, the Bank/Group recognizes the lease payments associated with these leases as an expense, on a straight-line basis over the lease term.

02. Accounting principles, policies and methods (continued)

bb. Deposits (from clients, credit institutions), borrowings

Deposits received (from clients, credit institutions) and borrowings are initially recognised at fair value and subsequently measured at amortised cost; any difference between the costs, including the costs of transaction, and the recovery value are recognised to profit or loss during the period of the borrowings, by using the effective interest method.

The financial sources are mainly represented by the deposits received from clients and credit institutions.

cc. Insurance premium income

Gross written premium income includes the received and receivable premiums related to all insurance contracts that enter into force during the financial year. Gross written premium include the received and receivable premiums related to those insurance contracts for which the related risk begins during the financial year. If the duration of the insurance contract is greater than one year, gross written premium income is recognised on a pro-rata basis over the period of the insurance policy, excepting contracts having single premium payment for the whole insurance policy. For insurance contracts in foreign currencies, gross written premiums are presented in RON at the historical exchange rate as at risk commencement date.

Income from gross written premiums are disclosed net of gross written premiums cancelled for the terminated contracts before their maturity date or as a consequence of not collecting the relevant insurance premiums.

dd. Other receivables from insurance activities

The receivables of subsidiary EximAsig from third parties other than staff, customers and suppliers, are booked in sundry debtors. Considering the nature of the insurance operations, the subsidiary also registers in its accounting books receivables from damage claims with recourse.

Thus, subsequent to the payment of compensations in accordance with the insurance contract, the Bank/Group recognises the receivables from recourse rights against the party responsible for the insured event.

ee. Reinsurance

Within its operating activity, the Group transfers part of the insurance risk. Reinsurance receivables represent balances due from reinsurance companies.

Group-entitled benefits arising from reinsurance contracts are recognised as reinsurance assets. The Group discloses in its assets the portion that was transferred from the premium reserve and claim reserve.

The amounts due from or due to reinsurers are registered according to the total consideration of insurance-reinsurance contract and consistent with the terms and conditions of the respective insurance-reinsurance contract. The liabilities arising from reinsurance consist of premium payables and they are recognised as an expense.

Reinsurance receivables and payables against the same entity could be offset, since the payments effected by the involved parties are similar in nature and maturity date, the settlement taking place in the same time.

Receivables and payables from current reinsurance operations result from current account settlements with reinsurers and reinsurance brokers, related to the ceded reinsurance activity (passive reinsurance).

Ceded reinsurance receivables are periodically reviewed, at least at each reporting date. In case of impairment triggers identified, they are analysed on individual basis. The impairment allowances of such receivables are measured based on the loss probability and are charged to profit or loss.

02. Accounting principles, policies and methods (continued)

ff. Technical reserves

Premium reserve

The premium reserve is calculated on a monthly basis by summing up the shares in the gross written premiums, corresponding to the unexpired periods of the insurance contract, so that the difference between the volume of gross written premiums and this reserve reflects the gross premiums assigned to the part of the expired risks at the calculation date. This reserve is calculated separately for every insurance contract.

Reported but not settled reserve (RBNS)

Reported but not settled reserve is calculated for reported claims pending settlement for every insurance contract for which an insured event has been notified, starting from the predictable expenses to be incurred in the future to settle these claims. The total reserve to be established is determined by summing up the amounts of the reserve calculated for every non-life insurance contract.

The components of the claim reserve are, as follows:

- the estimated amount of compensations due for the reported claim;
- costs relating to the ascertainment and assessment of damages, relating to the services rendered by third parties;
- damage settlement costs, relating to the services rendered by third parties.

Incurred but not reported claim reserve (IBNR)

IBNR claim reserve is created and adjusted at least at the end of the financial year, based on the company's estimates, as to the claims amount for events occurred, not reported or not sufficiently reported.

In order to estimate the IBNR reserve, the Bank/Group uses mainly the following methods, but not limited to, depending on the insurance class: Chain-Ladder, development tables, Bornhuetter – Ferguson.

Unexpired risk reserve

The unexpired risk reserve is computed based on the estimation of claims to occur after financial year closing date, where it is ascertained that the costs relating to claims estimated in the future exceed the premium reserves established less the procurement costs deferred and, as a consequence, during the future periods the amount of the premium reserve calculated less the deferred procurement costs shall not suffice to cover the claims to arise over the following financial years.

Liability adequacy test

Subsidiary EximAsig performs the technical reserves adequacy test in order to assess if the insurance contract liabilities recognised into the technical reserves are sufficient. The test makes use of the estimation of present value of the best estimate of the future expected contractual cash flows. If this test proves that the accounting value of the insurance liabilities less deferred acquisition costs are not adequate, the whole amount of difference is recognised as charge in the profit and loss account. The test of technical reserves adequacy is carried out at least on an annual basis, at the closing date of financial exercise, based on gross cash flows.

The adequacy test of technical reserves for unexpired risks consists in comparing the following two elements:

i. premium reserve less deferred acquisition costs;

ii. the summing-up of estimated claims (including legal costs) and the administration costs.

02. Accounting principles, policies and methods (continued)

ff. Technical reserves (continued)

Liability adequacy test (continued)

Obtaining a value at point i) lower than that obtained at point ii) indicates insufficiency and necessitates the reduction of the reported acquisition expense balance by the observed deficiency. In cases where the reported acquisition expense balance is insufficient, the creation of an additional reserve is mandated.

The branch employs the best assumptions, as follows:

- Future claims (including claims handling costs) are estimated based on the ultimate loss ratio per underwriting year for each class of insurance; considering that the majority of unexpired risks arise from the most recent year(s) of underwriting. Future administrative expenses are estimated based on the average administrative expense ratio across the entire insurance portfolio (excluding acquisition expenses included in the calculation of deferred acquisition costs).
- The recovery rate from reinsurers is obtained by dividing the total reinsured recoveries for each class of insurance by the ultimate incurred claims for events occurring in each period. The estimated value of reinsurance recoveries is derived by applying this rate to future estimated claims.

As of December 31, 2023, the debt adequacy test revealed sufficiency for all classes of insurance in the amount of RON 19,967 thousand (compared to sufficiency of RON 15,676 thousand as of December 31, 2022).

gg. Correction of accounting errors

Correction of an accounting error is performed at the date when the error is identified, with the following remarks:

- The errors belonging to the current financial year are corrected, before the financial statements are authorised for issuing, by reversing the incorrect transaction and registering the appropriate one;
- The errors belonging to the prior financial year are corrected according to their materiality level either by registering them to retained earning in case of significant errors ot to profit and loss account, for the other cases;
- In case of accumulated loss resulted from correction of an error, this loss is coverred before profits are distributed;
- Correction of the prior year errors does not involve a modification of prior year financial statements and hence they remain unchanged as they have been published;
- In case of error correction registered to retained earnings, the Bank / Group takes the following actions:
  - restates the prior period(s) comparatives when such an error has occurred;
  - if the error has occurred before the prior periods disclosed in the financial statements, then the opening balances of the earliest prior period are fully restated for all assets, liabilities and shareholders' equity accounts.

02. Accounting principles, policies and methods (continued)

hh. Merger of EximBank and Banca Românească

On January 23, 2020, EximBank completed the acquisition of a 99.28% stake in the share capital of Banca Românească SA from National Bank of Greciei S.A. ("NBG").
On June 6, 2022, the Resolutions of the Extraordinary General Meetings of Shareholders ("EGMS") approving the merger by absorption between Export-Import Bank of Romania – EximBank SA ("EximBank") as absorbing company and Banca Românească SA ("Banca Românească") as absorbed company. On December 31, 2022, the merger of EximBank and Banca Românească was completed, resulting in a universal bank offering dedicated products to both private, and corporate clients.

The minority shareholders of the absorbed company, which own 0.72% in the share capital of Banca Românească, became shareholders of Exim Banca Românească S.A. Further to the merger, 485,925 shares were issued for the minority shareholders of Banca Românească, which led to an increase of RON 2,916 thousand in the share capital of Exim Banca Romaneasca S.A.

In 2023, the bank has been renamed from Export-Import Bank of Romania – Eximbank S.A. in Exim Banca Românească S.A.

ii. Subsequent events

Adjusting events following the balance sheet, i.e. events that provide additional information about the Bank/Group's position at the balance sheet date (adjusting events) or indicate that the going concern is no longer respected, are reflected in the financial statements. Non-adjusting subsequent events are presented in the notes, when they turn out to be significant.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

02. Accounting principles, policies and methods (continued)

jj. Changes in accounting policies

The Bank and the insurance group ensure the alignment of their accounting policies with changes in international financial reporting standards, whenever applicable. The International Accounting Standards Board has issued a series of documents, detailed in the section below, which, however, do not have a significant impact on the financial statements of the Group or the Bank for the financial year ended December 31, 2023, necessitating a significant revision of their accounting policies.

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

In 2023, the Bank/Group applied a series of amendments to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that are mandatory for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a significant impact on the information to be provided or the amounts reported in these financial statements.

Standard	Title
IFRS 17 Insurance Contracts	The new IFRS 17 standard "Insurance Contracts" which includes the amendments to IFRS 17 from June 2020 and December 2021.
Amendments to IAS 1	Presentation of financial statements
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred Tax related to Single Transactions
Amendments to IAS 12	International Taxation Reform - Model Rules for Pillar 2

Accounting standards IFRS new and amendments to existing standards, but which have not yet come into effect.

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

Standard	Title	Effective Date as set by IASB
Amendments to IFRS 16	Lease Liabilities in Sale and Leaseback Transactions	January 1, 2024
Amendments to IAS 1	Classification of Liabilities into Short-term Liabilities, Long-term Liabilities, and Long-term Liabilities with Financial Covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7	Financing Arrangements with Suppliers	January 1, 2024
Amendments to IAS 21	Lack of Convertibility	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale of or Contribution to Assets between an Investor and its Associates or Joint Ventures and Other	changes indefinitely postponed

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

The Bank/Group anticipates that the adoption of the aforementioned standards will not have a significant impact on the financial statements of the Bank/Group in future periods.

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

Currently, IFRS as adopted by the EU does not differ significantly from IFRS adopted by the International Accounting Standards Board (IASB), except for the following new standards and amendments to existing standards, which have not been adopted by the EU as of the authorization date of these financial statements:

Standard	Title	Title EU adoption status
Amendments to IAS 7 and IFRS 7	Financing Arrangements with Suppliers (Effective Date as Set by IASB: 1 January 2024)	Not yet adopted by the EU
Amendments to IAS 21	Lack of Convertibility (Effective Date as Set by IASB: 1 January 2025)	Not yet adopted by the EU
IFRS 14	Regulatory Deferral Accounts (Effective Date: 1 January 2016	The European Commission has 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 of or Contribution to Assets between an Investor and its Associates or Joint Ventures and Subsequent Amendments (Effective Date deferred indefinitely by IASB, but early application is permitted)	The endorsement process has been deferred indefinitely pending the completion of the equivalence method research project.

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

Brief Description of New Standards and Amendments to Existing Standards:

- **IFRS 17 "Insurance Contracts"** issued by the IASB on May 18, 2017. The new standard requires insurance obligations to be measured at a present value of future cash flows and provides a more uniform approach to the measurement and presentation of all insurance contracts. These requirements aim to achieve consistent accounting for insurance contracts based on principles. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations upon application. The amendments to IFRS 17 "Insurance Contracts" issued by the IASB on June 25, 2020, postpone the initial application date of IFRS 17 by two years for annual periods beginning on or after January 1, 2023. Additionally, the amendments issued on June 25, 2020, introduce simplifications and clarifications to certain requirements of the standard and provide additional relief for the initial application of IFRS 17.

- **Amendments to IFRS 16 "Leases"** - Lease Liabilities in Sale and Leaseback Transactions, issued by the IASB on September 22, 2022. The amendments to IFRS 16 require the seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction so as not to recognize any gains or losses related to the retained right-of-use. The new requirements do not preclude the seller-lessee from recognizing gains or losses in the income statement from the partial or complete termination of a lease contract.

- **Amendments to IFRS 17 "Insurance Contracts"** - Initial Application of IFRS 17 and IFRS 9 - Comparative Information issued by the IASB on December 9, 2021. This is a narrowly scoped amendment to the transition requirements of IFRS 17 for entities applying IFRS 17 and IFRS 9 simultaneously for the first time.

- **Amendments to IAS 1 "Presentation of Financial Statements" - Presentation of Accounting Policies** issued by the IASB on February 12, 2021. The amendments require entities to present their significant accounting policies rather than significant accounting policies and provide guidance and examples to help financial statement preparers decide which accounting policies to present in the financial statements.

- **Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities into Short-term and Long-term Liabilities,** issued by the IASB on January 23, 2020, and **Amendments to IAS 1 "Presentation of Financial Statements" - Long-term Liabilities with Financial Covenants** issued by the IASB on October 31, 2022. The amendments issued in January 2020 provide a broader approach to the classification of liabilities under IAS 1 based on existing contractual arrangements at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity must meet within twelve months from the reporting period affect the classification of a liability and establish the effective date for both amendments for annual periods beginning on or after January 1, 2024.

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"** – Financing Arrangements with Suppliers issued by the IASB on May 25, 2023. The amendments add requirements for information to be provided, as well as "indicators" within the existing disclosure requirements to provide qualitative and quantitative information about financing arrangements with suppliers.

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of Accounting Estimates issued by the IASB on February 12, 2021. The amendments focus on accounting estimates and provide guidance on the distinction between accounting policies and accounting estimates.

- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Single Transactions issued by the IASB on May 6, 2021. According to the amendments, the exemption from initial recognition does not apply to transactions where there are both deductible and taxable temporary differences at initial recognition, resulting in the recognition of deferred tax assets and liabilities equal.

- **Amendments to IAS 12 "Income Taxes" – International Taxation Reform —** Pillar 2 Model Rules issued by the IASB on May 23, 2023. The amendments introduce a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing global taxation rules and disclosure requirements regarding the company's exposure to profit taxes resulting from the reform, especially before the implementation legislation of the rules.

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"** – Lack of Convertibility issued by the IASB on August 15, 2023. The amendments provide guidance for entities to disclose when a currency is convertible and how to determine the exchange rate when it is not convertible.

- **IFRS 14 "Regulatory Deferral Accounts"** issued by the IASB on January 30, 2014. This standard aims to allow entities adopting IFRS for the first time, and currently recognizing regulatory deferral accounts in accordance with previous generally accepted accounting policies, to continue to do so when transitioning to IFRS.

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale of or Contribution to Assets between an Investor and its Associates or Joint Ventures issued by the IASB** on September 11, 2014. The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognized when the assets sold or contributed represent a business.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

03. Interest income

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Interest income calculated using the effective interest rate:				
Loans to customers carried at amortised cost	1,128,789	1,128,789	838,219	838,219
Current accounts and deposits – banks carried at amortised cost	227,068	226,434	46,003	45,205
Debt instruments at fair value through other comprehensive income	43,292	43,292	53,325	53,325
Debt instruments at amortized cost	140,311	139,224	76,208	75,467
	1,539,460	**1,537,739**	**1,013,755**	**1,012,216**

04. Interest expense

	31-Dec-23		31-Dec-22	
Interest expense related to:	Group	Bank	Group	Bank
Deposits from the Ministry of Public Finance	359,737	359,737	308,019	308,019
Deposits from banks	75,531	75,531	42,238	42,238
Negative interest on deposits and cash at banks	-	-	7,577	7,577
Customer deposits	696,172	700,393	386,684	388,361
Interest from financial leasing contracts	2,618	2,618	1,269	1,269
	1,134,058	**1,138,279**	**745,787**	**747,464**

Details regarding the determination of interest rates on deposits from the Ministry of Public Finance, as well as the annual variation, are found in Note 23.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

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

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Gain/(loss) from expected loss impairment - loans	-246,395	-246,395	-136,968	-136,968
Gain/(loss) from originated credit-impaired loans	-	-	7,113	7,113
Total gain/(loss) from expected loss impairment – loans	**-246,395**	**-246,395**	**-129,855**	**-129,855**
Adjustments of expected losses – credit institutions	329	329	373	373
Adjustments of expected losses – securities at amortised cost and at fair value through other comprehensive income	-1,898	-1,898	-276	-276
Total gain/(loss) from expected loss impairment – other financial assets	**-1,569**	**-1,569**	**97**	**97**
Provisions for commitments and contingent liabilities	7,322	7,725	8,056	8,056
Total gain/(loss) from expected loss impairment – off-balance sheet exposures	**7,322**	**7,725**	**8,056**	**8,056**
Gain /(loss) from adjustments for impairment of sundry debtors	-1,741	-1,741	-5,767	-1,883
Total gain/(loss) from adjustments for impairment of sundry debtors	**-1,741**	**-1,527**	**-5,767**	**-1,883**
Recoveries from loans written-off	35,921	35,921	17,342	17,342
Recoveries from sundry receivables written-off	117	117	279	279
Adjustments for impairment of investments in subsidiaries	-	27,000	-	-
Total	**-206,345**	**-178,728**	**-109,848**	**-105,964**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

06. *Gain/(loss) from foreign exchange differences, trading and derivative instruments*

Group/Bank *****	**31-Dec-23**	**31-Dec-22**
Gain (loss) from foreign exchange differences	**35,891**	**54,804**
Gain/(loss) from derivative instruments on foreign exchange rates	65,863	119,276
Gain/(loss) from trading financial instruments at fair value through profit or loss	18,298	4,564
Gain/(loss) from trading and derivative instruments	**84,161**	**123,840**

Gains/(losses) from foreign exchange differences include the following:

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

Gains/(losses) from trading and derivative financial instruments include:

- Gains or losses realized from transactions with derivative instruments on the exchange rate;
- Potential gains or losses related to transactions with derivative instruments on the exchange rate not yet settled at the financial statements date (determined using alternative valuation techniques based on observable market factors);
- Potential gains or losses related to fixed-income instruments classified in the trading portfolio (determined based on direct quotations).

07. Net result related to the de-recognition of investments in financial instruments measured at fair value through other comprehensive income (FVOCI)

During the financial year 2023, the Group did not dispose of financial instruments - government securities and government bonds - held in the portfolio at fair value through other comprehensive income, with the result for the year being nil (2022: nil result for both the group and The Bank).

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

08. Net commission income

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Income from commissions				
Commission income from customer operations	22,901	22,903	18,193	18,827
Commission income related to guarantees	25,316	25,316	23,241	23,241
Income from operations in mandate, including:	55,298	55,298	43,430	43,430
Commissions received from the Romanian state for operations conducted on mandate	*55,228*	*55,228*	*43,394*	*43,394*
Commissions received from intermediaries and beneficiaries of products granted on behalf and for the account of the state	*70*	*70*	*36*	*36*
Import credit commissions income	2,632	2,632	1,460	1,460
Commission income related to banking transactions	6,469	6,469	809	809
Commissions related to credit card transactions	-	-	5,330	5,330
Other commission income	14,587	14,430	22,368	22,205
	127,203	**127,048**	**114,831**	**115,302**
Commission expenses	**-24,213**	**-24,194**	**-23,982**	**-24,595**
Net commission income	**102,990**	**102,854**	**90,849**	**90,707**

Details regarding the method of determining commissions related to mandate operations as well as the annual variation can be found in Note 24.

Exis Banca Românească charges management fees for mandate operations in the form of basic fees and performance fees.

09. Net insurance income

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Gross written premium income, net of reinsurance (a) of which:	40,237	-	38,510	-
Gross written premiums	*74,814*	-	*62,215*	-
Premiums ceded in reinsurance	*-34,577*	-	*-23,705*	-
Expenses with changes in technical reserves, net of reinsurance	-9,157	-	-18,308	-
Income from reinsurance commissions	6,547	-	4,953	-
Acquisition and other underwriting expenses	-6,560	-	-5,069	-
Other technical expenses, net reinsurance (b) of which:	-1,341	-	2,597	-
Claims under insurance contracts	*-3,971*	-	*-1,140*	-
Claims ceded in reinsurance	*2,630*	-	*3,737*	-
Insurance income, net	**29,726**	**-**	**22,683**	**-**

(a) Income from gross premiums underwritten includes mainly insurance premiums for loans, guarantees and fire insurance and other natural disasters;

(b) Other technical expenses, net of reinsurance mainly include claims from credit insurances.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

10. Other income

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Proceeds from contractual penalties	2,050	2,050	798	798
Income from sale of repossessed assets	-	-	508	508
Operating leasing income (rents)	4,189	4,189	4,088	4,088
Dividends and similar income	2,386	2,386	1,993	1,993
Proceeds from contractual penalties				
Other income	1,010	1,422	1,489	2,563
	9,635	**10,047**	**8,876**	**9,950**

11. Salaries and other similar expenses

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Salaries and assimilated expenses	205,976	194,852	206,232	196,964
Provisions cancelled, used and set up	-4,492	-4,492	-553	-553
Total salary costs	**201,484**	**190,360**	**205,679**	**196,411**
Indemnities for collaborators *(*)*	7,547	7,547	7,346	7,346
Provisions cancelled, used and set up	-862	-862	849	849
Total collaborator costs	**6,685**	**6,685**	**8,195**	**8,195**
Employer's contributions related to wages	**6,179**	**5,881**	**6,122**	**5,874**
Retirement compensatory payments	204	204	13	13
Provisions cancelled, used and set up	1,152	1,152	693	693
Total retirement benefits	**1,356**	**1,356**	**706**	**706**
Other costs of a salary nature	**4,923**	**4,923**	**4,689**	**4,689**
Total salaries and expenses assimilated	**220,627**	**209,205**	**225,391**	**215,875**

(*) The costs with collaborators include the rights of directors, executive and non-executive officers under mandate contracts, as well as allowances due to members of the General Meeting of Shareholders.

The salary rights due to the members of the Inter-Ministerial Committee for Finance, Guarantees and insurance are recovered from the State funds according to the applicable convention with the Ministry of Finance.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

12. Other operating expenses

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Taxes and charges	4,173	1,580	3,397	1,503
Postal and telecommunications expenses	9,407	9,270	6,349	6,230
Maintenance expenses	30,510	29,919	31,438	30,971
Advertising, protocol and sponsorship expenses	6,693	6,212	3,791	3,489
Supplies	5,130	4,831	5,588	5,362
Water and energy	7,709	7,709	7,574	7,574
Rents	477	477	1,282	1,282
Consulting services	9,527	9,526	9,944	9,396
Other services provided by third parties	16,961	14,309	21,518	20,842
Security expenses	2,386	2,386	2,106	2,106
Expenditure on deposit guarantee and Bank Resolution Fund	30,244	30,244	34,012	34,012
Other expenses	7,457	9,250	2,919	4,457
	130,674	**125,713**	**129,918**	**127,224**

Below we present the expenses of audit and non-audit services of the Group/Bank provided by the statutory financial auditor.

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Cheltuieli cu auditul statut	1,064	809	1,333	1,271
Cheltuieli cu servicii non-audit	639	379	557	330
Cheltuieli cu auditorul statutar	**1,703**	**1,188**	**1,890**	**1,601**

13. Corporate income tax

The main components of corporate income tax are:

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Current profit tax	3,536	833	10,912	10,912
Deferred income tax	7,613	7,613	-8,914	-8,914
	11,149	**8,446**	**1,998**	**1,998**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

13. Corporate income tax (continued)

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

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Accounting profit before tax (A)	**53,178**	**66,667**	**53,178**	**45,221**
Tax rate: 16%	**13,440**	**10,667**	**14,168**	**12,895**
Tax impact of non-taxable income	-21,796	-21,266	-24,708	-22,153
Tax impact of non-deductible expenses	18,398	17,710	25,807	23,160
Fiscal impact on reserve allocation	-652	-533	-506	-366
Impact of deferred tax loss	-5,537	-5,537	-3,375	-2,150
Income tax before tax credit	**3,853**	**1,041**	**11,386**	**11,386**
Tax credit	-317	-208	-474	-474
Current corporation tax	**3,536**	**833**	**10,912**	**10,912**
Deferred tax on temporary differences	7,613	7,613	-8,914	-8,914
Income tax on profit and loss account (B)	**11,149**	**8,446**	**1,998**	**1,998**

(+) = expenses/(-) =income

The differences between the tax regulations and rules and accounting standards used in the preparation of financial statements generate temporary differences in the value of assets and liabilities, for which deferred profit tax is calculated.

Group/Bank *****

The evolution of deferred tax	**Statement of financial position – Taxable effect**	
Deferred tax	**31-Dec-23**	**31-Dec-22**
Retirement benefits	750	565
Other provisions relating to employees	4,020	5,047
Provisions for guarantee letters/credit commitments	6,015	7,258
Tax loss	-	5,537
Adjustments for expected loss of securities	1,539	1,524
	12,324	**19,931**
Deferred by equity		
Revaluation reserve		**-**
Reassessment of financial instruments at fair value through other comprehensive income	2,569	20,988
Adjustment of fair value at acquisition date	**14,893**	**40,919**
Deferred tax, net	**14,893**	**40,919**

**) The amount of deferred tax is the same for the Bank and the Group.*

The Bank/Group calculated the deferred corporation tax using the statutory tax rate of 16% for both 2022 and 2021, which is the tax rate applicable from 1 January 2005.

The Bank/Group has not calculated deferred profit tax on statutory reserves established in accordance with banking rules and the law of commercial companies in view of the applicable tax provisions.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

14. Accounts with the National Bank of Romania

Group/Bank	**31-Dec-23**	**31-Dec-22**
Current accounts in RON	4,870,707	2,034,939
Current accounts in foreign currency	693,187	214,511
Adjustments for expected losses	-218	-458
Total	**5,563,676**	**2,248,992**

Current accounts in RON at the National Bank of Romania ("BNR") represent accounts intended for maintaining mandatory minimum reserves, in RON and in euros. Additionally, the Bank/Group also maintains euro accounts at the National Bank of Romania for settlement through the TARGET II system.

Exposures to the BNR are classified in stage 1. For these, the Group/Bank has calculated expected loss adjustments in the amount of 218 thousand RON (2022: 458 thousand RON) in accordance with IFRS 9.

The annual interest rates paid by the National Bank of Romania in 2023 ranged between 0.69% and 0.82% for minimum reserves held in RON (2022: between 0.13% and 0.7%), while minimum reserves held in euros were remunerated with an annual interest between 0.02% and 0.11% (2022: between 0% and 0.02%).

As of December 31, 2023, the rate of mandatory minimum reserves held at the National Bank of Romania is 8% for RON and 5% for foreign currency balances (December 31, 2022: 8% for RON and 5% for foreign currency).

15. Claims on credit institutions

	31-Dec-23		**31-Dec-22**	
	Group	Bank	Group	Bank
Current accounts and sight deposits	258,376	257,662	1,094,283	1,093,848
Term deposits	1,353,775	1,342,624	1,075,418	1,063,652
Collateral deposits	21,401	21,401	9,560	9,560
Adjustments for expected losses	-360	-360	-450	-450
Total	**1,633,192**	**1,621,327**	**2,178,811**	**2,166,610**

Exposures to credit institutions are allocated in stage 1, and for these, the Bank/Group calculated, as of December 31, 2023, in accordance with IFRS 9, expected loss adjustments in the amount of 360 thousand RON (as of December 31, 2022: expected loss adjustments in the amount of 450 thousand RON for the Group/Bank).

Expected loss adjustments for exposures to credit institutions and the National Bank of Romania amount to 577 thousand RON at the Group and Bank level (2022: 908 thousand RON).

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

15. Claims on credit institutions (continued)

Group/Bank – 2023

Adjustments for expected losses - receivables from financial institutions, including NBR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance on January 1, 2023	**908**	**-**	**-**	**908**
Increases due to issuance or acquisition	578			578
Decreases due to derecognition	-908			-908
Balance on January, 2023	**578**			**578**

Group/Bank – 2022

Adjustments for expected losses - receivables from financial institutions, including NBR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance on January 1, 2022	**1,277**	**-**	**-**	**1,277**
Increases due to issuance or acquisition	908	-	-	908
Decreases due to derecognition	-1,277	-	-	-1,277
Balance on December 31, 2022	**908**	**-**	**-**	**908**

16. Derivative financial instruments

The operations with derivative financial instruments not yet matured and not settled on an individual and consolidated level are presented as follows:

Group/Bank - 2023		**Fair value**	
	Notional	**Assets**	**Debt**
Derivative financial instruments	**2,374,060**	**3,368**	**22,454**
Forex Swap Tools			
Rating Moody's A1	85,712	-	2,040
Rating Moody's A2	24,873	685	-
Rating Moody's P1	1,417,793	729	20,406
Rating Moody's P2	572,079	1,780	-
No rating	273,603	174	8

Group/Bank - 2022		**Fair value**	
	Notional	**Assets**	**Debt**
Derivative financial instruments	**2,170,427**	**21,391**	**6,859**
Forex Swap Tools			
Rating Moody's A1	309,125	6,210	862
Rating Moody's A2	316,206	-	1,042
Rating Moody's P1	702,531	7,432	3,265
Rating Moody's P2	550,668	3,676	1,249
No rating	291,897	4,074	441

Derivative instruments based on exchange rates are revalued against the remaining forward rate determined based on the BNR spot exchange rate and the reference interest rates for the remaining period, while the market value of derivative instruments based on interest rates (denominated in USD) is calculated against the published "zero-coupon" government yield curve for USD.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans

Group/Bank	31-Dec-23	31-Dec-22
Loans in RON – public authorities	1,956,036	1,719,202
Loans in RON – other legal entities	6,396,273	6,142,563
Loans in foreign currency - other legal entities	2,850,454	2,519,491
Loans in RON – individuals	1,794,578	1,910,644
Currency loans – individuals	1,551,813	1,769,036
Total exposure	**14,549,154**	**14,060,936**
Expected losses – public authorities	-2,558	-758
Expected losses – other legal entities	-252,882	-226,545
Expected foreign currency losses – other legal entities	-146,593	-174,795
Expected losses in RON – individuals	-43,101	-49,560
Expected foreign currency losses – individuals	-106,518	-101,970
Total adjustments for expected losses	**-551,652**	**-553,628**
Credits total, net	**13,997,502**	**13,507,308**

a) Changes in adjustments for expected losses

Group/Bank	31-Dec-23	31-Dec-22
Adjustments for expected losses, opening balance	**553,628**	**503,190**
Gain (-)/Loss(+) from provisions in the current period	267,729	140,802
Use of provisions for impairment	-273,051	-95,957
Exchange rate differences	3,346	5,593
Adjustments for expected losses, closing balance	**551,652**	**553,628**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans (continued)

a) Changes in adjustments for expected losses (continued)

Legal entities – Group/Bank

	2023				2022			
Adjustments for expected losses – loans	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance on January 1	**-97,479**	**-109,286**	**-195,333**	**-402,098**	**-89,354**	**-60,852**	**-158,686**	**-308,892**
Increases due to issuance or acquisition	-28.254	-1,467	-6,201	**-35,922**	-33,954	-25,159	-51,258	**-110,371**
Decreases due to derecognition	10,009	2,182	8,280	**20,471**	75,578	57,249	130,989	**263,816**
Change of credit risk (net) - migration of stages	2,248	76,137	-76,142	**2,243**	2,816	-15,929	-28,325	**-41,438**
Increases or decreases due to non-recognition changes (net)	-11,245	9,243	-228,602	**-230,604**	-52,589	-64,595	-109,093	**-226,277**
Decrease of adjustment account due to write-off	-	-	243,876	**243,876**	24,00	-	21,040	**21,064**
Balance on December, 31	**-124,721**	**-23,193**	**-254,118**	**-402,032**	**-97,479**	**-109,286**	**-195,333**	**-402,098**

Individuals – Group/Bank

	2023				2022			
Adjustments for expected losses – credits	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance on January 1	**-16,907**	**-5,723**	**-128,900**	**-151,530**	**-19,071**	**-4,788**	**-170,439**	**-194,298**
Increases due to issuance or acquisition								
Decreases due to derecognition	-5,062	-	-253	**-5,315**	-5,397	-99	-2,406	**-7,902**
Change of credit risk (net) - migration of stages	2,996	1,122	8,670	**12,788**	2,503	618	8,431	**11,552**
Increases or decreases due to non-recognition changes (net)	-6,579	-10,671	11,662	**-5,588**	-1,744	-7,517	9,261	-
Decrease of adjustment account due to write-off	3,416	-7,669	-24,897	**-29,150**	5,783	4,911	-46,474	**-35,780**
Balance on December, 31	3,731	102	25,342	**29,175**	1,019	1,152	72,727	**74,898**
	-18,405	**-22,839**	**-108,376**	**-149,620**	**-16,907**	**-5,723**	**-128,900**	**-151,530**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans (continued)

b) Analysis by types of industries

Group/Bank	**31-Dec-23**	**31-Dec-22**
Public authorities	1,956,036	1,719,202
Other economic sectors, total, of which:	**12,593,118**	**12,341,734**
A. Agriculture, forestry and fisheries	860,321	1,011,139
B. Extractive industry	214,197	231,082
C. Manufacturing	2,599,103	2,587,618
D. Supply of electricity, natural gas	486,606	163,355
E. Water supply	475,275	394,533
F. Construction	1,140,232	829,656
G. Retail and wholesale trade	1,564,217	1,715,143
H. Transport and storage services	623,724	461,777
I. Accommodation and restaurant services	167,931	129,095
J. Information and communications	116,210	144,028
K. Financial intermediation	456,445	433,218
L. Real estate activities	210,991	193,779
M. Specialized, scientific and technical activities	180,344	164,269
N. Administrative services and support activities	103,000	42,274
P. Education	1,398	1,885
Q. Human health and social care services	40,923	40,510
A. Arts, entertainment and recreational activities	3,017	7,777
S. Other services	2,793	110,917
T. Individuals	3,346,391	3,679,679
Total portfolio	**14,549,154**	**14,060,936**

The Bank/Group mainly funds companies that are resident in Romania from the total portfolio of loans granted to clients, but also external factoring exposures to non-resident import entities**.**

c) Analysis of the quality of the loan portfolio, before impairment adjustments

Group/Bank	**31-Dec-23**	**31-Dec-22**
Total non-impaired claims (stage 1 and 2)	**13,828,061**	**13,475,136**
Current	13,225,017	12,521,149
Outstanding and non-impaired	603,044	953,987
Total impaired claims (stage 3), of which:	**721,093**	**585,800**
With current debt service or less than 30 days	187,815	239,387
With debt service over 30 days	533,278	346,413
Total portfolio, gross value	**14,549,154**	**14,060,936**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans (continued)

c) Analysis of the quality of the loan portfolio, before impairment adjustments (continued)

Group/Bank	31-Dec-23	31-Dec-22
Stage 1	**12,253,393**	**11,809,502**
Individuals	*2,624,445*	*3,162,199*
Legal entities	*7,732,696*	*6,928,101*
Public authorities	*1,896,252*	*1,719,202*
Stage 2	**1,574,668**	**1,665,634**
Individuals	*484,525*	*258,100*
Legal entities	*1,030,359*	*1,407,534*
Public authorities	*59,784*	-
Stage 3	**706,289**	**561,841**
Individuals	*225,102*	*244,647*
Legal entities	*481,187*	*317,194*
Public authorities	-	-
Originated impaired loans	**14,804**	**23,959**
Individuals	*12,319*	*14,733*
Legal entities	*2,485*	*9,226*
Public authorities	-	-
Total portfolio, gross value	**14,549,154**	**14,060,936**

d) Credit analysis by product and customer segment

Group/Bank

Gross book value	31-Dec-23	31-Dec-22
Loans to individuals, of which:	**3,346,391**	**3,679,679**
Mortgages	*2,382,315*	*2,711,322*
Consumer loans	*929,514*	*933,921*
Credit cards	*34,562*	*34,436*
Loans to legal entities, of which:	**9,246,727**	**8,662,055**
Corporate	*8,856,568*	*8,007,872*
SMEs	*344,653*	*578,897*
Micro-enterprises	*45,506*	*75,286*
Loans to public authorities	**1,956,036**	**1,719,202**
Total portfolio, gross value	**14,549,154**	**14,060,936**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans (continued)

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

Expected losses from credit risk *Group/Bank*	**31-Dec-23**	**31-Dec-22**
Loans to individuals, of which:	**-149,620**	**-151,529**
Mortgages	-97,911	-90,566
Consumer loans	-51,114	-60,196
Credit cards	-595	-767
Loans to legal entities, of which:	**-399,474**	**-401,341**
Corporate	-386,450	*-374,375*
SMEs	-11,059	*-22,354*
Micro-enterprises	-1,965	*-4,612*
Loans to public authorities	**-2,558**	**-1,372**
Total expected losses from credit risk	**-551,652**	**-553,628**

e) Migration of credit exposures between stages:

Group/Bank - in 2023 – legal entities:

Transfers between stage 1 and stage 2		***Transfers between stage 2 and stage 3***	
Stage 1 transfer from stage 2	92,721	Stage 2 transfer from stage 3	-
Stage 2 transfer from stage 1	732,587	Stage 3 transfer from stage 2	309,030

Group/Bank – in 2023:

Transfers between stage 1 and stage 2		***Transfers between stage 2 and stage 3***	
Stage 1 transfer from stage 2	22,271	Stage 2 transfer from stage 3	10,338
Stage 2 transfer from stage 1	346,339	Stage 3 transfer from stage 2	14,379

Group/Bank - in 2022 – legal entities:

Transfers between stage 1 and stage 2		***Transfers between stage 2 and stage 3***	
Stage 1 transfer from stage 2	236,205	Stage 2 transfer from stage 3	495
Stage 2 transfer from stage 1	719,237	Stage 3 transfer from stage 2	28,447

Group/Bank - in 2022 - individuals (through subsidiary Banca Românească):

Transfers between stage 1 and stage 2		***Transfers between stage 2 and stage 3***	
Stage 1 transfer from stage 2	27,337	Stage 2 transfer from stage 3	10,891
Stage 2 transfer from stage 1	119,643	Stage 3 transfer from stage 2	22,472

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

17. Loans (continued)

f) Industry type analysis of unused lending commitments and guarantee commitments

The distribution of exposures by industrial sectors, represented by credit and guarantee commitments is presented below:

	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Group/Bank	Lending commitments	Lending commitments	Guarantee commitments	Guarantee commitments
A. Agriculture, forestry and fisheries	64,223	139,975	110,100	142,670
B. Extractive industry	54,454	48,868	338,247	334,124
C. Manufacturing	705,524	913,893	509,843	637,375
D. Supply of electricity, natural gas	294,344	275,564	137,202	74,406
E. Water supply	60,512	113,214	31,048	13,400
F. Construction	325,159	175,939	984,362	680,864
G. Retail and wholesale trade	423,827	339,084	294,647	220,149
H. Transport and storage services	201,956	376,885	61,385	42,547
I. Accommodation and restaurant services	26,511	14,297	284	2,561
J. Information and communications	67,926	49,114	35,271	37,049
K. Financial intermediation	375,329	327,489	17,840	28,766
L. Real estate transactions	2,920	4,248	1,062	1,062
M. Specialized, scientific and technical activities	67,026	17,916	64,909	12,170
N. Administrative services and support activities	12,412	15,676	5,481	2,272
O. Public administrations	246,739	238,778	-	-
P. Education	1,385	1,820	-	-
Q. Human health and social care services	4,926	7,128	1,772	1,763
A. Arts, entertainment and recreational activities	786	1,240	6,414	792
S. Other services	559	18,595	7,951	11,999
T. Individuals	63,282	57,877	-	-
Total portfolio	**2,999,710**	**3,137,600**	**2,607,818**	**2,243,969**

18. Investments

a) Investments in subsidiaries

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Investments in EximAsig subsidiary	-	81,354	-	81,354
Impairment allowances	-	-20,307	-	-47,307
Total	**-**	**61,046**	**--**	**34,047**
% shareholding		**98.57%**		**98.57%**

Following the evaluation conducted by the Bank for the investment in the subsidiary EximAsig, as of December 31, 2023, there was an increase in the company's value by 27 million RON, and the cumulative value of the depreciation of the investment in the subsidiary EximAsig decreased from 47,307 thousand RON as of December 31, 2022, to a level of 20,307 thousand RON as of December 31, 2023.

The participation of Exim Banca Romaneasca in the share capital of the subsidiary EximAsig is eliminated within the consolidated financial position.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

18. Investments (continued)

b) Investments classified at fair value through other comprehensive income.

Group/Bank

	31-Dec-23	31-Dec-22
Debt instruments		
Bonds and government bonds	861,444	1,669,137
(Decrease)/increase in fair value	-20,891	-48,140
Total investments in debt instruments	**840,553**	**1,620,997**
Equity instruments – Transfond Swift (no rating)	**5,800**	**5,123**
Total	**846,353**	**1,626,120**

The Group/Bank held the following categories of fixed-income financial instruments, allocated in stage 1 as of both December 31, 2023, and December 31, 2022:

a. Debt instruments of the central administration denominated in RON issued by the Ministry of Public Finance ("MFP");
b. Debt instruments of the central administration denominated in foreign currency issued by the Ministry of Public Finance;
c. Bonds issued by other credit institutions;
d. Bonds issued by the Bucharest Municipality.

As a result of the merger between EximBank and Banca Românească on December 31, 2022, the resulting bank defined its strategy and business model considering the post-merger balance sheet structure. The management of EximBank, as the acquiring bank, decided to modify the business model and retain the portfolio of securities of Banca Romaneasca until maturity, for the collection of contractual cash flows, with allocation in the category of Debt Securities at amortized cost. Under IFRS 9, the commencement of significant activities constitutes a change in the business model. The absorption of Banca Românească through the merger is significant for EximBank, contributing to a 36% increase in assets and the addition of new lines of business, including retail (lending, deposits, card issuance). Therefore, the portfolio of securities taken over from Banca Românească and recognized in the Financial assets at fair value through other comprehensive income category in the amount of 676,263 million RON as of December 31, 2022, was reclassified starting from January 1, 2023, into the Debt Securities at amortized cost category. Financial instruments at fair value through other comprehensive income are measured based on market prices of quoted securities (classified as level 1) or by using alternative valuation techniques for bonds issued by other credit institutions (classified as level 2). Investments in equity instruments are assessed at fair value through other comprehensive income, in accordance with IFRS 9 as of December 31, 2023.

To determine the fair value of financial instruments for which market prices are not available, the Bank/Group uses valuation methods based on directly observable data inputs, respectively establishes prices based on observable data (interest rates, swap quotations, CDS quotations), applicable in the specific currency markets in which the held securities are denominated.

Group/Bank	31-Dec-23	31-Dec-22
Debt instruments		
MFP Treasury Certificates (*Baa3* *)		-
MFP Bonds (Baa3-)	729,410	1,517,327
Bucharest City Hall bonds (BBB-)	111,143	103,670
Total debt instruments	**840,553**	**1,620,997**
Shares (Level 3)	5,800	5,123
Total	**846,353**	**1,626,120**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

18. Investments (continued)

The ratings presented are assigned by the external rating agency Moody's, except for the Bucharest Municipality and CEC, which has a rating provided by another agency.

As of December 31, 2023, the Bank/Group pledged bonds with a nominal value of 30,386 thousand RON (as of December 31, 2022, Group/Bank: 20,186 thousand RON) to the National Bank of Romania, in its capacity as the administrator of the Real-Time Gross Settlement System - ReGIS, to guarantee the settlement of transactions conducted by the Bank/Group through the electronic multilateral interbank payment clearing system - SENT.

c) Investments at amortized cost

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Bonds issued by MFP (Baa3 *)	3,437,251	3,394,952	2,582,930	2,544,044
Bucharest City Hall bonds (BBB-)	-	-	-	-
Bonds issued by CEC Bank	49,870	49,870	49,874	49,874
Accrued interest	76,348	75,702	60,900	60,872
Adjustments for expected losses	-1,660	-1,660	-481	-481
Total	**3,561,809**	**3,518,864**	**2,693,223**	**2,654,309**

* *The MPF rating presented is assigned by Moody's external rating agency.*

Financial instruments at amortized cost are allocated in stage 1, and for these, the Bank/Group calculated expected loss adjustments in the amount of 1,660 thousand RON as of December 31, 2023 (2022: Group/Bank 481 thousand RON) in accordance with IFRS 9.

Group/Bank - 2023

Adjustments for expected losses - financial instruments at amortized cost	Stage 1	Stage 2	Stage 3	**Total**
Balance on January 1, 2023	**481**	**-**	**-**	**481**
Increases due to issuance or acquisition	1,179	-	-	**1,179**
Balance on December 31, 2023	**1,660**	**-**	**-**	**1,660**

Group/Bank - 2022

Adjustments for expected losses - financial instruments at amortized cost	Stage 1	Stage 2	Stage 3	**Total**
Balance on January 1, 2022	**417**	**-**	**-**	**417**
Increases due to issuance or acquisition	64	-	-	**64**
Balance on December 31, 2022	**481**	**-**	**-**	**481**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

18. Investments (continued)

d) Financial instruments at fair value through profit or loss

Group/Bank:	**31-Dec-23**	**31-Dec-22**
Bonds - MFP (*Level 1*) (Baa3)	174,714	159,675
Total	**174,714**	**159,675**

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

As of December 31, 2023, and December 31, 2022, the portfolio of financial instruments held for trading by the Bank/Group consists of bonds issued by the Ministry of Public Finance in the national currency.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

19. Tangible and intangible fixed assets

Bank - 2023	Lands and buildings	Fit-out of rented spaces	Computers, equipment, furniture	Vehicles	Tangible investments in progress	Operating lease - Rights of Use	Total tangible assets	Intangible assets	Intangible investments in progress	Total intangible assets	Grand total
Cost											
On January 1, 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
Net asset transfers (mergers)	-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 properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 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											
On January 1, 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
Net asset transfers (mergers)	-19,787	-8,245	-7,242	-2,544	-	-	-37,818	-10,626	-	-10,626	-48,444
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2023	**1,109**	**37,034**	**86,001**	**3,169**	**-**	**56,339**	**183,652**	**130,696**	**-**	**130,696**	**314,348**
Book value on December 31, 2023	**28,857**	**3,768**	**38,231**	**-**	**2,494**	**151,106**	**224,456**	**52,593**	**2,853**	**55,446**	**279,902**
Book value on January 1, 2023	**29,743**	**4,091**	**30,571**	**32**	**2,830**	**59,176**	**126,443**	**46,565**	**5,656**	**52,221**	**178,664**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

19. Tangible and intangible fixed assets (continued)

Bank - 2022	Lands and buildings	Fit-out of rented spaces	Computers, equipment, furniture	Vehicles	Tangible investment-s in progress	Operating lease - Rights of Use	Total tangible assets	Intangible assets	Intangible investme-nts in progress	Total intangible assets	Grand total
Cost											
On January 1, 2022	**39,422**	**48,934**	**119,518**	**15,186**	**1,253**	**124,457**	**348,770**	**188,463**	**3,773**	**192,236**	**541,006**
Additions	30	1,154	3,560	-	13,114	28,686	46,544	2,519	5,024	7,543	54,087
Revaluation *	10,093	-	-	-	-	-	10,093	-	-	-	10,093
Disposals	-59	-2,273	-7,553	-8,387	-1,170	-20,120	-39,562	-4,172	-338	-4,510	-44,072
Transfers between categories	61	664	9,642	-	-10,367	-	-	2,803	-2,803	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2022	**49,547**	**48,479**	**125,167**	**6,799**	**2,830**	**133,023**	**365,845**	**189,613**	**5,656**	**195,269**	**561,114**
Accumulated depreciation											
On January 1, 2022	**11,566**	**43,358**	**95,260**	**14,974**	**-**	**61,610**	**226,768**	**137,911**	**-**	**137,911**	**364,679**
Annual depreciation	8,240	3,303	6,870	180	-	31,473	50,066	9,284	-	9,284	59,350
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposals	-2	-2,273	-7,534	-8,387	-	-19,236	-37,432	-4,147	-	-4,147	-41,579
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2022	**19,804**	**44,388**	**94,596**	**6,767**	**-**	**73,847**	**239,402**	**143,048**	**-**	**143,048**	**382,450**
Book value on December 31, 2022	**29,743**	**4,091**	**30,571**	**32**	**2,830**	**59,176**	**126,443**	**46,565**	**5,656**	**52,221**	**178,664**
Book value on January 1, 2022	**27,856**	**5,576**	**24,258**	**212**	**1,253**	**62,847**	**122,002**	**50,552**	**3,773**	**54,325**	**176,327**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

19. Tangible and intangible fixed assets (continued)

The Group - 2023	Lands and buildings	Fit-out of rented spaces	Computers, equipment, furniture	Vehicles	Tangible investments in progress	Operating lease -Rights of Use	Total tangible assets	Intangible assets	Intangible investments in progress	Total intangible assets	Grand total
Cost											
On January 1, 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**
Adjustment of fair value at acquisition date	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-763	- 9,897	-1,725	- 410	-52,124	**-64,919**	-11,570	-	**-11,570**	**-76.489**
Net asset transfers (mergers)	-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 properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 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											
On January 1, 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**
Adjustment of fair value at acquisition date	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	- 763	-9,715	-1,725	-	-49,481	**-61,684**	-11,570	-	**- 11,570**	**-73,254**
Net asset transfers (mergers)	- 19,787	8,245	-7,242	-2,544	-	-	**-37,818**	10,626	-	**- 10,626**	**- 48,444**
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2023	**1,109**	**37,126**	**87,988**	**3,324**	-	59,396	**188,943**	**135,075**	-	**135,075**	**324,018**
Book value on December 31, 2023	**28,857**	**3,896**	**38,862**	**178**	**2,494**	152,101	**226,388**	**53,061**	**3,409**	**56,470**	**282,858**
Book value on January 1, 2023	**29,743**	**4,293**	**30,690**	**216**	**3,211**	60,756	**128,909**	**46,786**	**5,949**	**52,735**	**181,644**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

19. Tangible and intangible fixed assets (continued)

The Group - 2022	Lands and buildings	Fit-out of rented spaces	Computers, equipment, furniture	Vehicles	Tangible investments in progress	Operating lease -Rights of Use	Total tangible assets	Intangible assets	Intangible investments in progress	Total intangible assets	Grand total
Cost											
On January 1, 2022	**39,422**	**48,934**	**121,683**	**15,350**	**1,253**	**129,094**	**355,736**	**193,021**	**3,773**	**196,794**	**552,530**
Additions	30	1,374	3,696	158	13,723	28,686	47,667	2,664	5,317	7,981	55,648
Adjustment of fair value at acquisition date	10,093	-	-	-	-	-	10,093	-	-	-	10,093
Disposals	-59	-2,273	-7,615	-8,387	-1,398	-20,705	-40,437	-4,312	-338	-4,650	-45,087
Transfers between categories	61	664	9.642	-	-10,367	-	-	2,803	-2,803	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2022	**49,547**	**48,699**	**127,406**	**7,121**	**3,211**	**137,075**	**373,059**	**194,176**	**5,949**	**200,125**	**573,184**
Accumulated depreciation											
On January 1, 2022	**11,566**	**43,358**	**97,380**	**15,090**	**-**	**64,082**	**231,476**	**142,114**	**-**	**142,114**	**373,590**
Annual depreciation	8,240	3,321	6,912	202	-	31,473	50,148	9,502	-	9,502	59,650
Adjustment of fair value at acquisition date	-	-	-	-	-	-	-	-	-	-	-
Disposals	-2	-2,273	-7,576	-8,387	-	-19,236	-37,474	-4,226	-	-4,226	-41,700
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-
Transfers to investment properties	-	-	-	-	-	-	-	-	-	-	-
On December 31, 2022	**19,804**	**44,406**	**96,716**	**6,905**	**-**	**76,319**	**244,150**	**147,390**	**-**	**147,390**	**391,540**
Book value on December 31, 2022	**29,743**	**4,293**	**30,690**	**216**	**3,211**	**60,756**	**128,909**	**46,786**	**5,949**	**52,735**	**181,644**
Book value on January 1, 2022	**27,856**	**5,576**	**24,303**	**260**	**1,253**	**65,012**	**124,260**	**50,907**	**3,773**	**54,680**	**178,940**

(all amounts are in thousands RON (“RON’000”), unless otherwise specified)

20. Real estate investments

The real estate investments of the Bank/Group are valued at fair value, using the income approach method. In 2023, the Bank/Group revalued the real estate investments to determine their market value based on an appraisal report issued by an independent appraiser, a member of ANEVAR, using the income approach method.

Rental income from real estate investments in 2023 amounted to 4,189 thousand RON both on an individual and consolidated level (2022: 4,075 thousand RON).

	Balance on Jan 1, 2023	Additions	Disposals	Revaluation		Balance on Dec 31, 2023
				Gain	(Loss)	
Land	10,940	-	-	-	-820	10,120
Buildings	33,203	-	-	1,833	-	35,036
Total	**44,143**	**-**	**-**	**1,833**	**-820**	**45,156**

	Balance on Jan 1, 2022	Additions	Disposals	Revaluation		Balance on Dec 31, 2022
				Gain	(Loss)	
Land	10,795	-	-	145	-	10,940
Buildings	32,479	-	-	793	-69	33,203
Total	**43,274**	**-**	**-**	**938**	**-69**	**44,143**

21. Other assets

	31-Dec-23		**31-Dec-22**	
	Group	Bank	Group	Bank
Sundry debtors	83,232	69,663	37,099	22,564
Current income tax	25,110	25,110	13,984	13,984
Prepaid expenses	36,874	31,293	32,215	27,368
Insurance reserve - the part ceded to the reinsurer, of which	41,088	-	42,829	-
Premium reserve – portion ceded to reinsurer	*26,858*	-	*16,851*	-
Claim reserve related to non-life insurance – portion ceded to reinsurer	*14,230*	-	*25,978*	-
Other technical reserves related to non-life insurance – portion ceded to reinsurer	-	-	-	-
Deferred acquisition expenses on general insurance	13,753	-	8,299	-
Insurance settlements, of which	1,503	-	1,334	-
Settlements for fire and natural disasters	*981*	-	*527*	-
Settlements for third-party civil liability insurance	*354*	-	*454*	-
Settlements for other insurances	*168*	-	*353*	-
Commissions for State funds	5,005	5,005	6,941	6,941
Assets repossessed (giving in payment)	-	-	4,602	4,602
Amounts in transit – credit cards	-	-	1,618	1,618
Others	14,790	11,885	7,776	6,991
Other assets, gross value	**221,355**	**142,956**	**156,697**	**84,068**
Adjustments for expected losses	-9,554	-3,962	-12,317	-6,725
Adjustments for expected losses	-	-	-	-
Adjustments for expected losses	**-9,554**	**-3,962**	**-12,317**	**-6,725**
Other assets, net value	**211,801**	**138,994**	**144,380**	**77,343**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

22. Bank liabilities

Group/Bank	31-Dec-23	31-Dec-22
Current accounts and sight bank deposits	1,133	7,510
Term deposits	5,238	146,595
Loans received	1,147,731	1,084,579
Collateral	1,253	15,731
Repos	-	-
Total bank liabilities	**1,155,355**	**1,254,415**

23. Deposits received from the MFP

In order to achieve the strategic objective of supporting Romania's economy, the Bank/Group acts as an agent of the Romanian State, on its behalf, offering economic agents guarantee, financing and insurance products and services.

In accordance with the provisions of Law 96/2000, with subsequent amendments and additions, Exim Banca Româneasca benefits from the following funds, attracted under market conditions in the form of deposits, with the aim of ensuring the financial resources necessary to carry out operations in the name and on behalf of the State:

(a) the guarantee fund - Law 96/2000 - Article 10a;

b) insurance fund - Law 96/2000 - Article 10b;

(c) the fund intended to stimulate external trade operations as well as for financing - Law 96/2000 - Article 10c;

d) the fund for the implementation of State aid measures and/or de minimis - Law 96/2000 - Article 10d;

e) the fund for the participation of Exim Banca Românească - S.A. in the Investment Fund of the Three Seas Initiative - Law 96/2000 - art. 10f.

The funds presented above are investments available to the Bank/Group for an indefinite period except for those amounts for which maintenance has been established by convention for periods of up to 5 years.The funds made available to the Bank/Group are presented in the consolidated and separate statement of financial position as financial liabilities "Deposits drawn from the Ministry of Public Finance", the detailed status of which is as follows on December 31, 2023 and December 31, 2022:

	31-Dec-23	31-Dec-22
Guarantee operations fund	1,572,097	1,445,682
Fund for insurance and reinsurance operations	460,931	418,732
Fund for financing operations	50,970	50,097
Fund for State Aid Measures, Appropriations	1,007,900	1,543,396
State Aid Measures Fund Warranties	2,330,900	2,371,492
Deposits drawn from MFP (principal)	**5,422,798**	**5,829,399**

	31-Dec-23	31-Dec-22
Current deposits	1,254,816	1,289,026
Term deposits	4,219,306	4,605,695
Total deposits attracted from the MPF (including accrued and unpaid interest)	**5,474,122**	**5,894,721**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

23. Deposits received from the MFP (continued)

Interest calculated and unpaid at maturity are included in the amortized cost of these funding 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 established by the International Financial Reporting Standards adopted by the European Union, and therefore are not included in the financial position of the Bank/Group.

The operations carried out by the Bank/Group on behalf and on account of the State are subject to the approval authority of the Interministerial Committee for Guarantees and Foreign Trade Credits, in accordance with the provisions of Law 96/2000. The table below presents the exposures on behalf and on account of the state managed by the Bank/Group as of December 31, 2023, and December 31, 2022:

Exposures in the name and on behalf of the State	**31-Dec-23**	**31-Dec-22**
Commitments-funds for insurance activity	155,248	156,218
Commitments-funds for export guarantees	4,708,982	4,119,064
Commitments-funds intended for granting financing	601,122	530,045
Total exposure – standard products	**5,465,351**	**4,805,326**
State aid commitments (guarantees)	3,453,449	2,679,830
State aid commitments (finance)	1,075,824	378,954
Total exposure – State aid products	**4,529,273**	**3,058,784**
Commitments-funds for participation in IF3SI*	79,684	**54,088**
Total	**10,074,308**	**7,918,198**

**IF3SI – Investment Fund of the Three Seas Initiative*

The maximum limit of the exposures administered by the Bank is determined by multiplying the multiplication coefficients (regularly approved by the Interministerial Committee of Guarantees and Foreign Trade Loans) by the level of money available in each fund made available to the Bank/Group by Law 96/2000.

Sources of formation and use

In accordance with the provisions of Law 96/2000 the financial sources of funds are:

(a) the amounts allocated before the date of entry into force of this Law, for the purpose of supporting exports, and available on that date;

(b) the amounts provided for annually in the State budget for that purpose;

(c) the net amounts arising from insurance premiums;

(d) the amounts recovered from credit insurance;

(e) the amounts reimbursed by the legal person financed;

(f) amounts recovered from the legal person financed/guaranteed;

(g) interest received from the utilization of the available amounts of the funds;

h) other sources, according to the law.

The sources of establishment of State funds in 2021-2022 are commissions, interest and insurance premiums, repayments of financing or recoveries, paid to the State by intermediaries and beneficiaries of the products granted by Exim Banca Romaneasca on behalf of the Romanian State. The money used from state funds is used for financing granted on behalf of the Romanian State, enforcements, damages and commissions paid related to the operations carried out.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

23. Deposits received from the MFP (continued)

Interest on deposits from the Ministry of Public Finance

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

- for funds for an indefinite period:
    - during the year 2023, until September 30, 2023, the interest is determined as the average between the reference rates ROBID and ROBOR at 3 months, published by the National Bank of Romania on the last working day of the previous month for which the due interest is calculated;
    - starting from October 2023, the interest is set for the placement term as the average between the reference rates ROBID and ROBOR published by the National Bank of Romania on the previous working day before its establishment;
    - the average interest rate paid in 2023 for funds on an indefinite period was 5.93% (2022: 5.31%).
- for funds for a defined period :
    - for deposits constituted until August 2020, the interest rate payable by the Bank is determined as the average between the BID and ASK reference rates (fixing) of 1-year government securities, published by the National Bank of Romania on the last working day of the preceding year (the interest rate is 3.89% in 2022 and 6.77% in 2023).
    - for deposits constituted starting from October 2022, the interest rate is set at the time of establishment of the deposit as the average between the ROBID and ROBOR reference rates for the placement term, published by the National Bank of Romania on the previous working day before its establishment. The average interest rate applicable to these deposits in 2022 is 7.78%, and in 2023 is 6.71%.

Interest on use State funds are presented in the separate and consolidated statement of profit and loss as "Interest expenses", presented in note 4 of these financial statements.

Deposits received from the MFP/ destination (amounts representing principal)		Guarantee	Insurance and reinsurance	Financing	FII3M*	State aid	Total Funds
Initital balance on January 1, 2023		**1,445,683**	**418,732**	**50,098**	**-**	**3,914,886**	**5,829,399**
Budget allocations		-	-	-	26,016	-	**26,016**
Reallocations between funds		-	-	-	-	-	**-**
Uses	Financing	-	-	-	-	-184,055	**-185,055**
	Investments	-	-	-	-26,016	-	**-26,016**
	Executions/Claims	-6,691	-	-	-	-	**-6,691**
	Commissions/other payments/reallocations between funds	-48,830	-1,739	-2,936	-	-1,099,586	**-1,148,091**
Sources	Funds attracted from Exim Banca Romaneasca	-	-	-	-	-	**-**
	Repayments of funds attracted from Exim Banca Romaneasca	-	-	-	-	-	**-**
	Repayments of client financings	-	-	-	-	25,130	**25,130**
	Recoveries	7,679	-	71	-	2	**7,752**
	Commissions/Interest/prem-iums/ reallocations	169,255	43,939	3,737	-	682,423	**899,354**
Final balance on December 31, 2023		**1,572,096**	**460,932**	**50,970**	**-**	**3,338,800**	**5,422,798**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

23. Deposits received from the MFP (continued)

Deposits received from the MFP (continued)

Deposits received from the MFP/ destination (amounts representing principal)		Guarantee	Insurance and reinsurance	Financing	FII3M*	State aid	Total Funds
Initial balance on January 1, 2022		**1,395,130**	**402,131**	**79,654**	**-**	**3,945,776**	**5,822,691**
Budget allocations		-	-	-	18,338	-	18,338
Reallocations between funds		-	-	-	-	-	-
Uses	Financing	-	-	-30,000	-	-143,104	-139,397
	Investments	-	-	-	-18,338	-	-14,721
	Executions/Claims	-76,318	-	-	-	-	-2,479
	Commissions/other payments/reallocations between funds	-36,763	-281	-4,514	-	-110,738	-69,389
Sources	Funds attracted from Exim Banca Românească	-	-	-	-	-	-
	Repayments of funds attracted from Exim Banca Românească	-	-	-	-	-	-
	Repayments of client financings	-	-	-	-	13,439	61,115
	Recoveries	31,532	-	448	-	903	69,909
	Commissions/Interest/prem-iums/ reallocations	132,282	16,882	4,510	-	208,610	182,635
Final balance on December 31, 2022		**1,445,683**	**418,732**	**50,098**	**-**	**3,914,886**	**5,829,399**

24. Remuneration for Mandate Operations

For conducting operations under mandate, the Bank/Group generates commission income in the form of base commissions and performance commissions.

Base commissions are charged for the activity of managing state commitments and receivables carried out by Exim, at a rate of 0.40% per year, calculated based on the year consisting of 365/366 days applied to the daily balances of the products managed on behalf and on account of the state.

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

The base for applying performance commissions for additional amounts and/or extensions of validity periods for which Exim issues approval notes and documentation subject to approval by the Interministerial Committee for Financing, Guarantees, and Insurance (CIFGA) is the RON value of the respective increases/extensions, and the contractual rate is 0.40%.

The Bank/Group's receivables from the Romanian state representing calculated and unpaid commissions are presented in the consolidated and individual financial position as "Other assets" (Note 21).

Commissions earned by the Bank/Group for the services rendered in the reference year are presented in the consolidated and individual income statement as "Commission income," with details in Note 8 "Net commission income" of the present financial statements.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

25. Client liabilities

	31-Dec-23		**31-Dec-22**	
	Group	Bank	Group	Bank
Current accounts	3,250,789	3,251,029	2,092,039	2,092,369
Sight deposits	972,115	972,115	439,211	439,211
Term deposits	12,272,927	12,344,671	10,552,841	10,614,002
Collateral deposits	1,148,801	1,148,801	917,189	917,189
Other liabilities	**17,644,632**	**17,716,616**	**14,001,280**	**14,062,771**
Total customer liabilities, of which:	*4,899,960*	*4,899,860*	*4,374,618*	*4,374,618*
Individuals				
Legal entities				
	12,744,672	*12,816,656*	*9,626,662*	*9,688,153*

Term deposits can be withdrawn before maturity, in which case the interest income is calculated based on the interest rate discounted to current account balances at the time of withdrawal. The values of liabilities related to customers eliminated in consolidation are 71,984 thousand RON as of December 31, 2023, and 61,491 thousand RON as of December 31, 2022.
Collateral deposits are mainly represented by:

- guarantees received to guarantee loans granted by the Bank/Grup;
- guarantees received for guarantee letters issued by the Bank/Group;
- deposits set up for devices to access the internet banking application.

26. Provisions

The Bank/Group has established provisions for guarantees and commitments provided to customers and other provisions. Other provisions include provisions for litigation (2023: 9,223 thousand RON for the Bank/Group; 2022: 9,418 thousand RON for the Bank/Group).
Provisions recognized as expenses of the financial year have been reviewed and adjusted at the balance sheet date to reflect the best estimate of the Bank/Group's obligations.

	31-Dec-23		**31-Dec-22**	
	Group	Bank	Group	Bank
Provisions for guarantees and commitments	37,597	37,597	45,368	45,368
Provisions for other salary-related obligations, including:	18,206	15,795	24,733	22,344
- *Deferred payment for less than 1 year;*	*157*	*157*	*297*	*297*
- *Deferred payment 1-3 years*	*140*	*140*	*272*	*272*
Provisions for unutilized leave	9,449	9,324	8,178	8,116
Provisions for retirement benefits, including:	4,685	4,685	3,533	3,533
- *Deferred payment for less than 1 year;*	*168*	*168*	*124*	*124*
- *Deferred payment 1-3 years;*	*261*	*261*	*292*	*292*
- *Deferred payment 3-5 years;*	*369*	*369*	*287*	*287*
- *Deferred payment more than 5 years*	*3,887*	*3,887*	*2,830*	*2,830*
Other provisions	9,223	9,223	9,418	9,418
	79,160	**76,624**	**91,230**	**88,779**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

26. Provisions (continued)

Group/Bank	**31-Dec-23**	**31-Dec-22**
Change in provision for retirement benefits		
Opening balance	3,533	4,456
Interest cost	235	-350
Current service cost	247	751
Benefits paid	-210	-38
Actuarial (gain)/loss for the period	880	-1,286
Present value of the obligation	**4,685**	**3,533**

The main assumptions used to determine post-employment retirement benefits were:

	31-Dec-23	**31-Dec-22**
The discount rate:	7%	8%

In accordance with IAS 19 "Employee Benefits," the Bank/Group has recognized in the financial position statement the liability for long-term employee benefits. In assessing the net liability regarding benefit plans, the Bank/Group adhered to the following actuarial principles in evaluating obligations:

• The actuarial valuation method must be the projected unit credit method;
• Benefits should be attributed to the period in which the employee earns these benefits;
• Actuarial assumptions must be unbiased and mutually compatible.

The establishment of provisions for probable outflows of resources in subsequent financial years as well as the utilization of provisions recognized in previous financial years or their cancellation due to the resource outflow no longer being probable, is presented as follows:

The group - 2023	Balance on January 1, 2023	Provision utilization	Provision reversal	Provision establishment	Balance on December 31, 2023
Provisions for guarantees 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 unutilized leave	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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

26. Provisions (continued)

Group - 2022	Balance on January 1, 2022	Provision utilization	Provision reversal	Provision establishment	Balance on December 31, 2022
Provisions for guarantees and commitments - IFRS 9	52,821	-	-92,509	85,056	**45,368**
Provisions for salary-related obligations	21,113	-17,772	-6,943	28,335	**24,733**
Provisions for unutilized leave	7,169	-12	-149	1,170	**8,178**
Provisions for retirement benefits	4,456	-38	-1,286	401	**3,533**
Provisions for insurance regressions	5,284	-5,284	-	-	**-**
Other provisions	10,353	-14,380	7,959	5,486	**9,418**
Total	**101,196**	**-37,486**	**-92,928**	**120,448**	**91,230**

Bank - 2023	Balance on January 1, 2023	Provision utilization	Provision reversal	Provision establishment	Balance on December 31, 2023
Provisions for guarantees 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 unutilized leave	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**

Bank - 2022	Balance on January 1, 2022	Provision utilization	Provision reversal	Provision establishment	Balance on December 31, 2022
Provisions for guarantees and commitments - IFRS 9	52,821	-	-92,509	85,056	**45,368**
Provisions for salary-related obligations	21,113	-17,772	-6,943	25,9465	**22,344**
Provisions for unutilized leave	7,169	-12	-149	1,108	**8,116**
Provisions for retirement benefits	4,456	-38	-1,286	401	**3,533**
Provisions for insurance regressions	-	-	-	-	**-**
Other provisions	10,353	-14,380	7,959	5,486	**9,418**
Total	**95,912**	**-32,202**	**-92,928**	**117,997**	**88,779**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

27. Other liabilities

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Contributions to social security funds	11,958	11,692	9,556	9,313
Current income tax	-	-	327	327
Other liabilities to employees	4,917	4,554	4,859	4,532
Other miscellaneous liabilities (Note 28)	398,714	263,825	222,672	92,356
Other liabilities to the state budget	4,996	4,624	3,004	2,955
	420,585	**284,695**	**240,418**	**109,483**

28. Other various liabilities

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Technical reserves – total, of which:	**95,758**	**-**	**88,333**	**-**
Premium reserve	65,436	-	46,191	-
General insurance claim reserve	30,322	-	42,142	-
Other technical reserves related to the general insurance activity	-	-	-	-
Settlements on reinsurance-total operations, of which	**19,408**	**-**	**15,526**	**-**
Reinsurance operations ceded – loans	11,057	-	11,102	-
Reinsurance operations – guarantee insurance	8,165	-	4,271	-
Reinsurance operations ceded – others	186	-	153	-
Other total sundry debts, of which	**283,548**	**263,825**	**118,813**	**92,356**
Sundry creditors	26,401	6,412	31,015	5,988
Currency adjustment accounts	-	-	-213	-
Interbank settlements	104,233	104,233	29,464	29,464
Providers	7,793	9,081	2,659	2,644
Lease payables	145,121	144,099	55,888	54,260
	398,714	**263,825**	**222,672**	**92,356**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

28. Other various liabilities (continued)

The part of the technical reserves ceded in reinsurance is presented in other assets (note 21). Changes in gross and net reserves during 2023 and 2022 are as follows:

	31-Dec-23	**31-Dec-22**
Premium reserve	65,436	46,191
Claims reserve	30,322	42,142
Other technical reserves related to the general insurance activity	-	-
Technical reserves – gross value	**95,758**	**88,333**
Premium reserve - the part ceded to the reinsurer	26,858	16,851
Claims reserve related to general insurance - the part ceded to the reinsurer	14,230	25,978
Total technical reserves ceded in reinsurance	**41,088**	42,829
Technical reserves - net value	**54,670**	**45,504**

(all amounts are in thousands RON (“RON’000”), unless otherwise specified)

29. Prepaid income and accrued expenses

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Deferred income – mandate operations	34,614	34,614	34,131	34,131
Deferred income - guarantee/credit operations	40,630	40,630	20,383	20,383
Deferred income on insurance of guarantees	593	-	1,309	983
Cost accruals	9,022	9,022	7,576	7,576
	84,859	**84,266**	**63,399**	**63,073**

Deferred income is income related to future financial years from mandate operations and banking operations in its own name. Cost accruals is debt from services rendered by third parties in respect of the current financial year.

30. Share capital

	31-Dec-23	31-Dec-22
Nominal share capital, registered with the Trade Registry	772,512	803,675
Adjustment of share capital to hyperinflation (IAS 29)	742,485	900,714
Total share capital	**1,514,997**	**1,704,389**

Further to the merger between EximBank and Banca Românească, in 2022, 485,925 shares were issued for the minority shareholders of Banca Românească at a nominal value of RON 6 per share totalling RON 2,915,550. During the year 2023, the share capital was reduced by the value of the shares repurchased by EximBank in 2022.

	31-Dec-23		31-Dec-22	
Shareholder’s name	Number of shares	Value	Number of shares	Value
Romanian State through the Ministry of Public Finance	127,286,457	763,720	127,286,457	763,720
SIF Muntenia	564,870	3,389	564,870	3,389
SIF Banat Crisana	414,740	2,488	414,740	2,488
Exim Banca Romaneasca (shares bought back)	-	-	5,193,910	31,163
List shareholders – legal entities	15,220	91	15,220	91
List shareholders - individuals	470,705	2,824	470,705	2,824
Total	**128,751,992**	**772,512**	**133,945,902**	**803,675**

The authorized, subscribed, and paid-up capital of the Bank as of December 31, 2023, consists of 128,751,992 shares, with a nominal value of 6 RON each (as of December 31, 2022: 133,945,902 shares with a nominal value of 6 RON each). All issued shares are fully paid-up and confer the right to one vote each.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

30. Share capital (continued)

The structure of the share capital as of December 31, 2023, and December 31, 2022, is as follows:

	31-Dec-23	**31-Dec-22**
Romanian State through the Ministry of Public Finance	98.862%	95.028%
SIF Muntenia	0.439%	0.422%
SIF Banat Crisana	0.322%	0.310%
Exim Banca Romaneasca (shares bought back)	-	3.878%
List shareholders – legal entities	0.012%	0.011%
List shareholders - individuals	0.366%	0.351%
	100%	**100%**

31. Dividends

During 2023 and 2021, the Bank did not pay dividends.

32. Retained earnings and own shares

	31-Dec-23		**31-Dec-22**	
	Group	Bank	Group	Bank
Undistributed retained earnings	335,826	342,879	311,690	297,757
Retained earnings application of IAS 29	-742,485	-742,485	-900,714	-900,714
Reserves (note 33)	499,336	490,699	446,668	446,437
	92,677	**91,093**	**-142,356**	**-156,520**

The undistributed retained earnings includes the result of the current financial year as well as the result from the previous years remaining undistributed. The retained earnings from the application of IAS 29 represents the treatment of the share capital according to the inflation index. Reserves include the capital reserve fund, as well as other reserves established in previous years, according to the legal provisions or the decision of the General Meeting of Shareholders.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

33. *Reserves*

	31-Dec-23		31-Dec-22	
	Group	Bank	Group	Bank
Legal reserve	96,913	96,178	93,076	92,845
Reserves for bank risks	57,658	57,658	57,658	57,658
Reserves representing own sources of financing	344,765	336,863	295,934	295,934
	499,336	**490,699**	**446,668**	**446,437**

Legal reserves are established within the limit of 5% of the profit determined before deducting the corporate income tax.

General reserves for banking risks include reserves established until the end of the year 2006, within the quotas and limits provided by law.

Reserves representing own sources of financing are constituted from the net profit, in accordance with the resolution of the General Meeting of Shareholders.

These financial statements include the allocation of the accounting profit for the year 2023 to the legal reserve at the Group level in the amount of 3,837 thousand RON (Bank: 3,333 thousand RON), established within the limit of 5% of the gross profit (2022: Bank/Group 2,294 thousand RON).

Reserves from revaluation

The revaluation reserves represent the value gains obtained from the revaluation of tangible assets. The status of the revaluation reserves is as follows:

Group/Bank	31-Dec-23	31-Dec-22
January 1	**41,222**	**26,189**
Revaluation surplus	-	10,045
Changes in deferred taxes	-	4,988
December 31	**41,222**	**41,222**

34. *Other comprehensive income items*

The position of other comprehensive income recorded an increase during the year 2023 of 94,497 thousand RON both at the individual and consolidated levels (a reduction of 67,637 thousand RON in 2022), with the impact recognized in equity.

Group/Bank :	31-Dec-23	31-Dec-22
January 1	**-107,594**	**-39,957**
Net gains/(loss)	112,915	-88,793
Deferred tax	-18,418	21,462
Changes in minority interests	-	-306
December 31	**-13,097**	**-107,594**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

35. Contingent liabilities, commitments and lease arrangements

Guarantees and letters of credit

The Bank/Group issues guarantee and letters of credit to its clients. The main purpose of the letters of credit is to ensure a customer the availability of funds on request. Guarantees and stand-by letters of credit represent irrevocable commitments that the Bank/Group will make the payments in the event that the customer is unable to fulfil their contractual obligations to a third party.

The risks associated with these financial instruments, i.e. market risk, credit risk and operational risk, are similar to the risks arising from the granting of loans, the amount of risk exposure being determined according to the conversion factors into equivalent credit. These instruments also present a liquidity risk for the Bank/Group in the event of a claim directed to it if a customer fails to fulfil its secured obligation.

Lending commitments

Unused lending commitments are the unused part of approved lending facilities. With regard to the risk of these commitments, the Bank/Group is potentially exposed to losses of a volume equal to the volume of total unused commitments. However, the likely amount of losses is lower than the total volume of unused commitments because most loan extension commitments depend on the customer's ability to maintain their credit standard. There is a credit risk related to the rest of the commitments considered moderate.

The Bank/Group monitors unused facilities from a liquidity and credit risk perspective, determining on a regular basis the credit equivalent conversion factor in order to ensure the necessary sources of financing.

In order to reduce the credit risk related to these contingent commitments and liabilities, the Bank/Group obtains guarantees in the form of cash, guarantees from the state and banks, as well as mortgages on property.

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

Group/Bank:	**31-Dec-23**	**31-Dec-22**
Guarantee letters issued to customers	1,357,119	2,014,805
Unused guarantee commitments	1,250,698	229,164
Unused lending commitments	2,999,710	3,137,600
	5,607,527	**5,381,569**

36. Risk management

This note provides details of the Group and the Bank's exposure to risks and describes the methods used by management for risk management and control. The most important 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 banking book,
- compliance risk,
- reputational risk,
- strategic/business risk,
- operational risk,
- tax risk,
- insurance-related risk.

The risk is inherent in the activities of the Group/Bank but is managed through a continuous process of identification, evaluation and monitoring, which is subject to risk limits and other controls. In the decision-making process, the risk management function ensures that risk issues are properly taken into account, but responsible for the decisions taken remain the operational units, the supporting functions and, last, the Bank's governing body.

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

1. Definition and classification in the risk profile, risk tolerance and risk appetite, established for the categories of significant risks assumed by the Group/Bank, as well as identification, evaluation, monitoring and control of risks, in accordance with specific rules and policies.

2. Maintain a reporting system corresponding to risk exposures, i.e. appropriate risk exposure limits, in accordance with the size and complexity of the Group/Bank.

3. Appropriate segregation of duties in the process of managing significant risks in order to avoid potential conflicts of interest. Thus, the risk management function must be independent from the operational functions, with sufficient authority, importance, resources and access to the governing body.

4. Ensuring a consistent and effective framework for identifying, evaluating, monitoring and controlling risks, which form the basis for consistently defining strategies, policies and procedures within all units within the Group/Bank that are at risk.

5. Monitoring compliance with established internal regulations for significant risks and operational resolution of deficiencies found.

6. The risk management function is involved in the approval of new products or in the significant modification of existing products.

7. Periodic review of the strategy and policies on the management of significant risks (at least annually), in accordance with the regulatory framework of the National Bank of Romania, and of the Financial Supervisory Authority.

8. Development and maintenance of the flow and processes of the Bank/Group for measuring expected losses, which includes:

   - validation and testing of the models used to determine expected losses;
   - assessment and monitoring of significant increase in credit risk;
   - incorporation of prospective (forward looking) information

36. Risk management (continued)

The Board of Directors, in order to reflect changes in external and internal factors, has the responsibility to approve and periodically review both the Group/Bank's profile, risk tolerance and rick appetite at a level that ensures sound functioning and achievement of strategic objectives, as well as the risk strategy as a whole, and significant risk management policies, pursuing their implementation.

The Steering Committee is responsible for ensuring the implementation of the strategy and policies for the management of significant risks approved by the Board of Directors and to develop 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 mainly carried out on the following levels:

- Strategic – includes the risk management tasks performed by the Board of Directors and the Risk Management Committee;

- Tactical – includes the risk management duties performed by senior management;

- Operational – involves managing risks at the level at which they occur, the operational risk management model within the Bank/Group including three defence lines consisting of:

a) At the first level, the lines of activity responsible for assessing and minimizing risks for a given profit level.

b) at the second level, Group/Bank risk management function monitors, controls, measures risk; reports to the appropriate levels and proposes mitigation measures, the Compliance Directorate administers the compliance risk at Bank/Group level;

c) at the third level, the Internal Audit Department performs the independent review function.

In accordance with the provisions of the Rules of Organization and Functioning, at the level of the Group/Bank, a number of committees with an active role in risk management are active in order to minimise the 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, the IT Committee.

a) Credit risk

Credit risk arises from the exposures undertaken by the Group/Bank, potentially negatively impacting profits and capital due to the debtor's failure to meet contractual obligations. The Group/Bank's policy regarding credit risk is to maintain a high quality of assets by appropriately selecting counterparties and adequately structuring transactions. To effectively manage credit risk, the Group/Bank has established criteria for granting loans, exposure limits, and levels of authority for transaction approval. Credit risk also includes residual risk—the risk that credit risk mitigation techniques may prove less effective than anticipated—as well as foreign exchange lending risk for unhedged borrowers, credit concentration risk, country/transfer risk, and settlement/delivery risk.

When granting facilities and loans, the Bank/Group faces credit risk, specifically the risk of non-payment of claims. This risk affects both balance sheet and off-balance sheet positions. Credit risk concentration could result in significant losses for the Bank/Group if, for example, an economic change impacts an entire industry or country. The Bank/Group minimizes credit risk by carefully evaluating and monitoring credit exposures, setting exposure limits, and applying a prudent provisioning policy when a probable loss risk is anticipated for the Bank/Group. Loans are secured through collateral and other forms of guarantees. The Group/Bank's exposure to credit risk by industry is detailed in Note 17.

Through exposure replacement operations, the characteristics of loans, such as value, maturities, credit rates, duration, grace period, and utilization period, can be modified by mutual agreement between the bank and the client.

36. Risk management (continued)

a) Credit risk (continued)

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

a) Renegotiation – operations to replace exposure due to reasons other than the financial difficulties faced by the client or which he is about to face.

b) Restructuring - operations to replace the exposure arising from the financial difficulties faced by the client or which he is about to face, thus granting concessions to borrowers.

In terms of how to implement it, exposure replacement operations are grouped into rescheduling and refinancing operations.

Rescheduling is the operation of changing the contractual conditions of an exposure, whereby the maturity and/or the payment amount of one or more outstanding credit installments may be modified, with or without exceeding the initial duration of the credit, but without increasing the principal amount existing at the time of the operation. Rescheduling also includes the operation whereby the credit utilization term is modified, along with changes to the repayment schedule.
Refinancing is the operation of replacing an exposure by granting a new credit or increasing the amount of an existing credit to repay current or overdue credits (excluding interest and penalties).

b) Liquidity risk

Liquidity risk is associated either with the difficulties the Group/Bank encounters in raising the necessary funds to meet its commitments or with the Group/Bank's inability to sell a financial asset in a timely manner at a price close to its fair value.

The Group/Bank's liquidity policy involves maintaining sufficient liquidity reserves to meet its obligations as they fall due. The total value of assets and liabilities as of December 31, 2023, and December 31, 2022, analyzed by the remaining maturity period, 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 foreign exchange rates.

To manage market risk, the Group/Bank has established trading limits based on the counterparty's eligibility and the types of instruments that can be traded.

The debt instruments acquired by the Group/Bank in its portfolios are primarily issuances by the central administration (Ministry of Public Finance) denominated in RON or euros. The types of instruments held by the Group/Bank include discount treasury bills, treasury bonds with coupons, and, exceptionally, a few bonds issued by other credit institutions and municipalities, which were acquired in previous years.

- ***Interest rate risk in banking and trading booking***

The Group/Bank is exposed to various risks as a result of fluctuations in key market interest rates that influence its financial position and cash flows.
Interest rates can fluctuate, generating volatility in the equity of Banca/Grupul. The management of the Group/Bank sets limits regarding potential changes in interest rates, which are monitored daily. The total value of assets and liabilities as of December 31, 2023, and December 31, 2022, analyzed by relevant interest rate modification periods, is included in Note 39b.

36. Risk management (continued)

a) Credit risk (continued)

- ***Currency risk***

The Bank/Group limits its exposures to changes in exchange rates by changing the structure of assets and liabilities. The analysis of assets and liabilities denominated in RON and other currencies is included in Note 39a.

In order to continuously improve the currency risk assessment and monitoring process, the Bank/Group has a VaR (Value-at-Risk) model in place. The *1day-99%-RON V@R* indicator is defined as the 99% probability estimate of the potential maximum loss (expressed in RON) that could be recorded by the Bank by maintaining current currency positions, on a 1-day horizon under normal market conditions, driven by the daily changes historically recorded for foreign exchange rates over a period of 1 year.

- ***Compliance risk***

Compliance risk at Exim Banca Romaneasca is managed by the Compliance Department. Compliance risk is identified on a continuous basis both on the basis of the reports/information sent in this regard by the internal structures of the Bank, the reports of the external control/oversight authorities, as well as by direct observation, through compliance control measures. To assess this risk, performance indicators are taken into account (divided into categories such as: compliance with regulations, AML/CFT/KYC, ethics, treasury products and services), which are calculated and monitored both at structure level and bank level.

- ***Reputational risk***

The reputational risk strategy considers the definition of the regulatory framework for reputational risk and the identification of activities generating reputational risk within the bank; the establishment and analysis of some key risk indicators at the Bank level, as well as their related limits, in order to monitor the level of reputational risk recorded; the detection of reputational risk events, their analysis and the establishment of measures to reduce and remedy the effects generated by their occurrence; developing measures to prevent the appearance of reputational risk.

- ***Strategic/business risk***

The management of strategic risk considers the performance of the activity in an efficient manner, unaffected by reputational risk, which ultimately leads to positive financial results for the bank, the development of the bank's activities on a sustainable basis, adapted to the factors/evolutions of the economic environment, the definition and application of the bank's strategies in a consistent manner and carrying out a periodic analysis that allows an assessment of how the results obtained correspond to the established strategies, in line with the evolution of the environment in which the bank operates.

d) Operational risk

Operational risk is the risk of loss resulting from system failures, human error, fraud, or external events. When control systems fail, operational risks can lead to reputational damage, legal or regulatory implications, or financial losses. While the Bank/Group may strive to eliminate all operational risks, it endeavors to manage them through a framework of control systems and by monitoring or addressing potential risks.

Control systems include efficient segregation of duties, access procedures, authorization and reconciliation processes, staff training, and evaluation processes, including the use of internal audit, among others.

In the management of operational risk, tools such as periodic/annual self-assessment processes of risks and associated controls, key operational risk indicators, operational risk event databases, and plans for remedial and preventative measures are utilized.

36. Risk management (continued)

e) Tax risks

Romanian tax legislation provides detailed and complex rules that have undergone several modifications in recent years. The interpretation of the text and the practical implementation procedures of tax legislation may vary, posing a risk that certain transactions, for example, may be interpreted differently by tax authorities compared to the treatment by the Bank/Group.

The Government of Romania holds a number of authorized agencies to conduct inspections of companies operating in Romania. These inspections are similar to tax audits in other countries and may cover not only tax aspects but also other legal and regulatory matters of interest to these agencies. It is likely that the Bank will continue to be subject to 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 penalties and tax interest. Although the tax owed for a transaction may be insignificant, the penalties can be substantial because they can be calculated based on the transaction value plus: interest of 0.02%, and late payment penalties of 0.01%, for each day of delay.

f) Insurance-related risk

The Group has established strategic guidelines in the field of risk management, based on the following elements:

- aligning risk management at the level of insurance activity with the principles applied at the level of banking activity by Exim Banca Românească;
- implementation of Solvency II requirements starting 2016;
- reducing the costs of underwriting risk by maintaining and continuously improving the quality of the portfolio;
- acceptable ratio between the assumed risk and the forecasted profit (by total portfolio, by forms of insurance and clients);
- identification and management of the impact of risks on solvency, profitability, liquidity ratios, quality of the portfolio of insurance products;
- focusing the available resources on activities that bring a risk-adjusted profitability (underwriting, market, operational) superior to a standard set by the group.

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

1 - Accident insurance;
5 – Insurance of air transport;
7 - Insurance of goods in transit;
8 - Fire insurance and other natural disasters;
9 - Other property insurance;
11- Third-party civil liability for air transport;
13 – Third-party civil-liability;
14 – Credit insurance;
15 – Guarantee insurance;
16 – Financial loss insurance.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

36. Risk management (continued)

f) Insurance-related risk (continued)

EximAsig has adopted an analytical approach to the underwriting activity and sets its rates taking into account a wider range of information, thus being more likely to maintain the profitability of each type of insurance.

The increase in the level of quality in the underwriting process is achieved by continuous qualitative and quantitative development of its own sales forces, by strengthening and developing partner relationships with insurance brokers and, last but not least, by optimizing reinsurance programs. EximAsig management constantly analyzes the claim rate by insurance classes to determine the causes of the occurrence of undesirable developments and incorporates the results of these analyses in the calculation of technical reserves and in the underwriting process.

CLASS/Net insurance claim ratio	**31-Dec-2023**	**31-Dec-2022**
Accident insurance	5.3%	11.0%
Insurance of goods in transit	-	19.4%
Fire insurance and other natural disasters	27.7%	5.8%
Building and property insurance (other insurance)	-	-
Third-party civil liability insurance	11.6%	251.1%
Credit insurance	-	-
Guarantee insurance	3.9%	-
Financial loss insurance	-	341.0%

The concentration of insured amounts by classes of insurance products is shown in the table below:

CLASS	**31-Dec-2023**	**31-Dec-2022**
	Insured amounts	Insured amounts
Accident insurance	68,495	261,418
Fire insurance and other natural disasters	11,185,831	10.495.886
Building and property insurance (other insurance)	-	-
Third-party civil liability	2,354,117	1,432,531
Credit insurance	-	-
Guarantee insurance	2,996,675	2,340,754
Total	**16,605,117**	**14,530,589**

The analysis of the classification on the main types of insured risks is given in the tables below:

Premium reserve for insurances for	**31-Dec-2023**			**31-Dec-2022**		
	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Accidents	328	126	202	310	115	195
Goods in transit	4	-	4	3	-	3
Fire and natural disasters	5,861	-	5,861	4,746	-	4,746
Buildings and goods (other insurance)	3	-	3	7	-	7
Third-party civil liability	9,974	2	9,972	7,199	85	7,114
Credits	-	-	-	-	-	-
Guarantees	48,925	26,563	22,362	33,623	16,504	17,119
Financial losses	341	167	174	303	147	156
Total	**65,436**	**26,858**	**38,578**	**46,191**	**16,851**	**29,340**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

36. Risk management (continued)

f) Insurance-related risk (continued)

	31-Dec-2023			31-Dec-2022		
Reported claim reserve for insurances for:	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Accidents	35	31	4	32	29	3
Fire and natural disasters	1,062	-	1,062	267	-	267
Third-party civil liability	7,990	376	7,614	8,162	102	8,060
Credits	13,587	11,160	2,427	26,865	22,503	4,362
Guarantees	5,479	2,663	2,816	5,510	3,343	2,167
Financial loss	14	-	14	462	-	-
Total	**28,167**	**14,230**	**13,937**	**41,298**	**25,977**	**15,321**

	31-Dec-2023			31-Dec-2022		
Unreported claim reserve for insurances for	Gross	Reinsurance ceded	Net	Gross	Reinsurance ceded	Net
Fire and natural disasters	612	-	612	-	-	-
Third-party civil liability	1,180	-	1,180	659	1	658
Credit insurance	-	-	-	-	-	-
Guarantees	363	-	363	185	-	185
Total	**2,155**	**-**	**2,155**	**844**	**1**	**843**

Underwriting risk

In the underwriting activity, the insurance company assumes the risk of bearing losses related to the insurance premium, a risk caused by inadequate setting of premium rates for all risks assumed 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 an event or series of events were to affect an entire type of policy. The Company reduces technical risk through careful client evaluation, well-established exposure limits, reinsurance programs, and the application of a prudent policy for establishing reserves for reported and unreported claims.

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

Procedures have been developed within the Company for collecting the necessary information for modeling the risk of natural catastrophes: risk address, year of building construction, structural elements. Monthly verification and data control (risks for individuals, commercial, and industrial) are carried out by the functions responsible for managing the portfolio exposed to natural catastrophe risks.

The Company calculates quarterly the gross and net exposure of the Company to natural catastrophe risks. The elements used are: policies covering natural catastrophe risks, sum insured, and maximum possible loss. The result obtained is verified against the current reinsurance protection capacity.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

36. Risk management (continued)

f) Riscuri legate de activitatea de asigurare (continuare)

The evolution of claim frequency and severity

Below is presented the evolution of claims according to the year of accident and the year of development of the damage that happened, for each category of products. Triangles are built on gross reinsurance damages (thousand RON); on the vertical are the periods of accident and on the horizontal the periods of development of the damage. This historical data is also used in the calculation of the unreported claim reserve.

The categories of policies for which the evolution of claims is presented are: Loans and Guarantees, Buildings and Goods, Civil Liability.

The values presented are cumulative.

Claim history triangles on December 31, 2023

Loans and Guarantees - Cumulative Damage

	Year of development												
Year of accident	-	1	2	3	4	5	6	7	8	9	10	11	12
2011	38,227	43,302	43,318	43,318	43,318	43,318	43,318	43,318	43,318	43,318	43,318	43,318	43,318
2012	197,176	7,063,943	4,821,593	4,821,593	1,817,435	152,676	152,676	152,676	152,676	152,676	152,676	152,676	
2013	6,197,502	4,320,323	4,320,323	4,320,323	4,721,407	6,079,289	6,363,801	6,388,174	6,388,174	6,395,674	6,401,674		
2014	19,683,796	16,784,526	16,784,526	18,277,555	18,580,536	3,224,323	3,207,768	3,207,768	3,207,768	3,207,768			
2015	12,000	1,730,632	1,730,632	12,000	12,000	12,000	12,000	12,000	12,000				
2016	3,416,086	4,941,096	6,124,962	5,764,074	5,742,930	5,742,930	5,742,930	5,743,370					
2017	1,627,985	1,826,417	2,999,711	3,084,737	3,084,737	3,084,737	3,084,737						
2018	2,281,654	2,281,654	2,281,654	2,283,043	2,283,043	2,283,871							
2019	260,816	154,890	142,992	142,992	21,654								
2020	2,617,294	1,301,594	1,301,594	1,301,594									
2021	436,610	442,310	418,403										
2022	266,680	258,468											
2023	2,492,404												

Buildings and goods - Cumulative damage

	An dezvoltare												
An accident	-	1	2	3	4	5	6	7	8	9	10	11	12
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	16,597	17,666	17,666	17,666	17,666	17,666	17,666	17,666	17,666	17,666	17,666	17,666	
2013	11,250	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278		
2014	273,943	251,000	86,527	86,527	86,527	86,527	86,527	86,527	86,527	86,527			
2015	149,691	99,756	53,756	53,756	53,756	53,756	53,756	53,756	53,756				
2016	703,272	66,343	45,942	45,942	45,942	45,942	45,942	45,942					
2017	213,468	44,345	44,345	44,345	44,345	44,345	44,345						
2018	20,463	38,566	39,366	39,366	39,366	30,776							
2019	300,558	200,058	199,558	199,558	199,558								
2020	469,804	155,339	119,304	119,304									
2021	258,953	256,454	973,090										
2022	546,810	497,164											
2023	916,840												

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

36. Risk management (continued)

Civil Liability - Cumulative Damage

An accident	-	1	2	3	4	5	6	7	8	9	10	11	12
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	48,700	48,700	-	-	-	-	-	-	-	-	-	-	
2013	6,986	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134		
2014	63,001	46,707	25,456	25,456	25,456	25,456	25,456	25,456	25,456	25,456			
2015	10,000	10,000	785,430	786,138	808,744	828,668	841,986	841,868	13,670				
2016	-	-	-	-	-	-	-	-					
2017	3,860	3,873	3,873	3,873	3,873	3,873	3,873						
2018	12,860	20,197	20,197	20,197	20,197	8,447							
2019	-	-	-	-	-								
2020	3,406	3,406	3,406	3,406									
2021	5,570	7,070	7,070										
2022	48,551	52,334											
2023	95,783												

Liability adequacy test ("LAT")

The adequacy test of liabilities is conducted to assess whether the liabilities arising from insurance contracts are adequate, using current estimates of future cash flows related to its insurance contracts. If this assessment indicates that the carrying amount of insurance liabilities minus deferred acquisition costs is inadequate in light of the estimated future cash flows, the entire difference must be recognized in profit or loss.

The adequacy test of technical reserves is conducted annually, at the balance sheet date. The adequacy test of technical reserves for unexpired risks involves the following steps:

- Estimate the ultimate historical claims ratio for each line of business, adjusted for the ultimate recovery ratio; as unexpired risks arise from different underwriting years for the credit and guarantee business line, the estimated ultimate historical claims ratio serves as a good indicator of future cash flows from claims and allocated claims handling and settlement expenses related to unexpired risks.
- Add an expense ratio comprising commissions and administrative expenses; acquisition costs already incurred are excluded as they will not generate future cash flows.

If a deficiency is obtained, the balance of reported acquisition expenses is reduced by the observed deficiency; if the balance of reported acquisition expenses is not sufficient, an additional reserve is created.

As of December 31, 2023, the adequacy test of liabilities showed a sufficiency of 19,967 thousand RON (December 31, 2022: sufficiency of 15,676 thousand RON).

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

36. Risk management (continued)

Liability adequacy test ("LAT") (continued)

The adequacy calculation of liabilities as of December 31, 2023, and December 31, 2022, presented in the tables below, also took into account the estimated recovery rate:

December 31, 2023

Insurance class	Premium reserve	Acquisition expenses carried forward	Claim rate	Estimated damage	Recover-y	Estimated recoveries	Rate of administrative expenditure	Estimated expenses	Sufficient/ (deficiency) on Dec 31, 2023
	a	b	c	d=a*c	e	f=d*e	g	h=a*g	i=a-b-(d-f+h)
Accidents of persons	285	54	15.0%	43	0.0%	-	38.9%	111	77
Labour accidents	43	16	0.0%	-	0.0%	-	55.4%	25	2
Cargo	4	-	0.0%	-	0,0%	-	26.7%	1	3
Buildings and goods (calamities)	5,821	1,158	6.3%	366	15.1%	55	38.2%	2,281	2,071
Buildings and goods (other insurance)	4	-	6.3%	-	15.1%	-	38.2%	2	2
Civil liability	9,952	1,779	3.4%	343	4.2%	14	39.0%	4,196	3,648
Credits	-	-	16.3%	-	66.1%	-	43.0%	-	-
Warranties	48,914	10,672	16.3%	7,953	66.1%	5,255	43.0%	21,441	14,103
Financial losses	342	71	24.0%	82	0.0%	-	37.2%	128	61
Total	**65,365**	**13,750**		**8,787**		**5,324**		**28,185**	**19,967**

December 31, 2022

Insurance class	Premium reserve	Acquisition expenses carried forward	Claim rate	Estimated damage	Recover-y	Estimated recoveries	Rate of administrative expenditure	Estimated expenses	Sufficient/ (deficiency) on Dec 31, 2022
	a	b	c	d=a*c	e	f=d*e	g	h=a*g	i=a-b-(d-f+h)
Accidents of persons	292	52	15.0%	44	0.0%	-	37.3%	109	87
Labour accidents	18	4	0.0%	-	0.0%	-	45.0%	8	6
Cargo	3	-	0.0%	-	0.0%	-	22.5%	1	2
Buildings and goods (calamities)	4,755	835	3.1%	145	12.1%	18	36.7%	1,745	2,048
Buildings and goods (other insurance)	9	1	3.1%	-	12.1%	-	36.7%	3	5
Civil liability	7,202	665	8.6%	619	4.5%	28	30.8%	2,218	3,728
Credits	-	-	18.5%	-	39.4%	-	39.9%	-	-
Warranties	33,622	6,676	18.5%	6,232	39.4%	2,457	39.9%	13,401	9,770
Financial losses	303	63	29.0%	88	0.0%	-	40.2%	122	30
Total	**46,204**	**8,296**		**7,128**		**2,503**		**17,607**	**15,676**

37. Credit risk

Specific principles for credit risk management include:

- Ensuring that lending decisions are made independently without being affected by influences, pressures or conflicts of interest;
- A sustainable portfolio dynamic as well as maintaining good asset quality to avoid rapid portfolio deterioration in the development of disruptive environmental factors;
- Development of the system of prudent and appropriate credit limits consistent with risk appetite, risk tolerance, risk profile and soundness of the Group/Bank's equity, in accordance with the requirements of the regulations in force, limits that are regularly communicated to relevant and understood and respected personnel.
- Well-defined credit criteria, internal methodologies that allow credit risk assessment of exposures to individual borrowers, as well as the purpose and structure of the credit and sources of repayment
- Credit limits that aggregate in a comparable and relevant manner different types of exposure, at different levels: clients or groups of connected clients, economic industries/sectors, products, countries, asset quality, currencies, guarantee funds
- The existence of an adequate system of permanent credit management
- Processes for monitoring both portfolios/sub-portfolios at general and individual level
- Determination of appropriate impairment allowances in accordance with current accounting policies (starting January 1, 2018 the Bank has adopted IFRS 9 for determining expected loss adjustments).
- Management of doubtful loans and periodic remediation/recovery actions of non-performing loans.
- Procedures for assessing collateral and verifying that those guarantees are and continue to be able to be enforced and sold.

In terms of country risk, direct exposures are identified. subject to limitation, monitored and administered for each country - in addition to monitoring on the final debtor/final counterparty.

Moreover, the indirect exposure to country risk is considered during each proposed transaction involving relations between the Group's/Bank's client and a client of the latter, an external partner.

The Credit Approval Committees assesses the conditions for granting loans and issuing guarantees in relation to the risks associated with operations and approves/rejects financing-guarantee operations, within the limits of established competences.

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

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

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

On December 31, 2023, the status is presented in the table below :

Group – December 31, 2023	**Total exposure**	Maximum exposure to credit risk	Fair value of the guarantees held: Collateral deposits	Securities	Guarantees received from the State	Other financial guarantess	Mortgages	Others
Cash	**182,552**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**5,563,676**	5,563,676	-	-	-	-	-	-
Claims on 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 thorugh other comprehensive income, including:	**846,353**	840,553	-	-	-	-	-	-
- *Investments in equity instruments*	***5,800***	-	-	-	-	-	-	-
Debt securities	***840,553***	*840,553*	-	-	-	-	-	-
Debt securities at amortized 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
Gross loans	***14,549,154***	*14,549,154*	*195,766*	-	*4,831,638*	*85,818*	*6,839,479*	*7,750,796*
Loan impairment adjustments	***-551,652***	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-
Tangible assets, net	**226,388**	-	-	-	-	-	-	-
Intangible assets, net	**56,470**	-	-	-	-	-	-	-
Investment properties	**45,156**	-	-	-	-	-	-	-
Other assets	**211,801**	211,801	-	-	-	-	-	-
Deferred tax assets	**14,893**	-	-	-	-	-	-	-
Total assets	**26,517,874**	**25,986,615**	**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**	**31,594,143**	**400,012**	**-**	**6,818,605**	**147,253**	**7,363,447**	**10,250,670**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

Bank – December 31, 2023	**Total exposure**	Maximum exposure to the credit risk	Fair value of the guarantees held: Collateral deposits	Securities	Guarantees received from State	Other financial guarantees	Mortgages	Others
Cash	**182,552**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**5,563,676**	5,563,676	-	-	-	-	-	-
Claims on credit institutions	**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 thorugh other comprehensive income, including:	**846,353**	840,553	-	-	-	-	-	-
Investments in equity instruments	***5,800***	-						
Debt securities	***840,553***	*840,553*	-	-	-	-	-	-
Debt securities at amortized 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
Gross loans	***14,549,154***	*14,549,154*	*195,766*	-	*4,831,638*	*85,818*	*6,839,479*	*7,750,796*
Loan impairment adjustments	***-551,652***	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Investments in subsidiaries	**61,046**	-	-	-	-	-	-	-
Tangible assets, net	**224,456**	-	-	-	-	-	-	-
Intangible assets, net	**55,446**	-	-	-	-	-	-	-
Investment properties	**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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

On December 31,2022, the status is presented in the table below:

Group – December 31, 2022	**Total exposure**	Maximum exposure to credit risk	Fair value of the guarantees held: Collateral deposits	Securities	Guarantees received from State	Other financial guarantees	Mortgages	Others
Cash	**202,076**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**2,248,992**	2,248,982	-	-	-	-	-	-
Claims on credit institutions	**2,178,811**	2,178,811	-	-	-	-	-	-
Derivative financial instruments	**21,391**	21,391	-	-	-	-	-	-
Debt securities held for trading	**159,675**	159,675	-	-	-	-	-	-
Financial assets at fair value thorugh other comprehensive income, including:	**1,626,120**	1,624,345	-	-	-	-	-	-
Investments in equity instruments	***5,123***	*3,348*	-	-	-	-	-	-
Debt securities	***1,620,997***	*1,620,997*	-	-	-	-	-	-
Debt securities at amortized cost	**2,693,223**	2,693,223	-	-	-	-	-	-
Loans, net	**13,507,308**	13,507,308	143,782	-	4,469,627	248,828	5,642,405	7,774,258
Gross loans	***14,060,937***	*14,060,937*	*143,782*	-	*4,469,627*	*248,828*	*5,642,405*	*7,774,258*
Loan impairment adjustments	***-553,629***	-	-	-	-	-	-	-
Tangible assets, net	**128,909**	-	-	-	-	-	-	-
Intangible assets, net	**52,735**	-	-	-	-	-	-	-
Investment properties	**44,143**	-	-	-	-	-	-	-
Other assets	**144,380**	84,705	-	-	-	-	-	-
Deffered tax assets	**40,919**	-	-	-	-	-	-	-
Total assets	**23,048,682**	**22,518,440**	**143,782**	**-**	**4,469,627**	**248,828**	**5,642,405**	**7,774,258**
Commitments and contingent liabilities:	**5,381,568**	5,381,568	113,518	-	1,250,094	62,362	243,388	835,793
Letters of credit	***80,854***	*80,854*	*1,008*	-	*15,302*	*3,315*	*24,895*	*83,846*
Loan commitments	***3,056,745***	*3,056,745*	*2,541*	-	*38,723*	*13,286*	*69,358*	*312,434*
Guarantee commitments and issued letters of guarantee	***2,243,969***	*2,243,969*	*109,969*	-	*1,196,069*	*45,761*	*149,135*	*439,513*
Total	**28,430,250**	**27,900,008**	**257,300**	**-**	**5,719,721**	**311,190**	**5,885,793**	**8,610,051**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

On December 31, 2022, the status is presented in the table below :

Bank – December 31, 2022	**Total exposure**	Maximum exposure to credit risk	Fair value of the guarantees held: Collateral deposits	Securities	Guarantees received from State	Other financial guarantees	Mortgages	Others
Cash	**202,076**	-	-	-	-	-	-	-
Accounts at the National Bank of Romania	**2,248,992**	2,248,982	-	-	-	-	-	-
Due from credit institutions	**2,166,610**	2,166,610	-	-	-	-	-	-
Derivatives	**21,391**	21,391	-	-	-	-	-	-
Debt securities held for trading	**159,675**	159,675	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income, of which:	**1,626,120**	1,624,345	-	-	-	-	-	-
Investments in capital instruments	***5,123***	*3,348*						
Debt securities	***1,620,997***	*1,620,997*	-	-	-	-	-	-
Debt securities at amortized cost	**2,654,309**	2,654,309	-	-	-	-	-	-
Loans, net	**13,507,308**	13,507,308	143,782	-	4,469,627	248,828	5,642,405	7,774,258
Gross loans	***14,060,937***	*14,083,845*	*143,782*	-	*4,469,627*	*248,828*	*5,642,405*	*7,774,258*
Adjustments for credit impairment	***-553,629***	-	-	-	-	-	-	-
Tangible assets, net	**34,047**	-	-	-	-	-	-	-
Intangible assets, net	**126,444**	-	-	-	-	-	-	-
Investment properties	**52,221**	-	-	-	-	-	-	-
Other assets	**44,143**	-	-	-	-	-	-	-
Deferred tax assets	**77,343**	17,668	-	-	-	-	-	-
	40,919	-	-	-	-	-	-	-
Total assets	**22,961,598**	**22,400,288**	**143,782**	**-**	**4,469,627**	**248,828**	**5,642,405**	**7,774,258**
	5,381,568	5,381,568	113,518	-	1,250,094	62,362	243,388	835,793
Contingent commitments and liabilities:	***80,854***	*80,854*	*1,008*	-	*15,302*	*3,315*	*24,895*	*83,846*
Letters of credit	***3,056,745***	*3,056,745*	*2,541*	-	*38,723*	*13,286*	*69,358*	*312,434*
Lending commitments	***2,243,969***	*2,243,969*	*109,969*	-	*1,196,069*	*45,761*	*149,135*	*439,513*
Guarantee commitments and guarantee letters issues								
Total	**28,343,166**	**27,781,856**	**257,300**	**-**	**5,719,721**	**311,190**	**5,885,793**	**8,610,051**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

The amount and type of required collateral depend on the credit risk assessment of the clients. The evaluation of the proposed collateral assets is performed by ANEVAR-authorized and Group/Bank-approved valuation companies, which are also notified to the National Bank of Romania. The evaluation reports are reviewed by the internal evaluators of the Group/Bank.
A client's repayment capacity is the most relevant indicator of the credit risk associated with the granted loans. Additionally, collateral provides extra protection for the Bank/Group, with various guarantees being requested: movable, immovable, and financial guarantees.
As of December 31, 2023, the value of impaired loans in stage 3 at the Group/Bank level amounted to 721,093 thousand RON, covered by guarantees worth 319,546 thousand RON (as of December 31, 2022, impaired loans at the Group/Bank level amounted to 585,799 thousand RON, covered by guarantees worth 240,107 thousand RON). The credit risk exposure of the balance sheet position, both for the Group and the Bank, representing loans and advances granted to clients (note 17) is classified into the risk categories presented below. Loans classified in stage 3 include loans impaired at origination.

Group/Bank	**Loans to customers - 2023**				**Loans to customers - 2022**			
Risk category	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
A	5,039,375	82,085	14,398	**5,135,858**	3,618,933	278,723	28,880	**3,926,536**
B	3,313,467	246,234	356,076	**3,915,777**	3,444,013	625,198	53,436	**4,122,647**
C	1,157,446	250,855	50,884	**1,459,185**	1,409,450	137,593	104,623	**1,651,667**
D	-	510,719	49,765	**560,484**	24,629	352,364	42,996	**419,989**
E	-	-	12,535	**12, 535**	24,490	13.657	96,484	**134,631**
No rating *	118,660	250	14	**118,924**	125,786	-	-	**125,786**
Legal entities	**9,628,948**	**1,090,143**	**483,672**	**11,202,763**	**8,647,302**	**1,407,535**	**326,419**	**10,381,256**
Individuals	**2,624,445**	**484,525**	**237,421**	**3,346,391**	**3,162,200**	**258,100**	**259,380**	**3,679,680**
Total	**12,253,393**	**1,574,668**	**721,093**	**14,549,154**	**11,809,502**	**1,665,635**	**585,799**	**14,060,936**

**) Mostly external factoring without recourse (external counterparties, low risk)*

The loans are grouped by risk category according to the risks considered as follows:

A – minimum risk;

B – low risk - no loss records are foreseeable;

C – medium risk, but acceptable by strict monitoring of commitments – loss is unlikely;

D – high risk, exposures on these clients being tracked and limited starting with the approval decision and throughout, through strict monitoring – losses are likely;

E – maximum risk - losses are, in most cases, imminent.

The above risk categories are based on the financial performance of the borrowers, determined according to the Internal Rules of the Bank.

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 in one of the following categories:

- **Stage 1:** Financial assets whose credit risk has not increased significantly from the time of initial recognition (origination), for which credit risk adjustments are determined over a time horizon of maximum one year;

- **Stage 2:** Non-impaired financial assets whose credit risk has increased significantly from the time of initial recognition and for which credit risk adjustments are determined over the residual life of those assets and in the case of revolving loans it is calculated over a time horizon represented by the average credit duration regardless of the contractual maturity of the exposures.

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

- the number of days past due at customer level is more than 30 days;
- the loan is restructured;
- the insolvency application against the customer is registered;
- the customer's financial performance has deteriorated in D or E compared to the date of the exposure;
- the customer's financial performance has deteriorated by at least one class at the time of reporting from the origination and at least one of the conditions is met: annual turnover reduction of more than 50% or equity is negative or net loss is more than 10% of turnover;
- the customer's financial performance deteriorated by two classes at the time of reporting from the origination, and the assessment of the case (the reasons for the deterioration of the rating/other aspects) shows that this change reflects the significant deterioration in credit risk;
- the customer has at least one forborne exposure during the probation period;
- the customer registers delays of more than 60 days with other creditors at the Central Credit Register;
- the client is on the "Watchlist";
- The current Probability of Default (PD) and the Residual Lifetime PD exceed certain thresholds established in the internal policy.

- **Stadiul 3:** impaired financial assets, including impaired exposures upon initial recognition, for which credit risk exposures are determined over the residual life of the financial assets concerned.

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

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

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

- **Stage 2** – exposures where there has been a significant deterioration in credit risk, exposures not allocated to Stage 3 which meet at least one of the conditions related to ratings, financial situation/indicators, debt service, restructuring operations, the customer's payment behaviour towards the Bank/Group or other financial creditors, etc.

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

37. Credit risk (continued)

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

Allocation of financial assets representing loans and advances granted to private customers are made on the basis of the following criteria:

- **Stage 3:** all exposures classified as non-performing in accordance with the EBA definition;
- **Stage 2 –** at least one of the following conditions:
  - The increase of the PD since the origination of the loan, different growth depending on the type of product (percentages between 40% and 200%),
  - 30-90 days past due and rescheduled performing exposure during the probation period,
  - LTV over 120% and over 30 days past due in the last 6 months,
- **Stage 1 –** all exposures not allocated to Stages 2 or 3.

Non-performing (impaired) loans

The Bank has implemented the definition of default, also used to highlight impaired exposures as set out in Regulation 575/2013, i.e. in the case of lending/guaranteeing exposures other than factoring without recourse, exposures are non-performing if at least one of the following conditions is met:

- *the number of days past due at the client level for legal entities and at the facility level for individuals is greater than 90 days, or legal proceedings have been initiated against the client by the bank;*
- *customer is in default,* and at least one of the following criteria has been met:
  - insolvency proceedings have been opened, including in situations where:
    - the bank has filed an application to open bankruptcy proceedings against the debtor or to apply a similar measure to a credit obligation of the debtor to Exim Banca Românească;
    - the debtor has requested the opening of bankruptcy proceedings or is subject to it or similar protection, where this would lead to the avoidance or deferral of payment of a credit obligation to Exim Banca Românească;
  - terminates the recognition of the interest on the loan obligation;
  - the bank recognises a specific adjustment for credit risk, resulting from the collection of a significant deterioration in the quality of the credit, after the time when Exim Banca Romaneasca exposed itself to risk;
  - credits impaired upon origination/initial recognition;
  - forborne loans that meet the conditions for non-performance.

Originated credit-impaired (POCI), a subcategory of non-performing exposures, result from restructuring operations applied to performing or non-performing exposures, for which that present value of expected cash flows (NPV = Net Present Value), based on the new agreement, decreases by more than 10% compared to the present value of cash flows under contractual obligations prior to changes to the terms and conditions of the contract.

37. Credit risk (continued)

Non-performing (impaired) loans (continued)

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

Exposures impaired at initial recognition (originated credit-impaired exposures) are classified in Stage 3 and remain in this category for their entire lifetime. Expected loss adjustments are determined based on individual analysis, at values equal to the expected losses over the entire lifetime of these exposures. For these assets, at each reporting date, the change in expected credit losses over the lifetime is recognized in profit or loss as a gain or loss from impairment.

The PD (Probability of Default) model used takes into account the structure and specifics of the Bank/Group's portfolio. The model involves dividing the exposure portfolio into homogeneous segments to ensure a sufficient number of cases of clients with exposure and default events for a realistic PD estimation.

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 ***corporate*** entities- originated in EximBank (including SBB, micro and not-for-profit entities, including recourse factoring);
2. Financing granted to ***corporate*** entities -originated in Banca Românească (only SBB debtors);
3. Financing granted to SBB entities - originated in Banca Românească;
4. Financings to IFNs (non-banking financial institutions) granted by EximBank and Banca Românească;
5. Factoring without recourse;
6. Financing to local public authorities granted by EximBank and Banca Românească;

Financing – private individuals

7. Unsecured consumer loans
8. Non-CHF secured consumer loan
9. CHF secured consumer loan
10. Non-CHF mortgage loan
11. CHF mortgage loan
12. First House
13. Credit cards and overdraft

Other exposures

14. Fixed-income financial instruments, recognized at fair value through other comprehensive income or at amortised cost;
15. Loans and investments in other credit institutions;
16. Sundry debtors.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

Determination of risk parameters

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

With regard to exposures for which no defaults (IFNs, APL, non-recourse factoring) have been recorded in the Exim Banca Românească history, the probability of default (PD) is determined on the basis of the cumulative PD curves based on the observed annual default rate for the financial sector/insurance companies/minimum threshold level according to EU Regulation 575/2013, also incorporating in the model the "forward looking" adjustments; for exposures in the internal factoring with recourse, PDs determined according to the segment of non-financial corporations is considered.

Determination of the loss given default risk parameter (LGD) for loans, in the case of the non-financial corporations segment, involves the following:

- grouping of input data for the model, depending on the historical evolution of recoveries (i.e. recoveries recorded since entering the category of non-performing exposures);
- calculation of conditional cumulative recovery rates;
- based on historical recovery rates, the logistics function is used for the projection of cumulative recovery curves and the estimation of LGD TTC (loss given default throughout the cycle);
- adjustment with future expectations (forward-looking information) for transformation into LGD PIT (loss given default point in time), by reference to the determined PD values.

In the context of the economic effects of the COVID-19 pandemic, as well as the uncertainty of macroeconomic forecasts, the future quality of the loan portfolios is a constant concern for the Group.

During 2023, the methodology for recognizing impairment adjustments according to IFRS 9 was reassessed. A significant discrepancy was identified in the GDP data series obtained from the National Institute of Statistics, which was based on a methodological update regarding data modeling undertaken by the INS. This discrepancy significantly impacted the performance of the mathematical models. Various approaches to estimating the models were considered during this exercise, but the resulting performance remained below the minimum acceptable threshold.

The Bank used forecasts issued by the European Commission, the National Commission for Strategy and Prognosis, the IMF, and the World Bank for the relevant periods in estimating the PD/LGD curves for parameters that showed a statistically significant correlation with historical default rates: GDP, inflation rate, and unemployment rate.

<u>*Methodology for deriving pessimistic and optimistic scenarios;scenarios weighting:*</u>

	EC Autumn 2023			CNP Autumn 2023			IMF October 2023			WB June 2023
Date	GDP	CPI	UR	GDP	CPI-annual average	UR	GDP	CPI	UR	GDP
2023	2.2	9.8	5.4	2	10.5	5.5	2.2	10.7	5.6	2.6
2024	3.1	5.9	5.2	3.4	6	5.4	3.8	5.8	5.4	3.9
2025	3.4	3.4	5.3	4.2	4	5.1	3.84	3.60	5.30	4.1
2026	3.4	3.4	5.3	4.6	2.9	4.7	3.85	3.60	5.20	4.1

	Pessimistic	Baseline	Optimistic
GDP	85%	100%	110%
CPI, UR	110%	100%	85%
Scenario weighting	45%	50%	5%

In order to estimate the provision requirement, a curve is used determined by calculating the weighted value of the statistical parameters resulting in each of the three scenarios for each point on the curve.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

37. Credit risk (continued)

Restructured loans

At the end of 2023, the Group/Bank records gross restructured loans in the amount of 386,359 thousand RON (244,232 thousand RON on December 31, 2022), the criteria for classification and maintenance in the category of restructured loans being in line with the definitions of the European Banking Authority, respectively Order No. 9/2017 of the National Bank of Romania**.**

Restructured loans	Gross value	Adjustments	Net value
2023 – Group/Bank	386,359	-81,519	304,840
2022 – Group/Bank	244,232	-117,039	127,193

In 2023, the Group/Bank derecognized loans in the amount of 273,051 thousand RON (95,957 thousand RON in 2022).

Exposured continued off-balance sheet	**31-Dec-23**	**31-Dec-22**
Total exposures off-balance sheet	957,439	568,641

38. Liquidity risk

The Group/Bank acknowledges liquidity risk as representing the current or future risk of negative impact on profits and capital, determined by the Group/Bank's inability to meet its obligations when due. To adequately manage this risk and for effective liquidity management, the Group monitors daily all cash inflows and outflows or equivalents related to interbank maturities, events on the securities portfolio, or resulting from the loan repayment schedule by monitoring the liquidity position across relevant maturity bands and manages actively the liquidity reserves needed to meet its obligations with minimal costs.

The Group/Bank maintains the minimum reserves required by National Bank of Romania Regulation no. 6/2002 on the mandatory minimum reserve regime, with the rate in force at the end of 2023 being 8% of the sources attracted in RON, and 5% for foreign currency resources (2022: 8% for RON and 5% for foreign currency).

The Bank/Group ensures the maintenance at an adequate level of unencumbered liquid assets eligible for secured funding operations. Liquid assets consist predominantly of government securities to ensure the necessary liquidity in the event of exceptional market conditions. The Bank/Group has an early warning system in place in the event of a liquidity crisis.

The liquidity risk management and funding activities are carried out based on specific internal procedures and include managing and monitoring liquidity positions in lei and major currencies, including the intraday position through cash-flow instruments; calculating and monitoring liquidity indicators' evolution (the immediate liquidity indicator; LCR, early warning indicators; NSFR, counterbalancing capacity), maintaining and managing the liquidity reserve (the value of the stock of eligible assets at market value for secured funding), monitoring the concentration of funding sources, maintaining market presence and testing the ability to obtain funding, conducting periodic crisis simulations on liquidity indicators. The Bank considers three types of crisis scenarios: scenarios related to the bank's internal specifics, scenarios related to the market in general, and a scenario that develops a combination of the first two types.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

38. Liquidity risk (continued)

The table below analyses the assets and liabilities of the Group/Bank by relevant maturity groups, on the basis of contractual residual maturity at the date of drawing up the balance sheet, i.e. December 31, 2023:

Group – December 31, 2023	**TOTAL**	of which, subject to liquidity risk	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
ASSETS							
Cash	182,552	182,552	182,552	-	-	-	-
Accounts at the National Bank of Romania	5,563,676	5,563,676	5,563,676	-	-	-	-
Claims on 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, 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 amortized 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
Subordinated loans	-	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	-
Tangible assets, net	226,388	-	-	-	-	-	-
Intangible assets, net	56,470	-	-	-	-	-	-
Investment properties	45,156	-	-	-	-	-	-
Other assets	211,801	211,801	211,801	-	-	-	-
Deferred tax assets	14,893	-	-	-	-	-	-
	26,517,874	**26,174,967**	**7,988,796**	**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 the Ministry of Finance	5,474,122	5,474,122	4,066,072	-	-	1,408,050	-
Deposits from customers	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	420,585	420,585	420,585	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
	24,881,167	**24,717,148**	**12,186,154**	**4,097,665**	**5,860,028**	**2,402,822**	**170,479**
NET ASSETS	**1,636,707**	**1,457,819**	**-4,197,358**	**-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 derivative instruments	2,385,464	2,385,464	1,058,160	687,794	639,510	-	-
Cash outflows from derivative instruments	-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 Bank holds in its portfolio assets with a high degree of liquidity (securities issued by MFP), which gives it a high capacity to absorb potential short-term liquidity shocks. In general, deposits with a maturity of less than one month are stable because they are extended to maturity, according to the specifics of the Romanian banking market.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

38. Liquidity risk (continued)

Bank – December 31, 2023	TOTAL	of which, subject to liquidity risk	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
ASSETS							
Cash	**182,552**	182,552	182,552	-	-	-	-
Accounts at 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 amortized 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
Subordinated loans	**-**						
Investments in subsidiaries	**61,046**	61,046	-	-	-	-	61,046
Tangible assets, net	**224,456**	-	-	-	-	-	-
Intangible assets, net	**55,446**	-	-	-	-	-	-
Investment properties	**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	-
Deposits from customers	**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 ELEMENTS							
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 derivative instruments	2,385,464	2,385,464	1,058,160	687,794	639,510	-	-
Cash outflows from derivative instruments	-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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

38. Liquidity risk (continued)

The table below analyses the assets and liabilities of the Group/Bank by relevant maturity groups, on the basis of contractual residual maturity at the date of drawing up the balance sheet, i.e. December 31, 2022:

Group – December 31, 2022	**TOTAL**	of which, subject to liquidity risk	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
ASSETS							
Cash	**202,076**	202,076	202,076	-	-	-	-
Accounts at the National Bank of Romania	**2,248,992**	2,248,992	2,248,992	-	-	-	-
Claims on credit institutions	**2,178,811**	2,178,811	2,163,298	9,287	5,928	298	-
Derivative financial instruments	**21,391**	21,391	6,026	5,737	9,628	-	-
Debt instruments held for trading	**159,675**	159,675	-	-	8,610	151,065	-
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,626,120	(509)	344	812,704	603,512	210,069
- *Investments in equity instruments*	***5,123***	*5,123*	*1,775*	-	-	-	*3,348*
- *Debt securities*	***1,620,997***	*1,620,997*	*-2,284*	*344*	*812,704*	*603,512*	*206,721*
Debt securities at amortized cost	**2,693,223**	2,693,223	7,728	9,041	768,196	1,307,520	600,738
Loans, net	**13,507,308**	13,507,308	550,902	702,611	3,738,479	5,312,918	3,202,398
Subordinated loans	**128,909**	-	-	-	-	-	-
Investments in subsidiaries	**52,735**	-	-	-	-	-	-
Tangible assets, net	**44,143**	-	-	-	-	-	-
Intangible assets, net							
Investment properties	**144,380**	144,380	144,380	-	-	-	-
Other assets	**27,381**	-	-	-	-	-	-
Deferred tax assets	**23,048,683**	**22,781,976**	**5,322,893**	**727,020**	**5,343,545**	**7,375,313**	**4,013,205**
LIABILITIES							
Derivative financial instruments	**6,859**	6,859	4,645	2,214	-	-	-
Deposits from banks	**1,254,415**	1,254,415	578,476	143,799	463,305	68,836	-
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	4,494,721	-	-	1,400,000	-
Deposits from customers	**14,001,280**	14,001,280	6,330,221	3,385,294	3,778,109	466,520	41,136
Deferred income and accrued expenses	**63,399**	-	-	-	-	-	-
Provisions	**91,230**	-	-	-	-	-	-
Other liabilities	**240,418**	240,418	195,175	4,779	11,728	28,736	-
Deferred tax liabilities	**-**	-	-	-	-	-	-
	21,552,322	**21,397,693**	**11,603,238**	**3,536,086**	**4,253,142**	**1,964,092**	**41,136**
NET ASSETS	**1,496,361**	**1,384,283**	**-6,280,345**	**-2,809,066**	**1,090,403**	**5,411,221**	**3,972,069**
OFF-BALANCE SHEET ELEMENTS							
	3,131,841	3,131,841	289,694	91,396	1,021,929	999,673	729,149
Credit commitments	**2,189,112**	2,189,112	190,961	134,542	702,762	966,536	194,311
Guarantee commitments	**2,201,799**	2,201,799	1,192,804	619,397	389,598	-	-
Cash inflows from derivative instruments							
Cash outflows from derivative instruments	**-2,172,387**	-2,172,387	-1,190,113	-611,219	-371,055	-	-
	5,350,365	**5,350,365**	**483,346**	**234,116**	**1,743,234**	**1,966,209**	**923,460**

The Bank holds in its portfolio assets with a high degree of liquidity (securities issued by MFP), which gives it a high capacity to absorb potential short-term liquidity shocks. In general, deposits with a maturity of less than one month are stable because they are extended to maturity, according to the specifics of the Romanian banking market.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

38. Liquidity risk (continued)

Bank – December 31, 2022	**TOTAL**	of which, subject to liquidity risk	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
ASSETS							
Cash	**202,076**	202,076	202,076	-	-	-	-
Accounts at the National Bank of Romania	**2,248,992**	2,248,992	2,248,992	-	-	-	-
Claims on credit institutions	**2,166,610**	2,166,610	2,161,443	-	5,167	-	-
Derivative financial instruments	**21,391**	21,391	6,026	5,737	9,628	-	-
Debt instruments held for trading	**159,675**	159,675	-	-	8,610	151,065	-
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,626,120	-509	344	812,704	603,512	210,069
- *Investments in equity instruments*	***5,123***	*5,123*	*1,775*	-	-	-	*3,348*
- *Debt securities*	***1,620,997***	*1,620,997*	*-2,284*	*344*	*812,704*	*603,512*	*206,721*
Debt securities at amortized cost	**2,654,309**	2,654,309	7,728	9,041	768,196	1,307,520	561,824
Loans, net	**13,507,308**	13,507,308	550,902	702,611	3,738,479	5,312,918	3,202,398
Subordinated loans	-	-	-	-	-	-	-
Investments in subsidiaries	**34,047**	34,047	34,047	-	-	-	-
Tangible assets, net	**126,444**	-	-	-	-	-	-
Intangible assets, net							
Investment properties	**52,221**	-	-	-	-	-	-
Other assets	**44,143**	-	-	-	-	-	-
Deferred tax assets	**77,343**	77,343	77,343	-	-	-	-
	40,920	-	-	-	-	-	-
	22,961,599	**22,697,871**	**5,288,048**	**717,733**	**5,342,784**	**7,375,015**	**3,974,291**
LIABILITIES							
Derivative financial instruments	**6,859**	6,859	4,645	2,214	-	-	-
Deposits from banks	**1,254,415**	1,254,415	578,476	143,799	463,305	68,836	-
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	4,494,721	-	-	1,400,000	-
Deposits from customers	**14,062,771**	14,062,771	6,334,459	3,433,367	3,786,756	467,053	41,136
Deferred income and accrued expenses	**63,073**	-	-	-	-	-	-
Provisions	**88,779**	-	-	-	-	-	-
Other liabilities	**109,483**	109,483	64,240	4,779	11,728	28,736	-
Deferred tax liabilities	-	-	-	-	-	-	-
	21,480,101	**21,328,249**	**11,476,541**	**3,584,159**	**4,261,789**	**1,964,625**	**41,136**
NET ASSETS	**1,481,498**	**1,369,622**	**-6,188,493**	**-2,866,426**	**1,080,995**	**5,410,390**	**3,933,155**
OFF-BALANCE SHEET ELEMENTS							
Credit commitments	**3,131,841**	3,131,841	289,694	91,396	1,021,929	999,673	729,149
Guarantee commitments	**2,189,112**	2,189,112	190,961	134,542	702,762	966,536	194,311
Cash inflows from derivative instruments	-	2,201,799	1,192,804	619,397	389,598	-	-
Cash outflows from derivative instruments	-	-2,172,387	-1,190,113	-611,219	-371,055	-	-
	5,320,953	**5,350,365**	**483,346**	**234,116**	**1,743,234**	**1,966,209**	**923,460**

(all amounts are in thousands RON (“RON’000”), unless otherwise specified)

38. Liquidity risk (continued)

The financial liabilities of the Group/Bank at the end of the financial year 2023, including future cash flows, representing unrecognized interest in the profit and loss account, respectively, in the amortized cost of the liabilities shown in the financial position, are presented in the tables below:

Group – December 31, 2023

	TOTAL	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
FINANCIAL LIABILITIES, including future interest						
Derivative financial instruments	**22,454**	11,391	8,619	2,444	-	-
Deposits of other banks	**1,272,362**	3,612	7,093	764,189	404,196	93,272
Deposits from the Ministry of Finance	**5,595,824**	4,067,719	-	-	1,528,105	-
Customers’ deposits	**17,854,935**	7,693,383	4,121,080	5,266,800	659,165	114,507
Other liabilities	**420,585**	420,585	-	-	-	-
	25,166,160	**12,196,690**	**4,136,792**	**6,033,433**	**2,591,466**	**207,779**

Bank - December 23, 2023

	TOTAL	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
FINANCIAL LIABILITIES, including future interest						
Derivative financial instruments	**22,454**	11,391	8,619	2,444	-	-
Deposits of other banks	**1,272,362**	3,612	7,093	764,189	404,196	93,272
Deposits from the Ministry of Finance	**5,595,824**	4,067,719	-	-	1,528,105	-
Customers’ 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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

38. Liquidity risk (continued)

The financial liabilities of the Group/Bank at the end of the financial year 2022, including future cash flows, representing unrecognized interest in the profit and loss account, respectively, in the amortized cost of the liabilities shown in the financial position, are presented in the tables below:

Group – December 31, 2022

	TOTAL	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
FINANCIAL LIABILITIES, including future interest						
Derivative financial instruments	**6,859**	4,645	2,214	-	-	-
Deposits of other banks	**1,323,739**	578,479	144,385	479,328	121,548	-
Deposits from the Ministry of Finance	**6,060,673**	4,499,335	9,228	41,526	1,510,584	-
Customers' deposits	**14,100,314**	6,333,199	3,404,262	3,853,882	467,835	41,136
Other liabilities	**240,418**	195,175	4,779	11,728	28,736	-
	21,732,003	**11,610,832**	**3,564,868**	**4,386,463**	**2,128,703**	**41,136**

Bank – December 31, 2022

	TOTAL	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
FINANCIAL LIABILITIES, including future interest						
Derivative financial instruments	**6,859**	4,645	2,214	-	-	-
Deposits of other banks	**1,323,739**	578,479	144,385	479,328	121,548	-
Deposits from the Ministry of Finance	**6,060,673**	4,499,335	9,228	41,526	1,510,584	-
Customers' deposits	**14,161,805**	6,337,437	3,452,335	3,862,529	468,368	41,136
Other liabilities	**109,483**	64,240	4,779	11,728	28,736	-
	21,662,559	**11,484,135**	**3,612,941**	**4,395,110**	**2,129,236**	**41,136**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk

1. Currency risk

The currency structure of the Group/Bank's financial assets and liabilities as of December 31, 2023, is as follows:

Group – December 31, 2023	**TOTAL**	RON	EUR	USD	OTHERS
ASSETS					
Cash	**182,552**	100,982	57,474	11,108	12,988
Accounts at 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, including:	**846,353**	595,765	250,011	577	-
- *Investments in equity instruments*	***5,800***	*4,914*	*309*	*577*	-
- *Debt securities*	***840,553***	*590,851*	*249,702*	-	-
Debt securities at amortized 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
Subordinated loans	-	-	-	-	-
Investments in subsidiaries	**226,388**	224,456	-	-	1,932
Tangible assets, net	**56,470**	55,446	-	-	1,024
Intangible assets, net					
Investment properties	**45,156**	45,156	-	-	-
Other assets	**211,801**	125,714	8,863	2,416	74,808
Deferred tax assets	**14,893**	14,893	-	-	-
TOTAL ASSETS	**26,517,874**	**19,359,419**	**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 the Ministry of Finance	**5.474.122**	5.474.122	-	-	-
Deposits from customers	**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	**420.585**	93.119	180,238	9.713	137,515
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	**24,881,167**	**19,476,359**	**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 sheet SPOT position (not settled)		-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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

a) Currency risk (continued)

Bank – December 31, 2023	**TOTAL**	RON	EUR	USD	ALTELE
ASSETS					
Cash	**182,552**	100,982	57,474	11,108	12,988
Accounts at 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, including:	**846,353**	595,765	250,011	577	-
- *Investments in equity instruments*	***5,800***	*4,914*	*309*	*577*	-
- *Debt securities*	***840,553***	*590,851*	*249,702*	-	-
Debt securities at amortized 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	-	-	-
Tangible assets, net	**224,456**	224,456	-	-	-
Intangible assets, net					
Investment properties	**55,446**	55,446	-	-	-
Other assets	**45,156**	45,156	-	-	-
Deferred income tax asset	**138,994**	125,714	10,151	2,416	713
	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	0
Provisions	**76,624**	62,244	6,302	8,078	0
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 sheet SPOT position (not settled)		-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**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

a) Currency risk (continued)

Currency structure of the financial assets and liabilities of the Group/Bank as of December 31, 2022:

Group – December 31, 2022	**TOTAL**	RON	EUR	USD	OTHERS
ASSETS					
Cash	**202,076**	110,325	64,475	14,117	13,159
Accounts at the National Bank of Romania	**2,248,992**	2,034,525	214,467	-	-
Claims on credit institutions	**2,178,811**	1,535,129	527,655	90,965	25,062
Derivative financial instruments	**21,391**	21,391	-	-	-
Debt instruments held for trading	**159,675**	73,249	86,426	-	-
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,231,153	394,436	531	-
- *Investments in equity instruments*	***5,123***	*5,096*	-	*27*	-
- *Debt securities*	***1,620,997***	*1,226,057*	*394,436*	*504*	-
Debt securities at amortized cost	**2,693,223**	2,292,203	401,020	-	-
Loans, net	**13,507,308**	9,484,538	3,106,402	209,469	706,899
Subordinated loans	**128,909**	127,636	1,273	-	-
Investments in subsidiaries	**52,735**	52,735	-	-	-
Tangible assets, net	**44,143**	44,143	-	-	-
Intangible assets, net					
Investment properties					
Other assets	**144,380**	135,103	-173,092	-197,827	380,196
Deferred tax assets	**40,919**	40,919	-	-	-
TOTAL ASSETS	**23,048,682**	**17,183,049**	**4,623,062**	**117,255**	**1,125,316**
LIABILITIES					
Derivative financial instruments	**6,859**	6,859	-	-	-
Deposits from banks	**1,254,415**	449,925	800,178	1,112	3,200
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	-	-	-
Deposits from customers	**14,001,280**	10,305,555	3,190,204	484,043	21,478
Deferred income and accrued expenses	**63,399**	55,481	6,727	1,191	-
Provisions	**91,230**	79,510	8,551	3,156	13
Other liabilities	**240,418**	158,200	-105,446	-192,090	379,754
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	**21,552,322**	**16,950,251**	**3,900,214**	**297,412**	**404,445**
EQUITY	**1,496,360**	**1,496,360**	**-**	**-**	**-**
Balance sheet position		-1,263,562	722,848	-180,157	720,871
Off-balance sheet SPOT position (not settled)		-	-	-	-
SPOT POSITION		**-1,263,562**	**722,848**	**-180,157**	**720,871**
FORWARD POSITION		**1,297,951**	**-724,881**	**169,357**	**-742,427**
TOTAL POSITION		**34,389**	**-2,033**	**-10,800**	**-21,556**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

a) Currency risk (continued)

Bank- December 31, 2022	**TOTAL**	RON	EUR	USD	OTHERS
ASSETS					
Cash	**202,076**	110,325	64,475	14,117	13,159
Accounts at the National Bank of Romania	**2,248,992**	2,034,525	214,467	0	0
Claims on credit institutions	**2,166,610**	1,523,666	527,535	90,396	25,013
Derivative financial instruments	**21,391**	21,391	-	-	-
Debt instruments held for trading	**159,675**	73,249	86,426	-	-
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,231,153	394,436	531	-
- *Investments in equity instruments*	***5,123***	*5,096*	-	*27*	-
- *Debt securities*	***1,620,997***	*1,226,057*	*394,436*	*504*	-
Debt securities at amortized cost	**2,654,309**	2,268,141	386,168	-	-
Loans, net	**13,507,308**	9,484,538	3,106,402	209,469	706,899
Subordinated loans	-	-	-	-	-
Investments in subsidiaries	**34,047**	34,047	-	-	-
Tangible assets, net	**126,444**	126,444	-	-	-
Intangible assets, net	**52,221**	52,221	-	-	-
Investments properties	**44,143**	44,143	-	-	-
Other assets	**77,343**	68,066	-173,092	-197,827	380,196
Deferred tax assets	**40,919**	40,919	-	-	-
TOTAL ASSETS	**22,961,598**	**17,112,828**	**4,606,817**	**116,686**	**1,125,267**
LIABILITIES					
Derivative financial instruments	**6,859**	6,859	-	-	-
Deposits from banks	**1,254,415**	449,925	800,178	1,112	3,200
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	-	-	-
Deposits from customers	**14,062,771**	10,367,044	3,190,204	484,045	21,478
Deferred income and accrued expenses	**63,073**	55,155	6,727	1,191	-
Provisions	**88,779**	77,059	8,551	3,156	13
Other liabilities	**109,483**	28,893	-107,074	-192,090	379,754
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	**21,480,101**	**16,879,656**	**3,898,586**	**297,414**	**404,445**
EQUITY	**1,481,497**	**1,481,497**	**-**	**-**	**-**
Balance sheet position		-1,248,325	708,231	-180,728	720,822
Off-balance sheet SPOT position (not settled)		-	-	-	-
SPOT POSITION		**-1,248,325**	**708,231**	**-180,728**	**720,822**
FORWARD POSITION		**1,297,951**	**-724,881**	**169,357**	**-742,427**
TOTAL POSITION		**49,626**	**-16,650**	**-11,371**	**-21,605**

To ensure the framework for measuring, monitoring, and controlling the risks induced by fluctuations in the market of the currencies with which the Group/Bank transacts, the daily monitoring of the individual currency position and the total currency position indicators is utilized.

39. Market risk (continued)

a) Currency risk (continued)

The net currency position for the Group/Bank as of December 31, 2023, expressed in thousands of RON, is presented below for each significant currency. The subsidiary EximAsig has an insignificant open currency position, as the company aims to hedge against currency risk:

Group/Bank

Currency	SPOT *		FORWARD **		Open net position	
	Original amount (thousands)	Equivalent Thousand RON	Original amount (thousands)	Equivalent Thousands of RON	Original amount (thousands)	Equivalent Thousand RON
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**

Spot position includes balance sheet currency position and transactions with settlement over the next 2 business days.

*** Forward position includes transactions with settlement date greater than 2 business days.*

By comparison, the situation of the open position for the Group/Bank on December 31, 2022 is presented in the table below:

Group/Bank

Currency	SPOT *		FORWARD **		Open net position	
	Original amount (thousands)	Equivalent Thousand RON	Original amount (thousands)	Equivalent Thousands of RON	Original amount (thousands)	Equivalent Thousand RON
EUR	147,566	735,111	-146,518	-724,881	1,048	10,230
USD	-38,111	-176,316	36,542	169,357	-1,569	-6,959
CHF	243,854	1,168,430	-244,410	-1,205,719	-555	-37,289
Others	-	8,063	-	463,292		471,355
Net position (+)=long (-)=short		**1,735,288**		**-1,297,951**		**437,336**

Spot position includes balance sheet currency position and transactions with settlement over the next 2 business days.

*** Forward position includes transactions with settlement date greater than 2 business days.*

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

a) Currency risk (continued)

In the table below, the analysis reflects the sensitivity of the Group's/Bank's profit and loss account to variations of +/-10% or +/-20% in the exchange rate against RON. The impact is determined based on the two hypothetical levels of exchange rate changes. For the company EximAsig, the impact of the exchange rate variation is insignificant, as it hedges its currency position.

Group/Bank

	Open net position		Exchange rate	Profitability impact		Equity impact	
Currency	Original amount	Equivalent thousands of RON	December 31, 2023	+/- 10%	+/- 20%	+/- 10%	+/- 20%
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**

By comparison, on December 31, 2022, the situation for the Group/Bank is as follows:

Group/Bank

	Open net position		Exchange rate	Profitability impact		Equity impact	
Currency	Original amount	Equivalent thousands of RON	December 31, 2022	+/- 10%	+/- 20%	+/- 10%	+/- 20%
EUR	1,048	10,230	4,9474	1,023	2,046	1,023	2,046
USD	-1,569	-6,959	4,6346	-696	-1,392	-696	-1,392
CHF	-555	-37,289	5,0289	-3,729	-7,458	-3,729	-7,458
Others	-	471,355	-	47,135	94,271	47,135	94,271
Net position		**437,336**		**+/- 43,734**	**+/- 87,467**	**+/- 43,734**	**+/- 87,467**

2. Interest risk

The Group/Bank treats interest rate risk for activities outside the trading portfolio as the possibility that interest rate variations may affect future profits or 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 interest rate variations and the standard methodology for changing economic value as a result of interest rate variations, in accordance with NBR regulations.

The GAP analysis conducted as of December 31, 2023, and December 31, 2022 (consolidated) captures the balances of the Bank's interest rate-sensitive assets and liabilities, distributed according to the timing of interest rate revisions or their maturity, determining the differences between them. The potential effects (thousands of RON) on equity have been determined by applying six scenarios (EVE scenarios) in accordance with the methodology and shocks from the Guidelines on the management of interest rate risk arising from non-trading book activities (EBA/GL/2018/02 of July 19, 2018).

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

b) Interest risk (continued)

Δ EVE aggregated **Million RON**	**2023**	**2022**
S1. parallel shock up	-154,34	-73,0
S2. parallel shock down	86,26	37,3
S3. steepener shock (i.e. short rates shock down and long rates shock up)	30,01	3,6
S4. flattener shock (i.e. short rates shock up and long rates shock down)	-7,67	-23,1
S5. short rates shock up	-68,27	-50,0
S6. short rates shock down	36,83	25,8
Maximum impact	**-154,34**	***73,0**

The average interest rates applied by the Group/Bank in the year 2023, as well as in the year 2022, for the main categories of balance sheet assets and liabilities denominated in RON, EUR, and USD are shown in the table below:

	2023			**2022**		
	RON	EUR	USD	RON	EUR	USD
FINANCIAL ASSETS						
Accounts at the National Bank of Romania*	4.21%	0.05%	0.00%	0.39%	-0.26%	0.00%
Claims on credit institutions	6.05%	3.15%	2.99%	4.92%	-0.30%	0.92%
Credits	8.81%	6.32%	7.59%	7.36%	3.68%	4.79%
Fixed income instruments	4.20%	1.48%	0.00%	3.59%	0.36%	0.00%
Total Assets	**6.78%**	**4.78%**	**6.34%**	**5.83%**	**1.89%**	**3.62%**
FINANCIAL LIABILITIES						
Deposits from banks	7.44%	4.18%	4.44%	4.60%	0.70%	4.65%
Deposits from MFP	6.56%	0.00%	0.00%	5.28%	0%	0%
Customers' deposits	5.26%	1.76%	2.80%	4.14%	0.28%	0.62%
Total liabilities	**5.69%**	**2.17%**	**2.80%**	**4.61%**	**0.38%**	**0.88%**

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

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

b) Interest risk (continued)

The table below analyzes the Group/Bank's interest-bearing assets and liabilities, categorized into relevant interest rate modification groups, as of December 31, 2023:

Group – December 31, 2023	Total	of which: subject to interest risk	≤1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	No interest
ASSETS								
Cash	**182,552**	-	-	-	-	-	-	182,552
Accounts at the National Bank of Romania	**5,563,676**	5,563,676	5,563,676	-	-	-	-	-
Claims on 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, including:	**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
Intangible assets, net	**56,470**	-	-	-	-	-	-	56,470
Investments properties	**45,156**	-	-	-	-	-	-	45,156
Other assets	**211,801**	-	-	-	-	-	-	211,801
Deferred 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	-	-	-	-	-
Customers' deposits	**17,644,632**	17,644,632	6,631,012	4,018,273	5,234,780	1,317,135	443,432	-
Deferred income and accruals	**84,859**	-	-	-	-	-	-	84,859
Provisions	**79,160**	-	-	-	-	-	-	79,160
Other liabilities	**420,585**	-	-	-	-	-	-	420,585
Deferred tax liabilities	-	-	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-	-	-
Total liabilities	**1,636,707**	**1,497,337**	**-450,176**	**2,637,556**	**-2,768,789**	**1,861,864**	**216,882**	**139,370**
Net assets	**1,636,707**	**1,322,623**	**-393,177**	**2,621,196**	**-2,833,693**	**1,698,124**	**230,173**	**314,084**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

b) Interest risk (continued)

Bank – December 31, 2023	**Total**	of which: subject to interest risk	≤1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	No interest
ASSETS								
Cash	**182,552**	-	-	-	-	-	-	182,552
Accounts at the National Bank of Romania	**5,563,676**	5,563,676	5,563,676	-	-	-	-	-
Claims on credit institutions	**1,621,327**	1,621,327	1,571,365	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, including:	**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
Intangible assets, net	**55,446**	-	-	-	-	-	-	55,446
Investments properties	**45,156**	-	-	-	-	-	-	45,156
Other assets	**138,994**	-	-	-	-	-	-	138,994
Deferred 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	-	-	-	-	-
Customers' deposits	**17,716,616**	17,716,616	6,657,418	4,053,468	5,245,144	1,317,148	443,438	-
Deferred income and accruals	**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 distributed into bands based on the residual maturity for those with fixed interest rates, or based on the nearest interest rate reset date for those instruments with variable interest rates.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continued)

b) Interest risk (continued)

The table below analyzes the Group/Bank's interest-bearing assets and liabilities, categorized into relevant interest rate modification groups, as of December 31, 2022:

Group – December 31, 2022	**Total**	of which: subject to interest risk	≤1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	No interest
ACTIVE								
Cash	**202,076**	-	-	-	-	-	-	202,076
Accounts at the National Bank of Romania	**2,248,992**	2,248,982	2,248,982	-	-	-	-	10
Claims on credit institutions	**2,178,811**	2,178,811	2,156,766	15,819	5,927	299	-	-
Derivative financial instruments	**21,391**	-	-	-	-	-	-	21,391
Debt instruments held for trading	**159,675**	-	-	-	-	-	-	159,675
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,613,851	-	344	798,134	604,812	210,561	12,269
- *Investments in equity instruments*	***5,123***	-	-	-	-	-	-	*5,123*
- *Debt securities*	***1,620,997***	*1,613,851*	-	*344*	*798,134*	*604,812*	*210,561*	*7,146*
Debt securities at amortized cost	**2,693,223**	2,680,487	5,605	9,041	751,049	1,359,254	555,538	12,736
Loans, net	**13,507,308**	13,697,679	4,226,757	7,438,030	1,625,249	380,206	27,437	-190,371
Tangible assets, net	**128,909**	-	-	-	-	-	-	128,909
Intangible assets, net	**52,735**	-	-	-	-	-	-	52,735
Investments properties	**44,143**	-	-	-	-	-	-	44,143
Other assets	**144,380**	-	-	-	-	-	-	144,380
Deferred tax assets	**40,919**	-	-	-	-	-	-	27,381
TOTAL ASSETS	**23,048,682**	**22,419,810**	**8,638,110**	**7,463,234**	**3,180,359**	**2,344,571**	**793,536**	**628,872**
LIABILITIES								
Derivative financial instruments	**6,859**	-	-	-	-	-	-	6,859
Deposits from Banks	**1,254,415**	1,252,245	26,037	743,648	482,560	-	-	2,170
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	5,894,721	-	-	-	-	-
Customers' deposits	**14,001,280**	13,930,375	5,507,800	3,391,733	3,852,009	914,507	264,326	70,905
Deferred income and accruals	**63,399**	-	-	-	-	-	-	63,399
Provisions	**91,230**	-	-	-	-	-	-	91,230
Other liabilities	**240,418**	-	-	-	-	-	-	240,418
Deferred tax liabilities	-	-	-	-	-	-	-	-
Subordinated loans	-	-537	-537	-	-	-	-	537
Total liabilities	**21,552,322**	**21,077,341**	**11,428,558**	**4,135,381**	**4,334,569**	**914,507**	**264,326**	**474,981**
Net assets	**1,496,360**	**1,342,469**	**-2,790,448**	**3,327,853**	**-1,154,210**	**1,430,064**	**529,210**	**153,891**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

39. Market risk (continuare)

b) Interest risk (continued)

Bank – December 31, 2022	**TOTAL**	of which: subject to interest risk	≤1 month	1 to 3 month	3 to 12 month	1 to 5 years	Over 5 years	No interest
ASSETS								
Cash	**202,076**	-	-	-	-	-	-	202,076
Accounts at the National Bank of Romania	**2,248,992**	2,248,982	2,248,982	-	-	-	-	10
Claims on credit institutions	**2,166,610**	2,166,610	2,161,443	-	5,167	-	-	-
Derivative financial instruments	**21,391**	-	-	-	-	-	-	21,391
Debt instruments held for trading	**159,675**	-	-	-	-	-	-	159,675
Financial assets at fair value through other comprehensive income, including:	**1,626,120**	1,613,851	-	344	798,134	604,812	210,561	5,123
- *Investments in equity instruments*	***5,123***	-	-	-	-	-	-	*5,123*
- *Debt securities*	***1,620,997***	*1,613,851*	-	*344*	*798,134*	*604,812*	*210,561*	-
Debt securities at amortized cost	**2,654,309**	2,641,573	5,605	9,041	748,226	1,323,163	555,538	19,882
Loans, net	**13,507,308**	13,697,679	4,226,757	7,438,030	1,625,249	380,206	27,437	-190,371
Subordinated loans	-	-	-	-	-	-	-	
Investments in subsidiaries	**34,047**	-	-	-	-	-	-	34,047
Tangible assets, net	**126,444**	-	-	-	-	-	-	126,444
Intangible assets, net	**52,221**	-	-	-	-	-	-	52,221
Investments properties	**44,143**	-	-	-	-	-	-	44,143
Other assets	**77,343**	-	-	-	-	-	-	77,343
Deferred tax assets	**40,920**	-	-	-	-	-	-	27,381
TOTAL ASSETS	**22,961,599**	**22,368,695**	**8,642,787**	**7,447,415**	**3,176,776**	**2,308,181**	**793,536**	**592,904**
LIABILITIES								
Derivative financial instruments	**6,859**	-	-	-	-	-	-	6,859
Deposits from Banks	**1,254,415**	1,252,245	26,037	743,648	482,560	-	-	2,170
Deposits from the Ministry of Finance	**5,894,721**	5,894,721	5,894,721	-	-	-	-	-
Customers' deposits	**14,062,771**	13,991,866	5,518,569	3,433,274	3,860,657	915,040	264,326	70,905
Deferred income and accruals	**63,073**	-	-	-	-	-	-	63,073
Provisions	**88,779**	-	-	-	-	-	-	88,779
Other liabilities	**109,483**	-	-	-	-	-	-	109,483
Deferred tax liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**21,480,101**	**21,138,832**	**11,439,327**	**4,176,922**	**4,343,217**	**915,040**	**264,326**	**341,269**
Net assets	**1,481,498**	**1,229,863**	**-2,796,540**	**3,270,493**	**-1,166,441**	**1,393,141**	**529,210**	**251,635**

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

40. Capital requirements

The Bank/Group's own funds and own funds ratio are calculated in accordance with the current regulations of the National Bank of Romania, specifically in accordance with the provisions of Regulation EU 575/2013. The Bank/Group meets the regulated indicators for capital adequacy in both 2023 and 2022, specifically a total own funds ratio of at least 8% (SREP 12.21%), a Tier 1 own funds ratio of at least 6% (SREP 9.16%), and a Common Equity Tier 1 (CET1) ratio of at least 4.5% (SREP 6.87%).

Additionally, the Bank maintains a capital conservation buffer consisting of 2.5% of risk-weighted assets in CET1 capital, a countercyclical capital buffer of 1% of total risk-weighted exposure (0.5% in 2022), and an O-SII (Other Systemically Important Institution) buffer of 0.5% of total risk-weighted exposure.

The Bank has an adequately managed capital position to cover all inherent risks of its activities. The Bank's capital adequacy is monitored in accordance with the provisions of Regulation EU No. 575/2013, which is directly applicable to credit institutions in Romania, with certain national options exercised by the NBR included in Regulation No. 5/2013, as well as the European Directive 2013/36/EU, which is transposed into national legislation through amendments to Government Emergency Ordinance 99/2006 and NBR Regulation No. 5/2013.

The Bank's capital adequacy involves maintaining appropriate capital in relation to the nature, risk capacity, and risk appetite of the Bank. To determine the degree of capital adequacy, the impact of credit, market, and operational risks on the Bank's financial situation is considered. The types and magnitude of risks in the Bank's activities determine the extent to which capital should be above the minimum regulatory level to withstand adverse consequences.

The capital requirement of the subsidiary EximAsig is calculated based on the current regulations of the Financial Supervisory Authority as of December 31, 2023. According to the unaudited calculations and estimates of the subsidiary's management, as of December 31, 2023, EximAsig meets the minimum capital requirements, with coverage above the regulatory requirements of at least 100%.

41. Fair value of financial instruments

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

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

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

Level 3: evaluation techniques based on data that cannot be observed in the market. This category includes all instruments whose valuation method does not include observable data and the unobservable data have a significant influence on the valuation of the instrument. This category includes instruments that are evaluated on the basis of market quotations for similar instruments where unobservable adjustments or assumptions are required to reflect the difference between instruments.

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

41. Fair value of financial instruments (continued)

The following table shows the Group's financial assets and liabilities at fair value, depending on the hierarchy of its determination:

Group – December 31, 2023	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	5,563,676	**5,563,676**	**5,563,676**
Claims on 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, including:	729,410	111,143	5,800	**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**	**114,511**	**21,243,346**	**25,665,197**	**25,780,614**
Financial liabilities					
Deposits from banks	-	-	1,155,355	**1,155,355**	**1,155,355**
Deposits from MFP	-	-	5,474,122	**5,474,122**	**5,474,122**
Derivative financial instruments	-	22,454	-	**22,454**	**22,454**
Customers' 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 decembrie 2023	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	5,563,676	**5,563,676**	**5,563,676**
Claims on 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, including:	729,410	111,143	5,800	**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**	**114,511**	**21,231,481**	**25,610,387**	**25,725,804**
Financial liabilities					
Deposits from banks	-	-	1,155,355	**1,155,355**	**1,155,355**
Deposits from MFP	-	-	5,474,122	**5,474,122**	**5,474,122**
Derivative financial instruments	-	22,454	-	**22,454**	**22,454**
Customers' deposits	-	-	17,716,616	**17,716,616**	**17,716,616**
Total financial liabilities	**-**	**-**	**24,346,093**	**24,368,547**	**24,368,547**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

41. Fair value of financial instruments (continued)

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

Group – December 31, 2022	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	2,248,992	**2,248,992**	**2,248,992**
Claims on credit institutions	-	-	2,178,811	**2,178,811**	**2,178,811**
Loans, net	-	-	13,500,848	**13,500,848**	**13,507,308**
Debt securities held for trading	159,675	-	-	**159,675**	**159,675**
Financial assets at fair value through other comprehensive income, including:	1,517,327	-	108,793	**1,626,120**	**1,626,120**
- *Investments in equity instruments*	-	-	*5,123*	***5,123***	***5,123***
- *Debt securities*	*1,517,327*	-	*103,670*	***1,620,997***	***1,620,997***
Debt securities at amortized cost	2,612,504	-	-	**2,612,504**	**2,693,223**
Derivative financial instruments	-	21,391	-	**21,391**	**21,391**
Total financial assets	**4,197,354**	**21,391**	**18,037,444**	**22,256,189**	**22,435,520**
Financial liabilities					
Deposits from banks	-	-	1,254,415	**1,254,415**	**1,254,415**
Deposits from MFP	-	-	5,894,721	**5,894,721**	**5,894,721**
Derivative financial instruments	-	6,859	-	**6,859**	**6,859**
Customers' deposits	-	-	14,001,280	**14,001,280**	**14,001,280**
Total financial liabilities	**-**	**6,859**	**21,150,416**	**21,157,275**	**21,157,275**

Bank – December 31, 2022	Level 1	Level 2	Level 3	Fair value	Book value
Financial assets					
Accounts at NBR	-	-	2,248,992	**2,248,992**	**2,248,992**
Claims on credit institutions	-	-	2,166,610	**2,166,610**	**2,166,610**
Loans, net	-	-	13,500,848	**13,500,848**	**13,507,308**
Subordinated loans			-	**-**	**-**
Debt securities held for trading	159,675	-	-	**159,675**	**159,675**
Financial assets at fair value through other comprehensive income, including:	1,517,327	-	108,793	**1,626,120**	**1,626,120**
- *Investments in equity instruments*	-	-	*5,123*	***5,123***	***5,123***
- *Debt securities*	*1,517,327*	-	*103,670*	***1,620,997***	***1,620,997***
Debt securities at amortized cost	2,582,918	-	-	**2,582,918**	**2,654,309**
Derivative financial instruments	-	21,391	-	**21,391**	**21,391**
Total financial assets	**4,259,920**	**21,391**	**18,025,243**	**22,306,554**	**22,384,405**
Financial liabilities					
Deposits from banks	-	-	1,254,415	**1,254,415**	**1,254,415**
Deposits from MFP	-	-	5,894,721	**5,894,721**	**5,894,721**
Derivative financial instruments	-	6,859	-	**6,859**	**6,859**
Customers' deposits	-	-	14,062,771	**14,062,771**	**14,062,771**
Total financial liabilities	**-**	**6,859**	**21,211,907**	**21,218,766**	**21,218,766**

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

41. Fair value of financial instruments (continued)

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

Financial assets

For amounts due from credit institutions, and accounts at NBR, the amortized cost is estimated as approximating the fair value, as it represents short-term deposits and current accounts, with interest rates reflecting current market conditions and without trading costs.

Financial instruments available for sale and held until maturity are measured at fair value, based on the market prices of listed securities. To determine the fair value of securities for which no market prices are available, the Bank uses valuation methods based on directly observable inputs.

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

Financial liabilities

The amortized cost of customers' deposits, deposits from banks and the State are considered to be close to their fair value because these items have short price change terms, have interest rates that reflect market conditions and are terminated without significant trading costs.

Financial liabilities are short-term, with the Bank/Group estimating that their fair value is close to the book value.

42. Transactions with affiliated parties

The Exim Banca Românească analysed 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 the joint control of, the entity (this includes parent companies, subsidiaries or member subsidiaries);

(ii) has an interest in an entity which gives it significant influence over that entity; or

(iii) has joint control over the entity;

(b) the party is an associate (as defined in IAS 28 Investments in Associates and Joint Ventures) of the entity;

(c) the party is a joint venture in which the entity is associate (see IAS 31 Interests in joint ventures);

(d) the party is a member of the key staff of the management of the entity or parent company;

(e) the party is a close family member of any person referred to in (a) or (d);

(f) the party is an entity which is controlled, jointly controlled or significantly influenced by, or for which significant voting rights in such an entity are given, directly or indirectly, by any person referred to in (d) or (e);

(g) the part is a post-employment benefit plan

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

42. Transactions with affiliated parties (continued)

The related parties are therefore the following:

- EximAsig Insurance and Reinsurance Company, as subsidiary of Exim Banca Românească;
- Ministry of Public Finance, as majority shareholder;
- Executive and non-executive management members and key personnel identified.

Persons holding key positions are members of staff whose functions give them a significant influence on the direction of Exim Banca Românească, without being members of the Board of Directors.

The following categories are considered key positions within the Group/Bank:

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

All transactions with related parties were concluded in similar terms, taking into account interest rates and related fees in a similar way to transactions with unaffiliated parties.

The Bank has concluded bank transactions to purchase and sell fixed-income securities, in RON and currency, issued by the Romanian Ministry of Public Finance. These transactions were conducted in normal terms and conditions and at market prices. Transactions with the Ministry of Public Finance are presented in note 18 in these financial statements.

Group – December 31, 2023	Executive management and key personnel	Ministry of Public 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**
Amounts due to customers – total	4,944	-	**4,944**
Deferred income and accruals	-	373	**373**
TOTAL LIABILITIES	**4,944**	**5,474,495**	**5,479,439**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

42. Transactions with affiliated parties (continued)

Group – December 31, 2023	Executive management and key personnel	Ministry of Public Finance	**Total**
Interest income	93	21,324	**21,417**
Interest expenses	-252	-359,737	**-359,989**
Fee and commission income	5	43,037	**43,042**
Fee and commission expenses	-	-277	**-277**
Short-term benefits	-17,893	-	**-17,893**
	-18,047	**-283,519**	**-313,566**

Bank – December 31, 2023	Executive management and key personnel	Societate de Asigurare - Reasigurare EXIMASIG SA	Ministry of Public Finance	**Total**
Net receivables	-	-	-	**-**
Net loans	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 LIABILITIES	**4,944**	**73,272**	**5,474,495**	**5,552,711**

Banca – 31 Decembrie 2023	Executive management and key personnel	Societate de Asigurare - Reasigurare EXIMASIG SA	Ministry of Public Finance	**Total**
Interest income	93	-	21,324	**21,417**
Interest expenses	-252	-4,270	-358,737	**-364,259**
Fee and commission income	5	2	43,037	**43,0441**
Fee and commission expenses	-	-	-277	**-277**
Short-term benefits	-14,250	-	-	**-14,250**
Interest income	**-14,404**	**-4,268**	**-295,653**	**-314,325**

(all amounts are in thousands RON ("RON'000"), unless otherwise specified)

42. *Transactions with affiliated parties (continued)*

Group – December 31, 2022	Executive management and key personnel	Ministry of Public Finance	**Total**
Net receivables	-	600,426	600,426
Net loans	1,403	315,971	317,374
Investments in subsidiaries	-	-	-
Other assets	-	9,822	9,822
TOTAL ASSETS	**1,403**	**325,793**	**327,196**
State funds	-	5,894,721	5,894,721
Customer liabilities-total	9,544	-	9,544
Deferred income and accrued expenses	-	35,077	35,077
TOTAL LIABILITIES	**9,544**	**5,929,798**	**5,939,342**

Group – December 31, 2022	Executive management and key personnel	Ministry of Public Finance	**Total**
Interest income	82	25,754	25,836
Interest expenses	126	-247,729	- 247,855
Fee and commission income	3	43,037	43,040
Fee and commission expenses	-	-211	- 211
Short-term benefits	-19,501	-	-19,501
	-19,542	**-179,149**	**-198,691**

Bank – December 31, 2022	Executive management and key personnel	Societate de Asigurare - Reasigurare EXIMASIG SA	Ministry of Public Finance	**Total**
Net receivables	-	-	600,426	**600,426**
Net loans	1,403	-	315,971	**317,374**
Investments in subsidiaries	-	34,047	-	**34,047**
Other assets	-	213	9,822	**10,035**
TOTAL ASSETS	**1,403**	**34,260**	**926,219**	**961,882**
State funds	-	-	5,894,721	**5,894,721**
Customer liabilities-total	9,544	61,491	-	**71,035**
Deferred income and accrued expenses	-	-	35,077	**35,077**
TOTAL LIABILITIES	**9,544**	**61,491**	**5,929,798**	**6,000,833**

Bank – December 31, 2022	Executive management and key personnel	Societate de Asigurare - Reasigurare EXIMASIG SA	Ministry of Public Finance	**Total**
Interest income	82	-	25,754	**25,836**
Interest expenses	-126	-1,835	-247,729	**-249,690**
Fee and commission income	3	634	43,037	**43,674**
Fee and commission expenses	-	-1,583	-211	**-1,794**
Short-term benefits	-16,228	-	-	**-16,228**
	-16,269	**-2,784**	**-179,149**	**-198,202**

43. Subsequent events tot he balance sheet date

In the State Budget Law for the year 2024 (Law no. 421/2023), a sum of 750 million RON was provided for the year 2024 for the increase of the share capital of Exim Banca Românească S.A. The increase will be granted after notification to the European Commission by the Ministry of Finance and obtaining the authorization decision for the share capital increase, in accordance with European legislation regarding state aid.

Except for the aforementioned, up until the signing date of these financial statements, there have been no other significant subsequent events in the year 2024 that would have impacted the financial statements.

The financial statements were approved by the Board of Directors on April 4, 2024.

Traian Sorin Halalai	**Lidia Stan**
Executive president	Chief executive officer DFC

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